DOMINION OF CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

FOURTH SESSION—TWENTY-FIRST PARLIAMENT

15 GEORGE VI, 1951

BEING THE 92ND SESSION FOR THE PERIOD 1867-1951

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COMPRISING THE PERIOD FROM THE THIRTIETH DAY OF JANUARY, 1951,
TO THE SEVENTH DAY OF MARCH, 1951, INCLUSIVE

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CANADA

House of Commons Debates

OFFICIAL REPORT

Speaker: The Honourable W. Ross Macdonald

Tuesday, January 30, 1951

FOURTH SESSION—TWENTY-FIRST PARLIAMENT—OPENING

The parliament which had been prorogued on the twenty-ninth day of January, 1951, met this day at Ottawa for the dispatch of business.

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

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

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

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

Accordingly, Mr. Speaker with the house went up to the Senate chamber.

And the house being returned to the Commons chamber:

OATHS OF OFFICE

Right Hon. L. S. St. Laurent (Prime Minister) moved for leave to introduce Bill No. 1, respecting the administration of oaths of office.

Motion agreed to and bill read the first time.

SPEECH FROM THE THRONE

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

Honourable Members of the Senate:

Members of the House of Commons:

Since you met in special session in the autumn of last year, there has been a further deterioration in the international situation. The intervention of Chinese forces in active opposition to the United Nations forces in Korea has increased the danger of a general conflagration.

So far the efforts to achieve a peaceful settlement in the Far East have not succeeded. While aggression cannot be condoned and will continue to be resisted, it is the view of my ministers that the door to negotiation at any time a cessation of hostilities in Korea can be arranged must be kept open.

The increased menace in the Far East reinforces the mounting evidence that communist imperialism is determined to dominate the world by force or the fear of force, and that the only hope of maintaining peace with freedom lies in the rapid increase of the combined strength of the free nations. It is equally important that the free nations should make it abundantly clear that they have no aggressive designs and that they are resolved to aid in constructive endeavours to improve the standards of human welfare in underdeveloped countries.

My ministers have endeavoured to uphold these international objectives in the deliberations of the United Nations, at the recent meeting of the prime ministers of the commonwealth countries, and in our diplomatic relations with all nations and governments.

Units of the Royal Canadian Navy and the Royal Canadian Air Force have shared from the outset in the United Nations action in Korea. One battalion of the Canadian Army special force is now in Korea, and the rest of the force is at Fort Lewis, Washington, where it is available for service in Korea or for other employment in discharge of our international obligations.

Progress has been made in the organization of an integrated force in Europe under the North Atlantic treaty organization. The Supreme Commander, General Eisenhower, has recently visited Canada to consult with the government and the chiefs of staff. You will be asked early in the session to authorize Canadian participation in this integrated force as part of our program for national defence and security. You will also be asked to approve substantially increased expenditures for defence.

The urgent need of the St. Lawrence seaway and power project in relation to the security of this

continent is becoming increasingly apparent. It is the view of my ministers that the Canadian authorities should be kept in a position to co-operate promptly in undertaking construction of the project once affirmative action has been taken by the appropriate United States authorities.

Your approval will be sought for an appropriate Canadian participation in the Colombo plan and in technical assistance to underdeveloped areas.

The policies of the government are designed to prevent war, but the dangers of the international situation and the magnitude of the defence effort required as a deterrent have, in the opinion of my ministers, created an emergency situation. You will accordingly be asked to approve legislation vesting in the governor in council additional powers to ensure adequate defence preparations to meet the present emergency and to prevent economic dislocation resulting from defence preparations.

You will also be asked to approve a bill to establish a Department of Defence Production to act as a procurement agency for the defence forces of Canada and also for such defence requirements of our allies as may be met from Canadian production.

Amendments to legislation relating to the armed forces will also be submitted for your approval.

Legislation will be submitted respecting the application of the benefits of the veterans charter to members of the special force. Amendments will be introduced to legislation concerning pensions for veterans and their dependents to relieve difficulties being experienced by certain groups of pensioners provided for thereunder.

Appropriate amendments to the Canadian Citizenship Act will be introduced to prevent the retention of Canadian citizenship by persons who have renounced their allegiance or shown by their conduct that they are not loyal to Canada.

The high level of employment and production within our country give our people increased capacity to meet the demands of national and international security.

The spirit of unity so happily reflected in the conferences between the federal and provincial governments is further evidence of our ability to make an effective national response to the emergency.

Proposals were laid before the provincial governments for new tax agreements and for a contributory old age pensions program along the lines recommended by the joint committee at the last regular session.

The provincial governments are at present giving consideration to these proposals and to proposals for constitutional amendments which may require to be submitted to you before the close of the present session.

You will be asked to consider measures respecting federal grants to municipalities in lieu of taxation of crown property, the abolition of the requirement of the fiat in the case of petitions of right, and the bequests of Laurier House and Kingsmere.

You will also be asked to consider a complete revision of the Indian Act and the Consolidated Revenue and Audit Act.

Other measures to be introduced will include amendments to the Immigration Act, the Post Office Act, the Central Mortgage and Housing Act, the Gold Mining Assistance Act and the Customs Act.

It is anticipated that the reports of the royal commissions on transportation and on national development in the arts, letters and sciences will become available during the course of the session.

[Mr. Speaker.]

Members of the House of Commons:

You will be asked to make provision for national defence and the meeting of our obligations under the United Nations charter and the North Atlantic treaty, as well as for all essential services.

Honourable Members of the Senate:

Members of the House of Commons:

May Divine Providence bless your deliberations and give to our people the fortitude and patience to sustain the trials of these troubled times.

MOTION FOR PRECEDENCE OF DEBATE ON ADDRESS

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I beg leave to move, seconded by the Minister of Trade and Commerce (Mr. Howe):

That the speech of His Excellency the Governor General to both houses of parliament be taken into consideration on Wednesday next, and that, unless and until otherwise ordered, this order have precedence over all other business except introduction of bills and government notices of motions until disposed of.

Motion agreed to.

STANDING COMMITTEES

Right Hon. L. S. St. Laurent (Prime Minister) moved:

That a special committee be appointed to prepare and report, with all convenient speed, lists of members to compose the standing committees of this house under standing order 63, said committee to be composed of Messrs. Fournier (Hull), Claxton, Casselman, Shaw and Weir.

Motion agreed to.

INTERNAL ECONOMY COMMISSION

Right Hon. L. S. St. Laurent (Prime Minister) presented the following message from His Excellency the Governor General:

The Governor General transmits to the House of Commons a certified copy of an approved minute of council, appointing the Hon. Alphonse Fournier, Minister of Public Works, the Hon. D. C. Abbott, Minister of Finance, the Hon. J. J. McCann, Minister of National Revenue, and the Hon. F. G. Bradley, Secretary of State of Canada, to act with the Speaker of the House of Commons as commissioners for the purposes and under the provisions of chapter 145 of the Revised Statutes of Canada, 1927, intituled: An act respecting the House of Commons.

HOUSE OF COMMONS

APPOINTMENT OF CHAIRMAN OF COMMITTEES OF THE WHOLE

Right Hon. L. S. St. Laurent (Prime Minister) moved:

That Louis Rene Beaudoin, Esquire, member for the electoral district of Vaudreuil-Soulanges, be appointed deputy chairman of committees of the whole house.

Motion agreed to.

REPORTS AND PAPERS

Report of the joint librarians of parliament. —Mr. Speaker.

Report of the chief electoral officer on by-elections held during the year 1950.—Mr. Speaker.

BUSINESS OF THE HOUSE

Mr. St. Laurent: Mr. Speaker, I move that the house do now adjourn until three o'clock tomorrow afternoon.

In view of the fact that under the standing orders there is only one sitting of the house

on Wednesdays, and the further fact that, in accordance with the motion adopted a few minutes ago, the business tomorrow will be the consideration of His Excellency's speech to both houses of parliament, I suggest that after the motion for an address to His Excellency is made and seconded, we adjourn until Thursday, at which time, in accordance with tradition, the leader of the opposition (Mr. Drew) will be the first to be recognized; I might follow, and then the other leaders, in the order that has become traditional in this house.

Motion agreed to and the house adjourned at 4 p.m.

HOUSE OF COMMONS

Wednesday, January 31, 1951

The house met at three o'clock.

DUPLESSIS BRIDGE

INTERRUPTION OF COMMUNICATIONS BY COLLAPSE OF BRIDGE AT THREE RIVERS

Mr. Leon Balcer (Three Rivers): Mr. Speaker, I rise on a question of privilege to direct the attention of the house to a tragedy which occurred this morning at Three Rivers through the collapse of the highway bridge. Communications have been disrupted, and I should like to know if it is possible for the Department of National Defence to provide for the temporary use of a Bailey bridge to serve the area.

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, I heard only a few minutes ago of this most regrettable tragedy. There has been no inquiry from the government of the province as to what aid we could render. My recollection of this bridge is that the river is too deep and too wide to permit the use of a Bailey bridge. However, I shall be glad to look into the matter and see what can be done.

BRITISH NORTH AMERICA ACT

AMENDMENTS TO THE CONSTITUTION—CORRESPONDENCE WITH PROVINCIAL GOVERNMENTS

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I should like to lay on the table copies of correspondence exchanged between the Minister of Justice (Mr. Garson) on my behalf and the premiers of the several provinces with respect to suggestions for constitutional amendments.

(*For text of correspondence, see pages 43 to 47.*)

REPORTS AND PAPERS

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, I wish to table the report of the Department of National Revenue for the fiscal year ended March 31, 1950; also the report of the Canadian Broadcasting Corporation for the fiscal year ended March 31, 1950.

So far as export petroleum and pulpwood regulations are concerned, none having been promulgated since the last return was made, no report will be made regarding this item.

EXTERNAL AFFAIRS

SUPPLEMENT TO REPORT OF DEPARTMENT ON "CANADA AND THE KOREAN CRISIS"

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, I should like to lay on the table copies, in English and in French, of a report entitled "Documents on the Korean Crisis." This report will supplement the material contained in the report "Canada and the Korean Crisis," which I tabled on September 1, 1950.

BUSINESS OF THE HOUSE

EXTERNAL AFFAIRS, DEFENCE, COST OF LIVING AND INFLATION—ARRANGEMENTS FOR DEBATE

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Prime Minister. I wrote a letter to him which I know he has not had very much time to consider; I was informed that he was out of the office at the time of its arrival. In that letter I suggested that in view of the present situation the desirability should be considered of setting aside days for debates on the three major items that will obviously be before this house, and that the report on external affairs should be made immediately, with an opportunity to debate that as one subject, followed by national defence, and, after that, the cost of living and inflation.

Is the Prime Minister in a position to say whether he will comply with this suggestion? I believe it would provide the most orderly way of proceeding with the discussion, which may be unrelated to reality if we have no facts upon which to base our comments.

Right Hon. L. S. St. Laurent (Prime Minister): I received just as I was coming into the house, because up to that time I was engaged elsewhere, the letter referred to by the leader of the opposition, and I have just had time to look at it. I must confess that I was taken by surprise, because I had gathered from what took place yesterday that we would be following the traditional procedure; that after the mover and the seconder of the address had spoken today the leader of the opposition might wish to ask for an adjournment in order that he might speak to the address on Thursday

Business of the House

Traditionally the procedure would have been for me to reply and then for the other leaders to speak. We had intended to ask the Secretary of State for External Affairs (Mr. Pearson) to take part in the debate immediately after that, and make a statement about the present international situation as he views it. We had also expected that at an early time the Minister of National Defence (Mr. Claxton) might make a statement enlarging on what is set forth in the speech from the throne about defence preparations, and that there would also be an opportunity at an early day for a member of the government to make a statement about economic controls that may have to be contemplated. There would be an opportunity for those three subjects to be discussed in appropriate sequence in the debate on the address.

To my knowledge we have not followed the practice of the parliament at Westminster of setting aside a day for debating any particular subject. Without the introduction of a special motion or resolution, I should be at some loss to find an appropriate standing order under which these subjects might become debatable matters. On the other hand, in the debate on the speech from the throne all three can be fully considered, because they are all referred to therein. My understanding is that the adoption of the address at the parliament of Westminster is regarded almost as a formality and takes place practically without debate.

If it were the desire of the house to adopt the address at once, we could immediately move to set up the committee of supply. I would not want to give a formal opinion, but I would imagine that there might be an opportunity then for debating these three subjects in proper sequence. But I must confess that I have not had any opportunity of considering this matter with my colleagues. I trusted, and still trust, that it might be convenient to follow the traditional order. If the various leaders made their speeches on the address tomorrow I would undertake that the Secretary of State for External Affairs would follow on Friday with as complete a statement of the situation, as he views it, as it is within his province to make, and that very soon after that the Minister of National Defence would be prepared to enlarge upon the statements about defence preparations contained in the speech from the throne.

Of course it might make for dispatch if we adopted the speech from the throne right away and found another appropriate method to deal with the other matters, but I would not like to ask hon. members to forgo their right to discuss matters of public concern which they think it is necessary to bring before parliament in its opening days, unless that seemed to be almost the unanimous feeling of the house. If we followed the procedure suggested yesterday I would hope that we would get before the house, beginning on Friday with external affairs and perhaps following on Monday with national defence, full statements from the ministers concerned with respect to the policies of the government announced in such general terms in the speech from the throne.

Mr. Drew: Since the Prime Minister has indicated that he has received such short notice of this matter, and since admittedly this procedure has not been adopted before, for the purpose of seeking further consideration I should like to make a point with respect to what he has said. If we adopted the procedure followed at Westminster of naming a day for discussion of these major subjects, consideration of the speech from the throne could then proceed with all members possessed of the information essential to effective debate. If the usual course is followed it is obvious that those members who have already spoken will not then be able to take part in any such debate as might be arranged to deal with a particular subject. In the government and in the other parties there are certain members who deal particularly with certain subjects and they might lose the opportunity to deal with those particular subjects.

This matter can stand, but I would again urge consideration of the subject by the Prime Minister. As he has already pointed out, the speech from the throne is in very general terms, and I suggest that the very general terms in which we received the information make it extremely difficult at this time to discuss three of the most vital subjects which this house will be called upon to deal with, or in fact that it has ever been called upon to deal with. I am not suggesting this as a practice always to be followed in the future. I am not suggesting it as a practice that would in any way limit the opportunity of any member to deal with those subjects that arise in the debate on the speech from the throne. I am suggesting, however, that we are in a most unusual and critical period and that it would be extremely helpful, from the point of view of orderly debate and the attainment of that approximation to unanimity with regard to those matters on which we can agree, which will certainly be forthcoming, to have the essential information on these vital subjects before we proceed with the general debate.

I leave that suggestion with the Prime Minister. If it commends itself to him and his colleagues we can follow another course tomorrow. In view of the fact that the Secretary of State for External Affairs (Mr. Pearson) is here, I should think that the house

would undoubtedly accept a motion to proceed with a subject of that kind if it were presented by the government.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I think considerable confusion has been caused in the past by intervention of other business in the course of the debate on the address in reply to the speech from the throne. I do not think it has facilitated the business of the house at all. Last year, I remember, there was considerable criticism on this side of the house—I think from all parties—because of the manner in which the traditional procedure was changed. I have great sympathy with what the leader of the opposition (Mr. Drew) has said regarding these problems. Nevertheless I believe that the debate on the address in reply to the speech from the throne is the first, and indeed the main, opportunity for private members to express to the government what they, and through them their constituents, are thinking about the problems that have arisen.

While we should make every effort to shorten the debate as much as we possibly can—and it is a very difficult thing to do—nevertheless by continuing the debate we would facilitate the business of the house, the government would understand the views of private members and of the people of the country, and in the end we would be further ahead if we disposed of the address first and then took up these vital problems in the order that has been mentioned.

There is one other method that could be adopted by members of the opposition or members on the government side of the house if they so desired, if they felt these matters were of sufficient interest to justify a statement from the minister concerned. Amendments could be moved from time to time. It has been my experience in the past that when we have interrupted the debate on the address to do something else we have not facilitated the business of the house—indeed I think we have rather delayed it.

WHEAT

QUESTION AS TO FINAL PAYMENT ON FIVE-YEAR POOL

On the orders of the day:

Mr. Robert Fair (Battle River): May I ask the Minister of Trade and Commerce when the wheat growers of the prairie provinces may expect the final payment under the five-year wheat pool, and whether the government has made up its mind what it will contribute toward making up the losses sustained by those farmers? If the amount has been determined, how much will it be?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I am not able at this time to make a statement regarding the five-year pool.

Mr. Wright: If I may ask a supplementary question, is the government still carrying on negotiations with the United Kingdom government with respect to any further payment under what is commonly known as the "have regard" clause in the four-year British contract?

Mr. Howe: I am not able to make a statement on that subject today.

Mr. Ross (Souris): If I may ask a further supplementary question, could the Prime Minister say whether negotiations have been reopened with the British government in regard to a final settlement of the United Kingdom-Canada wheat agreement and the five-year pool?

Right Hon. L. S. St. Laurent (Prime Minister): I will not say that negotiations have been opened with the government of the United Kingdom in that regard, but representations were made as to what I thought was the view prevailing throughout the wheat-producing provinces of Canada in regard to the fulfilment of all obligations under the four-year contract.

CHINA

INQUIRY AS TO PROHIBITION OF EXPORT OF CANADIAN FUNDS

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): In view of the communist blackmailing of friends and relatives of Canadians in China, has the government considered the prohibition of export of Canadian funds to communist China?

Hon. Douglas Abbott (Minister of Finance): The matter has not been given consideration up to the present time.

ST. LAWRENCE WATERWAY

INQUIRY AS TO CONSTRUCTION BY CANADA ALONE

On the orders of the day:

Mr. Gordon Graydon (Peel): In view of certain government statements made during the recess, I should like to ask the Prime Minister whether it is the intention of the Canadian government to proceed alone with the construction of the St. Lawrence seaway if the United States congress does not, within a reasonable time, offer its co-operation in that regard.

Right Hon. L. S. St. Laurent (Prime Minister): The prospects of co-operation

between the two governments in the construction of the project as a whole, both for navigation and for hydroelectric power development, appear quite good at the present time, and we are hopeful that within a short time there will be some constructive action in that regard.

Mr. Graydon: That is good news.

SPEECH FROM THE THRONE

ADDRESS IN REPLY, MOVED BY MR. W. H. MCMILLAN AND SECONDED BY MR. MAURICE BRETON

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

Mr. W. H. McMillan (Welland): Mr. Speaker, it is my privilege to move, seconded by the hon. member for Joliette-L'Assomption-Montcalm (Mr. Breton):

That the following address be presented to His Excellency the Governor General of Canada:

To His Excellency Field Marshal the Right Honourable the Viscount Alexander of Tunis, Knight of the Most Noble Order of the Garter, Knight Grand Cross of the Most Honourable Order of the Bath, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Companion of the Most Exalted Order of the Star of India, Companion of the Distinguished Service Order, upon whom has been conferred the decoration of the Military Cross, Governor General and Commander in Chief of Canada.

May it please Your Excellency:

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

I am well aware, sir, that the Prime Minister (Mr. St. Laurent) has conferred a high honour upon me in inviting me to move the address to His Excellency in reply to the speech from the throne. I do not view this as a personal tribute, because this is my first step into Canadian politics and I have yet to prove my fitness for this important undertaking. I consider it rather as a tribute to the good people of the county of Welland whom I have the honour to represent. It is also a tribute to the memory of my immediate predecessor as member for that county, the late Hon. Humphrey Mitchell, for many years minister of labour, whose untimely death was a shock to all the people of my county, as I am sure it was to all hon. members of this house. His untiring efforts on behalf of his constituents and the people of Canada generally will long be remembered. It is also a tribute to the medical profession of which I am a member. In this house there have been many distinguished members of that profession, in the past as there are at the present time. The Minister of National Revenue (Mr. McCann) is a member of my profession, who quite recently received the honorary degree of doctor of laws from his and my alma mater, Queen's university.

In passing I cannot help paying tribute to an old friend and medical confrere, the hon. member for Lanark (Mr. Blair). We graduated together from Queen's in medicine; we joined the Royal Canadian Army Medical Corps and spent three years in France. Then we came back and did post-graduate work together in New York. Now, after all these years, we are together again and yet apart, in this Canadian House of Commons.

On one occasion during the first world war it was my privilege to sit in the gallery at Westminster. At that time I heard the first sea lord, the late Sir John Fisher, answer critics of the Royal Navy, while trying to get some estimates passed. He was assisted by such illustrious parliamentarians as the late Right Hon. Bonar Law and the late Sir Arthur Balfour, afterward Lord Balfour. These were household names in the British empire and throughout the world at that time. I was impressed by the democratic processes at work that day. I have always looked upon the mother of parliaments as the ideal in democracy. There a freedom has been developed under which all men are equal, an ideal that has long since taken root wherever Britishers have gone.

Today a tyranny threatens that way of life. Our civilization has reached a point at which the destiny of our country, and perhaps in no small part that of the whole world, may well be in the hands of the hon. members of this house. We pray for courage, for resolution and for divine guidance during this critical period of our history. I feel that our chief consideration here should be for our own survival and the survival of democracy.

In his New Year's message to the Canadian people I heard His Excellency state that he would be pleased to remain in Canada throughout 1951. I am sure I express the sentiments of all hon. members of this house when I say we would be pleased to hear him repeat that message at the beginning of 1952. During the second world war Field Marshal Alexander won our admiration as an outstanding military leader. Since then His Excellency and Lady Alexander have done much travelling in Canada and have endeared themselves to the hearts of the Canadian people.

The counties of Welland and Lincoln are the most easterly in the Niagara peninsula. They are separated from the great empire

state of New York by the Niagara river in its entire length. The Welland ship canal, which was built to overcome the rapids and the falls at Niagara, traverses both these counties. The canal connects lake Erie and lake Ontario, and its course runs parallel to the Niagara river at distances of from seven to twelve miles from that river. It can truly be said that in Niagara falls we have one of the natural wonders of the world, and in the Welland ship canal we have one of the man-made wonders of the world.

My home is at Thorold in the northern end of the county. It was here that the Welland ship canal was officially opened in August, 1931, by the late Right Hon. Stanley Baldwin, then prime minister of Great Britain. At that time the late Hon. Dr. Manion was minister of railways and canals. In Thorold we say that the steamships climb the mountain, because the height of the whole Niagara escarpment is ascended in a distance of less than one mile.

In the early days industry settled along the canal in order to make use of the water for power purposes and for shipping facilities. Today the water power has been largely replaced by hydroelectric power, but many of the industries have remained and expanded. The Welland ship canal passes through the city of Welland, the county seat, and also the town of Port Colborne, which is situated on the lake Erie entrance to the canal. The county of Welland has two fast-growing cities in the cities of Niagara Falls and Welland. We also have near cities in Fort Erie, Port Colborne, Stamford and Thorold, and our rural areas are densely populated. Without a doubt we have one of the largest ridings by way of population in the Dominion of Canada. There are about 120,000 people in the county, with an electorate of about 70,000.

The earliest settlers consisted mainly of United Empire Loyalists who crossed the Niagara river from 1790 onward to carve out homes in the wilderness. Before them and later, many came from the British isles. Since world war I we have had a great influx of fine people from central and southern Europe. More recently many of our good neighbours from our sister province of Quebec have entered our county. Living as we do in close proximity to the great American cities of Niagara Falls and Buffalo, our people have daily contact with our friends in that country and thereby contribute to a greater mutual understanding between our peoples.

Our agriculture is varied between general farming, fruit farming, market gardening and grape growing. The Fonthill, Fenwick and Stamford areas are very productive and have several nurseries, fruit farms and vineyards.

In Welland county we have one of the most intensely industrialized areas in the Dominion of Canada. Today a $160 million hydroelectric development is getting under way at Niagara falls to add another 500,000 horsepower to the already large production of hydroelectric power in that area. Our county can boast of several steel, pulp and paper, abrasive, chemical and flour milling plants. It has several wineries, a nickel refinery, cement works, aircraft factory, a fertilizer and explosives plant, a plant for the manufacture of farm machinery, as well as a large number of smaller plants. All these industries make Welland an area vital to the welfare of all the people of Canada, both in time of peace and in time of war. In passing, I might mention that the people of the county of Welland subscribed slightly over $159 million in the various war loans.

Finally, our county is a mecca for tourists. Not only is it a gateway into Canada for our cousins from the United States, but the Ontario government maintains the beautiful Niagara parks, which consist of thirty-five miles of magnificent parklands bordering the Niagara river and include many well known and famous gardens, unusual floral displays, ancient fortifications, old battlefields and historic sites of interest and significance to the people of North America. More than one hon. member has admitted to me that he visited Niagara falls on the occasion of the celebration of his leaving the state of bachelorhood.

In the first half of this century, prior to the time of the late Hon. Humphrey Mitchell, Welland was represented by distinguished men in this house. These were the late William Manley German, the late A. B. Damude, the late Evan Fraser, and Mr. George Pettit, K.C., a well-known solicitor and distinguished citizen of the city of Welland.

Since the last meeting of parliament the arbitrator in the railway strike has made his report. The outcome was favourable to labour in that labour obtained most of its demands. This should dispel any idea that there was any unnecessary attempt on the part of the government to interfere with free collective bargaining. The conference between the premiers of our provinces and the federal government was marked in its evidence of good will and cordial relations, which we hope will continue to promote a united Canada. Certain constitutional amendments and tax agreements were submitted to the provinces and, of course, have to be considered by the various provincial governments. If the provinces accept the federal old age

security proposal, Canada will have for her aged citizens a program that will stand comparison with any other such program in the world.

Among other items in the forecast of legislation, we are pleased to note that there is one to relieve the difficulties of veterans and their dependents.

We are pleased to note that the President of the United States, in his economic message to the eighty-second congress, again stressed that the United States should start immediately on the St. Lawrence seaway and power project. There was a report from his council of economic advisers which said:

> The project must be begun if imported ore is to become economically available in quantity in our inland steel centres by 1956, when the flow of Mesabi ore will almost certainly have begun to dwindle.

This work will be proceeded with in conjunction with our country when the legislation is finally adopted. When the navigation improvements are completed they will add greatly not only to the economic welfare of our newest province of Newfoundland, with its iron ore, but to many other parts of Canada as well. The power development part of the project will supply areas, particularly in Ontario, that have been short of electric power in recent years, and permit a greater industrial development of those areas.

It is the hope of our government to admit many new, carefully selected people, mostly from western Europe and the United Kingdom. Financial aid will be extended to help pay the fares of many of these people coming both by sea and by air. This tide of new people will strengthen the economy of our country, and they will be a valuable addition to our Canadian working force in helping us meet our obligations in preparation for defence.

Canada is a land of opportunity for these people. In the past many have been freely admitted. I agree that the few who have abused the privileges of citizenship granted them should be subject to further examination, followed by whatever action the government sees fit to take.

As a medical man, I am particularly interested in the health program which the federal government has made possible in recent years. I will enumerate what to my mind are some of the outstanding features of that program.

The national health program announced in May, 1948, was the most outstanding event in Canada's recent health history. In the past two and a half years plans have been made to spend $50 million out of the federal health grants to the provinces. With the assistance of these grants, health services in Canada are reaching new high levels. In all ten provinces careful surveys of existing facilities and services are being undertaken. Badly needed new hospitals and additions have provided 25,000 new beds. In various fields the government has helped to train 3,500 health workers; and staffs have been added to provincial and local health services. Medical research has been greatly advanced by federal grants. Finally, the federal government, through almost 3,000 individual projects, has assisted the provinces to intensify their preventive and treatment programs against such dreaded diseases as cancer, tuberculosis, mental illness, venereal disease and crippling conditions in children. I think this program is really the foundation of a national health scheme.

I am quite aware of the fact that most health measures come directly under provincial jurisdiction; but after practising medicine for over thirty years I realize that one of the main elements in connection with the insecurity of our people is the high cost of hospitalization and the expensive diagnostic, medical and surgical procedures so often necessary without warning. I have often seen life savings wiped out in a few weeks or months of unexpected sickness or accident. I cannot help but express the hope that we shall soon see the day when there will be available to all our people a contributory health plan to meet the cost of major sicknesses and accidents. We have many group plans that are fine so far as they go, but they are either not available or are not easily available to the large majority of our people. The statement of policy adopted by the general council of the Canadian Medical Association on June 14, 1949, reads in part as follows:

> The Canadian Medical Association hopes that the provincial surveys now being conducted will provide information likely to be of value in the elaboration of detailed schemes.
>
> The Canadian Medical Association will gladly co-operate in the preparation of detailed schemes which have as their object the removal of any barriers which exist between the people and the medical services they need, and which respect the essential principles of the profession.

Canada must immediately take her place in the program of increased rearming for defence, not only for our own security but for the collective security of all free nations. We commend the efforts of our land, sea and air transport forces in the Korean war. We are pleased to note that plans are under way to meet our obligations under the North Atlantic treaty by organizing an integrated force to serve under General Eisenhower in western Europe.

To meet our obligations our government must have adequate authority from parliament in order to proceed with the least possible delay. One of the steps necessary is the creation of a new department to procure defence supplies for ourselves and for our allies. We all realize that our defence program must be integrated with that of our good friend and neighbour, the United States of America. Our defence programs will obviously involve greatly increased spending and therefore an increase in taxes. Increased taxes are never easy to bear, but it will be the duty of hon. members to give consideration to a fair application of these taxes.

At the recent conference of the commonwealth prime ministers in London, our own Prime Minister (Mr. St. Laurent) took an important part. These nine commonwealth leaders, who represent one-quarter of the world's population extending over all continents and oceans, agreed to strengthen their defences and to stand for peace. In order to promote real peace they urged that the wounds of the last war must be healed; that settlements with Germany and Japan should be made with speed; that any feasible arrangements for a frank exchange of views with Russia and China would be welcomed.

We are deeply grateful for the efforts put forth by the commonwealth members, and by our own Prime Minister and the Secretary of State for External Affairs (Mr. Pearson) in particular, directed towards obtaining a cessation of hostilities in Korea. They also stated that the peace and prosperity of the free world cannot be assured while millions live in poverty. Contribution on our part towards the Colombo plan is a practical evidence of our government's effort to remove one of the causes of war. Some of us may regard war as inevitable; but a determined and resolute rapidly-arming western world might well be a deterrent. At the same time we must try to achieve an honourable peace, and it is possible that it may only be achieved by the same zeal and energy that we put into our defence program.

Most of the western world has been prosperous. Canada, for instance, has enjoyed the most prosperous year in her history. We produced more, earned more and spent more than ever before. At the same time, in parts of Europe, Asia and Africa, people died of starvation and millions more barely eked out an existence. Here, to my mind, is the real threat to our security; for poverty, disease and want breed wars. So long as these conditions continue to exist, there can be no security for us; for they provide a fertile field for communism. We know that communism is not the answer; but people in dire need do not question the source of aid, however meagre or fraudulent.

If we accept our responsibilities towards the underprivileged people of the world and if we actively try to promote the brotherhood of man, we of the free nations may yet achieve the peace which now seems so far distant. War may not be inevitable unless we so regard it.

In closing, Mr. Speaker, I want to extend congratulations to our Prime Minister, who tomorrow will celebrate his sixty-ninth birthday. Long may he be spared in good health to carry on in his high calling.

(Translation):

Mr. Maurice Breton (Joliette-L'Assomption-Montcalm): Mr. Speaker, it is a fearful privilege for a new member to be called upon to second the address in reply. I am going through that experience today and I must recognize that the tremor felt by my predecessors, under similar circumstances—as evidenced by *Hansard*—was not purely academic.

It gives me great pleasure, however, to second the address of my colleague, the new member for Welland (Mr. McMillan), in reply to the speech by His Excellency the Governor General to both houses of parliament.

I wish, at the outset, to thank the Prime Minister and his colleagues for the honour they have bestowed both upon myself and upon the riding of Joliette-L'Assomption-Montcalm in asking me to second the address, and I trust I may be able to perform my task as brilliantly as the hon. member for Welland. May I offer the latter my sincere congratulations both on his speech and on his recent election to parliament. I would like also to take this opportunity to thank my friends from my riding who came here today in such great number to support their new representative in his first endeavour.

In a statement to the press, following the adjournment of the house, the right hon. the Prime Minister used kind words with regard to my election by acclamation on October 3 in the riding of Joliette-L'Assomption-Montcalm. I am very pleased to point out that this result is an unequivocal tribute paid by the electors of my riding to the prestige of the right hon. the Prime Minister and to that of the present government as well as to the high reputation of the new leader of the Quebec provincial Liberal party, Mr. Georges-Emile Lapalme, who preceded me in this house.

(Text):

Since last session events have taken place to which I feel I must refer. Among others I wish to recall the appointment of the Secretary of State for External Affairs (Mr. Pearson) to the cease-fire committee of the United Nations. His attitude in the Korean struggle, as it appears from his broadcast delivered at Lake Success on December 5, and from his other statements, conforms in the best possible manner to the general wishes of this country. May I offer my congratulations to the Secretary of State for External Affairs upon the good work he is doing at Lake Success.

May I also extend my best wishes to the Minister of Mines and Technical Surveys (Mr. Prudham) on the occasion of his recent appointment. I am sure that every hon. member will rejoice at the news that the province of Alberta is now represented in the cabinet.

I also offer my congratulations to the hon. member for Kenora-Rainy River (Mr. Benidickson) who has been appointed parliamentary assistant to the Minister of Transport; to the hon. member for Regina City (Mr. McCusker) who has been appointed parliamentary assistant to the Minister of National Health and Welfare; to the hon. member for Winnipeg South Centre (Mr. Maybank) who has been appointed parliamentary assistant to the Minister of Resources and Development, and also to the hon. member for Vancouver Centre (Mr. Campney) who has been appointed parliamentary assistant to the Minister of National Defence.

(Translation):

I also congratulate the hon. member for Montmagny-L'Islet (Mr. Lesage) who has been appointed parliamentary assistant to the Secretary of State for External Affairs (Mr. Pearson). My congratulations are also extended to the hon. member for Gaspe (Mr. Langlois) who has been appointed parliamentary assistant to the Postmaster General (Mr. Rinfret).

(Text):

I also take this opportunity to express my sympathy to the family of Mr. J. L. Douglas, the ex-member for Queens, and to the family of Mr. J. E. Matthews, the ex-member for Brandon, whose recent deaths have deeply grieved this house.

(Translation):

I cannot let the appointment of my predecessor in this house, Mr. Georges-Emile Lapalme, as leader of the Liberal party in the province of Quebec, pass unnoticed. I am happy at this time to pay tribute to Mr. Lapalme and to wish him all the success he deserves in the discharge of his new duties. The new provincial leader's campaigns in the constituency of Joliette-L'Assomption-Montcalm, his deep knowledge of politics, his liking for work, his cultural attainments, his intellectual and moral integrity, his energy and his talents marked him out for a leading role in the administration of public affairs in the province of Quebec.

Mr. Lapalme acquired an excellent working knowledge of public affairs during his term of office in Ottawa and his experience as a member of parliament made him conscious of the urgency of social reforms necessary in the province of Quebec. I am confident that his policy of social justice, patterned upon the Liberal doctrine, will have a favourable effect on the trend in the province of Quebec.

Since the adjournment of the house, two dominion-provincial conferences were held, the first in Quebec on September 25 and the second in Ottawa on December 4 last. Their purpose was to discuss means of amending the Canadian constitution and to consider the renewal of tax agreements between governments, as well as problems of social security.

Every member of this house has, I am sure, noted with satisfaction that there is an ever increasing spirit of co-operation between the representatives of the various provinces and of the dominion government.

The mistrust which may have been present at first has given place to a growing desire to co-operate, and to the unanimous will to settle in a friendly manner some of the serious problems in the field of constitutional rights. Even though, so far, discussions dealt mainly with matters of procedure, it is to be hoped that once this important point has been clearly defined, settlement of the others will follow.

The government deserves, of course, to be commended by this house for the manner in which it has dealt with the constitutional problem, both as to form—amendment methods or procedure—and to substance, by placing particular emphasis on the necessity of broadening the scope of social security in this country, while at the same time respecting the autonomy of the provinces.

By thus classifying the constitutional problems, the government has led the way and, in every instance, has helped clear up what misunderstandings may have existed at the time.

Indeed it will be remembered that, in the fall of 1949, at the first session of this parliament, the government introduced its three-point program for constitutional reform:

1. Abolition of appeals to the privy council.

2. Right for the parliament of Canada to amend the constitution with respect to matters coming under its exclusive authority.

3. Consultation with the provinces for possible amendment of those matters involving both authorities.

This classification of the problems to be considered was adopted by the federal-provincial conferences and will probably lead to the settlement of the constitutional problem, by reducing, point by point, the causes of misunderstanding in so far as jurisdiction is concerned.

It may be said that one of the major barriers to constitutional reform has already been removed, for it is the unanimous wish of all the parties to this future agreement to safeguard provincial particularities in the matter of education, of language and of religion. This defence of certain essential rights is, in any event, greatly facilitated by a tradition of liberty and tolerance which is altogether in keeping with our democratic aspirations.

I am convinced that each and every member of this house will agree that Canada must not only have a constitution worthy of its political maturity, but that it must also possess legislative powers that will enable it, from time to time, to adopt, notwithstanding provincial particularities, social laws nationwide in their scope.

While I am on the subject of social security, I believe I may be allowed to state that, to my mind, it is nonsensical that problems of national health, of unemployment, of help to the disabled or the unfortunate of all kinds,—in other words problems of life itself,—should be so hard to solve because of legal difficulties or jurisdictional disputes. Allow me to express the hope that the future Canadian constitution will be flexible enough to enable all parties concerned to adopt, through both federal and provincial legislation, all the appropriate measures to help those who suffer and who, if they received no help, would bring shame on a nation such as ours which has been so greatly favoured by Providence.

During the last federal-provincial conference, held here in Ottawa last December, the representatives of the federal government set out proposals to grant the old age pension, without the means test, to all persons over seventy, and to lower the age limit to sixty-five for the needy, in accordance with the recommendations submitted by the joint committee of the House of Commons and the Senate on old age security.

The conference delegates deserve congratulations for bringing up this point, which is one of the urgent requirements of the debate on the revision of our constitution, that is the need for enlarging the scope of social security in order that the poor may take better advantage of it.

If I stress the importance of social security, it is because ever since I had the honour of being chosen to represent a riding in the House of Commons, I have met—and all members of this house have surely had the same experience—a great many needy and disabled persons, as well as poor widows and sick people who were unable to pay for medical care.

I am convinced that no man in political life who has his duty at heart would remain unconcerned in the face of such a social evil. Businessmen cannot ignore so distressing a social condition. As for us, who are here to draft bills for the benefit of the Canadian people as a whole, we cannot overlook so important a matter.

I recall these things not because I wish to be critical of what has been done up to now to alleviate suffering in our country. Tracing back the history of our social legislation for the past 30 or 40 years, we find that considerable progress has been made.

The magnificent outline given in Vancouver, on June 12 last, by the Minister of National Health and Welfare (Mr. Martin), of the work already done, is sufficient indication that politicians have considered the problem and endeavoured to solve it. This interest in social welfare has been reflected, these past few years, in various acts which have increased the amount voted for this purpose by one billion dollars. Indeed, while in 1913 our various governments spent a total of $15 million for social welfare purposes, today the federal and provincial governments are spending more than a billion.

I need not recall that the main architect of social security in our country was the late Right Hon. Mackenzie King.

I need not remind members of this house the attitude of the present Prime Minister (Mr. St. Laurent) on this matter. Is he not the one who not long ago most appropriately said:

> We shall not be satisfied until we have attained on a national scale, and with the co-operation of the provincial governments, a degree of social security and human welfare that will ensure to all Canadians the greatest possible measure of social justice.

The numerous social measures to which I have referred may run up against certain constitutional obstacles, and we must admit that they do. It is therefore urgent to amend the texts in a spirit of mutual understanding, so as not to hinder the progress of this legislation.

Among the important events which took place since the adjournment of the last session in September, the last but not least was the Prime Minister's trip to London and Paris from the fourth to the thirteenth of this month. The importance of the matters discussed at the commonwealth conference attracted the attention of the whole country to the events which took place in London and Paris. The marked satisfaction evinced by the press, Canadian, French and English, over the Canadian Prime Minister's recent statements in Paris as well as in London, underlines the democratic peoples' desire to safeguard peace. We still do not know what results these efforts will bring. Whatever is in the offing, however, the Canadian people will recognize, I think, that Canada, while fulfilling her obligations towards her allies in the matter of defence, is doing everything in her power to avert war.

As this new session opens, free countries see one of the gravest hours in history approaching.

Whether we like it or not, our country is bound by the necessity to defend its freedom and its life against the greatest danger the modern world has known.

The alliance of Slavic and Mongolian peoples threatens our civilization with a dreadful menace. It recalls a similar hour which goes back exactly 1,500 years in time, since it was in March of the year 451 of the Christian era that Attila, known as the scourge of God, invaded Gaul and Italy.

The middle ages were never to forget the horrors of this invasion which, though it lasted but a short time, was the most cruel ever experienced in ancient times. A wave of Asiatic barbarians then swept over western civilization, with this difference that, in 1951, the danger is much greater.

For the second time in fifteen centuries, the West is being threatened by the East. The present era is again faced with a threat similar to that which horrified the world of yesteryear. This threat does not arise from the domination of one people by another, but from a conflict between two worlds, from the clash of two civilizations. The opposite poles of communism and of democracy are, on the one hand, ideological atheism and, on the other, belief in God.

Precisely because this is a serious hour, we must be grateful to the leader of the government for judging the international situation with all the calmness it requires. That quality of realism so appreciated in him, in London and in Paris and his suggestion, when many were giving way to fear, that explanations be sought from China about a text he considered equivocal, have raised new hopes for peace and for the possible settlement of the Asian problem.

Even though our Prime Minister is a good ambassador of peace, he still wishes to make this country secure against any possible war.

The speech from the throne reflects this preoccupation on the part of the government. It also announces legislation on federal-provincial fiscal agreements and the pursuance of the government's social security policy by the improvement of the Old Age Pensions Act.

Several security measures will be introduced in this house, with a particular view to speeding up our defence production, thanks to the abundant resources of this country.

I would point out, among other things, the adoption of certain measures that will give the governor in council the extra authority required to ensure adequate defence preparations, in order to face this emergency while preventing the economic disruption they could entail.

The setting up of a Department of Defence Production will help first of all to supply our defence forces and will provide such material aid to our allies as may be met from Canadian production.

This program of legislation is the answer to the communist ideology and to the attempts of Russia to gain world domination. If the leaders of the Moscow regime are trying to scare the world by centralizing all the resources of the countries under their domination, it is necessary that all free countries, without abandoning peace negotiations, pool their resources, create material and moral unity and combine their resistance efforts in the defence of liberty.

(Text):

On motion of Mr. Drew the debate was adjourned.

On motion of Mr. St. Laurent the house adjourned at 4.15 p.m.

HOUSE OF COMMONS

Thursday, February 1, 1951

The house met at three o'clock.

DIPLOMATIC INSTRUMENTS

CANADA TREATY SERIES—AGREEMENTS, EXCHANGE OF NOTES, ETC.

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, I wish to table twenty-seven documents, which are agreements, exchanges of notes and other diplomatic instruments published in the Canada treaty series. Perhaps the list might appear in *Votes and Proceedings,* unless hon. members wish me to read it now. It is rather long.

STATUTORY HOLIDAYS

PROPOSED OBSERVANCE OF DOMINION DAY AND VICTORIA DAY ON MONDAYS FOLLOWING JUNE 30 AND MAY 23

Mr. J. L. MacDougall (Vancouver-Burrard) moved for leave to introduce Bill No. 2, to amend the Dominion Day Act and the Victoria Day Act.

Some hon. Members: Explain.

Mr. MacDougall: Very little explanation is required on the introduction of this bill. No money is involved, naturally; otherwise I should not be able to introduce it. That, however, is not the main feature. The principal aim of the bill is that the ordinary man, with his wife and family, may have a better opportunity to celebrate statutory holidays by having those statutory holidays observed at the beginning of the week, wherever possible, rather than in the middle of the week, if and when they occur on such days. It is very easy for a man of affluence to take his holidays, either in Canada or abroad, at any time of the year that may suit him, but for the people generally, whom we all represent here, in my opinion it would be a distinct advantage to have this bill go through.

Motion agreed to and bill read the first time.

CRIMINAL CODE

SUBVERSIVE ACTIVITIES—DISSEMINATION OF SUBVERSIVE PROPAGANDA

Mr. Wilfrid LaCroix (Quebec-Montmorency) moved for leave to introduce Bill No. 3, to amend the Criminal Code (subversive activities.

Some hon. Members: Explain.

Mr. LaCroix: The purpose of this bill is to make it a criminal offence for any person to participate in subversive activities with a view to establishing in Canada a totalitarian dictatorship contrary to our democratic way of life.

Following numerous demands from other members and myself, according to the speech from the throne the government has decided to present a bill with an objective which may be similar. If that is done, of course, I much prefer that the government itself go through with it, in which event I might later withdraw my bill. Certainly I would favour deporting to Russia all the communists we have in Canada, in order to give them the opportunity of seeing for themselves what is going on over there.

Mr. Speaker: May I take this opportunity to point out that when an hon. member introducing a bill is asked to explain it, he should merely explain the provisions of the bill. He should not discuss the merits of the bill nor advance reasons why it should be supported.

Motion agreed to and bill read the first time.

HOUSE OF COMMONS

VISITORS IN GALLERY—PRINCIPAL, TEACHERS AND STUDENTS OF ST. CATHARINES COLLEGIATE INSTITUTE

On the orders of the day:

Mr. H. P. Cavers (Lincoln): Mr. Speaker, hon. members of this house no doubt will be interested to learn that Principal Gordon E. Price, of the St. Catharines collegiate institute and vocational schools, five members of his teaching staff and one hundred students of that institution are in the galleries of this chamber today.

Under the auspices of Mr. Price, for the past few months a series of non-partisan addresses on various public matters have been delivered to the students of this school. On October 26 last the Prime Minister (Mr. St. Laurent) spoke to those students. Last month the leader of the C.C.F. group (Mr. Coldwell) addressed the student body, and I am informed that the leader of the opposition (Mr. Drew) will speak there this month.

Today, in order to further their interest in citizenship, these students are attending in the galleries of this chamber. The visit

is made also in appreciation of the fact that the leaders of the three major political parties have come or are to come to their school. Further, they wish by their presence to extend felicitations to the Prime Minister on the anniversary of his birthday, which he is celebrating today. We feel that visits of this kind do much to further an interest in public affairs on the part of the students of our collegiate institute, and that they in turn will be better citizens as a result of having attended here and having heard the leaders of the political parties in this country. We hope other cities will follow the lead of St. Catharines in carrying on activities of this kind.

BIRTHDAY GREETINGS

THE PRIME MINISTER—EXPRESSION OF GOOD WISHES

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, may I take this opportunity to extend to the Prime Minister (Mr. St. Laurent) our very best wishes on this, his birthday. I can assure him that whatever differences we may have in regard to the particular problems of the day in no way affect our sincerity when we say many happy returns.

BUTTER

INQUIRY AS TO REMOVAL OF BAN ON IMPORTS

On the orders of the day:

Mr. P. E. Wright (Melfort): I wish to direct a question to the Minister of Agriculture or the Minister of Trade and Commerce; since the Minister of Agriculture is not here I will direct it to the Minister of Trade and Commerce. On January 24, I believe it was, an order in council was passed requiring Canadian importers of butter to obtain permits before importing that product into Canada. It is my understanding that the order in council has been rescinded. Is that correct, and if so, what is the explanation for it?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the statement is correct. The order in council was passed and later rescinded. It was passed because it was believed that imports of butter substantially in excess of amounts required by the Canadian economy were contemplated. The order in council was cancelled when it was found there was no possibility of those imports being made in the foreseeable future.

Mr. Charlton: I should like to ask a supplementary question. Is it not true a considerable amount of butter has been imported into this country since the first of the year? How much butter has been imported, and from what countries?

Mr. Howe: Without consulting my officers, I think I can give the information. There is a certain quantity of butter en route to Canada from New Zealand, amounting to approximately 2·5 million pounds, which is about two and a half days' supply for Canada. No other imports are contemplated.

TRANSPORT

CANADA-AUSTRALIA-NEW ZEALAND—QUESTION AS TO STEAMSHIP AND AIR SERVICES

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): I should like to direct a question to the Minister of Transport. West coast press dispatches today indicate that during the visit of the Prime Minister of New Zealand in Ottawa earlier in the week there were discussions about continuation of shipping services by the *Aorangi* between Canada, New Zealand and Australia, as well as about landing rights for Canadian planes in New Zealand. Will the minister give the house a statement as to the possibility of early action on these two questions?

Hon. Lionel Chevrier (Minister of Transport): The Prime Minister of New Zealand did discuss, with some of my colleagues and myself, the two matters to which reference has just been made. So far as landing rights for Canadian Pacific Air Lines in New Zealand are concerned, it was requested on behalf of the Canadian government that C. P. A. be given stop-over rights in New Zealand. I am happy to say that the Prime Minister took a sympathetic and kindly view towards this request, and promised to discuss it with his cabinet colleagues.

With reference to the steamship subsidy for the *Aorangi*, I should like to be able to discuss this matter with my colleagues before making a statement.

PRICES AND TRADE BOARD

QUESTION AS TO DISBANDING OF PERSONNEL

On the orders of the day:

Mr. W. Ross Thatcher (Moose Jaw): Mr. Speaker, will the Minister of Finance say whether the government is continuing, in view of recent price trends in Canada, its policy of disbanding the personnel of the wartime prices and trade board?

Hon. Douglas Abbott (Minister of Finance): The answer to the hon. member's question as put is in the affirmative; but perhaps I should add a word of explanation. As the house is

aware, the powers of the wartime prices and trade board are derived from the Continuation of Transitional Measures Act, and as such are subject to severe limitations. Control cannot be reimposed upon any article from which it has been removed. As indicated in the speech from the throne, the government is going to ask parliament to adopt special emergency legislation, and the controls which may be necessary in the future would, I assume, be imposed under that act.

At the moment the personnel of the wartime prices and trade board is down to skeleton proportions, and it is intended to proceed with the policy of disbanding the staff of the board.

BRITISH NORTH AMERICA ACT

AMENDMENTS TO THE CONSTITUTION—CORRESPONDENCE WITH PROVINCES

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): Yesterday the Prime Minister tabled correspondence exchanged between the government and the premiers of several of the provinces with respect to suggestions for constitutional amendments. In connection with a similar matter last year the Prime Minister proposed to the house that the documents should be printed in *Hansard*. Will he, in view of the importance of these documents, propose a similar course in this instance, for the information of members?

Right Hon. L. S. St. Laurent (Prime Minister): If it is the desire of members to have the correspondence printed as an appendix to *Hansard*, I think it might be in order for Your Honour so to direct.

Mr. Speaker: Is it the pleasure of the house that the correspondence referred to be printed as an appendix to *Hansard*?

Some hon. Members: Agreed.

(*For text of correspondence, see appendix, pages 43 to 47.*)

LABOUR CONDITIONS

RAILWAY EMPLOYEES—HOTEL AND WATER TRANSPORT WORKERS—APPLICABILITY OF KELLOCK AWARD

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister? Has he received representations asking that the Kellock award be made applicable to hotel and water transport workers in the same way as to railway workers, as was believed to be the intention of parliament when the matter was dealt with last session? Can the Prime Minister say what consideration has been given to any such representations?

Right Hon. L. S. St. Laurent (Prime Minister): The leaders of the labour unions called upon me some time ago—I am not quite sure about the date, but it was after the award was made public—and requested that something be done about the fact that in the award there was a difference between the treatment of the employees in railway service and that accorded to those retained for hotel or water transportation services. My reply was that the government had carried out the terms of the legislation enacted by parliament; that it was not the intention of the government to ask parliament for any further legislation in that regard, and that without further legislation the award of the arbitrator would have to stand.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Wednesday, January 31, consideration of the motion of Mr. W. H. McMillan for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, may I first extend my congratulations to the mover (Mr. McMillan) and the seconder (Mr. Breton) of this motion. They performed in a commendable manner the duty imposed upon them, and I am sure the manner in which they discharged that duty was such as to meet with acceptance on the part of members on both sides of the house.

We meet today at one of the most solemn hours in Canadian history. The immense gravity of the situation is not measured only by those military events which have impressed upon us the urgent need for building the ramparts of freedom with the utmost speed. Equally serious are the misunderstandings which have arisen among many of the nations which are partners in the common cause of saving freedom itself. Never was there more confusion of thought and uncertainty about the future. The remarkable scientific achievements which carry words and pictures instantly to every part of the world seem only to have added to that confusion.

At such a time, no voice, however humble, should add to that confusion and misunderstanding in any way which can be avoided. The supreme task confronting the free world is to restore with the utmost speed that measure of mutual confidence and good will upon

which the effective co-operation of all the free nations must at all times depend. For us it is of the utmost importance that there be the most complete understanding and co-operation between Canada, Great Britain and the United States. To a very considerable extent the defence planning of the whole free world depends upon the closest possible integration of the efforts of these three nations.

Never did the friendly partnership of the British commonwealth mean more to us than it does in these extremely critical days. In addition to all its previous traditions and continuing strength, it stands as an example and demonstration to the whole world that sovereign nations can work together in the closest harmony with no stronger bond than a great and abiding belief in the value of that friendship. For us the starting point of all that co-operation is Great Britain, and for that reason geography has decided that we are not only destined to live side by side with the United States, but that we are also the contact point between the United States, Great Britain and the whole of the commonwealth, which by the complete freedom of its association has a great and impressive role to play in encouraging that close friendship and understanding among all nations which we now know so well to be the only hope of a firm and lasting peace.

It is equally imperative that we have the most effective and closest understanding between our own country and the United States. Although our population is relatively small, and although their vast productive power and national strength have made them the sheet anchor for the whole free world, we are in many ways their most important partner, because of the resources with which this very fortunate land has been endowed. For the sake of our own future and the wider partnership of all free nations, it is of primary importance that Canada make no move in the international field which might lead to any misunderstanding between these two nations, which stand before the whole world as a bright example of what international friendship can really be between nations lying side by side.

In saying this I am not suggesting that we should blindly follow either Great Britain or the United States. On the contrary I assert with the utmost emphasis my own belief that Canada should at all times have a distinctly Canadian policy which would have as its first and most compelling influence the future growth, prosperity and development of Canada itself. But at this time it seems to me that while we must at all times protect our own future and our own independence, we have no choice but to recognize the fact that, with a population which is less than one-tenth that of the United States and very much less than that of Britain, there are obvious reasons why the responsibility of international leadership falls mainly upon them, and why it is so important that we should at all times maintain the closest and most intimate relationships with them.

I do not intend to say any more at this time about international affairs, because I think we should first have from the government a statement which will review the events of the past few weeks and indicate the course which the government proposes to follow. In the speech from the throne the references to international affairs are in such general terms that they offer little help in considering this subject at the moment. For the reasons I have already indicated, I shall reserve my comments on the policies of the government in relation to external affairs until we have received the information which the Prime Minister has told us will be placed before us before the end of the week.

A careful examination of the speech from the throne offers little assistance in reaching a conclusion as to what the government really intends to do. The best evidence of this is the extent to which there is already widespread speculation in the press and elsewhere as to the interpretation of different phrases in that speech. We all agree that there is increased danger, as the speech tells us. We all knew that; it would be hard for anybody to escape that knowledge. We also knew that the Royal Canadian Navy and the Royal Canadian Air Force were carrying out certain duties in Korea, and that one battalion of the Canadian Army special force had arrived there for further training. We had also learned, with great satisfaction, of the appointment of General Eisenhower as the supreme commander of the integrated European forces. We also knew that the government had indicated on a number of occasions its willingness to proceed with the construction of the St. Lawrence seaway in co-operation with the appropriate authorities in the United States. The press and the radio had carried extensive reports about the setting up of a new department of defence production, and also about the intention to extend the powers of the government to deal with defence and economic problems. There is also reference to appropriate amendments to legislation affecting the members of the armed forces, which it was obvious would be required. Beyond that there is nothing new except the vague reference to withdrawing the rights of citizenship from those who have been disloyal to Canada. This hardly seems to be an effec-

tive way of dealing with disloyalty of the kind which would appear to be contemplated by that reference.

Surely there can never have been a less revealing speech from the throne than that which is now before us. While the word "emergency" is used, there is no sense of that urgency which is in keeping with the nature of the emergency with which we are confronted.

Except for the statement that the government will seek additional powers by order in council to "ensure adequate defence preparations . . . and to prevent economic dislocation," there is nothing whatever which tells us what the government really intends to do. We may have had some hint from the Minister of Finance (Mr. Abbott) this afternoon when he suggested that if controls were to come they would be dealt with under this power which the government will seek and to which this statement refers. My own impression was that the government had taken adequate powers for that purpose last September—powers which it has failed to exercise.

We all recognize that in the speech from the throne it is not intended to go into extensive detail as to legislation or as to other action that the government will take. It should, however, lay before us a clear indication of the course the government intends to follow in relation to those subjects which are of major concern. At a time when the members of this house and the people of Canada should know exactly what the government intends to do, we have before us a government statement skilfully drafted to give the appearance of recognizing the issues which are before us, while at the same time carefully withholding from us any real information as to what steps are to be taken to assure our survival as a free nation.

It was for that reason that I suggested in a letter to the Prime Minister yesterday that we should adopt the practice which has proved so satisfactory in the British House of Commons. I urged that there should be separate debates on external affairs, national defence, and the cost of living, so that we might receive statements from the government as to what they propose to do and might have an opportunity to present suggestions in an orderly way in relation to those particular subjects. Had this suggestion been acted upon we would all have known something about the plans of the government before proceeding with this debate. May I say that I for one have no desire to see an interruption of this debate. At this extremely critical time, when w are debating our approval or otherwise of the program of the government, we should have some idea of what the government actually intends to do. The vote on the motion to approve the speech from the throne is interpreted as a vote supporting the general proposals of the government for the session. That is why it is taken as the major test of confidence that the government faces in this and any similar parliament. The speech from the throne gives us no real information on which it would be possible to say whether those proposals are satisfactory or otherwise. The introduction into this debate by the various ministers of statements which cover such a wide field is not, I believe, a satisfactory way to lay a foundation for constructive discussion of issues upon the determination of which to a considerable degree our whole future will depend. Without that information it is impossible to discuss details at a time when all of us are anxious to come to grips with reality.

The chilling truth is that never since our civilization emerged from the dark ages has that civilization—and even freedom itself—been so gravely threatened with extinction as it is at this very hour. The people of Canada have never shown themselves unwilling to face reality, but they must be given that leadership which only a government, with all its channels of secret information and its large staffs of technical experts, is in a position to give. Individuals may express their opinions. In the end, however, there is naturally a tendency to think that the government, with its special sources of information in regard to international and domestic affairs, particularly in critical times such as these, is in a position to pass judgment upon the best available information—which may not be available to others who are expressing opinions which may be regarded as sincere but not completely informed.

The people of Canada are waiting to be told, in clear and challenging terms, the extent and nature of their duties. They will not fail to respond to a clear call to duty and an appeal to that spirit of service which has built a strong and vigorous young nation within so short a time.

I fully recognize the heavy responsibilities and burdens which the government carries at this time, as does every other free government which must be subjected to the ordinary tests of democratic discussion, criticism and exchange of ideas. In all that will advance the national interest the government will receive our full support, and I am confident it will receive the support of all hon. members where the issues are plain and where it is abundantly clear that what is proposed is for the continuing advantage of Canada in these very difficult days.

I sympathize with all my heart with the sentiments of the Prime Minister when he expresses his hope of peace. I greatly doubt, however, whether the firm resolve and spirit of sacrifice which is so greatly needed in this country at this time will be aroused by statements that we are talking too much about war and that he is still confident that there will be peace for his lifetime. I hope there will. But the people need to be told the full extent of the dreadful danger with which we are confronted. There is war—cruel, bloody and relentless war. There is a war which has already cost the United States more than 55,000 casualties in seven months. There is war which has brought to a whole nation of freedom-loving people destruction and atrocities of a kind that is not pleasant to contemplate. The people of Korea know what war means, and why all free nations today must take the steps that are necessary to halt aggression.

I am well aware that in making these statements the Prime Minister was referring to a general war. I share with him the hope that a general war can be avoided, and, with him, I believe that a general war still can be avoided if the free nations build up their strength with the speed and on the scale of which free men and women are capable when fully aroused to the urgency of the demands upon their efforts.

When I referred to the Prime Minister's emphasis on peace I was referring to it in its relationship to other statements. I do not think that the Prime Minister has helped to impress upon our young people the real nature of the threat we face, when great prominence is given in the press and over the radio to his opinion that the odds against war are fifty to one. I should like to think they are, but I do not believe they are, and I do not think any thoughtful person would give odds of that kind at this time. Young men and women are hardly encouraged to sacrifice their present jobs if they think the odds against war are as great as that. If free men and women everywhere put their whole heart into the tasks before them, with that compelling sense of danger which the facts demand, I am as hopeful as anyone can be that the United Nations may still become an effective instrument for dealing with aggression, and that a general war may still be avoided. But the odds against such a war are not too great, and they will rapidly diminish if the men in the Kremlin have any reason to believe that the free nations are failing to make full use of their immense productive capacity and skill and the driving power of which only free men and women are capable.

It is perhaps worthy of passing comment that Lloyd's never did bet fifty to one against the possibility of war. As I understand it, they entered into one of their ordinary contracts on the basis of fifty to one that a philatelic exhibition, which has been arranged in Toronto for next September, will not be prevented from meeting because of war. That is a very different thing. Contracts of that kind were taken out during the course of the last world war. In any event I do not think it helps to create that sense of compelling urgency which is so necessary at this time, when the Prime Minister, with the great prestige of his high office and his recognized sources of secret information, interprets his impression of the dangers we face in the terms of betting odds at Lloyd's.

I am not suggesting that the Prime Minister should seek to spread any atmosphere of gloom. On the contrary I hope that he will do all in his power to spread a spirit of confidence, which can only be justified and will only have some real foundation when a clarion call goes forth to the people of Canada that we are now engaged in a struggle for nothing less than the survival of our decent way of life, and that even the most remote possibility of defeat carries with it consequences too terrible for anyone to contemplate.

It is only when we are united in all our strength and vigour, with knowledge of the facts and faith in our cause, that we can have any reason for confidence. Then we can go forward with our heads erect and with light hearts, knowing that no matter what happens we shall have done our best.

I am well aware that because of their population the United States and Great Britain will play the leading role in guiding the course of military preparations. To a considerable extent we must accept the reality that we have no choice but to adjust our plans substantially to theirs. But the way in which we carry out our own part in that collective effort must be exclusively our own decision. Do not let us hear that we are being told by anyone else how we should do those jobs which are our own responsibility. What we do, and the way we do it, will have the most profound effect, not only upon our contribution to the joint defence of freedom, but upon the whole future of our country.

I propose, therefore, to deal with those two subjects which are exclusively within our own control and for which the parliament of Canada must assume full responsibility. National defence, and all the economic and financial consequences of the expenditures on defence, are the two most important

subjects that will engage the attention of the members of this house during the present session.

I will refer first to national defence. On no single subject of importance is the Canadian public less accurately informed. On no single question is it so necessary that the public be fully informed, subject only to the strict demands of secrecy—and the real demands of secrecy cover a very limited part of our defence preparations.

We must examine defence not only from the point of view of the effectiveness of the defence forces themselves, both from the point of view of training and equipment, but we must also insist upon such detail as will make it possible for us to be sure that the huge sums of money which are to be spent on defence are to be spent in the best possible way.

It now appears that Canada is likely to spend as much in the year 1951 for national defence as was spent in the whole five years following the last world war.

I am sure there will be no tendency on the part of the members of this house to limit any expenditures that are actually necessary; but when it is probable that we shall be called upon to approve expenditures in excess of one and a half billion dollars in a single year, a duty is imposed upon every member in every part of this house to insist that we have the most complete information, and that we know that every dollar is being spent for the best possible purpose and that it will produce the greatest possible results at the earliest possible time.

Although the government had never been stinted by parliament in the money it asked for preparation for defence, the people of Canada learned with amazement and dismay last year, when the attack came on Korea, that we had no land forces ready to go into action. With all the millions that have been spent since that time, there is very great uncertainty that we have more than a very small number who are ready to go into action yet.

Many alarming details have come to light within the past few weeks. It was with astonishment that those who were aware of our shortage of weapons learned that a government arsenal, which could have been making modern weapons, was making shotguns to be sold for sporting purposes. It was with equal astonishment that we learned it was necessary to send Canadian forces to the United States to train, although we have been spending so much money on the many large military camps across Canada. But details of that kind are in themselves not nearly so alarming as the statement issued a few weeks ago by the conference of defence associations.

To appreciate the importance of their statement, we must recall that this annual conference of the defence associations brings together senior officers appointed by each of the military associations which represent all the different services of the Canadian army. These are the men who are actually serving in our reserve forces. These are the men who are in close contact with our permanent forces as well. These are the men who are largely responsible for interpreting the opinion of those who are in uniform. That conference represents the highest possible authority in regard to the actual state of training of our reserve forces, upon which the land defence of Canada or our participation in any collective plan must still in the main depend.

Recognizing the special position they occupy, and the absolute impartiality of the views they express, let me quote from the statement presented to the government less than a month ago by the conference of defence associations:

> We feel Canadians are prepared to pay such taxes in view of the issues involved, but we do not feel that Canadians are prepared to see moneys wasted. It is our considered and unanimous opinion that proper value is not being received for much of the public moneys now being spent on the reserve force.
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> In spite of the existing shortages of facilities for the reserve force, in many places the strength of units does not absorb present facilities for training by a substantial margin. Far more men could be trained in the reserve force than are presently coming forward.
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> The turnover of other ranks is such that the vast majority of men who appear from time to time on the nominal rolls of reserve force units receive no training worthy of the name. They do not stay with the unit long enough. To say that the reserve force is 40,000 strong, and to give the Canadian people the idea that it has 40,000 men who could quickly be ready for action, is a travesty of the facts. There are few, if any, reserve units in Canada that could be ready to function in action under a minimum period of six months. This includes AA—
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> Anti-aircraft.
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> —and other such units which should be ready for immediate action. The Canadian public, in spite of the moneys spent, cannot look to effective and efficient protection from internal sabotage or external aggression from its reserve force for a considerable period after war breaks out, and the active force is far too small to undertake the full burden of such duties.

That is the end of an extremely significant and illuminating quotation from the presentation made to the government by the conference of defence associations. Let me repeat that those who attended were all senior officers—officers appointed by the Canadian Infantry Association, the Canadian Artillery

Association and other organizations representing various branches of the army. These men not only serve with the reserve forces, but are also in constant contact with the active forces.

Surely at a time like this, recognizing the special qualifications of those who presented this report, not one of us has any right to ignore the full significance of the statement that some of the assurances we have been receiving are a travesty of the facts.

It is our duty to have the facts. We are not getting them. As representatives of the people of Canada, in these extremely critical times we have no right to accept anything less than the facts. We have no right to accept bland assurances that our defence forces are being fully manned, when we have before us the unqualified statement from those who know best that they are not, and that statements in regard to the strength of our reserve forces are a travesty of the facts.

We have repeatedly urged in the past that a special committee of the house be set up to consider national defence and to obtain the facts. We have no thought, and never have had any thought, that such a committee would supplant the responsibility of the government. A similar committee set up to deal with external affairs has never been charged with usurping that authority. And, after all, the Secretary of State for External Affairs deals with secret information, just as does the Minister of National Defence. At a time when national defence is the most important subject before us, we are told by a body of officers, whose words cannot be challenged, that some very important assurances are only a travesty of the facts. For that reason and for the many other obvious reasons why such a committee is desirable at this time, I do urge upon the Prime Minister that he assure us this afternoon that a committee on national defence will be set up immediately, so that the members of the House of Commons may be sure that defence preparations are proceeding with the utmost possible speed. In the face of a statement of this kind by those who know best, I submit that we have no right to accept the broad generalities of ministerial statements which we have been forced to accept in the past by majority votes in this house.

Now let me turn to the financial consequences of the expenditures on defence. What we have already spent is only a fraction of what we are going to be asked to spend. Nevertheless the people of this country are already feeling the serious consequences of this dislocation of our normal free economy. The cost of living continues to mount, and inflation is threatening the savings of our people as those savings have not been threatened at any previous time in the life of any one of us. There is nothing in the speech from the throne to indicate what measures the government intends to adopt. Different expectations have been drawn from the very general terms used, and other expectations will be aroused by the comments made by the Minister of Finance this afternoon. This very uncertainty in itself is contributing tremendously to the rapidly mounting spiral of inflation in this country.

When we met last September the government took the widest possible powers to deal with this situation. It was pointed out that those powers were required to deal with the possible consequences of the efforts which were going to be made. The government has failed to exercise those powers. The very obvious fact, however, that people have come to expect controls of various kinds, with resulting shortages of various products, has in itself driven up prices by an artificial demand created by the uncertainty as to what will be available in the months ahead.

We all know that a very large contributing factor to inflation is a buying demand which absorbs available supplies and creates a shortage which encourages buyers to pay more than should be paid. The government is directly responsible for this artificial buying demand. From the day it obtained special powers last September there has been constant reference to controls of different kinds, which has in turn created the impression that sooner or later there will be such controls. I most earnestly impress upon the Prime Minister the desirability of a statement which will remove the uncertainty on this very important subject. I hope he will tell us this afternoon whether it is the intention of the government to introduce a plan of controls, as was hinted by the Minister of Finance this afternoon, and if so, what the nature and extent of those controls will be. If this is not done, the uncertainty which everyone knows is a very real factor in the present inflationary spiral will continue until the government has made its position clear one way or the other.

There are other ways in which the government is contributing to inflation. In spite of the statements which have been made, the government has not yet taken effective steps to cut down its expenditures on non-defence requirements. It has not yet taken the anti-inflationary action which it can take in its financial operations. It has greatly reduced available supplies of many kinds through large purchases for the Department of National Defence and defence production, without doing anything to restrain the consequences of that artificial pressure upon

the remaining supplies of the same kind still available to the public.

One of the most important steps in checking inflation undoubtedly is the elimination of all unnecessary non-defence expenditure. We have urged before, and I urge again, that a royal commission be appointed, or a special committee with similar powers, for the purpose of going fully into the cost of government, with the idea of reducing all non-essential expenditure. I hope we shall not be told that such an inquiry cannot be conducted, or that it would not be effective. Such a commission did produce positive results in the United States. I am certain that we are not so different from them, and that the normal human frailties are not so remote from us, that a similar inquiry would not produce equally positive results here. I urge the Prime Minister to assure us that he will agree to the appointment of such a commission or committee. The findings of such an inquiry would be of great assistance to him and to the government generally at a time when such assistance is so greatly needed.

High though wages in Canada may be, the cost of living has already risen so high that our people are finding it most difficult to make ends meet. When we realize that taxes necessary to produce the money for national defence will have their impact upon every family, whether in the form of income taxes or other levies, the necessity for dealing promptly and effectively with this situation becomes increasingly urgent.

I wish to emphasize once again the very critical situation which is resulting from the steadily lessening value of our dollar. As inflation reduces its real value, now at a point little more than half what it was ten years ago, the consequences for those living on pensions, annuities of various kinds, or small fixed incomes, is truly heartbreaking. Inflation of this kind not only reduces the living standard of all those affected in this way, but tends to destroy confidence in the very system we are doing so much to preserve. It tends to raise questions about insurance, bank deposits and the savings which have been the very foundation of that measure of personal security which can be established by the initiative of our people.

Until we know what the government intends to do in the matter of national defence and the other problems before us, it is not possible to discuss this subject in further detail. I urge the Prime Minister to let us know what they have in mind, so that the doubts and uncertainties which are in themselves creating inflation may be stopped, for the purpose of giving some measure of confidence to those who are already in such great distress.

There is another aspect of this world struggle between the Soviet empire and the free nations which I think requires constant and the strongest possible emphasis. We are told, and with great truth, that poverty and low standards of living are in themselves an encouragement to communism. Most certainly it is part of this struggle to help in every way we can to build up the living standards and the social consciousness of those nations which need our help so much. I am confident that members of this house will support all practical measures which will bring hope and encouragement to those who are in such great distress in so many parts of the world.

There is more to this struggle, however, and particularly in the more prosperous nations, than the material advantages which life can offer. If democracy has nothing better to offer than a higher material standard of living, then it would seem that if tyranny, whether it be communism or otherwise, can offer equally high material advantages in any country, it will lose some of the apparent dangers associated with it, and the arguments against communism will lose some of their strength.

I am sure we all believe that freedom itself gives vigour to life and an encouragement to personal initiative which makes it an infinitely more efficient way of life than any form of tyranny can ever be. But we are trying to do something more than raise the material living standards of our people, important though that is to all of them. The fundamental difference between communism and our way of life is that our form of democracy is based upon religion and the equality of every human being before God. Once we disregard that concept of our society we disregard the great driving power which revived democracy out of the darkness of the middle ages, and which has given to our laws and to our standards of life those ethical principles which have made democracy the highest form of government known to mankind.

If there is one lesson which it seems to me we should have learned from the events of the past two months, it is this. The communist forces in Korea have shown themselves to be no dull, downtrodden slaves. On the contrary, every report from Korea speaks of the fanaticism with which they have fought. Granted they have been driven into battle under the threat of death, and that they have been given no choice but to fight, the fact remains that in the minds of all too many of them there is a real faith in the cruel, godless religion which has its centre in Moscow. Young people brought up under

that regime, and under the other communist regimes, with no knowledge of the outside world and no understanding of how we live, are easy victims of communist propaganda that their way of life is best and that the people of the free world, whom they have never seen and with whom they have never had any real contact, are in fact living in fear and poverty.

It would be well for us to examine the pattern of communist leadership and the pattern of what they are teaching their young people. It would be well for us to try to understand what it is that inspires to such fanatical efforts so many of those young people who have been brought up under communist rule. They do not praise their system because it gives them more material advantages. They praise it because they believe it is leading them to victory. They praise it because they believe it is leading to the Soviet domination of the whole world. In the last great annual parade of armed forces across Red square, when the tanks were roaring across that parade ground in Moscow, the radio commentators, describing to their own people the power and glory of Soviet arms, burst into these ecstatic words:

> Spring has come. It has come here; it has come in China, in the new streets of Warsaw, in Prague, in the gardens of Bucharest, in the villages of Bulgaria. The banner of victory flies over us. The spring of humanity is with us. It is nearing the workers' suburbs of Paris; it is marching like a master upon the piazzas of Rome. In Calcutta, Karachi and Bombay, it sings of freedom. Our Stalin, whose hand guides the spring of humanity, is leading us to victory.

Those are stirring words to people who hear little else and have no chance to learn what our way of life means to us. This appeal to victory is the psychological appeal they are now employing with such effect, particularly in a country such as Russia, where during their entire lives the younger generation have known nothing else. Those who remember seeing demonstrations of nazi power in the years before the last war will remember the almost hypnotic effect when great masses of German people shouted together at the top of their voices, "Sieg Heil." "Hail Victory" they were shouting, in the firm belief that victory would soon be within their grasp. That was a very considerable part of the driving power that made the nazis so effective in the early days of the last world war, and that same psychological appeal is going out today to the youth of Russia and other communist countries. It goes out to those who have had withheld from them what freedom really means.

To meet this threat, not only of Soviet arms and manpower but also of Soviet propaganda, we must create in our own country and in the other free nations a still greater and more dynamic faith in a system which has everything to offer, both in this life and afterward. We too must create an abiding faith in victory, faith that the spirit of free peoples, joined in a great world partnership, can still preserve peace and those decent ideals which religion alone can give. The future of Canada and of every other country depends upon the character of its people. We must build that character in every way we can—in our homes, our churches and our schools; and we can do much here in parliament to advance this great cause.

In all earnestness I urge the government to give the people that faith and confidence which will come to them when they believe they are being given all the facts and are asked to share not only the responsibility but the knowledge the government has of the tasks before us. I urge the government to appeal to our people not merely to accept in a spirit of painful necessity the things they will be asked to do, but to accept what may be required of them as service in the greatest cause that has ever presented a challenge to free men and women in the long history of mankind. I urge the government in all earnestness to appeal to the highest motives of our people. Give them a clarion call to service. I am sure they will respond.

I move, seconded by the hon. member for Peel (Mr. Graydon):

> That the following words be added to the address: "We regret that Your Excellency's advisers have failed
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> (1) to give this nation leadership in the face of the present grave danger; and
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> (2) to bring into being forces necessary to enable Canada to defend itself and discharge its international obligations; and
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> (3) to take effective measures to combat inflation and the rapidly rising cost of living."

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, first of all I wish to thank the leader of the opposition (Mr. Drew) and in fact all my colleagues in the house for the good wishes they have expressed to me on the occasion of this, my birthday; though, like many others, the number of birthdays now is almost something to cause a little misgiving.

I should like also to join the leader of the opposition in extending congratulations to the mover (Mr. McMillan) and seconder (Mr. Breton) of the address in reply to the speech from the throne. I think a special word of congratulation is due them because, as newly elected members, they have delivered their maiden speeches. To speak for the first time in this house is a pretty trying experience under any circumstances. When such an event takes place upon one's arrival, after

most of his colleagues have been here for a few sessions, the difficulties become even more serious. I am sure, however, that we are proud, and that the constituents of the hon. gentlemen who moved and seconded the address are also proud, of the manner in which they acquitted themselves. They spoke with distinction and impressiveness, and they made constructive suggestions. I think it will be an advantage for us to hear from them quite frequently in the course of our debates.

The hon. member for Welland (Mr. McMillan) has already served his country well. After graduating from Queen's university as a gold medallist in medicine, he spent three years overseas with his colleague, the hon. member for Lanark, to whom he referred in such gracious terms yesterday, in the Canadian army medical corps during world war I. Since 1920, following a year of medical work in New York, he has practised medicine at Thorold. He has been president of the Lincoln county medical association, and a member of the board of governors of the St. Catharines general hospital where he is now assistant chief surgeon and vice-chairman of the staff. His recent election to parliament was not the first time the hon. gentleman had been elected to public office. As mayor, and as a member of the public utilities commission of Thorold, he had already established for himself a reputation for service in public affairs. I am sure that his professional knowledge and practical experience will be of value to us in the consideration of many of the problems with which we shall have to deal in this house.

The hon. member for Joliette-L'Assomption-Montcalm (Mr. Breton) is one of the younger members of the house, but those of us who were able to follow him in both languages heard, I think it is fair to say, an address of real merit. After completing his studies at the university of Montreal, the hon. member was admitted to the bar in 1932. He has since practised his profession in Joliette. He comes to the House of Commons with a sound reputation arising out of his achievements at the bar. I think we would all wish to say to him that he has added to that reputation by the manner in which he seconded the address in reply to the speech from the throne. I believe it is fair to say that the achievements of both these hon. members will serve as a fine introduction to the consideration and discussion of the many questions with which we shall have to deal during the session. Their speeches were highly gratifying to us in their demonstration of the ability which these newly elected members have brought to parliament. I should like to extend to them very sincere congratulations.

As the house is aware, the hon. member for Joliette-L'Assomption-Montcalm is with us because his predecessor was chosen as a party leader in the provincial field. More recently another hon. member has been similarly honoured. I am sure all of us, regardless of party, will join in personal congratulations to the hon. member for Ontario (Mr. Thomson). This practice of moving from one field to the other is not new. In one of the provinces both the premier and the leader of the opposition went from this house to the positions they now occupy. While there is much to be gained by keeping federal and provincial politics apart, I do not believe any of us really complain about these federal-provincial interchanges, particularly since the traffic has not been all one way. The Minister of Agriculture (Mr. Gardiner) and the Minister of Justice (Mr. Garson) had been premiers of their provinces. The leader of the opposition had been the premier of the great province of Ontario before coming to this house. The premier of one of the maritime provinces came from the premiership to this house, and later went back to the premiership of his province. I believe these exchanges show that Canadians who have the ability and the will to serve their fellow citizens are willing to serve them in any capacity in which their fellow citizens think they will be of use to the community.

Mr. Speaker, the leader of the opposition has complained that the speech from the throne is not very revealing. I noticed while the hon. gentleman was speaking that there were three of the important announcements in the speech from the throne that did not seem to have caught his attention, or to which at least he did not see fit to refer in his criticism. One was the announcement that we are to be asked early in the session to authorize Canadian participation in the integrated force being organized under the North Atlantic treaty. The next was the announcement that we are to be asked to approve substantially increased expenditures for defence. The third, which is of importance and which bears upon one of the matters discussed by the leader of the opposition, was the announcement that our approval would be sought for appropriate Canadian participation in the Colombo plan, and in technical assistance to the underdeveloped areas. These are matters of some consequence, and I believe they indicate the manner in which the government intends to recommend to this house that the gravity of the present situation should be recognized.

I must admit that the leader of the opposition was quite fair in his reference to the rather glib remark I made on one occasion at a press conference that there had been issued a policy by Lloyd's against the probability of an international meeting in Toronto, planned for next September, being interfered with by war. He did suggest in his remarks that he did not think it was any choice of mine that so much had been made of it in the newspapers and over the radio. Hon. members know that my considered views about the world situation were expressed in the new year's message which was recorded for broadcasting to the people of Canada before I left on December 31 to attend the meeting of the commonwealth prime ministers in London.

My considered views were there expressed. They are still my views. I shall not read them into the record, but I think the substance can be put in just about four sentences. I said then, and I really believe, that the situation at the opening of 1951 was even more serious than it was at the opening of 1950. I stated then, and I firmly believe, that that is why we must increase our efforts to prevent a world war. In spite of the gravity of the situation I do not believe a world war is inevitable. I do not believe that a world war is inevitable because of my confidence in the willingness and ability of the peoples of the twelve nations grouped together under the North Atlantic treaty to build up their strength to a point where aggression will not be attempted against them.

I do not believe we can fold our arms and expect that we shall not have war. I believe, however, that the people of this nation and the people of the other eleven nations who have banded themselves together under the terms of the North Atlantic treaty are willing and able to do what will be necessary to constitute an effective deterrent against the probability of aggression. We knew that a supreme commander had been appointed. Although it was known to all the people of Canada, we believed nevertheless it was an event of sufficient importance to be mentioned in His Excellency's speech to us at the opening of parliament. We regarded it as one of those indications of the progress that was being made in organizing north Atlantic strength against the risk of aggression.

From our own experience prior to the appointment of a supreme commander, we knew that there had been much comparing of good things to do in an attempt to decide which were preferable; but up to the time a supreme commander was selected and recognized by the governments of the twelve nations, it was quite difficult to find anyone to take the responsibility of saying, "Among the good things that might be done, this is the one we are going to do and we are going to do it now." I think the choice of a supreme commander for the marshalling and organizing of the forces of the twelve nations banded together under that treaty will make for dispatch; and dispatch is required if we are to justify our faith, belief and trust that we shall soon have that strength required to make aggression unattractive to any who might be tempted to start it against us.

Not only has a supreme commander been chosen, but the supreme commander has visited the capitals of the twelve nations that are signatories of the North Atlantic treaty. He has reported to us here the impressions he gathered overseas and he has now reported to the congress of the United States the impressions he gathered in his visits to the twelve nations. Just as I came into the chamber I was handed a dispatch summarizing some of the statements the supreme commander had made in his report of an hour's duration to the United States congress:

> Eisenhower asked this question: "Why are we frightened of dictatorial governments?" He said the only thing such governments have is unity of purpose, but it is "enforced by a gun in the kidneys."

That is not the kind of unity of purpose that is going to prevail among the peoples of the twelve nations that are signatories to the North Atlantic treaty.

> Repeatedly Eisenhower emphasized that the proposed build-up of forces in Europe is aimed at keeping the peace.

It is because I believe that such is the real purpose of the free peoples of these twelve nations that I still venture to express the confident hope that we shall not have to indulge in a third catastrophic world war. I believe that the manpower, the know-how, the industrial potential and the natural resources available to the people of those twelve nations are such that if we had the misfortune to become involved in a third world war we would still win; but the cost of doing so would be so terrible that it is still my hope and my confident belief that it can be prevented. The price we shall have to pay to ensure its avoidance is going to be a heavy one and it is mounting constantly. The proposals the government will have to make in order to carry out the declarations contained in the speech from the throne will be brought to the attention of this house, Mr. Speaker, and they will, I am sure, justify the

assertions that I am making that the cost is going to be a heavy one; it is one that is going to be felt by every one of us and by every one of the free men and women in the other eleven nations that are banded together to do their share in this joint undertaking. What we shall be asking parliament to authorize will not be aid or assistance to anybody else. It will be something required by ourselves for the purpose of doing our part in building up this joint strength which is required to fulfil an undertaking that no one of us alone could fulfil and one that can be fulfilled only by the full co-operative efforts of all of us.

Only within the last few hours we read the report of a similar statement made in the parliament of Britain by the Prime Minister of the United Kingdom as to the extent and the acceleration of the military effort they are going to make as their part of this upbuilding of our united strength. We know what is being contemplated by our neighbours to the south and we know what has been placed before the supreme commander by the governments of the other Atlantic nations. I am sure that the people of our country wish us to do our part in the upbuilding of that united strength which we hope will be a sufficient deterrent to prevent the necessity of winning a third world war.

To some sincere, patriotic Canadians it would appear that the first and most important thing to do would be to have in force in this country some form of selective service, some form of conscription of manpower, to bring large numbers of armed forces in being and to place them in the field ready to meet an enemy. There are others who believe, with equal sincerity, that to resort, at the present time, to compulsory military service would be disastrous to the Canadian economy. The view of the government—and it is my own—does not coincide with either of those extreme points of view. My attitude in this respect has been, I realize, a source of some uneasiness to some good Canadians throughout this country because of my race, the part of Canada from which I come, my religious beliefs, and so forth. But I think I can assure them that they are quite mistaken, and that is something those who are not my friends or supporters in my own native province have long realized.

I do not know how many hon. members had brought to their attention an article which was published in *Le Devoir* on October 24, 1950, in which their readers were being warned against me because of the facts to which this article referred. The writer recalled that:

> Conscription is an issue one does not broach without distaste or even without disgust. For a quarter of a century, Quebec Liberals exploited it before making it a part of their program. Conservatives used it as an instrument of hatred to set other provinces against Quebec where so-called equality of sacrifice was not accepted.

That is underscored in the article. Then it went on:

> The French Canadian Liberal leaders of 1939 had an anti-conscription record. Lapointe and Cardin had formally committed themselves hundreds of times in public. Mr. King had had to give them pledges. Today, the situation is altogether different. Mr. Louis St. Laurent was elected in 1942 without concealing his opinions. He has not changed since. His convictions are all the more dangerous for being more honest and generally more sincere. Mr. St. Laurent will resist a conscription measure only so long as he believes it will be inadvisable or ineffective. In principle he has no objection to it.

Then they go on and say:

> His policy leads straight in that direction.

Well, I was not at all offended at the terms of that article. So far as I am concerned, this is not a matter which can or should be decided on sentimental grounds. It is one which should be decided on its merits, and strictly on its merits, and with regard to what will make for the efficiency and the effectiveness of our contribution to the joint efforts that have to be put forth by the twelve nations banded together.

Though I do not go along with *Le Devoir*, I do not go along either with the *Globe and Mail*. The *Globe and Mail* on January 31, only yesterday, said that what was wanted was a declaration that parliament would be asked to give approval to a plan for national selective service. It said:

> Selective service probably will involve conscription for the fighting forces. If it does there will be a national sense of equity.

Then it goes on:

> Through two wars the people of Quebec, and on their account Roman Catholics generally, were blamed for the rejection of military conscription.

It continues:

> Religion can no longer be made the excuse for failing to do what must be done, and sharing as equitably as possible the burdens of the doing. Foremost among the organized foes of the communist conquest is the Roman Catholic church.

This is not a matter of religion, nor a matter to be decided on the basis of religion, and I deprecate appeals of that kind for or against national selective service from any quarter. Let us be men, and let us face realities and do what we think will be the most efficient and the most effective as our contribution to the upbuilding of those international forces. It will be for us to determine what is the total volume of the effort this nation can contribute to this pool of combined forces, and it will be for us and for our partners together to determine what is the best way in which each nation can make its most effective contribution to that pool of joint strength.

We know that the cost to us of maintaining one man on European soil, as part of the integrated army, is much more than the cost to the Europeans themselves of maintaining and equipping one man there. And we know that, in the production of equipment, we can get for every dollar expended as much as can be got from any dollar expended anywhere in the world, and perhaps more. We believe, as General Eisenhower is reported to have submitted in his report to congress today, that the big need of western Europe at this time is for arms rather than for troops.

For weeks we have been discussing the plans that would be put before you for your approval at this session of parliament, and we have been endeavouring to obtain the best possible information as to the most effective way in which our contribution can be made. So far there has been brought to my attention nothing that would indicate that the institution of national selective service at this time would be beneficial. On the contrary, the information we have obtained is that it would hamper what is being done at this moment. Now, that does not mean that the situation cannot change, and it does not mean that if and when it does change there will not be changes in the manner in which our resources will be contributed to this pool of international strength. But those changes will not be recommended by this government on any sentimental grounds because of any appeals on a racial or religious basis, but on their actual effective value to the joint strength of the combined forces of the North Atlantic alliance.

The leader of the opposition has said that he did not think the people of Canada would begrudge the expenditure of dollars provided that they believed they were being wisely expended; and with that I agree. And I fully agree with the hon. gentleman that no burden should be placed upon the Canadian people that is not represented by wise and efficient expenditures of the money that is produced from the burden itself. But I cannot bring myself to agree with the hon. gentleman that it would be wise at this time to set up a defence committee and to bring before it those who are engaged in the preparing and implementing of military plans that have to be carried out. I imagine the hon. member's views are still the same as those he expressed in the house on September 7 of last year, at which time he said, as reported at page 388 of *Hansard*:

> These highly trained officers, with long military experience in the different branches of the service, are men for whose opinions we have high regard, as we have for the officers under them. But has the Minister of National Defence followed the advice of the chiefs of staff? Has he? There is reason to believe he has not done so entirely, because I find, for instance, a press report in the Ottawa *Journal*—

And so on. And then, a little further on:

> We should like to hear from the chiefs of staff whether they were pointing out that we did not have adequate forces for the defence of Canada, that we needed more money for that purpose, and that we needed to step up our training. Unless we hear their statements to the contrary, I think that is a logical conclusion from these reports.

Well, I do not think that is the way in which constitutional government is carried out under traditional British practice. The government takes the responsibility, under that practice, of formulating policy and of exposing it to parliament. If parliament is not satisfied, then it is the privilege of parliament to dismiss that government and to get a different one. But it is not the privilege of parliament to get the chiefs of staff or any of the others who, at times, are described as bureaucrats by hon. members across the way, to disclose the advice to which the government is entitled in formulating policy.

There can be no objection to obtaining from the responsible ministers full information as to what they plan to do, what they are doing and how they are doing it, full information as to how every cent of every dollar appropriated for national defence is being expended. But we are not prepared to accept the urging of the leader of the opposition and to set up a committee before which the chiefs of staff or the other military advisers of the minister can be brought so as to ascertain from them whether all or only part of the recommendations made by them have been incorporated in the policy the minister takes the responsibility of submitting for the approval or disapproval of parliament.

The leader of the opposition has dealt with inflation. He is concerned—and so are we—for all those who have savings of one kind or another, whether from pensions or from income upon bonds they purchased either during the course of the last war or following it. However, in opening his speech the hon. member was very insistent in his statement that in our international policies we had to allow our great neighbour to the south to take the lead. That may be questionable. We hope—and up to the present time our hopes have been realized—that the ultimate decisions of our powerful neighbours to the south in international affairs will all be such that we shall be able to accept them on their merits, and not merely because they are their policies.

We have to examine those policies on their merits. We have to look at them from the

angle of Canadian interests and from the angle of Canada's responsibility not only to its neighbour to the south but to the whole community of free men and women throughout the world.

The repercussions, willy-nilly, of the economic policies of our neighbour on this continent are felt very greatly in this country of ours. It is not easy, even though it might be desirable, to have greater certainty in that regard. It is not easy at any time to be certain of what will happen in the economic field among our population of between fourteen and fifteen millions as a consequence of what is happening just south of us in a country with a population of about 150 million. That is why we are constantly considering the situation as it develops, and why we feel it is not a course of despondency or despair to feel that we cannot prevent a degree of inflation here somewhat approaching that prevailing in the country to the south of us. To prevent it, we would have to try to enclose our economy in an impervious wall that, under present conditions, would not be accepted by a majority of the Canadian people.

In this connection hon. gentlemen opposite should remember the speeches they made about exchange control and other forms of control at a time when we found that, for the stability of the Canadian economy, it was necessary for us to maintain them, before suggesting that we are being too laggard in resorting, under present conditions, to other and no more acceptable forms of control.

The subject is one of grave concern to all of us. I am sure that we probably have lapses of memory such as those which I am indicating have been experienced by my hon. friends across the way. It may be that our thinking is not always strictly consistent with what we have preached and attempted to practise in the past. But I can assure the house that we are attempting, in good faith and without regard to any special class or any special interests, to do for the majority of the Canadian people that which that majority will feel justifies the confidence they are still extending to us in these difficult times.

We may make mistakes. If and when we do I am sure hon. gentlemen opposite will not fail to point them out. When they become sufficiently obvious to make a majority of the Canadian people feel that they are not justified in having further confidence in our ability to cope with difficult situations, then there will be an opportunity for others to implement different policies.

Though certainty in these matters would be very pleasant to achieve, we feel that it is wise to proceed cautiously so that we would not too often have to undo what has been recently done. As was mentioned this afternoon we provided import controls on a certain commodity and within a very short time we found that they were not really necessary and that, instead, they were embarrassing. We do not like to have to backtrack. Whenever it can be done we are going to endeavour to proceed with dispatch, but with sufficient caution, to discharge the responsibilities we feel we have towards the whole of the Canadian public. We will seek, by the legislation forecast in the speech from the throne, to secure powers additional to those the governor in council already has. By proclaiming the War Measures Act on the ground of apprehended war we could have all those powers, but we prefer to leave it to parliament to say whether there is a sufficient emergency to justify a departure from regular constitutional procedure and the regular constitutional distribution of powers between the federal and provincial authorities.

That legislation will be submitted to parliament at the earliest possible opportunity, and if and when it is passed there will then be the possibility of providing such controls as it may become apparent would be beneficial, and of providing for their proper administration and enforcement. I repeat, "enforcement". There cannot be enforcement in a country like ours against the feeling of a majority of the people of what is right and what is wrong. Perhaps we shall have to follow the advice of the leader of the opposition and make those clarion calls that will create in the population the realization of an urgency justifying measures that will push them around, because after all that is what controls amount to.

It is not easy to maintain the appropriate balance. The leader of the opposition, no more than I, would wish to make statements that would be frightening, that would work our people up to an unjustified pitch of anxiety and fervour. On the other hand, there must be a sober realization by all of us that we can prevent war only by doing our full share in that which is apparently going to be done in full share by each and every one of our associates. I still believe that the Canadian public will wish us to do what is required so that we may still have grounds for confident hopes that the necessity of waging and winning a third world war will not be forced upon this generation.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, first of all I should like to associate myself with the leader of the opposition (Mr. Drew) and other members who have today congratulated the Prime Minister (Mr. St. Laurent) upon his sixty-ninth birthday. I

notice that he thanked in advance some of us who did not have the opportunity previously to accord our congratulations. I am very happy to do so, and I hope he may long be spared, if not as Prime Minister, to enjoy a well deserved further span of years.

I should also like to say to the mover (Mr. McMillan) and the seconder (Mr. Breton) of the address in reply to the speech from the throne that those of us who have been here a good many years can appreciate the difficulties under which they laboured yesterday. For two members coming into the house for the first time and rising in their places to make major speeches, I think they acquitted themselves exceptionally well. On behalf of myself and my colleagues I have great pleasure in congratulating them upon the excellent showing they made yesterday, and I hope they will often participate in the debates of the house.

The speech from the throne contains a great deal of material for thought, and foreshadows, I should think, a very important and interesting session of parliament. As we would expect it to do, it records a deterioration in the international situation. Unlike the leader of the opposition, I am going to devote some attention to the international situation largely because the Secretary of State for External Affairs (Mr. Pearson) is going to speak tomorrow and I should like to place certain criticisms before him this afternoon. I am going to take this opportunity to express approval of the decision made last summer to invite opposition members to attend sessions of the general assembly. I think that is good for the members who go there. I think it is good for our respective parties in the house. Indeed I think it is good for the country generally. It gives to members of the house, through their party representatives who attend these conferences, a more intimate knowledge of the developments and important events that take place there and the policies that Canada follows at such conferences.

Indeed it does something else. It enables parliament and the country to achieve a considerable approach to unanimity regarding grave issues which may affect not only our own people but millions of other people all over the world. Of course there may arise differences in methods of achievement, differences in the immediate objectives; but I think I can say that, in spite of any differences that we may express or that I may express this afternoon, there is no difference in the determination of each and every one of us in the house to protect and preserve our people and our country from the present menace of totalitarianism. About that determination there must of necessity be unanimity. As I have already said, that unanimity should be obvious not only in this house but all over the country.

To get such unanimity something is required, and that is a knowledge of the events that are taking place and an understanding of what they involve. Here I think members of parliament, the government and all agencies of public information in this country and everywhere else have particular responsibilities. I do not think that members of parliament, either individually or collectively, or the government either, have given enough attention to informing public opinion in this country sufficiently of the events that are taking place, and of what we should be doing to meet the threats that are now so apparent in world affairs.

What is true of individual members of the house, or of members collectively and the government, I think is equally true of our public information agencies. In my opinion the Canadian Broadcasting Corporation did a first-class job in reporting all the major discussions at the United Nations. Their rebroadcasts of important speeches by our Secretary of State for External Affairs (Mr. Pearson) and leading members of other delegations at the United Nations, the United Nations documentaries that we heard from the assembly from time to time, and so on, I think were exceptionally useful. If I may say so I think the commentaries by various commentators, by Mr. Peter Stursberg of the C.B.C., by Mr. Walter O'Hearn of the Montreal *Star* and others, were exceedingly valuable in helping the people of Canada understand some of the matters being discussed before the committees of the United Nations, and particularly before the first or political committee.

I regret that the news-gathering agencies of the Canadian newspapers generally were not adequately represented at the United Nations. From my observations the great co-operative news-gathering agency of the daily newspapers of Canada, the Canadian Press, had no representative there, at least for any length of time. The commercial organization, British United Press, as far as I know had no representative there. The result was that but for the agencies I have already mentioned, particularly the Canadian Broadcasting Corporation, the people of Canada had to rely almost entirely upon the commentaries and commentators and columnists who write from day to day in United States newspapers, many of whose articles are syndicated in some of our large Canadian newspapers. There were, of course, one or two notable exceptions as far as the daily newspapers were concerned. A moment

ago I mentioned what I considered to be the valuable job done by Mr. Walter O'Hearn in commenting upon the work of the United Nations, and of course he was maintained there throughout by one of our great daily newspapers, the Montreal *Star,* to which he reported daily. As far as the great co-operative news-gathering agencies of Canada were concerned, however, their representatives were mostly conspicuous by their absence. I regard this as a reflection upon the press of Canada and indeed upon our country generally, because we have a right to expect better service than that from our national news agencies when such difficult and important matters are being considered by the United Nations.

I believe this led to the confusion which I found in the country concerning some of the matters before the United Nations; particularly to confusion in the early fall as to the considerations leading up to the decision by the United Nations to stop the aggression which occurred in Korea last June. Too little information was available to the Canadian people last autumn as these grave events developed. As I have said already, our news came mainly from United States sources. As the Prime Minister (Mr. St. Laurent) has stated, the people of Canada hope that war is neither imminent nor inevitable; but if we should become involved in a major struggle in the months or years ahead I think it is important that our people should understand what has led up to that situation.

I am certain of this, that least of all do the Canadian people want war with the Chinese, whom I think most Canadians regard as a long-suffering, exploited people who are now groping for a better life. That leadership in China has come under communist control is, I think, a graver reflection upon the democracies who, had they taken time by the forelock and pursued essentially different policies a few years ago, might have had the leadership which has been seized by the representatives of the Soviet union in that great country of 450 million people.

For this reason I regret the adoption of the resolution that was passed by the first committee of the United Nations the day before yesterday, and which I believe is before the assembly today. I think a condemnatory resolution of that kind may interfere with the very worth-while further attempts to obtain an immediate cease-fire in Korea. I am also afraid that this resolution having been approved, it will be followed by intensified bitterness and demands for the institution of sanctions which, if approved, I fear will push China more and more into the orbit of the Soviet union.

From what I hear and have read I believe the Secretary of State for External Affairs very largely shares that view. At this point may I congratulate him on his part in endeavouring to continue negotiations, and the Prime Minister on his part in endeavouring to get a clarification of the more recent acceptance of proposals by Peking. At noon today I received my usual airmail copy of the Manchester *Guardian Weekly,* under date of January 25. Its very well informed correspondent in India discusses the situation in Asia and refers particularly to a rising bitterness even on the part of those who have sympathized and been more friendly with Britain and the rest of us in the past few years, because they feel that while we give underground—and I think that is the word that is used—support to India's attempts at further negotiations, we none the less adopt a different attitude in public when an important issue is to be resolved.

My view of the United Nations resolution regarding China, passed a couple of days ago, is pretty well stated in a resolution which was adopted by our C.C.F. national executive over last week end. Since it expresses my own view as well, I should like to put it on the record. It is not long, and reads as follows:

> The C.C.F. is opposed to any step at the UN or elsewhere which will place further obstacles in the way of a negotiated settlement in Korea and Asia generally. For this reason it urges the Canadian government—

This, of course, was before the resolution was passed.

> —to oppose the U.S. resolution now before the United Nations which would brand the Chinese people's government as an aggressor. The C.C.F. believe that if the UN passed this resolution it would be in danger of sacrificing the friendship of a large proportion of the people of Asia, and of disrupting the unity of the free world.
>
> The C.C.F. does not doubt that the invasion of Korea by the Chinese armies was unjustifiable and contrary to UN policy. But at this moment every effort must be made to prevent a general war. We must not give way to resentment or hysteria, or assume that war is inevitable.

Then it goes on, and I should like to put this on record because I wish to say something about it a little later.

> As a further indication of Canada's good will towards the people of Asia, the C.C.F. proposes that the Canadian government make a gift to India of as substantial a quantity of wheat to aid in the alleviation of her grievous famine as transportation facilities will allow.

We recognized it should be noted that there were difficulties in transportation facilities to India.

We believe that the United Nations resolution before the assembly today, and which will undoubtedly be adopted, will make—I do not

say may—a negotiated settlement more difficult. Certainly, it will delay it. At its best it will merely delay it, and at its worst it will make a negotiated settlement impossible. I feel that heed should have been paid to the last warning given to a like effect by Sir Benegal Rau, whose country understands the Asiatic opinion, and whose efforts for a peaceful settlement have been entirely consistent throughout. When I heard his very tired voice over the radio the other night making one last plea, I thought that it carried rather deep conviction with it. At any rate I was deeply impressed with it. Let us remember this, that India joined with the rest of us in recognizing that the invasion of South Korea by North Korea was an act of aggression. Subsequently, India gave warning that any close approach to the borders of Manchuria and the Yalu river would invite Chinese participation. In that, of course, she proved prophetic.

The minister of external affairs (Mr. Pearson), in his speech before the United Nations last Friday, January 26, put the view which we share. I am going to quote from that speech, because I have a verbatim copy of it before me. After discussing the Canadian position rather frankly, he says on page 13:

> . . . we think the putting of such a resolution at this stage and in this form, when the possibilities of negotiation with the people's government of China are not, in our opinion, completely exhausted, to be premature and unwise.

In fairness to him I should like to continue and put the rest of the paragraph on the record, because I think I should.

> Why then is the Canadian delegation voting for the draft resolution as a whole? In the first place, we are doing so because the main purport of this resolution, as we understand it, and certainly as the public in our own country will understand it, is to condemn the Chinese people's government for the assistance they have given the aggressors in Korea. We think that there is no shadow of doubt about this participation in aggression and we believe that the action of the Chinese people's government in this matter has been morally wrong and is to be condemned. The United Nations cannot ignore such a defiance of the principles upon which it is founded.

I agree that the United Nations cannot overlook a defiance of the principles upon which it was founded, but on the other hand there might be a time and a place when condemnation for violation of those principles should be made. The question is, had we reached that time? The minister himself said he regarded the resolution as premature and unwise. He asked for further assurance, and Sir Benegal Rau obtained it. Coupled with it there was a warning, I understand, said to be from the highest sources in Peking. Whether or not this is correct, the story came over the air that Sir Benegal Rau had received that warning from none other than Mao Tse-tung, head of the Chinese government. The minister clearly counselled caution, and gave very good reasons for this caution.

Looking at his speech a little earlier, on page 12, we find he said this:

> . . . the free world as a whole is now under a menace far greater than anything offered by the Chinese regime in Peking, a menace which even that regime itself will, we hope, one day come to recognize and to resist, and that our main objective must be to hold ourselves prepared to meet that threat. We have certainly not accepted anything like the prospects of inevitable war with the Soviet union, and we are still ready to accept genuine conciliation with members of the Soviet union bloc. We cannot, however, close our eyes to the complicity of the Soviet union in the aggressive action of the North Koreans and the Chinese communists, their subjugation of neighbouring countries, their world-wide sabotage of peace, and the continuous instigation of a new war by their propaganda machines, disguised these days as propaganda for peace. It is for these reasons, for purely defensive reasons, that I feel we must remain on guard and not allow ourselves to be deliberately distracted into weakening skirmishes or open war with a country with which we have no basic grounds to quarrel.

I most thoroughly agree with that statement. It has seemed to me, and this view is shared by many of the people in this country and indeed across the world, that what we have actually done is to run into the grave danger of being distracted into weakening skirmishes or open war with a people with whom we have no basic grounds to quarrel. If it is true, and I believe it is, that "we cannot close our eyes to the complicity of the Soviet union in the aggressive action of the North Koreans and the Chinese communists," then on much the same grounds as the minister enunciated before the United Nations committee in regard to China, we could declare the Soviet union to be an aggressor; not an aggressor in precisely the same way but none the less an aggressor in provoking aggression by others on a much wider scale. Indeed such aggression is much more dangerous and much more widespread than the aggression committed by China. But be that as it may, even before the final vote was taken on Tuesday evening, January 30, the minister reiterated the same grave warning and the same opinion. After again outlining the considerations which had brought the Canadian delegation to vote "yes" on the resolution, he said this:

> . . . we still feel that it is premature and unwise to confront the committee with the necessity for a decision on these facts at this particular moment and, as we see it, the methods of peaceful negotiation before condemnation have not yet been completely exhausted.

We find that even the minister had considerable doubts as to the wisdom of pressing this issue at this time.

Again may I refer to what the Manchester *Guardian* said in the issue which came to my desk at noon today. It pointed out that this growing bitterness in India was due to the fact that India was taking the onus for the belief that was held by some other countries associated with India and that India was in danger of "taking the rap" for expressing those views and for voting in the manner in which she did. We have all noted in the press—and I think it was most regrettable—a suggestion made in the United States that because of India's attitude she should be denied the immediate granting of the large quantity of wheat for which she has been asking and which she needs in order to prevent widespread misery and famine as a result of crop failures in that land. Because we believe that the resolution which Canada supported was "both premature and unwise", and because we fear that it will result in driving China more completely into the Soviet orbit and will jeopardize the friendship of a large proportion of the 550 million or 600 million people in southeast Asia, I am going to move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), that the following words be added to the amendment moved by the leader of the opposition (Mr. Drew):

> We further regret that while Your Excellency's advisers have generally followed a constructive course in relation to the Korean dispute, they have in relation to the resolution branding China as an aggressor supported a course which is premature and unwise at this particular moment, and which should not have been pursued until the methods of peaceful negotiation had been completely exhausted.

As I said earlier, perhaps we can mitigate this danger of driving the Asiatic peoples into the arms of the Soviet union by endeavouring to send quantities of food to India and to do all that we can to promote the success of the plan to which the Prime Minister (Mr. St. Laurent) alluded a short time ago; I refer to the Colombo plan. I know that it has been said that we have not a sufficient amount of wheat of the right grade and in position. We have a good deal of frozen wheat, grade No. 5 and grade No. 6 which is used as feed. I am told that while it does not make the best of flour, grade No. 5 wheat will make flour; and for people who are starving, even grade No. 5 wheat would be most acceptable. If we cannot give a better grade of wheat, I think that this house and this country should give consideration to giving the best that we can give in order to show not only our friendship for India but also the desirability of stamping out the results of famine and of keeping close contact with this great Asiatic people.

We shall have an opportunity of saying more about the Colombo plan a little later, but right now I want to say that I think it is the most imaginative plan ever adopted by the commonwealth countries. It contemplates aid not only to the commonwealth countries in southeast Asia but to those countries that are outside of the commonwealth—I do not need to name them all, but I might name two or three such as Burma, Thailand and Indonesia—all of whose problems are similar to those facing the commonwealth countries in Asia.

As I said a moment ago, 570 million people or thereabouts—one-quarter of the world's population—are living in that part of the world outside of China. They have ancient cultures and philosophies and they provide a challenge to the democratic nations if we desire to prevent the spread of totalitarian communism and the influence of the Soviet union among them; for people are an easy prey to that kind of propaganda, whether it be of the communist or of the fascist type, when their stomachs are empty and their bodies are weak. Food and clothing, it seems to me, in this particular area are more important weapons of defence than guns, planes, and ships of war; although I am not saying for one moment that we must not also build up our defensive materiel as well. Today, after the destructive war with Japan, and if sanctions follow the naming of China as an aggressor, the suffering that already exists there will be intensified. May I say that, as far as China is concerned, sanctions will scarcely affect the main trade lines of China because China does not trade much with the west anyhow but trades largely with the Asian countries. If we attempt to bomb the centres in China, we must not forget that there is a Soviet-Chinese mutual assistance pact, and we may find ourselves faced with the effects of that pact. I am glad that the government is going to place before us proposals in conformity with the Colombo plan. I hope that the proposals, if they are sufficiently effective, will be supported by all parties in this house and, incidentally, by all the people throughout the country.

My time is limited but there are a few minutes left. I want to say this on the subject of defence which came up this afternoon. I was interested in what the Prime Minister said. I think his statement was a courageous one. It was probably in line with the needs of the country at this time; but I should like to add this to what he said this afternoon. Before we come to a conclusion on what we are going to do in regard to the raising of an

army, in regard to industry, our resources, human and material, there should be a thorough appraisal of our resources, both human and material, in order that we might plan a really effective effort for our own defence, for the obligations that we have assumed in connection with other countries and for the defence of democracy across the world.

When we make such an appraisal we then can decide where our best contribution can be made. If war comes—and I do not think it is inevitable—it will be in Europe ultimately. Should we lose control of western Europe, which—if war came soon and with the defences that we are told are there—is a possibility, the industrial centres of Great Britain would be subjected to intense bombing and in all probability would be largely immobilized. Therefore, we have to consider what our best contribution would be under various circumstances that might arise.

We found of course that the raising of a large force suddenly in the autumn of 1939 was not very difficult, nor was the maintenance of industry, such as it was in 1939, difficult. Why? Because we had a very large amount of unemployment in the country. If my memory serves me, we had something like 400,000 people on relief at that time, and there was no strain on the economy at all in raising an army or in operating industry. As I believed then I believe now. I believed that a proper appraisal of our resources at that time would have guided us rather better than we were guided subsequently in the war that we declared in September, 1939. But in any event, whether one was right or wrong in that particular at that time, we are not at war at the moment. The government knows what obligations we are expected to assume; and it seems to me that the first step should be a thorough appraisal of our economic and human resources.

Because of the strain on the economy I want to say to the Prime Minister that I do not agree that the institution of price controls in the United States will be a sufficient safeguard for the standards of living of the Canadian people. The government will have to institute price controls.

The Prime Minister said that that could only be done if the people were in favour of it. Well, public opinion polls have shown in one instance that 75 per cent of the people interviewed were in favour of it. More recently, of course, rather smaller percentages have declared themselves in favour of the kind of controls suggested to them when they were asked the question a couple of months ago.

But again may I say—and I want to bring this to your attention before I close—if we are to have intelligent price controls the government should call together the representatives of the groups who are mainly interested in these controls, namely, representatives of the farmers—

Mr. Ferrie: They don't want it.

Mr. Coldwell: —representatives of the workers, representatives of business and representatives of some consumer organizations. When I say "representatives of these organizations", I mean people chosen by these organizations at least in a consultative committee, and endeavour to see whether we cannot relate to some degree at least prices and wages so that we may get some intelligent workable controls to which all our people would agree, and which will enable us to carry the people along without the difficulty that the Prime Minister apprehended when he was speaking a short time ago.

After all, if we are to have satisfactory controls the groups mainly interested in them are entitled to consultations, and not only consultations in separate groups, but consultation together in order that they may understand the viewpoints of one another.

Of course a great deal has been made of wage control. As a matter of fact you have wage control now to a very large extent, because in many of the great trades unions wages have been agreed upon for one year ahead and two years ahead, and yet prices continue to rise. You have control now of the farmer's returns to a very large degree in setting floor prices on some of the goods that he produces and ceilings in some of the arrangements that have been made. The only people who are free to do exactly what they like are the manufacturers, wholesalers and retailers. They have obviously increased prices over the last couple of months in order that they may circumvent price controls if they come into effect.

I am not going to give examples which have come to my knowledge over the last two or three months, but I have been told by retailers in this city, who have been buying goods that they were accustomed to buying from various wholesale concerns, that the prices have been pushed up, as they believed, to an unwarranted extent in anticipation that we may have some measure of price control and we might do what the United States did, although we did not know what the United States was going to do until a little while ago, namely, stabilize prices at the highest level. That will not do. We may have to use methods including subsidies to bring down real buying prices to some extent.

I have exceeded my time somewhat and therefore I must stop. If we can secure agreement among our people some other things will have to be done such as certain forms of taxation, excess profits taxes and so on. I am convinced that we can institute measures of control and we can organize our economy to benefit the Canadian people and to help us to do the job that we have to do and to take our share in defence of the democratic world.

Mr. Solon E. Low (Peace River): Mr. Speaker, it is close to six o'clock, but I am not going to ask you to call it six o'clock because I feel that we should make use of every minute of our time.

Let me say at the outset that I appreciate this opportunity of joining with the other leaders on the opposition side of the house in extending to the Prime Minister (Mr. St. Laurent) good wishes and felicitations on this the anniversary of his birthday. I did not rise on the orders of the day following the leader of the opposition (Mr. Drew) because I knew that this opportunity would be provided at some time today.

I find it a very pleasant duty today, Mr. Speaker, to congratulate the mover and the seconder of the address in reply to the speech from the throne. In my opinion both speeches were sensible, down-to-earth attainments, and although fluent as both speakers were and very easy to listen to, the emphasis in each case was placed quite properly on the content rather than on the refinements of oratory. That is as it should be, in days like these when we are facing grave realities. It is unfortunate—and I am sure when I say this I speak for every member in the house—that at this time parliament meets under a cloud of world confusion and the fear of war. But, because it does so meet, it seems to me that this must be a time of courage, of mental honesty, straight thinking and plain speaking, without too much acrimony or recrimination. I believe the atmosphere and the dangers of these days make it necessary, too, that each of us representing the people across this country must do some earnest soul-searching. I shall try to do my part in facing up to the formula I have just laid out.

His Excellency's speech reminded me of what the clergyman said to the young bridegroom. I attended the wedding of a young friend of mine and, after the clergyman had tied the knot and while congratulations were being offered, he said to the bridegroom, "I think it is my prerogative in all such cases to give some good advice to both young people." To the bridegroom he said, "Young man, if you intend to get along well you must always tell your wife the truth." Then, turning to the young bride he said, "But not necessarily all of it."

As I view the address I feel it is straightforward enough in what it does contain. However, at a time like this I do not think it is enough just to have carefully guarded allusions to the dangers that the people of Canada, in common with other free peoples of the world, are facing. At a time like this it seems to me that nothing less than the whole truth is good enough. The Canadian people must be roused to the fullest possible realization of the dangers they face from external sources as well as from those lurking within our borders here at home. It is only when they do fully realize those dangers that we can expect our people to rise to that effort they must make if this and the other free nations of the world are to survive.

It is my conviction that nothing less than survival is at stake today, the survival of free nations and free peoples. So that I may be perfectly fair, let me state that in two places in His Excellency's address references are made to the seriousness of the world situation. In the third paragraph we find these words:

> The increased menace in the Far East reinforces the mounting evidence that communist imperialism is determined to dominate the world by force or the fear of force, and that the only hope of maintaining peace with freedom lies in the rapid increase of the combined strength of the free nations.

And then at a later point we find this:

> The policies of the government are designed to prevent war, but the dangers of the international situation and the magnitude of the defence effort required as a deterrent have, in the opinion of my ministers, created an emergency situation.

Well, nothing is said in the address, nor can I read between the lines anything that would give us a clear picture of the state of preparedness or of unpreparedness of the free nations of the world, including our own country, to meet the challenge of these times.

Therefore, since no other speaker has done so this afternoon, I feel it my duty to place before hon. members and the people of Canada how I view the whole situation and what I think of the state of unpreparedness in which we and the world find ourselves today. When I continue speaking after the dinner recess I intend to go further than a mere examination of our physical, material and military state of preparation. These, of course, are important; but, important as they are, there are other phases which are vastly more important.

What about our moral and spiritual preparedness? Here is where the soul-searching I mentioned a while ago comes in. In the

interests of all of us I think it is essential that we Canadians—and I include myself—take a right good look at the whole picture, even if that picture proves to be an ugly one.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Low: Mr. Speaker, before the dinner recess I had referred to the fact that the speech from the throne mentioned the government's conviction that the increased menace in the Far East reinforces the mounting evidence that communist imperialism is determined to dominate the world by war or fear of war, and that the only hope of maintaining peace with freedom lies in the rapid increase of the combined strength of the free nations. Let me tell the government and this house that for the past fifteen years we Social Crediters have been convinced that communist imperialism was determined to dominate the world by force. We have been saying so in the plainest possible language for all of that time. In addition we have stated publicly on numerous occasions that we believed evil and perfidious men, many of whom were posing as our best friends, were devising communist imperialism and installing it in various countries as a definite policy for taking over economies and enslaving men simply to satisfy their own power hunger. We have not yet seen or heard anything that would cause us to change our minds in that regard. The blueprint has been there all along, and it has been clearly legible so that anybody could see and read it if they were interested in doing so.

Many of us are inclined to ask why it is that we are living under the shadow and the fear of war today. I think it is largely because we, the people of the world, either have been very busy sowing the seeds of war or have slept the months and years away refusing to see or to believe that some men and leaders of nations were sowing the same kind of seeds. Five years ago the United Nations organization was set up. At that time it was hailed far and wide as the great eradicator of war weeds in the gardens of the world. I was privileged to attend the session of the assembly of the United Nations in 1947, and again last autumn. I want to say to the Secretary of State for External Affairs (Mr. Pearson) and to the Prime Minister (Mr. St. Laurent) that I was very grateful for that opportunity. I was not able to stay either time as long as I should have liked, but I was able to stay long enough to make a good many observations and, I think, to get the atmosphere pretty well.

I should like to mention a few of the impressions that I came away with, particularly with regard to the state of preparedness of the member nations of the United Nations organization to meet the dangers that were confronting them. I confess I became convinced that the member nations of the United Nations were very largely in a state of unpreparedness. They were unprepared to take even a look at the cost of survival, let alone to pay the price of peace. I saw at the assembly a good many sincere people who were making an obviously earnest effort to build a temple of peace, but my heart certainly sank within me when it became clear that they were trying to build their structure on foundations of sand and with rotten timbers.

The nations of the world say they want peace, and yet they persist in those practices that make peace impossible and war a certainty. In that respect they remind me of the poor fellow who was told by his doctor that he had arteriosclerosis and consequently he would have to give up smoking his usual quota of cigars if he were not to die within a matter of months instead of perhaps years. The patient said he would rather die than try to quit. It was evident to me at Lake Success that altogether too many nations still believe that might is right and they try to practise it. Too many of them still violate the rules of human decency. They continue to place a very low value upon the individual human soul and they show a callous indifference to human suffering.

I thought a good many times, amongst other things, of the plight of such people as the Puerto Ricans. They are a numerous people for such a small and poor country, and yet no other country wants to take their surplus population or to extend to them the help they need if they are to live in anything but squalor. Is it any wonder then that some of them would take extreme means to draw the attention of the world to their plight? You all know of the misguided souls who did plot and attempt to carry out the assassination of the President of the United States.

What some nations are doing to their people today is almost indescribable. Besides training as many of their citizens as they can to hate and envy, they are practising upon their youth especially the most diabolical form of indoctrination. While I was at Lake Success I had quite a long chat with the administrator of UNICEF in one of the countries behind the iron curtain. She indicated that the governments were literally unscrewing the souls of those young people and putting back into them something that makes them mere automata capable of

doing only one thing, obeying their master's voice. How are the decent people of the world ever going to deal successfully with a generation like that, a generation that cannot listen to reason because they are not trained to reason, a generation that will not know right from wrong because they have never been taught to distinguish between them, a generation that cannot make up its own mind, that merely takes orders and executes them?

Then, Mr. Speaker, it must grieve the sincere and charitable people of the world, as it grieves me, to observe that some nations today will stoop to the use of hunger as a weapon to compel conformity to their own views and ideas. I know of no crime more grievous than to capitalize or attempt to capitalize upon the hunger and suffering of humanity in order to gain one's own ends. It must be clear to thinking people that such a practice is one of the rotten timbers that they would build into their temple of peace. If Canada ever becomes piqued because some other nation differs in opinion with us I hope we will be charitable and big enough not to refuse it that part of our surplus foods we can easily spare, especially if many of their people are going hungry.

Unfortunately the countries of the world persist in the same old trade practices. The creditor nations continue to show an insatiable appetite for favourable balances of trade, and then wonder why other people cannot pay their debts. Those nations show an unwillingness to balance their trade with the rest of the world, though that is the only way the other nations can get the wherewithal to pay their bills. Economic conquest through these favourable balances of trade continues apace. Too many nations think in terms of a good deal rather than in terms of what is fair and in the interests of humanity. The spirit of exploitation is still very much in evidence throughout the world, and from my observations tariff restrictions and restrictive customs practices still greatly impede the movement of goods across borders. And with all this there is an evident desire to get into the position where one country can export to other countries not only its surplus goods but its unemployment as well. It is true that the trade conferences of late years have made some attempts to get the world on a new footing in this regard, but they have merely tackled some of the inconsequentials, and have left strictly alone those most grievous, fundamentally iniquitous things such as the most-favoured-nation clauses of trade treaties, and so on.

At Lake Success I discovered the same old lack of faith in and suspicion of one another. There appeared to be the old determination, in many instances, to save face. There is still much secret diplomacy, as we used to call it, and shifting of alliances, though today we give them different names such as Atlantic union, Pacific pact, or something of the kind. It appears that some countries still foster the belief that the best way to achieve a prominent position in the world and get along is to lie and cheat and steal, to mislead, to enslave and murder, to turn God out of His heaven and put Mammon in His place. In those countries the aim appears to be to make themselves physically and materially powerful, but spiritually and morally impotent.

I do not want to weary the house with many more of these things, so let me simply ask, what chance have the free nations of the world to build a temple of peace out of such stuff and upon such foundations as that? It is perfectly clear to me that there must be widespread repentance and turning back to the principles of right, decency and justice before we can possibly lay the foundation for peace in the world and abolish fear of war. The United Nations has failed to achieve peace in the world, so now we are basing our faith upon regional pacts. We have on paper plans for an integrated military force for the defence of Europe and the Atlantic states. We have a supreme commander, though as yet of course he cannot be said to have a force. I join with the Prime Minister in the hope that the twelve Atlantic nations will make all speed toward the integration of their strength. I share with him also the belief that if they do, and if we have faith in one another, in our combined strength we can put an end to aggression.

Canada, of course, must do her full part if this effort is to be successful. It is certainly clear that the world as a whole is in a state of unpreparedness. What about Canada? Are we prepared? That is the question we have to consider. The speech from the throne expresses concern over the need for the St. Lawrence seaway in relation to our security. In fairness I know our government cannot be blamed for the failure to develop that seaway, so let us hope those forces, if I may put it that way, that have been responsible for blocking the project, will repent of their ways and come to see that the security of all North America depends to a great extent indeed upon the development of the St. Lawrence seaway.

That excuse, of course, cannot be given for the fact that as yet we have not a trans-Canada highway. As a consequence we are unprepared to move equipment and supplies quickly through our country from east to west to meet any threat that might develop to any part of it. It is likely that we will

have to pay pretty dearly for our lack of vision and action in this respect. While I am speaking of highways and lack of vision, we have also neglected for far too long to provide highways and adequate means of communication in the great Canadian northwest. There we have metals, minerals and foodstuffs being produced, all of which are essential to our strength and our preparedness, but it is most difficult and costly under present circumstances to move them, and as a result any effort we may make to defend our country will not be as effective as it otherwise could be.

Canada continues to be largely dependent upon other countries for a good many of the essentials of life and of defence, things we could and should be producing for ourselves in the quantities we need. Here again it seems to me we have shown a lack of vision and of preparation for the future. It is perfectly true that since 1945 we have increased our steel production quite considerably, I believe to a fairly large extent through government assistance and leadership. But we are still far short of the production we need even in times of peace. One particular in which I think there was a sad lack of foresight was in the fact that the financial assistance provided by the government to the steel industry some time ago was extended only to the companies already producing steel. Apparently no assistance whatever was offered to induce the organization of new companies and help them finance these vast undertakings. I can see no valid reason why much of the iron ore presently going from the Steep Rock area to the United States should not be made into steel right at the coal beds of our own country, notably in southern Alberta. It is no further from western Ontario to the coal fields of southern Alberta than it is from Sweden to the Ruhr valley of Germany. I was there in 1948 and witnessed what had been going on for many years; that is, a very large, very successful steel industry based upon iron ore being carried clear from Sweden to the coal beds of the Ruhr valley. The physical possibilities are here in Canada, but we have neglected their development until now, of course, we are facing an emergency and we are not ready.

Neither have we developed our fuel industry. We still have to buy twenty-five or twenty-six million tons of coal from the United States with scarce American dollars, while forty-nine billion tons of perfectly good coal and great quantities of oil in Canada remain relatively untouched and undeveloped. A similar situation exists with respect to sugar, and right now there is evidence that considerable quantities of fats are going to waste simply because there is no place to put them. Yet, any moment fats can become so scarce that soaps and other essentials would have to be rationed. Surely, Mr. Speaker, the appropriate department of government could be exercising some leadership in attempting to save what we have and convert it into a form that could be stored against the day when it will be needed. Any program for successful defence will have to include a program of stepping up our production of all these essentials to the limit of Canada's ability to produce them.

Since I came here in 1945, Mr. Speaker, a good deal has been said in this house about the centralization of industrial activity in the provinces of Ontario and Quebec. Not much heed has been paid to the warning which has been issued frequently because there continues to be industrial centralization for the sake of—well, I do not know what.

Mr. Blackmore: Ontario and Quebec.

Mr. Low: Yes, perhaps for Ontario and Quebec. At a time too, when, for the sake of security, the greatest possible measure of decentralization ought to be taking place. In a country as vast and broad as Canada is, it is essential in the interests of our security to have strong regional industrial activity. There might be some excuse for this centralization of industry in the central provinces of Canada if the raw materials and sources of power were not available in other parts, but that is not so.

Again, a good many thinking people, Mr. Speaker, are going to realize that one of Canada's pressing problems, and one of our weaknesses today, is the continual and serious decline in the purchasing value of the Canadian dollar. During the last year the cost of living in Canada has risen by ten points. As a result our 1951 dollar is worth just a little more than half the value of our 1939 dollar. That fact is startling. Startling as it is, there are a good many thinkers who believe that the Canadian dollar will continue to decline in value until it reaches twenty or thirty cents lower than it is. Ask the housewife what she thinks about this cost of living and the declining value of the Canadian dollar. She knows that the beefsteak she bought in 1939 for 27½ cents a pound now costs her close to a dollar a pound. Furthermore, I think it is common knowledge that the housewife today has to pay 16 cents for the loaf of bread for which in 1939 she paid 6½ cents. Milk that cost 9 or 10 cents a quart in 1939, now costs 18 or 20 cents.

The other day I noted that some of the milk companies in this city announced they were jumping the price of skim milk—you know that blue, anaemic stuff that they used to

pour down the drain—to 15 cents a quart. So it is with almost every necessity of living, as well as most of the things that are not essential.

Mr. Smith (Calgary West): And you require a doctor's prescription to get it.

Mr. Low: Yes, the increases in the cost of living do not matter too much to the people whose incomes have increased in the same proportion or better, but let me tell you, Mr. Speaker, that those people whose incomes have not kept pace with the shrinking value of our money find themselves in a serious predicament today. The tragedy lies in the mistaken idea that there are only a few of these people. There are thousands of them. In addition to those, there are a good many thousands of people in Canada who are trying to eke out an existence on fixed incomes, such as pensions or annuities which they bought with dollars that would purchase twice as much as they do today or perhaps three or four times as much. Some people are trying to live on incomes from investments that were made some years ago. These people are suffering. They need to have some assistance.

There are a good many farmers also in this country, Mr. Speaker, who face the future with anything but optimism and confidence because of spiralling prices. The other day a farmer in Saskatchewan wrote to me, and this is what he said:

> I am just a poor Saskatchewan mixed farmer and these higher wage, higher price, higher tax spirals are pushing men like me into a chasm of despair. What started out as a small slide has turned into an avalanche overnight.

This is typical of the feeling of many farmers throughout Canada.

In a general way I think it is true to say that the purchasing power of the Canadian dollar is less than 56 cents, largely because neither the government, organized labour, the owners or managers of business, nor the consumers as such have been conscious of cost and what it means. We are all consumers, and we are just as guilty as anyone else. We are not cost-conscious. I think it is true to say also that this same unconsciousness of cost has allowed our dollar to shrink in the alarming way I have outlined, and that is going to destroy the spirit and basis of independence and individual freedom in Canada if we are not careful. With increased prices, taxes inevitably are made higher. They find their way into costs, and they create an upward pressure on prices and the cost of living. The reserves which individuals have saved for emergency and old age, sickness or disability, in many instances have been drained away. With the dwindling of those reserves, the freedom and independence of the people will go out the window. Consequently, more and more of our Canadian people will become little better than wards of the government.

I wish I had time to outline what I believe are three or four very bad practices that have been established in Canada, and which have contributed to this shrinking value of the Canadian dollar. I shall mention briefly one of them, and that is the stupid way in which the government has managed, or not managed, the supply of money in our country. Perhaps at another time I shall have an opportunity of dealing with that. At this stage let me just mention one factor contributing to the shrinking value of the dollar which I think it is essential to place on record for the Canadian people. In our country the mistaken idea has grown up that the way to stop inflation and bring our economy into balance is to fight blindly for higher wages and shorter hours of work. I am all in favour of wages and hours of work that are as just and as fair as possible, but it ought to have been clear to both labour and management that there is nothing either of them can do with wages to put sense back into the Canadian dollar or restore living standards in this country. Increased wages mean increased costs of production and increased taxes. All of these push prices up to the point where nothing at all is gained by wage increases.

Is it not tragic, Mr. Speaker, that we have all failed to keep our eye on output, prices, and the purchasing value of our currency? Instead of that we have kept our eye on wages and pushing them up. There is where our eye should have been, on prices, output, and the purchasing value of our Canadian currency. I have heard it said that the consumer, who is also a labourer, will literally go through hell to double his wages, but he will not turn over his hand to reduce consumer prices. Now, something must be done to put sense back into the Canadian dollar, to stabilize the value of the Canadian dollar at a reasonable level. Our people cannot feel like making the supreme effort they will be called upon to make if they have to go into the heavy days ahead overburdened by the high cost of living.

Let me warn the members of this house, Mr. Speaker, that whatever we do about it we must be sure that we preserve unimpaired the liberties of the Canadian people. A people without the maximum of individual liberty lack the incentive to become great, lack the ability to out-produce, out-invent and out-calculate those who are determined to take away our liberty and destroy us, in order

that they might make themselves the dictators of the world. Upon preserving the liberties of our people certainly will depend the future greatness of our country.

Let me just mention one other thing before I come to the conclusion of my remarks, Mr. Speaker. It appears that in Canada the spirit of "gouge" is the spirit of the times. "Get all you can while you can get it" seems to be the slogan of all too many people. This spirit, if continued, will weaken our efforts to rise effectively to the defence of ourselves, of our great country and of the free countries of the world; and it will make it impossible to build a temple of peace that will really ensure peace.

I see, however, some bright things as well, of course. Canada has expressed her willingness to do her share in providing technical assistance to underprivileged areas of the world. I think that is good and it shows where our heart is. Canada also has indicated that she will take a part in the Colombo plan. These are some examples.

There is another thing I should like to mention at this time and that is the initiative that was shown by the Prime Minister when he set out by himself to seek clarification of the Red China note to the United Nations. I congratulate the Prime Minister on being so independent. I do not by any means share the views of those people who criticized him as having deserted his friends. I am convinced that his determination to resist any effort by other powers to push him into conformity with their views, if he is convinced within himself that that is not the way that Canada should go, will be supported fairly largely by the people of Canada.

In conclusion let me say this, Mr. Speaker. If the Canadian people really want to survive, they will face squarely the facts of our present situation. They will prepare themselves for the tasks that will have to be done. They will be prepared to sacrifice some of their comforts in the interests of an effective defence and co-operative effort to deter and prevent aggression. They will bend themselves to an all-out productive effort, and they will show a willingness to give a good day's work for a good day's pay. At the same time they will have to take measures to ensure that their government respects their rights and does not alienate their freedoms. They will have to repent of their errors and shortcomings; they will have to come to understand fully that our surest defence is going to be a change of heart, and that the price of peace is righteousness.

Mr. A. L. Smith (Calgary West): Mr. Speaker, I take advantage of the looseness of our rules in connection with this debate because it is the last time that I shall have the privilege of addressing you as Mr. Speaker. I wish to conform with what has always been the practice and to congratulate the mover and seconder of the address. I did not hear their speeches but I read them with care, and I can say that they are in conformity with the best traditions of this House of Commons.

Some few weeks ago I announced to my constituents my intention of bringing to a close my life here in Ottawa. I did that because I have always thought my first duty was to them. I of course communicated with my whip and with my leader who have so generously given me their friendship and their guidance. I have no intention now of making a speech to you. I recall that the hon. member for Temiscouata (Mr. Pouliot) once told me jokingly that I was an evangelical. I have since thought that he spoke much more truth than fiction when he made that remark; because on an occasion such as this there is a tremendous urge to tell the world what its troubles are and to advance cures for them. You will be glad to know that I have successfully put down that temptation. In fact, it seems to me that I have spent my whole life in putting down temptations, but not of that kind. This is no time for me to preach, and I have no intention of doing so.

My specific business this evening is to do one thing among others which I will mention in a moment. First, I want to thank the staff of this House of Commons; and by the staff, I mean everybody from the gentlemen at the table to the most humble and the newest page boy in the chamber. I must mention the protective staff; not that I have needed much protection, in a way, but I think if I have any championship in this house, it is in losing my stick, my hat, my coat, my keys and my files. The protective staff have always returned them, and done it with a smile. May I say that one of the impressions I carry with me from here is the kindliness with which all members of the staff—the dining room girls and everyone else—treat us members who are supposed to be little gods but who, after all, are just simple people dealing with other simple people. While speaking of the staff of the house, I want to say a word or two to the men of *Hansard*. Last summer when I had not much to do, I picked up a volume of *Hansard* and I read what I thought was a good speech. Then I found that it was attributed to me. You can imagine my shock on the discovery I then made. But I am indebted to *Hansard* for the excellent phrasing they used and which they attributed to me. I am inclined to think that I have been justified in one

kind of pure laziness. I have stubbornly refused to correct my remarks in *Hansard*, and I am more than happy that I was sufficiently lazy not to do that because these people have done it much better than I possibly could have done it myself.

I now turn to another group of people with whom we are associated, namely, the members of the press gallery. I can only say one thing to them, namely, to thank them for their fairness, even generosity, to me in the time that I have been here. I also want to thank the press of Canada for the kindly things they have said about me. As one member of my family remarked—I think it was my daughter—"It is a wonderful thing to have these obituaries while you are still alive." That is pretty much what has taken place.

I now turn—and this is my business here—to this institution of the House of Commons and its members. There is practically nothing I can say except to wish each of them the best of good luck in this world. My prayer is, particularly in view of the difficulties with which they are confronted at the moment, that they may have God's guidance in their deliberations here.

I said I was not going to preach, and I will not except perhaps to say one thing. I have been doing a lot of thinking lately because I have had lots of time to think. I said to myself: "You have been there a few years"—I am in the seventh year now—"What did you come out with? What is your idea of the chief function or responsibility of the House of Commons?" I enumerated in my mind all the virtues that a man could have or a nation could have. I came to a very simple conclusion, a conclusion that I know to be right, namely, that perhaps the chief thing that rests upon us here is that within these four walls and in our hands rest the honour and conscience of the Dominion of Canada. You may differ about material things, but no nation ever yet made any mark in history over any length of time unless it did so with honour. When it lost that it went down, as those men in Russia will go down because they are without honour.

I borrow from the poet and say this, and this is the only thing that anyone can describe as an attempt at eloquence. I do not like that word, but I remember this couplet so well with respect to the conscience and honour of Canada. I say to you: Sirs, I charge you, keep it holy; keep it as a sacred thing. Without it everything we do will become dust and ashes even in our time.

Now I must go. Mr. Speaker, sometime ago I came through the door behind us. I know that I brought nothing with me. I think it was Omar Khayyam who said, as I shall say it in a moment:

> Myself when young did eagerly frequent
> Doctor and Saint, and heard great argument
> About it and about: but evermore
> Came out by the same door where in I went.

I am glad the Prime Minister (Mr. St. Laurent) is in his place. Omar Khayyam talked about doctor and saint. He said he heard great arguments. I have heard great arguments, but I have not seen many doctors or saints. I am inclined to think that in Omar's day he was not referring to medical doctors. He must have been referring to the fellows who in these days would be a Ph.D. or something like that. I remember so well when I was young thinking that I would go to Chicago university in order to try to get a Ph.D. and be called a doctor, because in those days the fact was that you could get a Ph.D. while the train passed through just as you can buy a bottle of Coca-Cola today. As a matter of fact times have changed.

But I have not seen many doctors, I have seen only one saint. I am inclined to think that I have seen altogether too much of him and that saint is St. Laurent, who sits opposite.

I have already said, sir, that I have brought nothing with me. Before continuing I think I should say to the house that I am far from being incapacitated. I want to take this opportunity of correcting the false impressions that are very much abroad in this country, namely, that members of parliament are down here for a rather well-to-do holiday. In my own town I meet people whom I know quite well and they say: "Oh, you are on a short holiday, are you?" I had not been in the House of Commons for a while, but they did not know it. That did not make any difference. They think we are having a holiday. If fourteen hours a day is a holiday, sir, then I do not grasp at all the simple meaning of the word.

I do not claim that I worked fourteen hours a day. Nobody can. But there is a pull on your mind and a single trackness about this business which it is difficult to bear. That was particularly true last session when we worked fourteen hours a day six days a week. So far as I am concerned that put the climax on my position. The doctors—not the kind I spoke about a moment ago—are very fond of using the word "hypertension" these days. What it means, I do not know—but I think it is the father and the mother of high blood pressure, or something like that.

That is the position in which I find myself. It is not that I cannot work: I have been forbidden to go through this routine which, apparently, is likely to last for some considerable length of time. I have been told

definitely that if I do attempt this, then they will not accept the responsibility for what may happen.

I interrupted myself, so to speak, a moment ago when I said that I brought nothing with me. In a moment—and not more than a moment—I shall be going through that same door. But I go out greatly enriched by what I have seen here. In this arm I hold an armful of memories; the other is overflowing with friendship.

I speak of memories. I do not intend to tell you about them—with perhaps one or two exceptions. I think I shall miss the magnificent rages of the hon. member for Temiscouata (Mr. Pouliot) and then, after having finished his speech, seeing him sit down wearing that broad, beaming smile, thus enhancing a not otherwise unhandsome countenance.

I am afraid I cannot help mentioning my old friend and colleague, the late Tommy Church. I am going to sail his seven seas—but not with him.

You know, Mr. Speaker, while the leader of the Social Credit party was speaking the thought occurred to me that, if I could stick it, if I could sit here and listen to the hon. member for Lethbridge (Mr. Blackmore), who needs no provocation, expound the principles of social credit, ultimately I might understand the thing—which I do not at the present time.

I leave, Mr. Speaker, happy in the thought that there is not a member, not a person in this room, to whom I cannot bid "good morning"—and mean it. It may be that at times I may have unleashed the odd arrow. But I give you my word of honour, the tips were never dipped in the poison of hatred, or even of enmity.

And so I go. It is hard to realize that I go, not to return again. Tomorrow or next day I shall place in the hands of my whip those documents which are necessary for the carrying out of that intention which, sir, I have no doubt you have grasped, from what I have already said.

Years ago when friends parted the expression most commonly used was, "God be with you." That phrase has been abbreviated—corrupted, I think—until there remains just one thing to say, and that sincerely, "Good bye."

Mr. Fournier (Hull) moved the adjournment of the debate.

Mr. Speaker: There is before the house a motion for the adjournment of the debate. Before the debate is adjourned may I say that the hon. member for Calgary West (Mr. Smith) has left the chamber. Before going, however, he intimated that probably he will not return.

I cannot force him to return; if he tenders his resignation, then doubtless we shall be forced to accept it. I do feel, however, that I should express to him the feeling of all members here, and that is that while we have noticed that probably he is weak of limb, we have also noticed that he is still very strong in mind. We feel that, if at all possible, we would want him to continue to carry out the duties he owes to his constituents, and the service he could render to his country.

We realize, from what he has said, that his health is in danger. I believe I speak for all hon. members when I say that we hope he will consult his medical advisers again and that they may give him some encouragement. We would hope that it might be possible for him to reconsider the decision he has made. He may rest assured that if it is at all possible for him to return to the house, he will receive here a very warm welcome indeed.

Motion agreed to and debate adjourned.

BUSINESS OF THE HOUSE

Mr. St. Laurent moved the adjournment of the house.

He said: Mr. Speaker, I am sure there are many members in the house who would like personally to convey to our beloved colleague from Calgary the sentiments you have just expressed. Therefore it might be agreeable if at this time we were to adjourn. It has already been intimated that tomorrow afternoon the Secretary of State for External Affairs (Mr. Pearson) will express his views about the international situation. I do not think we would be losing any time if we were to adjourn now, thus affording us the opportunity of conveying to our colleague the views you so eloquently expressed from the chair.

Motion agreed to and the house adjourned at 9.02 p.m.

APPENDIX

BRITISH NORTH AMERICA ACT—SUGGESTED AMENDMENTS—CORRESPONDENCE WITH PROVINCES

TEXT OF LETTER SENT TO THE PREMIERS OF ALL THE PROVINCES

Office of the Minister of Justice

Ottawa, January 2, 1951

Hon. J. W. Jones, M.A., B.Sc.A.,
Premier of Prince Edward Island,
Charlottetown, P.E.I.

Dear Mr. Jones:

The Prime Minister has directed me to submit to you for consideration by your government the two enclosed proposed amendments to the British North America Act respecting old age pensions and a provincial sales tax.

The Prime Minister has asked me to state that he would like to have your comments with respect to these proposals as soon as you could conveniently send them.

Yours very truly,

Stuart S. Garson

PROPOSED AMENDMENTS TO B.N.A. ACT

1. Add a new subsection to section 95 in the following terms:

"(2) Notwithstanding anything in this act, the parliament of Canada may make laws in relation to old age pensions."

2. Re-enact head 2 of section 92 to read as follows:

"2. The raising of revenue for provincial purposes by

(a) direct taxation within the province, and

(b) indirect taxation within the province in respect of the sale of goods (except goods sold for shipment outside the province) to a buyer for purposes of consumption or use and not for resale, at a rate not exceeding three per centum of the sale price, but not so as to discriminate between sales of goods grown, produced or manufactured within the province and sales of goods grown, produced or manufactured outside the province."

Premier's Office
Prince Edward Island

January 5, 1951

Hon. Stuart Garson,
Minister of Justice,
Ottawa, Canada

Dear Mr. Garson:

The government of Prince Edward Island approves the two proposed amendments to the British North America Act respecting old age pensions and a provincial sales tax which were forwarded in your letter of January 2.

Very truly yours,

J. Walter Jones

The Premier
The Government of the Province of New Brunswick

Fredericton, January 6, 1951

Hon. Stuart Garson, K.C.,
Minister of Justice,
Ottawa, Canada

Dear Mr. Garson:

I have your letter of January 2 which was accompanied by two proposed amendments to the British North America Act, one respecting old age pensions and the other a provincial sales tax.

We shall let you have our views thereon just as soon as possible.

Yours sincerely,

John B. McNair

Office of the Prime Minister
Province of Quebec

Quebec, January 8, 1951

Hon. Stuart Garson, K.C., P.C.,
Minister of Justice,
Ottawa

Dear Mr. Garson:

Your letter of January 2 and the two enclosed proposed amendments to the British North America Act have been brought to my attention today.

My colleagues and myself will carefully study these proposals.

I renew, with pleasure, my personal and official good wishes for a happy and prosperous New Year to you and yours.

M. L. Duplessis

Premier's Office
Saskatchewan

Regina, January 8, 1951

Hon. Stuart Garson, K.C.,
Minister of Justice and Attorney General of Canada,
Ottawa, Ontario

Dear Mr. Garson:

This will acknowledge your letter of January 2 enclosing two proposed amendments to the British North America Act respecting old age pensions and a provincial sales tax.

I am asking our law officers and the departmental officials concerned to study these amendments, and I shall be glad to forward our views respecting these proposals to you at the earliest possible date.

Yours sincerely,

T. C. Douglas

The Premier
Nova Scotia

Halifax, January 19, 1951

Hon. Stuart Garson,
Minister of Justice and Attorney General,
Ottawa, Canada.

Dear Mr. Garson:

I thank you for your letter of January 2, and in reply thereto, I beg to enclose comments on the proposed amendments, which for convenience are divided into comments on proposal No. 1, and comments on proposal No. 2. I assume that when you have heard from other provinces, and got an amendment in some more advanced form, we will again be furnished with a copy, so that we may have a chance of looking at it before it is introduced or passed.

Yours sincerely,
A. L. Macdonald

Comments Re Proposed Amendments To B.N.A. Act

Re Proposal 1:

1. Add a new subsection to section 95 in the following terms:

"(2) Notwithstanding anything in this act, the parliament of Canada may make laws in relation to old age pensions."

This amendment is treated differently from that relating to unemployment insurance, for the apparent reason that it is not intended or desired that the legislative power of the dominion parliament should be exclusive in relation to old age pensions. Therefore the amendment is not incorporated into section 91 because of the effect of the opening clause of that section, particularly the word "exclusive", and the effect of the closing clause of section 91.

It is doubted, however, that the proposed wording of the new subsection, even as a subsection of section 95, would avoid the effect of making the dominion's powers exclusive, or would result in concurrent powers being possessed by the provincial legislatures. While it may be desirable from the standpoint of the province that the dominion's power should be exclusive, that result would not appear to have been intended from discussions at the conference.

The phraseology of the amendment as proposed is quite similar to that of section 101, and attention is drawn to the interpretation placed on that section by the judicial committee in the privy council appeals reference (1947 A.C. 127). It will be recalled that the argument was advanced that section 101 could not give the dominion parliament power to create a final court of appeal, at least in respect of matters coming within the legislative powers of the provinces under section 92. This is dealt with by Lord Jowitt, who delivered the opinion of the judicial committee, at pages 151 to 153 of the report cited, and attention is drawn particularly to the following remarks found on pages 152 and 153 of the report:

"But in the opinion of Their Lordships the same considerations lead to the conclusion that the court so established must have not only 'final' or 'ultimate' but also exclusive appellate jurisdiction. They would emphasize that section 101 confers a legislative power on the dominion parliament which by its terms overrides any power conferred by section 92 on the provinces or preserved by section 129. 'Notwithstanding anything in this act' are words in section 101 which cannot be ignored. They vest in the dominion a plenary authority to legislate in regard to appellate jurisdiction, which is qualified only by that which lies outside the act, namely, the sovereign power of the imperial parliament."

It is suggested that if the intention is to grant concurrent legislative powers to the legislatures in the provinces, that might be accomplished by adding a subsection to section 95 paralleling the wording of the present section 95 somewhat as follows:

"(2) In each province the legislature may make laws in relation to old age pensions in the province; and it is hereby declared that the parliament of Canada may from time to time make laws in relation to old age pensions in any or all of the provinces."

Re Proposal 2:

2. Re-enact head 2 of section 92 to read as follows:

"2. The raising of revenue for provincial purposes by

(a) direct taxation within the province, and

(b) Indirect taxation within the province in respect of the sale of goods (except goods sold for shipment outside the province) to a buyer for purposes of consumption or use and not for resale, at a rate not exceeding three per centum of the sale price, but not so as to discriminate between sales of goods grown, produced or manufactured within the province and sales of goods grown, produced or manufactured outside the province."

It is suggested that there is no good reason for changing the form of the existing head (2) of section 92 in any way. That head has been the subject of consideration in a great many cases and a considerable amount of jurisprudence has been built up on the basis of the wording exactly as it stands. At least some of the effect of the decisions would be lost even by a rearrangement in form or by such an apparently minor change as the omission of the indefinite article before the word "revenue". For instance, there is at least the question raised by Lord Phillimore in Caron v The King, but not decided, as to whether the dominion has a power of indirect taxation for provincial purposes, and the argument developed by Professors Kennedy and Wells in their work on the "Law of Taxation in Canada" to the effect that there may be a provincial power of indirect taxation for provincial purposes. Without suggesting that questions such as these are substantial or indeed have particular merit, none the less the existence of a considerable volume of case law and comment would seem to be a sufficient reason for retaining the head in its present form unless there is very good reason for a change, and no such reason seems to exist. The proposed provision with respect to indirect taxation might be included in section 92 as a new enumerated head (2A).

The amendment granting the power of indirect taxation will have to be very carefully drawn, as from it alone will the province derive its whole indirect taxation power and by it will that power be limited. Before suggesting any alternative, some comments in respect of the form suggested may be in order. With respect to the exception (in parentheses): in those provinces which now have a tax in the nature of a sales tax, an exception is made of goods sold for delivery outside the province. There are two apparent reasons for such an exception: first, as the tax is in theory and in form a direct tax on the purchaser, it would be ultra vires of the province to attempt to impose that tax on a purchaser outside the boundaries of the province; second, it is apparently considered desirable to avoid placing a vendor within the province in an unfavourable position as compared with his competitors outside the province. As it is proposed to

confer the power of indirect taxation, the first reason would no longer exist, and the second would exist only if some provinces refrained from imposing an indirect tax or if the rate of tax imposed varied as between provinces.

It would seem that the exemption of goods sold for shipment outside the province should be in the discretion of the provincial legislature. If the exemption is in the provision authorizing the tax it would place a premium on interprovincial trade and offer wide scope for evasion as no province would be in a position to levy a tax in respect of interprovincial sales.

The interpretation to be attached to the word "goods" and to the phrase "consumption or use and not for resale" is of the utmost importance, since the enabling section will represent the sole source of the provincial taxing power and any taxation statute made under its authority will be strictly construed. Questions immediately arise as to whether "goods", as here used, would include services, such as medical services; combinations of services and materials, as automotive repairs; or intangibles, such as electricity or telephone service. Similarly, the question will arise as to whether materials purchased at retail and incorporated in and forming part of a substantially new product, later also sold at retail, are, in the first instance, consumed or used. For example, a small bakery establishment might purchase flour, sugar, shortening, etc., from a retailer at retail prices and, in the broad sense, use these materials in the ordinary course of the business of a baker. The product of the bakery would subsequently be sold at retail and there is at least the possibility of double taxation. Reference to the interpretation applied to the word "goods" as used in existing federal and provincial statutes is not of much value, inasmuch as the meaning given to the word can be and is expanded or restricted by definition within the statute or by supplemental regulations. It would not be possible to define the meaning to be attributed to goods in the enabling section by a definition in the taxing statute of the province. Similarly, no definition could be supplied in a provincial taxing statute as to the meaning to be given to the phrase "consumption or use and not for resale". It is very difficult to express a taxing power of limited scope in terms as brief as those proposed. The alternatives are to assure that the taxing power is sufficiently broad and to place the restrictions in the actual taxing statute, or to make the section conferring the taxing authority sufficiently comprehensive to cover the exact limitations for the taxing authority. If the latter course were followed it would perhaps be necessary to include within the enabling section definitions of the key words of the section after discussion had determined just what that meaning should be.

The final clause of the proposed amendment is apparently designed to prevent anything in the nature of a provincial customs duty. It is suggested that discrimination in favour of the goods of the enacting province as against those of other provinces would be ultra vires under section 121 of the act in any event, but if considered desirable for other reasons there is no particular objection to this clause.

As the basis of consideration and negotiation it might be suggested that head (2) of section 92 be left as it now stands and that a new head (2A) be added to section 92 in some such form as:

> "(2A) the raising of a revenue for provincial purposes by indirect taxation at a rate not exceeding three per centum of the sale price in respect of sales within the province to purchases for purposes other than resale."

TEXT OF LETTER SENT TO THE PREMIERS OF ALL THE PROVINCES

Office of the Minister of Justice

Ottawa, January 20, 1951

The Hon. A. L. Macdonald, P.C., K.C.,
Premier of Nova Scotia,
Halifax, N.S.

Dear Mr. Macdonald:

Since I wrote you on January 2 enclosing a suggested constitutional amendment to make it possible, *inter alia*, for provincial governments to impose an indirect sales tax at the retail level, it has become clear that such a proposal will be subject to the most powerful opposition of the retailing industry throughout the country. Apparently the attack will be made partly on the plausible ground that if provincial governments are allowed the right to levy indirect sales taxation, they may discriminate between different classes or types of retailers based on their residence, or their ownership, or their marketing methods, or what not—thus setting up effective trade barriers between different parts of the country. You will recall that it was on this general ground that a somewhat similar proposal was defeated in the Senate in 1936.

I think you will agree that it would be most unfortunate if, as a result of a similar attack based on similar grounds, we should fail to secure the enactment of a measure which provides for an extension of the taxing powers of the provincial governments. After very careful consideration, therefore, we would propose that there be added to the draft amendment already sent you, dealing with retail sales taxation, the following words:

> "and not so as to discriminate between sellers or classes of sellers of the same class of goods."

Yours very truly,

Stuart Garson

Office of the Minister of Justice

Ottawa, January 22, 1951

Hon. A. L. Macdonald, P.C., K.C.,
Premier of Nova Scotia,
Legislative Building,
Halifax, N.S.

Dear Premier Macdonald:

Thank you very much indeed for your letter of January 19 and the exceedingly useful material enclosed in it, which will have our most earnest consideration.

You are right in your assumption that when we have heard from all of the other provinces and got an amendment in more advanced form, we will again send a copy to you so that you will have a chance of looking at it before it is introduced or passed. Indeed, there may be some intermediate correspondence concerning some of the points such as those raised by you in the above-mentioned material which you just sent to me.

May I express my appreciation of the careful attention which you have given to this matter. Your suggestions will be exceedingly helpful.

Yours sincerely,

Stuart S. Garson

Office of
The Prime Minister and President of the Council
Ontario

Toronto, Ontario, January 24, 1951

The Hon. Stuart S. Garson, K.C.,
Minister of Justice,
Ottawa, Ontario

Dear Mr. Garson:

Thank you for your letter of the 2nd instant with reference to constitutional amendments and enclosing draft amendments.

Concerning the amendment relating to old age pensions, the amendment you propose is as follows:

"(2) Notwithstanding anything in this act, the parliament of Canada may make laws in relation to old age pensions."

I have no hesitation in saying that this government is in favour of an amendment giving power to the federal parliament to deal with the matter of old age pensions. We regard this as very important and urgent and hope that there will be no delay in the enactment of an amendment. We are in hopes that it will be possible to have this matter settled so that necessary legislation can be brought forward at the coming session of parliament. We shall stand ready to implement our portion of the arrangement, and we are hopeful that it will be possible to deal with this matter at the coming session of the legislature, which convenes on February 1. Our legislation, of course, must necessarily follow yours. Therefore, the early action of parliament in this matter would be most helpful to us.

In commenting on the amendment which you have submitted, I have the following comments which come after a consultation with the attorney general.

You suggest that this amendment be added as subsection (2), section 95. The heading of section 95 is "Agriculture and Immigration," which might make it inappropriate to have this placed in this section. We suggest that it might be better to provide a new section, possibly to be called 95(a).

At the present time it is, I believe, conceded that legislation in relation to old age pensions is within the exclusive power of provincial legislatures under "Property and Civil Rights in the Province." As I understand the matter, it is now proposed that the federal government should be given jurisdiction concurrent with the provinces in relation to old age pensions. It is apparent that the provinces will need such jurisdiction in the proposed arrangements, as they will participate in pensions between sixty-five and sixty-nine inclusive, and probably in other ways. If the amendment is passed in its present form might it not subtract from the field of property and civil rights and place the power to deal with old age pensions exclusively within the jurisdiction of the parliament of Canada? That I do not think is intended. The jurisdiction is to be concurrent.

I therefore advance the suggestion that the best solution would be to follow the principle contained in section 95 which authorizes legislation by both legislatures and parliament in relation to agriculture and immigration. If this principle were adopted as to old age pensions, the section might appear somewhat as follows:

"In each province the legislature may make laws in respect to old age pensions and it is hereby declared that the parliament of Canada may from time to time make laws in relation to old age pensions in all or any of the provinces, but no law passed by the parliament of Canada in relation to this subject shall affect the operation of any law in respect to old age pensions passed by a provincial legislature."

You might give consideration to the above matter. May I repeat that in principle we are in agreement. It is only the form of the amendment with which we are now concerned. The present proposal is that the federal government shall make universal pensions to persons seventy and over, but it is quite understood that the federal and provincial governments will remain in partnership in connection with pensions below that age, and perhaps in other matters relating to pensions. Therefore I think that the amendment should be clear that the jurisdiction is concurrent.

Very sincerely yours,

Leslie M. Frost

Canadian National Telegraphs

— January 24 AM 11:12

Charlottetown, P.E.I., 23 1202P

Hon. Stuart Garson, K.C., Minister of Justice,
Ottawa

Your letter January twentieth. Government Prince Edward Island concurs in proposal to add words indicated to the draft amendment.

J. Walter Jones
Premier

The Premier
The Government of the Province of New Brunswick

Fredericton, January 25, 1951

Hon. Stuart Garson, K.C.,
Minister of Justice and
Attorney General of Canada,
Ottawa, Canada

Dear Mr. Garson:

I received your letter of January 20 regarding the proposed amendment to the British North America Act to permit provincial governments to impose an indirect sales tax.

The further proposal submitted by you will be studied in its relation to the original proposal forwarded in your letter of January 2.

I hope to be able to submit our views on this and the other amendment at an early date.

Yours sincerely,

John B. McNair

Premier's Office

Prince Edward Island

January 25, 1951

Hon. Stuart Garson, K.C.,
Minister of Justice,
Ottawa, Ontario

Dear Mr. Garson:

Yesterday I wired you as follows: "Your letter January twentieth. Government Prince Edward Island concurs in proposal to add words indicated to the draft amendment."

The government of this province, as above mentioned, concurs in the proposal that there be added to the draft amendment dealing with retail sales taxation the following words:

"and not so as to discriminate between sellers or classes of sellers of the same class of goods."

Very truly yours,

J. Walter Jones
Premier

Province of Newfoundland
Office of the Premier

St. John's, January 26, 1951

Hon. Stuart Garson, M.P.,
Minister of Justice,
Ottawa

Dear Mr. Garson:

In reply to your letters of January 3 and January 20, I am glad to say that the government of Newfoundland agrees fully with the wording of the suggested constitutional amendment.

With best wishes,

Yours sincerely,

J. R. Smallwood

Canadian National Telegraphs

Halifax NS 31 1218P

January 31 AM 11.33

Hon. Stuart Garson, P.C.,
Minister of Justice,
Ottawa

Re letter January 20. I agree that the words mentioned should be added to the draft amendment.

Angus L. Macdonald

HOUSE OF COMMONS

Friday, February 2, 1951

The house met at three o'clock.

(Translation):

PRIME MINISTER OF FRANCE

VISIT OF MR. RENÉ PLEVEN AND HIS PARTY TO THE HOUSE OF COMMONS

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, amongst the first to follow upon your instructions of a moment ago, that the doors of the gallery be opened, we see His Excellency Monsieur René Pleven, president of the council of ministers of the French republic, and those who accompany him on a visit which does us honour, Their Excellencies ambassadors Parodi, Alphand and Guérin, the latter of whom is now in Canada, and Miss Sicard.

All our colleagues, I am sure, will wish to extend to them their most heartfelt greetings and to thank them for showing by their presence here the sincerity of the co-operation between European countries and those of North America in our common undertaking to build up a military force of sufficient strength, based on sound national economies, on economies so closely bound as to deter any aggressor.

(Text):

Mr. Rene Pleven, in common with many of us here, Mr. Speaker, boasts of an ancestry whose roots go deep in the soil of Brittany. He has all the qualities and qualifications which we value so highly, among them that of being perfectly bilingual. He is fluent in the two languages which are official in this house. I know from my own privileged experience in relations with them that those who are with him on this occasion are also bilingual. That can only add to the warmth of the welcome we extend to them on this occasion, because it will enable us to feel that, in whichever language the proceedings of our house are conducted in their presence, they will appreciate that our problems and our concerns are the same as theirs, and are the same as those of free men and women all over the world. Our own hopes for world peace are based on the prompt co-operative action of all of us, and the visit with which we are honoured at this time is concrete evidence that that action is being vigorously undertaken.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, it is a great honour to join with the Prime Minister (Mr. St. Laurent) in extending a most cordial welcome to the representative of a nation which is bound to Canada by so many ties of blood and affection. As the Prime Minister has pointed out already, it is perhaps a symbol of that understanding which means so much to all of us that Mr. Pleven comes from that part of France which gave to this country so many of its early settlers.

In joining in this welcome to Premier Pleven may I say also that there are reasons why thoughts of France are at all times in the hearts of the Canadian people. It is because in hundreds of thousands of Canadian minds there is always the memory that there is some part of France that is forever Canada. To all the friends and relatives of nearly 100,000 young Canadians who gave their lives in the common cause of freedom in two world wars, French soil is sacred soil, and the efforts of France to join with us and with the other free nations in preserving that freedom means not only the preservation of the proud soil of France, and all that it means to the people of France, but also, for us, the preservation of those bits of soil throughout that country which are so dear to many of us in Canada.

Mr. Pleven is a young man whom we welcome here not for the first time. We welcome him once again because at this time when there is the utmost understanding between France, Great Britain and Canada—in so many ways bound more closely together by ties of blood than any other nations—it is of maximum importance that in his high office as premier of France he should have a background of years of work in Canada and in Great Britain which gives to him a personal and working knowledge of the lives of the people of those countries, of their own problems, and also of their great strength and stability. Every one of us, not only here but throughout Canada, wishes him well in his high endeavours in this common cause, and we all trust that out of this time of peril and uncertainty France will carry forward into the years ahead her inspired traditions of freedom, industry and culture.

Inquiries of the Ministry

MINES AND TECHNICAL SURVEYS

SURVEYS OF IRON ORE IN BRITISH COLUMBIA

On the orders of the day:

Mr. Arthur Laing (Vancouver South): I should like to address a question to the Minister of Mines and Technical Surveys. Will he make a statement at this time with regard to the proposals of his department dealing with surveys of iron ore in the province of British Columbia? I make this request because of a statement heard on a C.B.C. station last night concerning export.

Hon. George Prudham (Minister of Mines and Technical Surveys): Mr. Speaker, the hon. member for Vancouver South was kind enough to give me a few minutes' notice of his question, but I was not able to secure complete information. With your permission, sir, I should like to bring in a complete report at the next sitting of the house.

KOREA

REPORTED DECISION THAT UNITED NATIONS FORCES SHOULD STOP AT 38TH PARALLEL

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): I should like to address a question to the Secretary of State for External Affairs. Will the minister indicate whether the report is correct that United States officials have decided that United Nations troops should stop at the 38th parallel? Is this not a decision which should be made by the general assembly of the United Nations?

Hon. L. B. Pearson (Secretary of State for External Affairs): The hon. member was kind enough to give me some notice of this question, which presumably refers to press reports in this morning's newspapers. I am not in a position to confirm the accuracy or otherwise of that report. The government has received no information, official or otherwise, concerning it.

As to the second question, Mr. Speaker, it is of course a hypothetical one. Under the circumstances which the hon. member contemplates, I would think it would be proper for the question to be discussed in the United Nations. The unified command is, of course, not precluded from deciding to hold the advance of the United Nations forces at any point which it deems advisable.

WHEAT

ARRANGEMENTS MADE BY INDIA FOR SUPPLIES FROM CANADA

On the orders of the day:

Mr. A. Earl Catherwood (Haldimand): I should like to direct a question to the Minister of Trade and Commerce. Has the government of India made representations concerning the urgent need of that country for wheat? If so, to what extent have such requests been carried out?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The government of India has not made formal representations to the Canadian government, but has made arrangements with the Canadian wheat board for supplies of wheat. The Canadian wheat board has contracted to supply the government of India with 300,000 long tons of wheat, which is now in process of being shipped in accordance with the terms of the contract. Discussions have taken place within recent days between representatives of the government of India and the Canadian wheat board with regard to the supplying of some further quantities.

I may say that the quantities of wheat that are now available for sale are limited to grades that are not considered to be milling grades; that is, they are No. 5, No. 6, and feed wheat. Discussions are now in process to ascertain whether India can use any of these grades of wheat.

Mr. Graydon: Is this part of the commonwealth plan in which Canada is participating, or is it a collateral transaction between Canada and India?

Mr. Howe: Sales have been made directly between Canada and India under the international wheat agreement to which we are both parties.

HOUSE OF COMMONS

REFERENCE TO "VOTES AND PROCEEDINGS" OF THURSDAY, FEBRUARY 1

Mr. Speaker: It has been brought to my attention by the hon. member for Cape Breton North and Victoria (Mr. MacLean) that on page 17 of yesterday's *Votes and Proceedings* it is recorded that Mr. MacLean (Cape Breton North and Victoria) seconded the motion of Mr. MacDougall for leave to introduce a bill to amend the Dominion Day Act and the Victoria Day Act. That is a mistake. The motion was seconded by the hon. member for Huron-Perth (Mr. McLean). I can assure the hon. member for Cape Breton North and Victoria that the record will be corrected accordingly.

INDIAN ACT

AMENDMENT AND CONSOLIDATION—PROVISIONS WITH RESPECT TO BAND FUNDS

Hon. W. E. Harris (Minister of Citizenship and Immigration) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to amend, consolidate and clarify the Indian Act, and

to provide, *inter alia*, for band funds and expenditures therefrom, and for other appropriations in case of deficiency or lack of band funds.

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.

BUSINESS OF THE HOUSE

OPPORTUNITY FOR DISCUSSION OF NATIONAL DEFENCE

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): In view of the statement of the Prime Minister (Mr. St. Laurent) yesterday that it is not the intention of the government to set up a committee on defence, may I return to the earlier suggestion that I made. In view of the primary importance of national defence in the discussions of this session and of the desirability of having an orderly debate on that subject without the intervention of other matters, may I again urge that a day or a number of days be set aside on which national defence can be debated following a statement by the Minister of National Defence.

Right Hon. L. S. St. Laurent (Prime Minister): I know of no standing order under which that can be done before the special order with respect to the speech from the throne has been complied with. I understand that it is the intention of the Minister of National Defence to make a full statement early in that debate and the minister's statement can be followed by discussion of everything contained therein; it would not be within the power of the government, however, even if it felt so inclined, to prevent any hon. member from raising any other question that he might think warranted the attention of the house and of the country.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Thursday, February 1, consideration of the motion of Mr. W. H. McMillan 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. Drew, and the amendment to the amendment of Mr. Coldwell.

Hon. L. B. Pearson (Secretary of State for External Affairs): In beginning, Mr. Speaker, may I congratulate the mover (Mr. McMillan) and seconder (Mr. Breton) of the address in reply to the speech from the throne upon the way in which they performed their difficult duties. They did credit to themselves and honour to the constituencies they represent in this house. They made some constructive and practical suggestions. Their speeches were short and to the point. I hope that mine this afternoon will at least be to the point. In view of the ramifications of the subject which I am discussing, I am afraid it may not be as short as I should like it to be, and as I am sure other members would like it to be.

We all know that these are fateful days in the relations between nations. Those relations involve many complicated and indeed dangerous issues which at times divide even friends. In dealing with some of them today—and I certainly shall not be able to deal with all of them—there are certain general considerations which I think we should keep in mind.

The first consideration seems to me to be absolutely fundamental: Our belief that freedom is valuable and precious in itself, and that the loss of freedom anywhere in the world means an impairment and indeed the endangering of our own freedom. We may not always be in a position to defeat attempts to reduce the area in which men can breathe freely, but we should never voluntarily give our consent to that process, because we know that by so doing we would be betraying the principle which is one of the chief inspirations of all free men. Freedom cannot be cloistered in one country, in one continent, or indeed in one hemisphere. To the limit of our resources, therefore, we must try to maintain and even hope to extend the jurisdiction where the writ of freedom runs. Only in that way can we be true to ourselves and to the inheritance we have received.

The second general consideration which I should like to mention is our faith in the United Nations. The aggression against the republic of Korea has tested the United Nations in a searching way and has led to a reappraisal of its role in maintaining the peace, of what it can and cannot do in a divided world of two superstates around which all others tend to group, on the one side willingly and on the other side by compulsion. It has certainly been made clear by recent events that our world organization is not yet in a position where it can safely undertake all the tasks which may be imposed on it by resolutions, and I think it is dishonest to pretend that it can. Whatever may be the result of this re-examination, however, it is certain that the United Nations still fulfils a number of functions which are indispensable if peace is to be maintained on any tolerable basis. For one thing, it holds out the promise of freedom to all. Second, it provides a framework in which men of good will

can work for their collective defence and for the coming of the day when the rule of law will replace the rule of force in international relations. Third, by reason of its universal character it keeps alive the idea of the human community.

I do not feel that it should be a reproach to the United Nations that its reach exceeds its grasp. None of us can have doubted that the effort to form a world community under the rule of law would be long and difficult and strewn with disappointments. If that were not the case, there would be neither need for faith nor any credit in cherishing it in bad times as well as in good. This is no time to give up on the United Nations. Indeed we would be betraying the United Nations forces fighting in Korea if we denied the loyalty and faith which we owe to the principles of our charter and our world organization.

There is another debt—and this is the third of the general considerations which I think we should bear in mind. We owe it to those men in Korea and to ourselves to make as cool and rational an appraisal as we can of the dangers which threaten the free world, not only in Korea but at many other points as well, and, in the light of that appraisal, to decide what is the proper policy for the United Nations to pursue in the Far East. For many weeks now the headlines have kept us vividly aware of the fighting in Korea. Unless, however, we are careful to cultivate and maintain a balanced judgment, we may forget that there are forces poised at many other points which could quickly strike against the free world. Only if we remember these other dangers can our policy toward China and Korea be soundly based. There is a depressingly large number of such danger spots, and I should like to mention only a few of them.

Moving westward from Korea we must, I think, take into account the danger that overshadows Indo-China. The Chinese guerrillas and volunteers—"volunteers", an ominous word—have long been assisting the Viet Minh in their attacks on the three new associated states of Viet Nam, Laos and Cambodia. Such indications as we had before June 25 of the possibility of an attack on the republic of Korea are now appearing in the case of Indo-China; and a full-scale attack on that country must be regarded as a real possibility. If the valiant efforts now being made by France to defend and complete the independence of Indo-China were to fail, the whole of southeast Asia, including Burma, Malaya and Indonesia, with their important resources of rubber, rice and tin, might well come under communist control, and the position of India and Pakistan in that event would in the long run, or in the not so long run, be precarious indeed.

Persia and the Middle East are also vulnerable. At the present time the armed forces of the Soviet union face this area and those vital oil fields, in strength sufficient, I think, to overrun it without too much difficulty.

Across the Mediterranean another country immediately threatened is Yugoslavia. Marshal Tito's government is facing great economic difficulties, partly as a result of the serious drought there last year, and partly as the result of the economic blockade imposed on that country by the cominform. Moreover, Roumania, Hungary, Bulgaria, and Albania are now, contrary to the provisions of the peace treaties, in possession of sufficient military forces to make them collectively powerful, as well as threatening and aggressive, neighbours.

But the danger to the free world, Mr. Speaker, is still greatest in western Europe itself. Recognition of that fact was the reason for the signing of the North Atlantic pact in the spring of 1949. Since that time progress has been made in increasing the military strength of the countries associated in that pact; but this progress, although it is being accelerated, has not been swift enough to remove anxiety. Western Europe is still relatively weak, and still stands open to Soviet conquest. It is a glittering prize. Its capture would put the Soviet union in possession not only of the source and centre of western civilization, but also of industrial capacity which would enable them to rival the productive resources of the whole of the western hemisphere. We over here would then be in a desperate position indeed.

It is therefore of the utmost importance that our involvement in other areas of the world should not prevent us from recognizing that western Europe is the key point for the defence of the whole of the free world—which includes, incidentally, India and Pakistan as well as Canada and the United States; and we should co-operate with our allies in the North Atlantic treaty in building up forces large enough to deter the Soviet union from launching an attack in that area.

We in Canada hope and believe that the North Atlantic treaty, founded as it is on the common values of our common civilization, will also grow into something far deeper than any military alliance—into an enduring association among nations which share the same aims and the same aspirations. We in Canada are making, and will make, the best contribution we can to that end, and we are encouraged, Mr. Speaker, in that resolve by developments of the last two or three months.

Hon. members will have had an opportunity of reading the statement of General Eisenhower before congress yesterday on the subject of north Atlantic preparedness, and the efforts which are being made, and still greater efforts which will be required, to build up our defensive alliance against any threat of aggression. So far as western Europe is concerned—and this, I repeat, is the most vital area in the front line of our defence—the effort required is partly military and partly, in the broader sense of the term, political. The free nations of Europe are profoundly aware that their future security and prosperity depend in large measure on the unity which they can achieve among themselves. In this development, Mr. Speaker, French statesmanship is playing a great part indeed, under the wise leadership of Prime Minister Pleven, whom we delight to honour in our assembly today.

If there were no other reasons for pressing ahead with these policies of European unification, the problem of Germany itself would make imperative the need for some form of European unity. If democratic Germany is to play her constructive part in a free Europe, it is essential that she should do so within the framework of a freely co-operative Europe coming closer together, economically, politically and militarily.

The present state of the European continent is, as we all know, one of tragic division. The lines which Soviet aggressive policies have drawn across the continent run contrary to the political, cultural and economic interests of the European peoples. This unnatural division, which may hold within it the seeds of future conflict, could be ended tomorrow if the Soviet government sincerely wished to bring it to an end. The three western occupying powers in Germany—the United Kingdom, the United States, and France—have now received from the Soviet government proposals for a four-power meeting on Germany. I do not intend on this occasion to discuss the character of the Soviet invitation, or the terms of the replies which the western occupying powers have returned to the Soviet government. Suffice it to say that if a satisfactory basis could be found for their talks—and it has not been found yet—the Canadian government, and, I am sure, the Canadian parliament, would welcome such a meeting. On the other hand I think it would be a very great mistake indeed to build great and optimistic hopes on the outcome of any such meeting. The truculence and falsehoods contained in the cominform declaration on Germany issued at Prague not long ago are not a foundation upon which any genuine negotiation can be founded. Nevertheless we believe that no occasion should be neglected to attempt to achieve an enduring and honourable settlement of differences with the Soviet union.

These western European dangers and developments must, then, never be forgotten in determining our Far Eastern policy. In formulating that policy—and this is another general consideration—I think we should bear in mind also that here is a new and great tidal movement of nationalism sweeping Asia. In some countries, China for example, it is mingled and confused with, and possibly it is at the moment dominated by, the aggressive forces of Soviet communism. But it is operative in other Asian countries besides China, and it has a vitality of its own. It is something which I believe is deeper and more lasting than communism. Indeed, nationalism—allied to a restless and insistent demand for a better life—is the most important political phenomenon in Asia today. Therefore, in framing our policies we must try to avoid offending the legitimate national and social aspirations of Asian peoples, or their desire to have a chief part in the determination of Asian affairs.

We must also do what we can to improve the economic conditions and human welfare in free Asia. We must try to work with rather than against the forces struggling for a better life in that part of the world. Such co-operation may in the long run become as important for the defence of freedom—and therefore for the defence of Canada—as sending an army to Europe, in the present immediate emergency. Economic and technical assistance is one form of such co-operation. Many members in the house will have read the Colombo plan for co-operative economic development in south and southeast Asia. This imaginative, and, I think, well-founded report, which was published last November as the result of the work of the commonwealth consultative committee, points the way to the kind of effective assistance which we in the west can offer to the free peoples of Asia. They stand in very great need of capital for economic development, and of technical assistance. For Canada to supply either the capital or the technical assistance in any substantial volume would mean considerable sacrifice, now that the demands of our defence program are imposing new strains on our economy.

On the other hand, I personally have been struck by the modesty and good sense with which such countries as India and Pakistan have shown in drawing up plans for their own development for the next six years. The countries of south and southeast Asia which have drawn up programs for inclusion in the report—with populations involved including nearly one-quarter of the population of the

world—state that they require, over the six-year period, external finance to the amount of $3 billion, the greater part of which will be supplied by the release of sterling balances held in London. I believe that a Canadian contribution to those programs, even if it has to be smaller than we might be able to make if we were not bearing other and heavy burdens, would have a great effect, not only in doing something to improve the standard of living in that part of the world, but also in convincing the people there of our sympathy and our interest. It is for these reasons, Mr. Speaker, that the government has decided to seek the approval of the house for an appropriate Canadian contribution to the Colombo plan.

In dealing with these Asian problems we sometimes run the risk of differences with tried and dependable allies. And that brings me to another of the cardinal considerations which I think we must keep in mind, the necessity of preserving solidarity with our friends in the west—above all, of preserving unity of purpose and action between the United States and Canada and the commonwealth of nations.

During the past few months we have had some differences of opinion with our friends in Washington on Far Eastern questions. While I do not gloss over these differences, I should like to warn against exaggerating their importance, because they have not weakened the basic good understanding between us, resting as it does upon a harmony of abiding interest, and on the recognition of common values and common rights, one of which is the right to disagree as friends with each other, and the other the obligation, again as friends, to resolve these disagreements peaceably.

In spite of certain differences there is complete agreement between the Canadian and the United States governments on, among other things, four fundamentals: we agree that peace is now in jeopardy; we agree that the extension of soviet imperialism must be opposed; we agree that the principle of collective resistance to aggression must be maintained; and we agree that the main front which must be defended is western Europe.

Those, then, Mr. Speaker, are the general considerations shaping our policy—unshaken faith in freedom and realistic faith in the United Nations; awareness of the world-wide scope of the danger threatening us; respect for Asian opinion, and a desire to help the Asian people achieve a better standard of life; solidarity with our partners in the commonwealth and in the north Atlantic alliance; the determination to do everything possible to maintain peace.

[Mr. Pearson.]

Now I come to our policy on certain specific matters concerned with Korea and the Far East.

Almost the first issue which arose in this field after the house adjourned last September concerned the question of Chinese representation in the United Nations. This presented itself in a concrete form at the general assembly on September 19 last. A draft resolution was presented that day by the Indian delegation calling upon the assembly to decide that the Chinese government in Peking should represent China at the United Nations assembly. Persuasive arguments could be adduced both for and against such action.

It could be maintained, and it was maintained, that the United Nations would have more chance of dealing effectively with the situation that then existed in the Far East if the Chinese government, which had effective control of the mainland of China, were represented in its deliberations. It was argued that the United Nations would be a healthier organization if dissenting views were stated within rather than without the organization. On the other hand, it was difficult for governments which had not recognized the Peking regime to see representatives of that regime seated in the United Nations. To seat representatives of the Chinese communists had also become far more difficult after the attack by North Korean forces on the republic of Korea had taken place. It was apparent that the Indian resolution, on which our delegation abstained from voting, would not command the required majority in the assembly, and it was suggested—the suggestion in fact came from the Canadian delegation—that the question of Chinese representation should be considered by a special committee. It was hoped that in this way the question could be deferred for a short time until a suitable solution could be reached.

It may be asked why, if our abstention on the Indian resolution showed that we did not actively object to China being represented in the United Nations by the people's government in Peking, we had not taken previous action in Canada to recognize that government. We had in fact, as the house knows, given serious consideration to such action. We had been impressed by the argument that recognition by Canada and other countries would facilitate the representation of China within the United Nations, and consequently might make easier the peaceful settlement of certain Far Eastern issues. We had nevertheless also been influenced by what still seem to me to be valid views about making such a change at that time, and by advice which we had received from

many quarters, including many quarters in this house, to proceed very cautiously in this matter. Furthermore, a number of countries which had recognized the Chinese communists had had great difficulty in getting the Chinese communists to recognize them, at least to the point of entering into effective diplomatic relations with them. For example, the United Kingdom had recognized the regime in Peking but it was far from clear that that regime in any effective sense recognized the United Kingdom. Then came the attack on Korea in June. There was much evidence that that attack had been prepared with the approval, and indeed with the support, of the Chinese communists, and we did not feel justified in taking any action toward recognition until the circumstances surrounding the aggression in Korea had become clearer. I need hardly add that when late last year the Chinese government in Peking joined in the aggression in Korea, it was inconceivable that countries which had hitherto withheld recognition would at that time decide to change their policies.

I feel, however, that the Far Eastern problems could be more readily solved if diplomatic relations existed with the government of China, which has the whole of the mainland of China under its control. But the Peking government can hardly expect recognition now from those member states of the United Nations against whom they are fighting in Korea. The remedy for the situation now lies with the communists themselves. They should not think that they can bludgeon or blackmail their way into recognition or into the United Nations.

The next specific and controversial issue which arose at Lake Success on Far Eastern questions, and which I want to discuss, was whether or not General MacArthur should be authorized by the United Nations to extend military operations beyond the 38th parallel in Korea. The 38th parallel was not important from the military point of view, but it was obvious that its crossing would have political and symbolic significance, indeed as its recrossing would have even more significance. At this time I do not need to remind the house that it was never intended by the United Nations that Korea should be cut in two along the parallel. In resolutions of the general assembly of the United Nations the objective of a free, independent and united Korea had been clearly laid down. Nevertheless, in spite of those resolutions this line, which had originally been merely a line of military convenience, had become a Rubicon, the line which marked in that part of the world a division between the Soviet world and the free world. The decision to authorize the United Nations forces to cross that line could not be taken lightly, and it was not taken lightly.

There were strong reasons at that time for giving such authorization. Although the North Korean forces had been badly defeated by General MacArthur's skilful campaign, large elements had escaped, and those remnants could not be made harmless unless the United Nations commander had the opportunity of pursuing them into North Korea. If they were not overpowered, the risk would remain that after they had regrouped and been re-equipped they might once again fall on Southern Korea after the United Nations had been withdrawn. Moreover, as I have stated already on a number of occasions, the United Nations itself had passed resolutions in favour of a united and independent nation in Korea.

The members of the Canadian delegation were impressed by these arguments, and by certain military information given to us, and we agreed, along with a great many other delegations, with the resolution proposed in the United Nations assembly authorizing the United Nations forces to take any action which was necessary to unify the whole of Korea. We, along with others, realized that risks would be involved, and efforts were made in the United Nations to reduce those risks to the minimum. For that purpose we proposed sending a mission which would have been the last appeal to the North Korean government to give up the fight before the line had been crossed, but we were not successful in establishing communications for that purpose.

After that line had once been crossed, the possibility of an early settlement depended on the campaign in North Korea itself. During the discussions which were had on the crossing of the parallel we had reason to believe that it was not the intention of the unified command to pursue the North Korean forces right up to the Manchurian border. We had reason to believe that a defensive line could be established across the narrow waist of North Korea, and that the two northern provinces of Korea would be left, for the time being at least, as a kind of unoccupied frontier area. That scheme seemed sensible to us, and we hoped it could be carried out.

With many other delegations, including indeed the delegation of the United States of America, we felt that very great care should be taken to avoid offering any unnecessary provocation to the Chinese government at Peking. At the same time we realized, on this and on other occasions, that the unified command was responsible for the operations

of a force which was very largely composed of soldiers of the United States. That command and those soldiers were bearing the brunt of the responsibility and of the fighting, and they had the full right to make the military decisions within the limits of the authority given them by the United Nations. When those decisions turned out well, we all rejoiced with them. When they were wrong, I think it would have been improper and ungrateful to be unfairly critical and emphasize our own lack of responsibility. However, all of us who supported the action of the United Nations in Korea had not only the right but the duty to make our views known to the unified command through the positions we took at Lake Success, and also through our contacts with the United States delegation there.

In this connection it will be recalled that on October 5 last the foreign minister of the Chinese people's government, Mr. Chou En-lai, stated that his government would not stand aside if the United Nations forces crossed the 38th parallel.

That warning came to us through the Indian ambassador at Peking. We ourselves did not think it a sufficient reason for refusing the United Nations commander permission to complete the task which had been assigned to him; but many delegations, including our own, considered it to be a good reason for conducting military operations in North Korea, with, shall I say, great circumspection. So when we began to receive indications that it was intended to carry the campaign to the Yalu river, we expressed our misgivings confidentially to the United States authorities in Washington as early as November 6. It may also be recalled that I publicly made clear the position of the government on this matter when I spoke in Windsor on November 15. On that occasion, after stating that the marches where the free world rubbed together with the soviet world were obviously the most critical points, I went on to voice this hope:

> Those primarily responsible for safeguarding the security of such areas of the world should carry out their mission in as steady and unprovocative a way as possible.

In keeping with this point of view we supported, in private discussions at the United Nations, the proposal that a buffer state should be left along the northern boundary of Korea in order to avoid giving any excuse for suspicion on the part of the Chinese government that its legitimate interests might be in danger.

Intervention by China in this war in North Korea on an increasing scale throughout the whole of November brought sharply into view the third of the critical issues with which we have been asked recently to deal. Should we at once condemn this as aggression, or should we enter into discussions, on certain conditions, with the Chinese communists in an effort to bring it to an end? It seemed pretty clear that a stable settlement in Korea could hardly be achieved without some agreement, even though a tacit one, with the people's government of China; but after the Chinese government at Peking had intervened in force and were driving back the outnumbered forces of the United Nations at the end of November, some voices—and this is quite natural—were immediately raised in favour of whatever United Nations military action against China itself might be necessary in order to end the war.

Well, Mr. Speaker, we opposed at that time and have continued to oppose any such action against Chinese territory which was not dictated by the most urgent considerations of immediate military necessity. Already such large forces have been committed in Korea that the risk of Soviet or Soviet-inspired attacks at other points, strategically far more important to the free world, is serious. For this and other reasons we have joined from the beginning those who urged that the conflict in Korea should be limited and localized as far as possible; and we still believe that the arguments in favour of that course are as strong as ever.

If, then, a war with China, in which a decision could hardly be achieved, had to be averted by every means possible, what alternative methods were there for reaching a settlement in Korea? Speaking over the air on December 5, I stated my own belief that nothing should be left undone which might conceivably result in an honourable and peaceful settlement in Korea. I went on to say:

> If, for example, provided the military situation is stabilized, there could be a cease-fire followed by negotiations—possibly covering more subjects than Korea—in which the Chinese communists would participate, there might still be hope of reaching such a settlement. At least we would have done our best and the responsibility for failure could be placed where it would belong.

In that same speech, however, I insisted that a cease-fire must precede and not follow peace negotiations, and that is the position from which we have never wavered. I believe we in this government, in this house and in this country are as anxious as anyone to secure a peaceful settlement in Korea, but I think we know that such a settlement would be bought at too high a cost if it denied and betrayed the obligations we as a member of the United Nations had already undertaken in respect to Korea.

In my view it would have been such a betrayal if we had entered into political

negotiations, as distinct from cease-fire negotiations, with the Peking government while its troops were still attacking United Nations forces. We have been willing to have the United Nations discuss with the Chinese communists a settlement in Korea and throughout the Far East, but we have not been willing at any time to ask members of the United Nations to participate in such discussions under duress while their men were being killed in Korea. The point of principle here, and the practical consequences of abandoning it, I think are of such crucial importance that this is one issue on which we have never been prepared to compromise.

There are those in this country who assert, and do so quite often and quite vehemently, that our willingness to seek an arrangement on the issue of a cease-fire first and talks afterwards was dishonourable and, as they called it, "appeasement". Those who hold such views I think are mistaken about the character of our policy and about the nature of appeasement itself. What they have in mind, no doubt, is such action as was taken at Munich in 1938. Appeasement as defined by those events begins with illusions about the potential aggressor, and ends with the betrayal of a friend in response to pressure exercised by that aggressor in the hope that such yielding will give one immunity from attack. How different such a course is from the policy which has been advocated by this government in this matter may be seen by examining the same broadcast in which I suggested negotiations with the Chinese communists. Having made that suggestion I went on at once to say:

> We must not allow this process—or the situation which makes it necessary—to weaken our resolve or interfere with our plan to strengthen our defences. Above all, we must not allow it to weaken the unity or friendly co-operation of those countries in the free world who are now working together so closely for the good purpose of establishing conditions of stability and peace in the world.

In that, and in other statements made at the time, I stressed the danger in which we stood and the sacrifices which it demanded of us. Far from trying to lull our people into a sense of false security by a move which could rightly be interpreted as appeasement, I have said, and other members of the government have said time and again as I say now, that the free world is in the greatest possible danger. A cease-fire in Korea would not have removed that danger, but it would, however, have put us in a stronger position to meet it.

If those of us who have advocated negotiations of this kind with the Chinese communists are appeasers we are in very good company. It will not, I think, be argued in this house that Mr. Churchill is a man likely to truckle to or appease aggressors. What are his views on the present situation? Speaking in the House of Commons at Westminster on December 14, he said:

> The only prudent course open to the United States and ourselves is to stabilize the local military position . . .

That is in Korea.

> . . . and if the opportunity then occurs, to negotiate with the aggressors . . .

Later in the same speech he said:

> Appeasement in itself may be good or bad according to the circumstances. Appeasement from weakness and fear is alike futile and fatal. Appeasement from strength is magnanimous and noble, and might be the surest and perhaps the only path to world peace.

The United Nations in Korea, Mr. Speaker, as events have now shown is, thanks primarily to the magnificent effort of the United States, not weak or frightened, and it is getting stronger. From that strength I think it will always be wise to negotiate, to "appease," to use Mr. Churchill's words, in order to bring this diversionary and weakening struggle to an end on honourable terms as soon as possible.

One of the vehicles for this so-called appeasement, Mr. Speaker, was the United Nations cease-fire committee, on which I had the honour to be associated with the president of the assembly, Mr. Entezam of Iran and Sir Benegal Rau, the Indian delegate. I assure you, Mr. Speaker, in taking on that work I was no volunteer. I was the victim of conscription, because it was not a job which anyone would willingly choose. I do not intend today to go into the details of the work of that committee, but there are some things about this particular initiative which I should like to make clear.

In some quarters it has been assumed that this was a sterile, if not dangerous, exercise undertaken by naïve idealistic persons merely to placate Asian opinion. It is quite true that the Asian countries had taken the lead in suggesting that a committee should be set up to determine the basis upon which a satisfactory cease-fire could be arranged. It is also true that many other members of the United Nations, including Canada, had been anxious, whenever possible, to take advice from Asian countries as to the best method of restoring peace in the Far East.

I should like to point out, however, that the resolution to establish the cease-fire committee secured the support of all members of the United Nations with the exception of the Soviet bloc. The United States in particular actively assisted and encouraged the members of our committee in their work. The task of the committee was an uphill one, and often a frustrating one. In one

article which I read not long ago we were referred to as three men in search of a cease-fire. Our search was not successful. After we had secured from the unified command in Washington a basis for stopping the fighting which we thought reasonable, we tried to enter into effective contact with the people's government at Peking. But for a long time our efforts were unavailing, and I must say we were not treated even with very great politeness.

However, on December 21, the Chinese foreign minister broadcast a reply to our approaches in which he claimed the cease-fire committee had been illegally constituted. He demanded that negotiations for a political settlement should precede rather than follow a cease-fire in Korea. Such a procedure, of course, was totally unacceptable to us, and to the United Nations. Nevertheless, in spite of this somewhat sharp rebuff it was felt by the United Nations that it might be worth while for the cease-fire committee to make another attempt to convince the regime at Peking of the genuineness of our offer, to which the United States completely subscribed, to enter into negotiations on a wide range of Far Eastern issues if a cease-fire could only be established. After considerable difficulty, we drew up a statement of principles which was presented to the political committee of the assembly on January 11. This statement combined proposals for ending the fighting in Korea with others for political negotiations of outstanding Far Eastern problems. The proposal secured the approval of fifty of the sixty member nations, including the United States and India.

A great deal of the credit for securing such widespread approval of the statement of principles must be ascribed to the fact that, at the time it was being prepared, the commonwealth prime ministers were meeting in London. This was an occasion on which the commonwealth association was extremely valuable in harmonizing the views of the free nations of the east and west. I hope I may be permitted to say, Mr. Speaker, that our own Prime Minister (Mr. St. Laurent) played a central role in the discussions in London to reconcile the various points of view.

The first reply from Peking to our statement of principles was certainly ambiguous, though it seemed to be a rejection since it contained an apparent reaffirmation of the theory that a cease-fire must follow rather than precede negotiations. In order to try to remove what we thought might be ambiguity, and indeed turned out to be ambiguity, our Prime Minister suggested to the Prime Minister of India, in a message on January 18, that since the government of India maintained an embassy in Peking it would be helpful if clarification could be sought through Indian channels to certain points in the reply which the Chinese communists had returned to our statement of principles. It was in answer to this initiative on the part of our Prime Minister and Mr. Nehru that the Chinese government provided the clarification requested in their message of January 22. That clarification seemed more hopeful, since it stated for the first time in fairly clear language that a cease-fire could be agreed upon in the first meeting of a conference called to discuss Far Eastern issues and that this discussion of political issues would not take place until after the cease-fire had been agreed on. That reply was considerably encouraging to some of us.

During the time that these cease-fire discussions were going on, proposals to name the Chinese communists formally in the United Nations as aggressors had remained in abeyance. As soon as the first reply, that of January 17, was received from Peking, the United States, considering that reply to be wholly unsatisfactory, pressed the other members of the United Nations to proceed without delay with such condemnatory action. That presented our delegation with the fourth and final issue of critical importance about which I wish to say something, especially in view of the amendment to the address in reply submitted yesterday by the leader of the C.C.F. party. We felt at that time, as indeed the hon. member for Rosetown-Biggar (Mr. Coldwell) said yesterday, that the passage of such a formal resolution of condemnation in the United Nations at that particular moment, when we had just received the second reply from Peking, would be both premature and unwise. If it were not followed by some action against China, it would throw into high relief the sharp limitations of United Nations' resolutions. On the other hand, if it were followed by the imposition of sanctions, however modest, against China, the risk of the west becoming involved in a war with China would be increased; and we were and are determined, along with other delegations, to do everything we can to prevent a war with China, whether limited or unlimited. We were all also loath at that moment to support a formal condemnation of China in the United Nations because we felt that the clarification which had come from Peking afforded some possibility of satisfactory negotiation with that regime. There was also a real danger at that time that a resolution of condemnation in the United Nations, in the terms of the United States' resolution as it stood at that time, would unnecessarily highlight and

exaggerate differences of view between the Asian and the western members of the free world and indeed bring about a formal division between the members of the western world in the United Nations. Nevertheless there could be no doubt that the Chinese communists had engaged in aggression and had attacked the forces of the United Nations; and in the last resort we could not refuse, as I saw it, to recognize that situation in a resolution of condemnation if that resolution were pressed to a vote, if it stated the actual position fairly, if it were not couched in unnecessarily provocative terms, and if it included within it provision for negotiation. In all of my discussions with the Indian delegate at the United Nations—and I have had a great many with him in the last two or three weeks —I made that position perfectly clear to him; and he at no time was under any misunderstanding or misapprehension about the Canadian position.

Last week we had two resolutions before us at the United Nations and we were faced with a decision as to what we should do about them. We realized that that decision might indeed have far-reaching consequences. The first of these two resolutions was the Asian resolution providing for a seven-power conference in which both the U.S.S.R. and communist China would be represented, a seven-power conference not only for political discussions but for cease-fire discussions and a seven-power conference the terms of the invitation to which seemed to us to be couched in a form which might have made possible protracted discussion with Peking before the conference ever met. For that reason we did not find that resolution satisfactory, and in a speech last Friday we suggested certain points which we thought would remove the danger from the Asian resolution if those points could have been included in it, because they would have laid down in a resolution a concrete and definite program for talks without delay. In those points we even suggested a date for the convocation of a conference, a place where it might be held and a time limit after which, if Peking did not reply, we would assume that they would not accept it. In those points we tried to remove from the aegis of this seven-power conference—which included a good many states who were not joining in the police action in Korea, including the U.S.S.R., which had refused to support action from the beginning—the negotiations for a cease-fire and send them to a more appropriate body of three: the United Nations commission in Korea, the United States and the Peking government. If those points which we put forward and had discussed previously with the Indian delegation and the United States had been included in the Indian resolution, we would have voted for it. One of them was included. The others were not, I presume because it was felt that the inclusion of those other points might have made it more difficult for Peking to accept the resolution.

The United States' position with regard to our points was a simple one. They felt that the time for any further approach to Peking was over until the resolution of condemnation and setting up the good offices committee had been passed. So when the Asian resolution came to the vote, we could not vote for it, for the reasons which I have indicated. We could not vote against it because the principle of negotiation was one which we had stood for. Therefore we abstained from voting. In our attitude on this matter, so far as Canadian policy is concerned, I do not think anybody in India has any reason to feel that they were let down.

The second resolution was submitted by the United States. We had been unsuccessful in our efforts to secure postponement of that resolution. We had been successful in our efforts to get that resolution changed and also to get it clarified and interpreted by the United States delegate, which interpretation removed most of the doubts we had with regard to it at the beginning. Our first objective, postponement, was not successful. Our second objective, to get the proper kind of resolution voted on, I think was reasonably successful. We were anxious to make clear beyond any possibility of doubt that any resolution which the United Nations passed on this subject would be exceedingly clear indeed on the following points. We were anxious that it would not establish any new aggression but would emphasize that the Chinese government at Peking had merely participated in an old aggression and therefore was guilty of that but not of starting a new aggression in any other part of Korea. We were also anxious that the paragraph of condemnation should be couched in unprovocative terms, and it was. That paragraph does not brand anybody as an aggressor. It is a finding of fact that, by assisting the aggressors in Korea and by invading North Korea from China, the people's government in Peking had itself engaged in aggression. That was a finding of fact which we certainly could not deny. The third point we were anxious to make clear was that the collective measures committee set up by this resolution and as to which many delegations had grave doubts, would not be a vehicle for rash and unwise action but might indeed become a brake on such action; and that this collective measures committee, far from jumping into resolutions and reports on sanctions at once, should not even report to the

United Nations general assembly as long as there was any possibility of the good offices committee completing its work satisfactorily. That was made clear by an amendment to the United States' resolution proposed by the delegate for Lebanon. Fourth, we were anxious to make it quite clear in this resolution that the work of mediation and conciliation could go on after the resolution passed, and indeed that that work would be given priority over any enforcement. We wanted to make it clear beyond doubt that, so far as the United Nations was concerned, we had not slammed any doors on anybody. And then finally we want to make it quite clear that this resolution did not give anybody any authority to take any action which he did not already possess. It certainly does not give the United Nations, or any agent of the United Nations in Asia, any power or right to use United Nations forces to liberate Asia from communism. The mandate of the United Nations in this operation remains the same, namely, to defeat aggression in Korea, and nothing else.

Well, having had these amendments put forward, and having received these clarifications from the United States delegation, which removed most of our doubts, we felt, Mr. Speaker, that to vote against this resolution, or to abstain in regard to it, would have been to refuse to accept as true the statement that the Chinese government had participated in aggression—something we had no right to do without denying the justice of United Nations action in Korea. Furthermore, it would have meant breaking the unity of the western nations on an issue of timing and tactics. We did not take that course. We voted for the resolution, and I think we were right in doing so. Forty-four other countries, including every member of the north Atlantic alliance, agreed with us.

But we have made our view abundantly clear that this resolution does not give anyone on one side any shadow of excuse for rash and adventurous courses, or anyone on the other any shadow of excuse for refusing to discuss an ending of hostilities or a peaceful solution of this problem. Why should it? It was said at Lake Success by the Indian delegate, and it was said yesterday by the hon. member for Rosetown-Biggar (Mr. Coldwell): "You have now branded them as aggressors. How can you expect them to talk to you?" Well, they have been branding us in the United Nations as aggressors steadily for the last two or three months, and they have shown no reluctance to talk with us on their terms, or any feeling that we should not talk with them because they have called us aggressors in very rude and uncivilized tones. So I am optimistic, and I hope my optimism is justified, Mr. Speaker, that the passing of our resolution will not be followed by the catastrophic consequences that some people sincerely believe it will.

We do not believe that by passing this resolution we are slamming the door to subsequent negotiation, or that the government in Peking would have any justification for interpreting our action in this way. I hope, Mr. Speaker, and I expressed this hope in my last statement at the United Nations before I came back to Ottawa, that whatever happened to this resolution—and it is now part of the law of the United Nations—the work of cease-fire, discussion and peaceful settlement, through the machinery provided in the resolution, will proceed with a view to ending the war in Korea and removing the causes of war in other areas of Asia.

That, Mr. Speaker, is our position. It is not one which, in my opinion, warrants support for the amendment of the C.C.F. party which is now before the house. To support that amendment, Mr. Speaker, would, I think, be to accept the despairing but sincere plea of that wise and saintly gentleman, Sir Benegal Rau, that by passing this resolution we had ended all hope of a peaceful solution of Far Eastern questions. I do not accept any such counsel of despair; and I hope that the Indian government, on second thought, will not do so either, and will continue to participate in the work of negotiation and conciliation, to which it has already made such a magnificent contribution. We in this government will do what we can, in any way open to us, to assist that work, and to prove that the prophets of impending calamity are wrong. And events may, I think, work in our favour along this course. I am even bold enough to think that the Chinese government in Peking will come to realize before long that the true interests of the Chinese people cannot be served now by an alliance with Russian communist imperialism, as they could not be served in the past by Russian czarist imperialism.

In conclusion, Mr. Speaker, I return from Asia to our own western and north Atlantic world. Here we are now entering the period of greatest danger in the months ahead. Our hope of coming through this period without war lies in the growing collective strength, military, economic and moral, of the free world. If we increase that strength, and use it wisely, we do not need to fear. There are in the hearts and minds and souls of free men qualities which can never be matched by slaves. If we use them we shall accomplish our own salvation. If we do not, but give way to smug complacency on the one

hand or unreasoning panic on the other, we shall become, and deserve to become, slaves ourselves.

May I end with a paragraph from a magazine often quoted in this house and elsewhere, namely, *The Economist*. Writing on January 20 last, the editor said:

> Nothing is certain about the course of events in 1951; and anyone who questions this should ask himself frankly what he was prophesying for 1950 just a year ago. The die is not cast for war or peace; events can still be controlled and minds influenced, but only if the leaders of the Kremlin can be convinced that they have equally little to hope from pressing an armed attack on the free world or to fear from withholding it. Neither strength alone nor peace alone is an adequate cry for the west—neither rearmament alone, which is the means of the one, nor negotiation alone which is the means of the other. The only hopeful policy is peace through strength, arms and diplomacy.

Mr. George H. Hees (Broadview): Mr. Speaker, first of all I should like to congratulate sincerely the Secretary of State for External Affairs (Mr. Pearson) on a very clear and straightforward statement of the situation today. I feel that we always get the facts from the Secretary of State for External Affairs. I should like to congratulate him on a clear address today.

Last June, when the Secretary of State for External Affairs returned from a meeting of the Atlantic pact nations, he outlined to this house the principle which had been accepted by that body. It was to the effect that in future member nations would not be permitted time to build up their defences behind the bulwarks of overrun nations. The understanding arrived at by the twelve member nations was that they would build up their armed forces now so that they would be able to come immediately to the aid of a member nation should that nation be attacked. That decision was roundly applauded by those in this house and throughout the country. It seemed that at last the free nations of the world were going to take practical steps to combat aggression.

Let us see what we have done during the intervening eight months to implement the decision arrived at at that time. Today our armed forces total 62,000, and the target we have set for ourselves is 69,000. How does this effort compare with that of our two closest and greatest allies, Great Britain and the United States? Our forces, compared to theirs, should be in direct proportion to population. In other words, because the population of Great Britain is three and one-half times that of Canada, the size of their armed forces should be approximately three and one-half times those of Canada. In the same way, because the population of the United States is eleven times our population, the size of their armed forces should be approximately eleven times greater than ours.

How do they actually compare?

First of all, I shall refer to Great Britain. Last October the armed forces of Great Britain totalled 1,023,000 men. On January 1 of this year our armed forces totalled 62,000. The armed forces of Great Britain are sixteen times greater than ours, instead of three and a half times greater, as they should be in proportion to population. Therefore their effort is four and one-half times greater than ours.

The target set in the United States for the end of June in this year is to have 3,500,000 men under arms. Our ceiling is 69,000. Therefore their target is fifty times that of Canada, instead of eleven times, as it should be in proportion to population. We see therefore that the effort of our two closest and greatest allies is in each case four and one-half times our effort, having taken full consideration of the difference in population of those two great countries and Canada.

Why is there such a great difference in national effort? The Prime Minister speaking in London on January 10 made the following statement:

> The north Atlantic countries must build up their military resources to prevent a world war by removing the prospect of successful aggression.

Is the performance I have just outlined the Prime Minister's idea of building up our military resources and playing our part to prevent a third world war? Great Britain and the United States face exactly the same problems we face in raising armed forces. All three countries must produce war materials both for themselves and for their allies, and in addition maintain the production of their civilian goods. In those two countries, as well as in Canada, they enjoy full employment. In those countries they have no extra men to put into their armed forces, any more than we have. Their problems are exactly the same as ours; and therefore there is absolutely no excuse for our not matching their efforts in proportion to population.

Does the government believe that we can enter into associations such as the United Nations and the Atlantic pact and not bear our share of the responsibilities involved? Judging by their action, or lack of action, apparently they do. A parasite has been aptly described as one who goes through a swinging door on somebody else's push. If the government believes that we can go through this period of preparedness, or a third world war, if one should come, on

somebody else's push, it will be jeopardizing not only our national security but also our national honour.

If we continue to act like a poor relation we shall not be fooling the people of the United States or of Great Britain for one moment. We shall simply be making sure that in future we shall be treated not as a medium power but as a small power, because the people of Great Britain and the United States recognize the difference between talking big at international conferences and acting small when action is called for.

I believe it is about time the government realized that the only kind of action communists understand is strength and preparedness, and that the only chance this or any other free nation has of avoiding a third world war is by being ready to repel aggression when it strikes. I believe that if war should come it would be far better for us to have trained forces in proportion to population, ready to dispatch to other parts of the world to defeat aggression there, and to do so outside this country.

The alternative is to wait until our enemy gobbles up our allies one by one and then, with the industrial capacity of Europe and Japan and the oil of the Middle East at his disposal, to take on this continent with a war machine that has never yet been dreamed of. There may be those in the house who believe there is no obligation upon us to match the efforts of our two great allies, in proportion to population. If that is so, it will be interesting to hear their views to back up those feelings and beliefs.

I am convinced that the great majority of people in Canada feel we are morally obligated to match the efforts of our two great allies, in proportion to population. Without their strength, our position in the world today would be a precarious one indeed. The least we can do is to bear our share of the responsibility of the load. The forces we need to have in being today can be raised if the following conditions are met: First of all, the government must tell the people the true gravity of the situation and stop lulling them to sleep by quoting odds of fifty to one against our becoming involved in a general war. You simply cannot expect young men to take the situation seriously if they are continually being told that there is only one chance in fifty of their being needed. The truth is that this country has never faced a more serious situation than it does today. If the people are told, they will not fail to respond.

The second requirement is that the basis for raising the forces we need to have in being today must be our present reserve forces which have been training for the past five years for just such an eventuality. Units and formations can be chosen evenly across the country and they can recruit and basically train the men they need. Formation training can be carried out at the various training camps across the country. Incidentally this would give a tremendous boost to the morale of the reserve forces, of which they are greatly in need.

Third, during the training period the rates of pay and conditions of service would be the same as for the regular forces.

Fourth, if no national emergency should exist when training has been completed the units and formations could be returned to reserve status and the men to their civilian jobs. They would be subject to immediate recall in case of a national emergency.

Fifth, their training would continue on a reserve basis of one or two nights a week, with two weeks of formation training in the summertime.

Sixth, legislation should be re-enacted to protect those who enlist by ensuring their release for necessary training or service by their present employers without jeopardizing their jobs or seniority.

This plan would provide forces in being, ready for immediate call to duty, at a minimum cost to the taxpayers. It would also provide maximum manpower which would be available for both civilian and war production until such time as a national emergency would require their being called to active duty.

In conclusion I should like to say this: Let us for heaven's sake bear in mind that it takes a full year to recruit, train and equip a division, that it takes many months to train navy and air force personnel. Let us also bear in mind the size of the communist forces today and the speed with which they strike. Then let us get on with the job. Our national honour and our ultimate survival as a free nation demand it.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I should like to repeat that I always have great delight in representing the banner constituency of Canada, Fort William. This may be only a statement to some, but it is a fact to us and we can prove it. My first words will be of congratulation to the mover (Mr. McMillan) and the seconder (Mr. Breton) of the address in reply to the speech from the throne. They did a fine job with dignity, respect and courtesy to the Chair and to every hon. member of this house.

I should like also to congratulate those hon. members who have been promoted and I especially thank the Prime Minister (Mr. St. Laurent) for not leaving northern Ontario wanting. We sometimes blame the provincial

government of Ontario for forgetting northern Ontario, for seeming to treat it as a place where only fishermen and tourists and wolves and wild beasts abound, but we believe that northern Ontario is the coming part of Canada in the future.

I want to congratulate the newly elected hon. members. Those of us who listened last night to the splendid speech of the hon. member for Calgary West (Mr. Smith) could not help but realize the responsibilities that rest upon anyone who is elected to represent a constituency. We cannot treat those responsibilities lightly.

In offering congratulations I do not want to pass over another group which is perhaps of equal importance, perhaps not because of its responsibilities but because of the service it renders. I am speaking of your staff, Mr. Speaker. I join with others in welcoming the new page boys. They do a good job and certainly they have a record to follow.

I appreciate the reference which has been made in the speech from the throne to old age pensioners and that it is likely, if there is co-operation by the provinces, that the means test will be removed as far as persons of seventy years and over are concerned and that those in need at sixty-five years will receive a pension. I note also that price controls will have consideration, whether in the way that a great many of us would expect or in another way that may be better.

There are those who think that Canada is treating with complacency the matter of military preparations, but I cannot agree with that. Anyone who listened to the speech just delivered by the Secretary of State for External Affairs (Mr. Pearson) must realize what the government has been doing, and what he has been doing. It is known in other quarters that I have been interested in the training of youth in athletics and our national games. I have learned a lot from the executives who plan these games. I am sure we were not too greatly surprised to hear that the leading executives of the great national game in the United States had picked out the minister of external affairs as being the man worthy of receiving $65,000 a year instead of his present salary. If he is suitable for that position and if the sportsmen all over the United States are willing to back up their vice-president, surely to goodness we must admit that he is doing a good job for the United Nations and especially for Canada.

I was pleased to note in the press last evening that the Minister of Labour (Mr. Gregg), backed up by his deputy, is planning to provide aid for those who are physically disabled. Pensions are provided for our older citizens and other help is provided for other citizens, but those who are incapacitated through no fault of their own receive nothing.

We were pleased to note that the Minister of Transport (Mr. Chevrier) put considerable energy into his statement when he said that Canada would go ahead with our great lakes navigation development. This may have stimulated the United States, and we in Fort William are very hopeful that this great scheme will be put through this year.

It is my duty, I think, to say a word about my own constituency, because I know its possibilities. Any hon. member who regularly looks over his constituency will find many things that are good. We find that Fort William is a great place for a young father and mother to bring up their children. They will be looked after from their earliest days. I should just like to outline what has been done by our city council to take care of our youth, following the voluntary work of many of our citizens. We have organized centres for both summer and winter activities. We have nine parks where our boys and girls are looked after during the holiday months, under the supervision of twenty-one people who are paid by the city council. Once a week these boys and girls get a trip to Chippewa park, our tourist centre, in buses supplied free. There, under trained supervisors, they are taught swimming, games, and nature study. It has been my pleasure to see an officer of the mounted police, representing the youth department of that organization, spend a week each year helping these young people develop their bodies and minds, and giving an example of how they should conduct themselves. Every night there is a moving picture show in a cosy corner where, when the lights are all out, you can almost feel the spooks round about.

It is well said that Fort William is the bread basket of the world, with our thirty or more elevators and our splendid natural water works provided by Loch Lomond on mount McKay, from which the water is distributed all over the city practically without cost. We have a splendid hydro system, and we have great farms. I do not know of any district in Canada that is more progressive. The farmers have been encouraged to develop their land so that now many of them raise more than one hundred bushels of oats to the acre. We also have our potato club, and many of those farmers raise more than five hundred bushels to the acre. This encourages our farmers to cultivate properly and fertilize as they should.

Any tourist coming to Fort William and going to the tourist bureau will obtain information that will lead him to the most charming places: the sleeping giant; the sea

lion of Silver island; the peeping squaw; the princess of the mist, and the three sisters, to say nothing about Kakabeka falls, which are higher than Niagara though they have less water.

When I consider the question of war, Mr. Speaker, I must say that I am not afraid of Russia nor of communist China. It is not heads that count; it is wills that are consecrated to do what is right. I think back to the first time I read the story of how the children of Israel were enslaved by the Midianites. Gideon got his commission from the right source. He called Israel together, and 32,000 men rallied to the support of the old flag. But there were too many, and those who were fearful and afraid of the campaign were given a chance to go home. Twenty-two thousand went home, but there were still too many. They had to be tested; and the men who went down to the brook were not so anxious to get a good satisfying drink; they had their eye on the hills beyond, and wanted to get after the enemy. Finally only three hundred were left, but they put to rout the armies of the Midianites.

What happened to the nations of the past? What happened to Hitler? He left God out of it, and because of that he made outstanding mistakes. The greatest was when he attacked Russia. What about Napoleon? He had burning ambition, but he left God out. Any nation like Russia or China which treats God as a myth and follows the teaching of Karl Marx is bound to make mistakes, and sooner or later it will find itself down and out.

In conclusion, Mr. Speaker, I should like to pay my tribute to the Prime Minister (Mr. St. Laurent) on his address yesterday and also to the Leader of the Opposition (Mr. Drew), because he has some practical common sense. As to the Secretary of State for External Affairs (Mr. Pearson) I can only say we are thankful that we have men like him; and baseball cannot buy him for $65,000 a year.

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, I should like to bring this debate back to the realm of international affairs. Almost the concluding words of the Secretary of State for External Affairs (Mr. Pearson) were that this house should turn down the amendment offered by my leader, the hon. member for Rosetown-Biggar (Mr. Coldwell), yesterday, which reads:

> We further regret that while Your Excellency's advisers have generally followed a constructive course in relation to the Korean dispute, they have in relation to the resolution branding China as an aggressor supported a course which is premature and unwise at this particular moment, and which should not have been pursued until the methods of peaceful negotiation had been completely exhausted.

[Mr. McIvor.]

Until a day or two ago I thought we had some quite good company in those sentiments. Those of us who listened to the C.B.C. broadcast on Tuesday night from Lake Success by Peter Stursberg heard Canada's Secretary of State for External Affairs, who spoke in a voice which was strained and tired. Unquestionably he spoke with sincerity, and he said he thought it was premature and unwise at this particular moment to pursue this policy, until the methods of peaceful negotiation had been completely exhausted. Not only did the minister believe those words to be true on Tuesday, before the vote; he believed them to be true last week, and since we believe his words are true today we have accepted them. Now we find it is he who has recanted.

I think it is a good thing that as far as possible there should be in this house a reasonable approximation to unanimity as to the foreign policy we pursue. That has been so in the past, and I think it will be so in the future. But when there exists such a major difference of opinion as we have we would be untrue to what we believe, untrue to those who agree with us, if we remained silent and uncritical, even although the times may be dangerous. What we have advocated in the past should be known. It is on the record.

We have said that our policy should be designed towards keeping China neutral. We were not convinced we could make an ally, let alone a friend, of China; nor were we convinced that China was yet in the orbit of Russia. Indeed, the differences between China and Russia even today are obvious. Unfortunately we have pushed these two countries closer together, although their differences may not be so clear as has been the case in the past or as will be in the future. It is not without significance that Russian influence in North Korea has practically disappeared, and its place has been taken by that of China. It is not without significance that the quarrels which have existed between China and Russia over Manchuria are not yet patched up, and may possibly break out again in 1952. It is not without significance that Chinese nationalism is today stronger than Chinese allegiance to communism. With a strongly nationalist China, I do not see much possibility of China becoming as subservient to the Kremlin as have other powers which could more accurately be described as satellite countries.

In other words, what we have asked for, what we have advocated, is patience. Since we desire peace and the improved welfare of the world, patience was demanded of us even in the face of extraordinary provocation. What did the minister say this afternoon? He said that we called China an

aggressor, and why not? Have they not consistently called us aggressors? Is it wise to respond with a *tu quoque* in differences such as we have? I do not think it is.

I believe we were wrong in pursuing a policy which would have as its effect the forcing of China and Russia closer together. In so doing we are really pursuing Russian desires. We would be terribly wrong if we played still further into Russian hands and, following the logic of events, became embroiled in a war in Asia. We are wrong I think at this moment in following any policy which will add fuel to the flames of suspicion, and fear of the motives of the west which occupy so many Asian minds. Unhappily almost every day the fuel is being provided, and one of the most regrettable examples was that quoted by the member for Rosetown-Biggar (Mr. Coldwell), when he reminded the house that India had asked the United States for two million tons of wheat. One or two Americans in responsible public positions have been so ill advised as to say that unless India followed the policies laid down by the United States she should not get the wheat. I am certain that word has flown around Asia, that the Americans are prepared to use human starvation as a political weapon. I do not believe that is the sentiment of the United States, but unfortunately rash and loose tongues give that impression. It does nothing to bring the people of Asia nearer to us.

One other thing we have to realize is that, even were the relationship between the United States and the Soviet union the most friendly, the most amicable, we should still have revolution in Asia. The people there are determined to overthrow the domination of those under whom they have suffered so long. Today we see rising in Asia the same thing which we in the west are leaving, but it is new in Asia, and there it is the resurgence of a powerful nationalism. It is a force which we cannot ignore.

The minister laid down three general considerations in the opening part of his speech. They were the necessity for the maintenance of freedom, with which we all agree; the necessity for our continued support of the United Nations, to which we subscribe; and third, he asked for a cool and rational appraisal of the present crisis, as he is entitled to ask and as we should be prepared to grant. So, I am going to try to look as objectively as is possible at the situation, first of all from the point of view of China.

If I were to be asked that very stupid question, is China an aggressor, answer yes or no, I would find tremendous difficulty in answering. I believe that China was wrong in crossing into Korea. I believe, however, there are extenuating circumstances of which the minister himself was well aware in his speech, from which I shall yet quote several extracts, before the first committee of the United Nations on January 26. At page 11 he said:

> It may still be that the Chinese consider that they are engaged not in aggression, but in self-defence; and that they are so imprisoned by their own dogma and their isolation, so influenced by bad advice and misled by wrong information, that they do not understand the intentions of the United Nations in general and of the United States in particular.

I think that is generous. I think it may be correct. The Chinese are perhaps ignorant of the good intentions of the western world. We have to realize that they have always regarded Korea as a particularly Chinese sphere of influence. Their memories are not so short that they have forgotten that, on more than one occasion, Korea has been used as the gateway for aggression on China proper. China regards us with suspicion. They may have reason. They have seen the western world, and to them the western world appears to be the United States, tied in with the enemy of the present regime, Chiang Kai-shek. They see the United States going beyond its powers and declaring that it is going to defend Formosa, although by the Cairo agreement it was specifically mentioned that Formosa should revert to China.

And if we are entitled to assume there is a certain amount of ignorance on the part of the Chinese as to our intentions, is it not possible that the actions of General MacArthur may have raised in them a feeling of real fear? General MacArthur started his last big offensive when the Chinese delegate was leaving for the United Nations, and the timing of that offensive was most unhappy. I think that we in this country, and possibly the people in other countries, have become somewhat used by now to the braggart and bumptious communiqués which were coming out of Tokyo. We knew that what was really in our minds was being spoken in London, Washington and Ottawa where responsible ministers were trying to assure the Chinese that we did not have any intention of going into Manchuria or affecting Chinese rights so far as power sites on the Yalu river were concerned.

Nevertheless, here were the communiqués of MacArthur, and he added to them only last Sunday when he said he was going to free Asia from communist domination. Those statements were not guaranteed to make the Chinese feel we were as frank and sincere as we professed to be. At the same time there was another difficulty experienced by certain nations, ours amongst them. There

was the difficulty we had in trying to talk to China when China was not a member of the United Nations. It was in refusing such recognition that the first blunder was committed. I agree that we have a right, perhaps even a duty, to be sceptical about the genuine nature of Peking's desire for peace. But the point we want to make is this, that so long as there were doubts and so long as those doubts were not resolved one way or the other, it was the responsibility of our leaders at the United Nations to do everything possible to try to arrive at some honourable agreement whereby the peace of the world could be preserved. That is our main argument. On the other hand, consider the position of the United States. We see a nation which is still young and virile, with perhaps all the faults of youth and virility; a nation which is not used to defeat, a nation which has not known, as others have, the necessity for withdrawal and retirement and which is unused to it; a nation which is smarting under the blows of those who were so contemptuously described as gooks and Chinks not only by soldiers of the United States but by soldiers of other nations who are in Korea just now. Once again we are displaying the arrogance of the whites which the people of Asia must find intolerable. Then the United States believes, and with great justification, that there has been such a long period of friendship between China and the United States that the Chinese ought to realize that fact. I think that American policy towards China, except in the last few years, has been generous. But unhappily, when the Chinese come to think of American friendship, what do they see? They see American bombs, in American planes with American markings, being used by Chiang Kai-shek to obliterate Chinese cities. What is regarded as friendship by the United States may be regarded as enmity by the Chinese.

I want there to be no mistake whatever as to where we stand. We yield to none, either collectively or individually, in our admiration for the people of the United States. They are capable of extraordinary generosity, and they have shown it. Just after the war ended the Americans had within their possession this most devastating weapon, the atomic bomb. Nowhere in recorded history has it ever been shown to me that a nation with a mighty weapon of destruction such as this in its own hands has said to the world "We are prepared to give it to you" on terms which the great majority of the countries of the world found highly acceptable indeed, only the Soviet union dissenting.

There are few examples of generosity such as that which has been shown by the people of the United States in the Marshall plan, in taxing themselves for funds to raise the standard of living in Europe, in order to bring Europe back to a high productive level and to conduct the fight against that misery which must inevitably lead to communism. That they are a friendly people, we know. That they are an idealistic people, we know. That the leadership they gave at the beginning of this crisis was most commendable, we know. That they are an emotional people, we know. But it is because we are so friendly with them that on occasion it is advisable that we speak to them frankly as friend to friend. They should have this knowledge by now if they do not possess it, namely that we in Canada—and, I think, the other members of the North Atlantic treaty group—will always be at the side of the United States. But that does not mean to say that we desire in any way to be subservient or to be placed in the position of apparent satellites. We wish to be treated with the degree of equality which free men expect. What the Americans feel today is that there should be expressed in the United Nations—and there has been expressed—a moral condemnation for this aggression of China; for they fear if it is not done, then the green light will be given for further aggression. As I say, it is most important that we try to understand the position and the feeling of the United States which almost unanimously is in favour of this decision to vote on Chinese aggression.

What about recent events in the United Nations themselves? One or two of the comments made by the minister were most interesting. I refer specifically to his comments about the resolution which was passed on October 7 and which gave the United Nations and General MacArthur the tacit right to cross the 38th parallel. It was not much more than tacit. In the Winnipeg *Free Press* of January 9—and the *Free Press* has been carrying on a bitter campaign against the policy of the Secretary of State for External Affairs (Mr. Pearson) until the last day or two—Mr. Freedman, writing from Lake Success, said this in discussing the 38th parallel:

> Nowhere in the eight-power resolution adopted by the political committee and later confirmed by the general assembly in plenary session is there any mention of crossing the 38th parallel as such. But that was clearly implied in the resolution's numerous references to a unified Korea.

That is true. There was a tacit assurance given to General MacArthur that he should go ahead. But as the minister told us this afternoon, there was the strongest reason for

believing that the troops of the United Nation would not go to the border of Manchuria, would not go to the Yalu river and thereby precipitate the situation in which we have found ourselves. In other words, I would be inclined to argue, if there was this tacit admission of the right to go ahead, there was also the tacit realization by a great number of the nations that we should go ahead only a certain number of miles and then stop. Unfortunately the United States saw fit to refuse the advice of colleagues and allies, which was offered in all sincerity. By doing that they may have altered the whole course of history. One of the things which some of us fear is that America's allies may be immolated on the altar of a policy which is a weird mixture of good intentions, the China lobby, offended pride, *Time, Life* and *Fortune* and the desires of presidential aspirants. These things form a bad basis on which to build a policy. Perhaps the United Nations has also been weak. We can learn and profit from what has happened. To my mind it is obvious that there has not been enough civilian control over the commander in chief of the allied forces; and as far as strategy goes I will always insist that the last word be left with the civilians. There was the mistake, despite the decision of the United Nations, of allowing Syngman Rhee back into North Korea. There was the mistake in giving Syngman Rhee sufficient power so that he could carry on mass executions of those with whom he disagreed and whom he called traitors. These efforts by Syngman Rhee are not the basis on which to build up the friendship which we desire to see between Asia and ourselves.

If as a result of the passing of this resolution the Chinese people's government still decide to go ahead, to negotiate, to have a cease-fire, to settle outstanding problems, none will be happier than I to find that my doubts are unfounded and that my fears are unrealized. But I share the fears of Sir Benegal Rau, namely, that the Chinese will accept this rebuff, as it is for all practical purposes, and decide not to negotiate further. In that case, what do we do? Again I come back to the logic of events. The United Nations has declared that China is an aggressor. No matter in what watered-down form, the declaration is there. The United Nations has declared that China is an outlaw. Outlaws must be punished. Otherwise we lose respect for law and order. What punishment do we administer? Collectively we administer punishment by means of economic sanctions. As the minister pointed out today, following upon economic sanctions there is the gravest danger that war may arise. Suppose, as a result of economic sanctions—if we go as far as that— Mao decides to retaliate in Formosa, what then does the United States do? Suppose, as a result of sanctions, Mao decides to retaliate on Hong Kong, what does the United Kingdom do? Suppose as a result of economic sanctions Mao decides to retaliate in Viet Nam, what do the French do? What do we do as a member of the United Nations? These things which I fear may conceivably be part of the logic of events.

There are groups in Canada which have been often more fervent even than the State department in their advocacy of moral condemnation of China. One of the groups concerned is in Winnipeg, an organization known as the *Free Press*, which I have followed with a certain interest through the years. The *Free Press* clings frequently to its moral principles, but I rather think that it regards them much as others regard their dentures, to be taken out, admired, washed and then replaced. The *Free Press* insists that China must be declared an aggressor, and anyone who disagrees with this point of view is automatically an appeaser à la Munich. The Secretary of State for External Affairs (Mr. Pearson) answered them quite adequately today. He answered them also in that speech of his on January 26, when he said concerning Munich:

> The tragedy was in what was done there, and our statement of principles did not, I think, recommend doing anything that meant the betrayal of a people or a principle, nor was it a weak surrender to armed pressure or a naive misunderstanding of a political situation or of the dangers ahead if it were handled the wrong way.

The *Free Press* today does not appreciate the fact that the voice of a diplomat is only as loud as the calibre and the number of the guns behind him. Again I refer to the speech of the Secretary of State for External Affairs because there is so much in it with which I agree. He said:

> The second draft resolution, proposed by the United States of America, finds that the people's government of China has engaged in aggression in Korea. If this resolution is pressed to a vote without further consideration of other measures, delegations will have to take a decision in regard to it, and that decision is not as easy or as simple for my delegation as it seems to be for some other delegations around this table.

Then he goes on:

> It may be right and necessary to pass a moral judgment on the aggressor, even if there exists a situation such as the possibility of another and far more dangerous aggressor which may affect the enforcement of that judgment; it may be right and necessary to do that providing we recognize the circumstances and state the position accordingly. That course is honest and straightforward. But we have, I think, on the other hand, no right to pass

a judgment and at the same time give the impression that we can and will immediately and effectively enforce it no matter what the consequences may be, if we are not prepared to do that.

In other words, the Secretary of State for External Affairs was asking us not to repeat the error which we perpetrated in the league of nations with Italy. The *Free Press* does not yet accept that viewpoint. On January 26 it quoted from the London *Times* as follows:

Simply to dub China an aggressor without being able to take further, more decisive, measures would achieve nothing.

In other words, much the same as what the Secretary of State for External Affairs said. Then the *Free Press* went on to say:

Once the moral and legal position is established, the crime recorded and the criminal identified, what follows will inevitably be governed by strategic and military considerations.

I think this newspaper knows, as well as we do, that military considerations are such that they do not permit us to protect all the interests which we may have over the world. We have neither the troops nor the weapons. So that in effect what the Winnipeg *Free Press* is asking for is moral condemnation and no more, and yet if nothing is done beyond that—again I try to speak logically—if nothing is done beyond that, the United States may be happy at having had its own way, and the *Free Press* can wallow in its own moral rectitude, but the effect upon the United Nations may well be devastating; for as the United Nations may weaken, so will China be strengthened.

What we are doing is still to some extent playing the not very astute game asked us to be played by Russia. We are shoving China into Moscow's arms and we may have to fight a futile war in the Orient.

I now come to the position of the C.C.F. We do not think the real enemy in this world today is China. So far as we are concerned the threat to the world lies in the Soviet union. We believe that war in China means the wasting of human and material assets and a consequent weakening of our own position; and the position in which we are most engrossed, I imagine, is that of our membership and responsibilities in the North Atlantic treaty. But if our position there is weakened the North Atlantic grouping becomes weakened, and the green light is given to aggression, but not the aggression which the United States has in mind. Should we become sufficiently weak the green light is given to the Soviet union in western Europe.

I am convinced that the majority of Canadians know that, as I am convinced that the great majority of the people of Canada do not want war with China. The majority of the people of Canada do not want war—period. But if war has to come we realize with whom it is going to be. It is going to be with these men in the Kremlin, who have made a mockery of human dignity, a travesty of human liberty and a shambles of every hope we had for a peaceful world following the end of the war.

In our opinion our national interest demands that our strength be not frittered away. Our national interest demands that our determination to defend ourselves be not deflected by secondary events. Why then are we pursuing this policy which may conceivably land us into a morass from which I can see no way to extricate ourselves? I think there is only one answer. Again I am speaking bluntly because I think between friends we can speak with a degree of candour as long as it is recognized to be honest and sincere. The reason is American pressure. But what sort of American pressure could conceivably be exercised to persuade our delegate at the United Nations to support the course which he admitted to be premature and unwise at that particular time? The pressure was the fear that the United States would revert to isolation, and that we could no longer count upon the United States as an ally in our common fight to maintain our freedom and our ideals. The inference, which I do not take, but the inference which undoubtedly will be taken in certain areas in Europe unhappily, is that the United States is perhaps not so reliable an ally as many had hoped, but that in fact it can only be relied upon so long as it gets its own way. I am convinced that there are many Americans who would be horrified at such an interpretation of what has been done. My only hope is that time will not make them even more horrified by a realization that they may have won a battle and lost a war.

On motion of Mr. Fournier (Hull) the debate was adjourned.

On motion of Mr. Fournier (Hull) the house adjourned at 5.42 p.m.

HOUSE OF COMMONS

Monday, February 5, 1951

The house met at three o'clock.

HOUSE OF COMMONS

VISITORS IN GALLERY—STUDENTS FROM GLEBE COLLEGIATE, OTTAWA

Mr. J. W. Noseworthy (York South): Mr. Speaker, I should like to call your attention and the attention of the house to the presence in the south gallery of a class of boys from Glebe collegiate in this city. I thank you, sir, for your provision for their attendance here today.

MINES AND TECHNICAL SURVEYS

SURVEY OF IRON ORE IN BRITISH COLUMBIA

Hon. George Prudham (Minister of Mines and Technical Surveys): Mr. Speaker, at the last sitting of the house the hon. member for Vancouver South (Mr. Laing) asked me to make a statement with regard to the proposals of the Department of Mines and Technical Surveys to survey iron ore in the province of British Columbia.

The geological survey of Canada has already made considerable investigation of the British Columbia iron ore deposits. Investigations made prior to 1925 were compiled in a report by G. A. Young and W. L. Uglow, entitled "The Iron Ores of Canada, Volume 1, British Columbia and Yukon" (Economic Geology Series No. 3). This report indicates iron ore minerals at fifty-seven localities in British Columbia. These iron ore deposits are dealt with quite fully in this report, and a rough estimate given of the potential tonnage of ore containing more than fifty per cent iron.

In 1930 further geological field work was conducted in the Buttle lake area, Vancouver island.

In 1950 geological survey party, in charge of Dr. J. W. Hoadley, made extensive studies in the vicinity of Zeballos, Vancouver island.

The British Columbia department of mines published a report in 1942 by A. G. McKee and Company, engineers and contractors, of Cleveland, entitled "Report on Proposed Iron and Steel Works."

The geological survey of Canada has no new plans for 1951 dealing specifically with iron ore deposits in British Columbia. However, the field work of Dr. J. W. Hoadley in the Zeballos area will be continued, and this will include mapping and studies of potential iron deposits.

NATIONAL HOUSING ACT

STATEMENT AS TO LOANS TO HOME OWNERS, LOANS ON RENTAL PROPERTY AND RENTAL INSURANCE GUARANTEES

Hon. Robert H. Winters (Minister of Resources and Development): Mr. Speaker, the heavy demands the present international situation is imposing and will impose upon the economy of Canada for defence and other measures have made it necessary for the government to give new consideration to the problem of housing in Canada.

Through private endeavour, but also in large part owing to the assistance afforded by the government under the National Housing Act, house construction in Canada since the war has proceeded at an unprecedented rate. In 1947 the number of houses constructed was 79,359. In 1948 the number rose to 81,243. In 1949 the number of houses built was 91,000. In 1950 there was an unprecedented volume of loans under the National Housing Act, and a record number of housing starts. During the year approximately 87,000 housing units were completed but by the end of 1950 there were about 66,000 houses incomplete, which was approximately 8,000 more than were incomplete at the end of 1949.

The government is aware of the continuing need for housing accommodation in Canada, but starts at the 1950 rate are beyond the capacity of the house-building industry under present and foreseen circumstances. Building supply materials, and particularly products of steel, are in short supply, with the result that many builders and owners are unable to complete houses. One of the main problems is to complete houses now under construction, and what the government wishes most to avoid is the starting of a large number of houses which could not be completed.

Since September 1949, additional loans in the amount of one-sixth of the basic loan were being made, provided that the sale price to the home owner was fair and reasonable; but because of rising costs and the previously announced policy of maintaining January 1, 1950, lending values, this provision has become increasingly ineffective. It will be

recalled that January, 1950, lending values have been maintained in an effort to curb price increases. Effective immediately, therefore, loans under the National Housing Act to home owners will be limited to 80 per cent of lending values prevailing in January, 1950. The effect of this action is that the additional one-sixth provision is suspended. This does not apply to existing commitments. Loans on rental property remain at 80 per cent. Rental insurance guarantees, now on an 85 per cent basis, will, effective immediately, also be computed on an 80 per cent basis.

Although the cost of construction rose about 10 per cent in 1950, the basis of valuation for National Housing Act purposes has not been correspondingly increased. As a result, down-payment requirements have increased in 1950 by the amount by which cost of construction has risen. Without the additional one-sixth, down-payment requirements are greater by about $1,000 on five-room houses and about $1,500 on six-room houses than they would be were this provision effective.

I would emphasize that the building supply situation in certain fields is expected to become more acute than at present, and would urge that builders and home owners consider carefully difficulties which they are likely to encounter on this score before they embark upon building operations. With respect to the current shortage of materials and the use to be made of available supplies, the government will continue to attach a high order of importance to housing and emphasize it to a degree second only to the direct defence program itself.

It is reasonable to expect that the demands for housing will be greatest in those centres where the defence program bears heaviest. With that in mind, the whole problem is being kept under constant review, and every effort within the scope of the National Housing Act will be made to see that, of the new housing in 1951, as much as possible will be built in areas where it is most urgently needed.

Mr. Fleming: May I direct a question to the minister arising out of his statement? In the first place, has there been any consultation with the provincial governments with regard to this change of policy? Second, will the new policy be applied to applications now pending?

Mr. Winters: As to the first question, there has been discussion with some of the provincial governments with respect to this policy. As to the second question, the new policy is not effective with respect to applications already approved; but where the applications have not been approved, the policy is effective.

Mr. Fleming: Even though the applications have been received?

Mr. Winters: Yes.

MANPOWER

STATEMENT AS TO ESTABLISHMENT OF NATIONAL ADVISORY COUNCIL

Hon. Milton F. Gregg (Minister of Labour): I beg leave to table copies of order in council P.C. 567, dated 1st February, 1951, relating to the establishment of a national advisory council on manpower. In doing so, I wish to make an explanatory statement.

Plans related to the most effective utilization of Canada's present and potential working force, men and women, have been receiving the most careful consideration of the government.

As hon. members know, since the emergency of 1939 Canada has instituted widespread activities under the Unemployment Insurance Act, made possible through amendment to the British North America Act. The unemployment insurance commission now has throughout the country well-organized offices which have a double function—unemployment insurance on the one hand, and employment services on the other.

At the present time nearly every large community in Canada is served by one of these offices, of which there is a total of nearly two hundred. They keep constant and intimate contact with local working forces and employers in industry.

This is illustrated by the fact that the unemployment insurance commission records, kept up to date from week to week, were maintained for a total of over 2,800,000 Canadian workers who were insured under the unemployment insurance commission plan and who were in the labour force at the end of last October. Further, we have records for over four million workers who were insured at one time or another, including the 2,800,000 figure. The national employment offices during the past calendar year have been responsible for nearly 800,000 placements of workers in jobs. To do this, to provide the commission, our research branch in the department and the dominion bureau of statistics with a constant flow of vital information and statistics, these offices keep in the closest touch with their respective regions and communities.

To assist the national employment service and its regional and local offices in its

work, the Unemployment Insurance Act provided for a national employment committee for head office, and similar committees for regional and local employment offices. These have representatives of labour, of employers and of other non-governmental bodies making up the social and the economic life of the nation. These committees have performed and will continue to perform most valuable services to Canada in this field.

Since becoming Minister of Labour I have made appraisal of the up-to-date information on Canada's working force, on the activities in which they work and on the industrial life of Canada generally that comes to the commission's head office, to the Department of Labour and to the bureau of statistics, through this well-integrated network that covers the whole country.

While the demand for workers was less than the supply in all categories, the objective of this machinery has been the mitigation of the hardships of unemployment on the one hand, and seeking to find work for applicants for jobs on the other.

Now, however, when the demand for workers for the armed forces, and for defence industries as well as normal industries, promises to exceed the supply in some categories, I believe the unemployment insurance commission-national employment service machinery I have outlined could continue its present role without interruption and at the same time provide the medium for arranging the maximum voluntary utilization of our manpower during the kind of emergency in which we now find ourselves.

There are many organizations, public bodies and departments of government vitally interested in all these matters, as well as the Minister of Labour, through whom the department and the unemployment insurance commission are responsible to the government: for example, the Department of National Defence, labour unions, defence industries, management, and so on. In this search for the maximum utilization of manpower now under the voluntary system, I believe the government should have available a joint clearing house for the prompt study of month-to-month manpower resources and needs, for the formulation of advice to the Minister of Labour or to the government with respect to these matters, and for the interpretation of resultant plans to workers, to management and indeed to all citizens.

The success of any plans, whether made under present voluntary methods or under more difficult conditions in the future, will depend upon how well they have been formulated in the light of all the facts, and upon how intelligently the opportunities to participate in them are presented to the people of Canada.

Therefore, with the authority of the government, there will be set up immediately, by the order I have just tabled, a national advisory council on manpower, the membership of which will consist of the clerk of the privy council and the deputy minister of labour, who shall be joint chairmen, and such other persons, including the following, as may be appointed, with the approval of the governor in council, by the Minister of Labour, after consultation with the appropriate national organizations:

Four representatives of labour; four representatives of employers; two representatives of agriculture; two representatives of the women of Canada; two representatives of the veterans of Canada; also representatives of the divisions of the government service responsible to the Minister of Agriculture, the Minister of Citizenship and Immigration, the Minister of Finance, the Minister of Fisheries, the Minister of Justice, the Minister of Labour, the Minister of National Defence, the Minister of Resources and Development, the Secretary of State, the Minister of Trade and Commerce, and the Minister of Veterans Affairs.

The council may, in the discharge of its duties, utilize the services of the unemployment insurance commission and its national employment services, as well as the national regional and local employment advisory committees now operating under the Unemployment Insurance Act, 1940.

I would like to state that a representative of this national advisory committee on unemployment will also be a member of the new council.

The duty of the council will be to consider various aspects of manpower questions; to advise on plans under review, and to suggest plans which should be developed so as to make for the most effective utilization in the national interest of the present and potential man and woman working force of Canada.

In organizing this council the government is determined that the greatest care shall be exercised in seeing to it that our available working personnel—particularly in the skilled trades—shall be distributed amongst the armed forces, defence production and civilian activities in the most effective manner possible.

I am informed by the joint chairmen, Mr. Norman Robertson and Mr. Arthur MacNamara, that it is their intention to call the first meeting of the council just as soon as all its members have been appointed, which I hope will be within a week.

Inquiries of the Ministry

Mr. Coldwell: May I ask the minister a question? Will this committee also be able, if necessary, to advise the government on the material resources of this country, both industrial and financial? It seems to me that in order to appraise the manpower we have also to know something of our machinery, our industries and our financial resources.

Mr. Gregg: This council is intended to advise the minister, or the government, or both, on any question affecting manpower.

INDUSTRIAL RELATIONS

AMENDMENT OF CHAPTER 54, STATUTES OF 1947-48—VOLUNTARY REVOCABLE CHECK-OFF OF UNION DUES

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. 4, to amend the Industrial Relations and Disputes Investigation Act (voluntary revocable check-off).

Some hon. Members: Explain.

Mr. Knowles: The purpose of this bill is to add a new subsection to section 6 of the Industrial Relations and Disputes Investigation Act, generally known as the national labour code. The effect of this new subsection is to provide for the voluntary revocable check-off of trade union dues.

Motion agreed to and bill read the first time.

KURT MEYER

REPRESENTATIONS AS TO RELEASE FROM INCARCERATION

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I direct a question to the Minister of Justice? What representations, if any, have been received looking to the release from incarceration of General Kurt Meyer, and what action, if any, is the government taking on such representations?

Hon. Stuart S. Garson (Minister of Justice): The subject matter to which my hon. friend refers is properly referable to the Minister of National Defence.

Hon. Brooke Claxton (Minister of National Defence): The question of what disposition should be made of Kurt Meyer is receiving consideration.

Mr. Fleming: Will the minister deal with the first part of my question? I asked what representations have been made, and from what sources.

Mr. Claxton: Representations have been made by him through legal counsel acting for him in the city of Halifax.

[Mr. Gregg.]

Mr. Fleming: None from the German government?

Mr. Claxton: None whatever.

OLD AGE PENSIONS

INQUIRY AS TO LEGISLATION DURING THE PRESENT SESSION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I direct a question to the Prime Minister? In view of the apparent readiness of the provinces to agree to constitutional amendments in one form or another regarding old age pensions, will an effort be made, as soon as agreement has been obtained, to present those amendments to parliament in time so that legislation implementing last year's old age pension recommendations may be enacted at this session?

Right Hon. L. S. St. Laurent (Prime Minister): I would not like to confirm or to detract from the apparent optimism of the hon. member with respect to the readiness of the provincial governments to agree to constitutional amendments which would enable that to be dealt with.

As stated in the speech from the throne, the matter is before the provincial governments for their consideration, and it is and will be the policy of the government to avoid any possible delay when agreement has been reached to have that agreement implemented.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Friday, February 2, consideration of the motion of Mr. W. H. McMillan 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. Drew, and the amendment to the amendment of Mr. Coldwell.

Mr. Gordon Graydon (Peel): Mr. Speaker, my position as a parliamentary adviser to the Canadian delegation, which I have had the honour and privilege of occupying at the fifth general assembly of the United Nations at New York, makes it somewhat imperative that I commence my humble observations on foreign affairs with a word about the structure of the Canadian delegation itself. The multiple-party character and composition of our Canadian representation is a demonstration, in a sense, of the genuine desire of people of all parties in parliament to find, so far as humanly possible, a common voice for Canada at the peace tables of the world. It would be toying with the facts, of course, as this debate has already

shown, to declare that all parties are agreed upon all aspects of Canadian foreign policy. It can properly be said, however, that the presence of representatives of all parties in parliament brings a serious sense of real responsibility to every political group sharing the stirring experience of these United Nations conclaves. Moreover, it provides all parties with the basic considerations and atmospheric background upon which governmental foreign policy is predicated and made.

Unlike our neighbours to the south, who have a type of bi-partisan delegation structure where the Republicans are full-fledged voting delegates, enunciating government policy along with their Democratic colleagues in the assembly deliberations, Canadian opposition representatives are not delegates in that sense of the term. We are parliamentary advisers only. We neither initiate nor assume responsibility for Canadian foreign policy, which, properly, is for the government of the day. Nevertheless we sit in on all delegation deliberations, and are free to participate as fully as we desire. In this way we are left free and unfettered in our constitutional position as critics of the government in both the domestic and the foreign field. It is by far the most sensible and practical arrangement I have seen in the four United Nations meetings in which I have been privileged to play a part.

It is common knowledge that the future of the United Nations organization has been hanging delicately in the balance and largely because it has been compelled to operate under well-nigh impossible conditions. Its failure to impose a durable collective security structure upon the post-war world recalls to our minds at once that it was originally instituted to function in a one-world structure and not in a world split down the centre by two challenging and violently competing ways of life. It was designed to discipline the fretful, the uneasy and the aggressively ambitious state with the collective weight of all the rest. It takes only a casual student of world affairs to see at once that any attempt by almost one-half of the world to discipline the other half under peaceful auspices raises the gravest kind of problems. When one adds to these factors the failure of the victor nations to agree among themselves upon suitable treaties of peace with the vanquished powers and the presence abroad of a poisonous cominform which aims to sap the vitals of and to plant treason behind the lines in all the free nations, and which plans to overthrow with terror, brute strength and hate the very governments which sit with the Soviets around the council tables of the world, it becomes unmistakably clear how far fear, division and distrust have combined with the abuse of the veto privilege to paralyse this adventure into the realm of lasting peace. Nevertheless it is all we have in the world on a global scale where nations can still present their cases, short of resort to arms, and the world is naturally reluctant to abandon it. Perhaps that accounts in part for the stubborn and obdurate fact that not a single one of the sixty nations in the organization has ever withdrawn from membership, while several are on the waiting list anxiously seeking admission. That, in itself, has, in my humble opinion, more than a little collective significance.

I think I must say, after attending United Nations gatherings in various capacities over the last six years, that there is sometimes a little too much stratospheric thinking and not enough of the down-to-earth approach to the problems of the world. For instance, there is a continuing need for realism in dealing with those past masters of realism from behind the iron curtain. They are tough, desperate power gamblers who call for peace on world forums, and, meanwhile, count heavily on the fertile soil of trouble, rebellion, disagreement and chaos to grow their soviet fruit elsewhere. Contrary to Russian professions, I am convinced that settlement of the outstanding inflammatory world issues on any widespread scale is not desired by the architects of Soviet imperialist policy at all. They believe imperial communism flourishes best with the world at the boiling point, and they are doing their best to keep it there. We should not be deluded into thinking that any substantial amount of Russian help is available to reduce the steadily rising global temperature. Their policy thrives on sore spots, and they intend to keep them open and festering. Let us never forget that the underlying policy of Soviet imperialism is world revolution, and its logical successor, world domination. It is hard to settle with people who do not want to settle and who do not think it pays them to settle. That is one of the major reasons why peace stands in jeopardy today.

Not many Canadians relish the prospect of a breach between the free nations and the Chinese people; but the Red leadership of that great power has been consistently waging a campaign of defiance and abuse which in my opinion has deeply injured the cause of peace. For centuries the name of China has stood high in the respect of the world. Her people, with their honest simplicity and pleasant philosophy of life, made friends everywhere. They became good law-abiding citizens wherever they went. These and other kindred considerations have made our diplomatic problems with the new Chinese govern-

ment more trying than usual. No doubt the patience, and perhaps the hesitancy, of some powers to put China on the spot and brand her an aggressor and a breaker of the peace can be traced back to the reservoir of good will which exists for the Chinese themselves, but which their Red leaders have been rapidly dissipating. It is too bad that a people like the Chinese have to be judged by leadership of the type we experienced at the security council at Lake Success a few short weeks ago. I watched, as did other members of the Canadian delegation, the unpleasant and hostile demeanour of General Wu, the spokesman for the communist government of China, as he delivered what was virtually an ultimatum in terms of fire, brimstone and vitriol. It was a provocative, abusive and defiant effort. The texture of his entire argument paralleled closely the Muscovite line. It was clear for all to see that Moscow was making the balls and Wu was firing them.

It is probably safe to say that if, with one sweeping gesture made in good faith, the new government of China would throw off the yoke of Soviet imperialism and go it alone, speaking for China and the Chinese people and no one else, the outstanding differences between east and west could be resolved overnight. If the free powers encounter obstacles in finding common ground with China in the days ahead, the cunning and experienced hand of Soviet imperialism will be unable to escape a generous measure of the responsibility.

We in this party will be unable, when the vote is taken, to go along with the hon. member for Rosetown-Biggar (Mr. Coldwell) in the language of his subamendment, which reads as follows:

> We further regret that while Your Excellency's advisers have generally followed a constructive course in relation to the Korean dispute, they have in relation to the resolution branding China as an aggressor supported a course which is premature and unwise at this particular moment, and which should not have been pursued until the methods of peaceful negotiation had been completely exhausted.

When the North Korean communist forces began a full-scale invasion of South Korean territory last June, the conscience of the free world rebelled over such a high-handed and unprovoked act of hostility and armed aggression. The United Nations, very greatly to its credit, promptly took steps to save the South Koreans from disaster. When it became evident, despite the fraudulent attempts made by communist speakers from several nations, including China, to have an innocent world believe that the Chinese troops in Korea were mere volunteers, that the North Korean aggressors—so declared—were being joined by armies of Red China, there was little left for the United Nations to do but to declare them aggressors too. To have failed to do so would have set up different standards for determining aggression as between powerful nations and smaller powers.

A display of great courage when little nations are involved, and conversely, a demonstration of hesitancy and pussyfooting when big powers are implicated, would have meant that the United Nations was betraying the very principles for which it was instituted. Even-handed justice is a fundamental basis upon which any successful peace-keeping organization must work.

It is perfectly true that the resolution condemning the Chinese aggression in Korea will not necessarily solve either the military or the political problem which sticks out like a sore thumb in the Orient, but its adoption will at least put on record, with an overwhelming majority, the imprint of the conscience of a shocked and startled world which justly refused to tolerate in silence an armed attack on the United Nations forces themselves. To have scores of thousands of hard-fighting troops carrying the United Nations banner in Korea, with the assembly of that organization undecided whether to brand their attackers as aggressors, was a manifestly impossible position in which to leave casualty-stricken troops for any length of time. The air had to be cleared for them as well as for us. The passage of the resolution was delayed quite long enough as it was. The United Nations appears to have profited, at least to this extent, from the experiences gained from the Manchurian and Abyssinian incidents in the days of the old league.

I was suspicious from the start of the North Korean aggression last spring that the Mao government was in behind the scenes egging the North Koreans on, and I would have been surprised also had there not been some rather active encouragement from Russia as well. In plain street terms, all three of them were hoping to get away with it. They were all caught red-handed. What could they have expected as a reward for their planned and calculated attack, not only upon South Korea, but also upon the United Nations itself? The surprising part of the assembly's decision is not the decisive adoption of the resolution but the fact that the patience of the free world held on so long. The purport of the decision is that no nation may expect to have its aggression rewarded by vacillation, appeasement or indecision. Aggressors everywhere know now what they face. That in itself may prove to be a healthy sign for peace.

At a time when great emphasis seems to be laid upon the provocation of earlier days,

which the Red Chinese are alleged to have suffered at the hands of the United States and other democratic powers, it is perhaps advisable for us to recall that the new Mao administration chose, immediately upon its ascent to power, to make its bed with imperialistic Red Russia, and seems content still to continue to lie in it. They treated Britain's gesture of diplomatic recognition with studied rudeness. They ignored the patient and peace-loving Indians and commenced to invade Tibet while negotiators of that country were travelling to a conclave to discuss Sino-Tibetan problems. While pleading their case before the United Nations in New York, their forces were bearing down on troops carrying the flag of that organization in the Korean peninsula. Their cool and enigmatic reception to the very moderate proposals of the cease-fire committee, amounting almost to a brush-off at certain stages, did not inspire confidence in the new Red Chinese government, even in circles where sympathy and understanding of China were latently waiting for a chance to be displayed in some tangible and helpful form.

Canadians will hope fervently that the free world will continue to leave no stone unturned to bring the Orient and the Occident into peaceful and harmonious relationships. The door to further negotiation must still be left open for an honourable and just settlement. If I were to underline any part of the speech I am making this afternoon, it would be those two sentences. We do not want a war with Asia; we do not want a war with anyone. We want to help Asia. But naturally we want to be certain that we are not assisting in the building of a giant Soviet empire designed to overthrow us and the rest of the world when we are offering the hand of genuine help to peoples who sorely need it. So we say to the Red Chinese government: Get rid of your Muscovite masters, and be your own. We can deal with Chinese as Chinese, but their membership in the imperial Soviet family puts unnecessarily high hurdles in front of free democratic assistance. Take those hurdles down and let us work together in peace, harmony and understanding. We all have much to contribute together, but less to contribute alone.

Despite the temptation to place heavy emphasis at the moment on the Korean campaign and the crisis in our relations with the Orient, the concern of the people of the free western world should not be diverted from the principal danger spot of all, Europe itself. There are powerful and convincing reasons why the Soviet imperialists would welcome a wholesale involvement of the free nations' military strength in the Far East. They are well aware that such involvement would drain the resources of the free powers and weaken their front against Kremlin pressure elsewhere.

Without ignoring here in Canada the strategic necessity of seeing to it that our own defences are adequate to protect our own people from both internal and external dangers, we should not be parties to weakening public opinion on this continent, although there seems to have been a desire to do so in certain quarters; we should not be a party to weakening public opinion as to the necessity, so well recognized when the North Atlantic treaty was signed, for our own defence, of our assisting in the defence of the free nations of western Europe against Soviet designs, pressure and attack. From the Truman declaration down to the Marshall plan for economic and financial aid, and on down to the North Atlantic alliance, the western world has been demonstrating beyond peradventure that it regards Europe as the ultimate strategic area so far as our plans for the containment of Soviet imperialism are concerned.

The safety and security of the central unit of our own commonwealth is inextricably related to such a policy. So is our own. Soviet imperial possession of western Europe would place the United Kingdom in a position of extreme danger—much greater danger than she faced when Hitler held the channel ports; for science has advanced materially since then in the field of rocket bombing and other forms of long-range destruction. The free powers in my opinion must never take their eyes off the Elbe. Better to stop them there than try to stop them at some point closer home. It takes no deep study of military strategy to determine at once what position Canada and the western world would find themselves in if freedom's boundaries were to become the North and South American shores of the Atlantic and Pacific. To use an Eisenhower term, which he used just a day or two ago, our freedom would inevitably wither and vanish. That means our most critical front of freedom is overseas, and we Canadians must fulfil our pledged North Atlantic obligations to the spirit and the letter of the pact, and we must be satisfied with nothing short of our maximum effort to ensure that we play our full part in this integrated challenge to further Soviet designs.

The free nations have talked a lot. They have done some blueprinting of plans, but there is still an uneasy feeling that somehow we have not come sufficiently to grips with the danger. They have made a start on

defending themselves, but the day for all this must make way for the day of quick and effective action. At no stage in our national life did time count more than it does right now. We must all now get down to the grim, practical and costly business of preserving, at all costs, our way of life, which is threatened at every turn by evil forces eager to see the thumb-prints of a police state on the necks of us all. Not long ago no less an authority than General Dwight Eisenhower himself declared that "underpreparedness is as criminal as war itself".

Canada has a reputation to maintain in the campaign for freedom's preservation. She has her own safety and security to consider, as well as the maintenance of the free world in general. To fail to match our rather conspicuous declarations of intentions, made so frequently from international forums, with appropriate action to carry them out, would place us in a ridiculous position in the eyes of the world, and be grossly unfair to our friends and to ourselves. Parliament has a bounden duty to see that Canadian performances measure up to Canadian promises.

The tasks facing Canadians in the diplomatic field are made immeasurably easier when our two major friends, the United States of America and the United Kingdom, are pursuing parallel courses—and as I look at the Secretary of State for External Affairs (Mr. Pearson) I realize that no one recognizes that more fully than he. When their courses diverge, our troubles multiply. The recent diversity of views over the problems of the Far East makes it necessary that Canadians use that calm, collected and common sense judgment for which our Canadian people have come to be noted the world over. It should be easy for us to understand the genuine points of view of both, because we are closer to both than any other country in the world.

It is easy to see that Britain's position in the Far East is much more complicated than ours or than that of the United States of America. Her interests, as a people over there, are more intimate with the Orient than those of us over here. It is quite understandable that she wants, if possible, no involvement by the western powers in any widespread conflict between them and the Far East. Hong Kong has been frequently referred to as the New York of the Orient. Britain has it, and while there are unmistakable signs of a communist economic squeeze-play enveloping it, nevertheless the British still have a substantial economic and financial stake in that uneasy section of the globe. Sanctions which would cut off trade with Red China would take on a much more serious aspect for Britain than for any other major free power, and it is but natural that she wants to avoid them if other acceptable means can be found to penalize Red China for the crime of aggression. Like other nations in the European area, Britain fears the possible involvement of the United States and other free nations in a war with Red China which could conceivably dwindle, diminish and waste the strength of that great republic to the point where it might seriously affect her power to give dynamic and effective leadership to the North Atlantic treaty organization, whose principal emphasis is laid upon the job of containing communism in Europe—and no small job at that. These and other features of the oriental situation bear sympathetic consideration from the United Kingdom point of view.

Nor can we dismiss lightly the critical position of India and Pakistan, our sister members of the commonwealth. Let us make no mistake about that. Whatever may be said of India's judgment in connection with the present United Nations crisis and her relations with Red China, it can never be said that she lacks good faith or peaceful intentions in the pursuance of her policies. The Indian and Pakistani delegations at Lake Success were among the very best and most highly respected delegations there, although I was unable, as were many others, to follow at times some of the policies they advanced and advocated. Their perilous position in oriental politics must be understood and appreciated by all of us. Moreover, we must realize that they belong in the very nature of things to that non-communist world bloc of free nations who want no part of a Soviet imperialistic yoke. They are tied to the apron strings of nobody. We, obviously, cannot go along with them on all the issues that divide east and west, but in their desire to give leadership, in their own way, to a crusade for stability and peace in the Far East, they deserve our understanding and sympathy. It may well be that when the present crisis has been resolved and the cornerstone of true peace has been laid finally, the people of the subcontinent of India, which in a sense is the closest common ground between the Far East and ourselves, may be destined to play a part in world peace which will make us all glad of our association with them in that family of nations of which all British peoples are so proud.

Having put forward some features of the present world crisis as they appear to affect two sister members of the commonwealth, I desire to comment for a moment on our neighbour to the south, the United States of America. In the February issue of the

Atlantic Monthly, published in the United States, there appears the following concluding paragraph of a commentary on the difficulties experienced by Canadians in their relationship with the United States:

> It is one thing for a small nation to follow the leadership of a great power when that leadership is incisive, intelligent, and informed. It is another when the follower begins to feel that the leadership is vacillating, inept, or uninformed. Ottawa has never been particularly awe-struck by General MacArthur. His pronunciamentos plus his something less than omniscient intelligence service has given Ottawa the creeps. Washington's almost cavalier dismissal as sheer bluff of Red China's warning that it would invade Korea if the UN forces invaded the north would not be remembered if it had not been wrong. But what Ottawa resents most of all is Washington's offhand treatment, which is new and strange after years of close co-operation with the Roosevelt administrations.

I have no doubt that some Canadians hold strong views as to how they think the Americans could improve their conduct in the field of world politics. On the other hand some Americans may not see eye to eye with Canadians in their handling of international relations. It seems to me, however, that any widespread surrender on either side of the border to wholesale criticism of each other at the moment could only result in the fouling of our own nest and in giving comfort to an enemy whose cleverness in laying false emphasis has become a feature of its enslaved propaganda.

The headlines of this week end have heralded the observation of Foreign Minister Chou En-lai of China that the United States wants war. We know she doesn't. We know that the prayers of people everywhere on this continent, as elsewhere, are going up nightly that casualty lists on a world scale shall never be published again. No continent has more to gain by peace and more to lose by war than this. That is why peace is our most precious treasure and one we shall not easily give up.

It is no exaggeration to say that the patience of the American people, as well as other peace-seeking nations, has been nearing exhaustion in recent days. They feel that they, along with other free nations, have been bullied and defied by the Reds on varying occasions since the close of the last war. Vivid in their minds are the compulsory absorption of Poland, Roumania, Bulgaria, Albania, Czechoslovakia, Hungary and East Germany into the Soviet orbit. They have not forgotten the Berlin blockade, the indirect attempt to throttle freedom in Italy, and fishing expeditions of the Russians in every troubled political stream in the Orient, together with the ominous stepping-up of the activities of the dreaded cominform all over the world. Just how long a peaceful nation should take, lying down, these defiant and undisguised steps towards world domination has raised a special question for the United States, ourselves and others. We have answered that question in the only way we could answer it, and that is by meeting fire with fire. Whatever may be the criticism of United States foreign policy, at least it can properly be said that American influence has materially stiffened the backs and the determination of free nations everywhere to stop these stealthy aggressors in their tracks. Before the last war, the free nations ignored aggression until it was too late to stop it short of war. This time that lesson is sinking in, and we see that the way to settle outstanding world issues peacefully is to be able to talk on terms of equality in strength and might with those whose language reeks of force and power.

In the international field, Canada must always make her own decisions. They cannot be made to order for us in some other capital, no matter how friendly that capital may be. Nevertheless in the formulation of our policy we must continue to be guided by the cardinal fact that in a world shrunken as this, where we are all on the doorsteps of every other nation and where our very freedom and liberty are being challenged, we have to work closely integrated with others in the common cause. Canada could not hope to stand alone, but she could fall alone.

In view of the importance attached to an effective pooling of free power strength in the shortest possible time, the screaming need of putting an end, once and for all, to the harmful and dangerous divisions which occur much too frequently between some of the major free nations cannot be too emphatically stressed. Our problems on the military and economic fronts do not appear to offer as many opportunities for division as our problems on the political front. Somehow this area of disagreement must be reduced and more effective policy-making machinery set up by which high-level problems in the political field can be more rapidly and confidently cleared and decided among the government chiefs of the free powers involved.

When I returned from the United Nations general assembly I was flooded with inquiries, particularly from people in my own part of Canada, who anxiously asked: "Does this all mean war, or is there some chance still of peace?". I fancy this question is asked of every member of this house. It is regrettable that so many qualifications must go into the reply. It is possible, I am glad to say, to agree with the Prime Minister (Mr. St. Laurent), that "war is not inevitable". But it would be describing the situation with

less than candour if one were to say that peace can come without our doing anything about it. We can only have peace in this disjointed, power-drunk world if this nation and others are prepared to do something about it. A static, negative approach to peace today will only lead to inevitable war.

The evil forces arrayed against us do not and will not understand pleas for peaceful settlement of the outstanding world issues unless those pleas are supported by columns of might and power. The hope I have for peace—and it is by no means a forlorn hope—lies in the possibility that when two worlds finally face each other, both possessing the weapons and the capacity to destroy each other, whatever common sense is still then left in mankind will prevail and that both of them will sit down to a conference table, both of them speaking on equal terms of strength and might, and call quits before they loose upon mankind and themselves the tortures of possible and final annihilation.

The weakness of the free powers is an open invitation to war today, and despite the terrors which new destructive forces of atomic power have struck into the hearts of the masses of the world, it may well be that had this powerful psychological as well as military weapon not been possessed by one of the free powers, there would have been nothing standing between the free nations and the realization of the Soviet dream of empire and domination over us all. It will be our hope, and a prayerful one, that atomic power will always remain in the psychological rather than the military domain. Imperial sovietism has it in its hands to keep it there, and has that responsibility the same as the rest of us.

In my concluding remarks I desire to turn for a moment to the long-range aspect of this determined fight of the free peoples for peace. It concerns our relationship with those hundreds of millions of men, women and children whose life and development have been dwarfed by conditions about which none of us can fail to be deeply concerned. Today they are on the move, and we face the bold, blunt fact that Asia is in the throes of a giant revolution involving well over a third of the world's population. Many of these people have just experienced the travail and pangs of national birth and national independence. They are sensitive, and are feeling their way through a maze of internal and external entanglements. To guide them, Soviet imperialism had held a Red lantern to light their way. They have been told by the cominform that most of their troubles can be traced directly back to a western colonial policy of selfish aggrandizement and economic piracy. With this communist stock-in-trade argument, every effort is made by the Reds to put us in the international doghouse with the people of the Orient.

The Colombo commonwealth plan of economic help for the Far East, and the Truman Point Four program, are both steps in the right direction towards a better understanding, and while some Orientals may still prefer to regard our assistance as a deathbed repentance, we should not give up or despair in a genuine effort to help the free Orient to get on its economic feet. I was convinced as early as the time of the San Francisco conference, and have said it many times in parliament and privately since, that in the long run this country and others similarly privileged cannot hope to remain forever an island of good times, high standards of living and prosperity, in the midst of a raging sea of international backwardness, distress, poverty and suffering. In common parlance, no matter how you look at it, it just doesn't add up.

Moreover, it is crystal clear that the crushing of Soviet imperialism and ultimate victory by the free powers will not necessarily mean that communism itself will have been destroyed. Far from it. Wherever there are swamps and marshes of frustration, misery, social and economic injustice, greed and intolerance, communism will grow, flourish and multiply, in spite of navies, armies, air forces or science's most elaborate gifts to the means of mass destruction. In the final chapter of the struggle between freedom and imperial communism, the scales of victory may well be turned, not by force and power alone, but by a humanitarian approach to our own fellow men of different colour, creed, nationality, philosophy and outlook in the farthest recesses of the globe. It is a basis of permanent peace which, after the current clash has been resolved, must be seriously considered by us all if the free way of life is to survive.

Mr. J. M. Dechene (Athabaska): Mr. Speaker, in asking you for the privilege of the floor this afternoon, I do not do so with the conviction that I have a solution to offer for every problem that we face in Canada. I do not do so because of the ability with which I might convey my thoughts to this house, which has just listened to a great address by the hon. member for Peel (Mr. Graydon). I do so rather because of the conviction that it is my duty once more to bring to you and to this house a message from the part of Canada from which I come, and to

express some of the views and ideas I hold on problems the solution of which is so vital to the people of Canada.

I assure you that the thoughts which I express to you this afternoon are my own. In nearly fifty years of public life I have always made it a point to say what I think. If sometimes the style has suffered, I hope that sincerity has not been lacking.

In these momentous times I am impressed by the fortunate position of our country in that we have such an able leader with such able colleagues to help us meet the situation which faces us. In the Prime Minister (Mr. St. Laurent) we have one who in the last few years has proved himself to be the equal of the greatest statesmen in the world; and I say that advisedly. At his side we have men who took part in the last struggle; they are men of experience who have shown what can be accomplished. If unfortunately this country is again faced with the calamitous events of war, I have full confidence in the leadership we shall have in this country, and I know that confidence is shared by the people of Canada generally.

If I speak mostly of Alberta and of Athabaska in the remarks which I intend to address to you, it is because I do not quite agree—and I hope I do not get into trouble with you, Mr. Speaker—with the interpretation of the parliamentary rules which we have been following in this country. We mention the name of Bourinot, of May, and of our own Beauchesne. They refer us to Westminster and tell us that once a member is elected for the far-flung constituency of Athabaska, for instance, he is supposed to cease to be a member for that constituency and to become a statesman and a legislator; he is supposed, as a statesman, to consider everything that comes before this house as it affects the whole of the people of this country. But these rules, sir, which are in effect at Westminster apply to a country about the size of my own constituency, and in which 45 million or 50 million people live. They can get together in a short time. It takes only a few hours to travel from one end of the country to the other. How can I, with the best of good will, do that? How can you expect the member for Athabaska, a pioneer himself in that western country, representing a population of pioneer farmers, ranchers, trappers, fishermen and lumbermen, to come down here and call himself a statesman in order to offer solutions to the problems of Canada and of the whole world? No, sir. I deem it my duty to represent, first, the people of my riding of every political faith. I know the house will not object to my doing so. I want to say one thing more. I will say this to the Prime Minister, repeating what I said a few moments ago. Should war again threaten our country, should you and I, sir, again have to face that awful threat, I have full confidence in the policies and the politics of the Prime Minister and the government of this country.

May I say another word along the same line? I have listened once more with great care to the mover and seconder of the address in reply to the speech from the throne, and once more I was struck with the strength and the ability displayed by the men who have joined the Liberal party from year to year and from election to election.

The other day, picking up a newspaper, I saw that Lionel Conacher had been declared by a committee, well informed and appointed for that purpose, to be the greatest athlete of the past half century. He is a Liberal and a member of this house for Toronto-Trinity. I turn to my left sometimes and I see the smiling countenance of the hon. member for Parry Sound-Muskoka (Mr. McDonald), a tough man to meet at any time and in any line of sport, and also a member of the Liberal party. But there are some sentiments of sorrow in the remarks I have to make. In the seat occupied by the hon. member for Dauphin (Mr. Ward) sat an old old friend of mine. In this country we have no aristocracy except that of the mind and of the heart. We are all equal; there are no classes. But he was one of God's aristocracy. I refer to the late member for Brandon, Mr. Matthews. A gentleman to his fingertips, he had a heart of gold. I do not know, Mr. Speaker, how much of this world's goods he left his family—it is not this world's goods, because the state takes it all today—but I know that he has left them, sir, the greatest heritage of all, the memorial of a fine Canadian and a fine reputation.

I was not as well acquainted with the late member for Queens, Mr. Douglas; but we had a lot of contact because of some personal friends who used to live out west about whom we used to sit and talk. I had accepted an invitation to visit him this coming summer. That is now impossible, but I hope we shall meet in a place where we can talk about all our old friends.

A year ago I sat listening to an address, and sometimes addresses are dreary things to listen to. I relieved the tension by reading a magazine, and there leapt to my eyes a poem, of which I sent a copy to Mr. Matthews, and one to the hon. member for Timiskaming. Today I want to read it to you, and I want to dedicate it to all of my old friends in this

house who have passed the allotted span of three score years and ten. For instance, I dedicate it to the hon. member for Fort William (Mr. McIvor), the dean of the house; to the hon. member for Inverness-Richmond (Mr. Carroll); to my deskmate, the hon. member for Pictou (Mr. McCulloch); to the hon. member for Timiskaming (Mr. Little); to the hon. member for Cumberland (Mr. Black); and to the hon. member for St. Henry (Mr. Bonnier). I am sure you will enjoy it, sir, and I ask your permission to place it on record. It reads as follows:

> Before we met and you became my friend,
> Age was to me a terrible abyss
> In which all hope, all loveliness, all bliss
> Were lost forever. Nothing could defend
> The old from this grim fate. Now, knowing you,
> Age wears for me a glory and a light;
> It is a silvered pinnacle, whose height,
> Courageously attained, presents a view
> Which youth nor middle age has looked upon.
> You have no words to tell me what you see,
> But what you are is proof enough for me
> That sunset may be lovelier than dawn.
> Since I met you, age is a promised land
> Where hope and faith and love walk hand in hand.

The reason I take up your time this afternoon is that on the day that the news of the death of Mr. Matthews came over the radio I had a letter from him. By that time he was gone, but we all recall the generous and kind man that he was. In his letter he said to me:

> My dear old friend:
>
> I trust this will find you and your good wife enjoying all that is best. I was just doing some filing today and came across something that again appealed to me most strongly. It was your very delightful note sent across the house to me one day containing a little gem of poetry, and it is a gem, entitled, "To an aged friend." Believe me when I say that the poem and the kind thoughtfulness that prompted your sending it over to me is one of my very cherished memories.

I hope, sir, that I can leave this world with the same kind of obituary that I am so pleased to give to my old friend, Matthews.

The other day—I can call him Art Smith now—the hon. member for Calgary West made a memorable address. You heard it, sir. I have known him for many many years. We used to walk the same paths. I think we parted in 1917. What a wonderful man he is. What a loss to the Conservative party; what a loss to Alberta; what a loss to the whole country that he has found it necessary to resign. Art Smith came from a city which has given many great men to this country, and some others not so good. It was the city of Dr. Brett, later lieutenant governor, the city of A. L. Sifton, the city of Uncle James Reilly, the city of R. C. Edwards of the Calgary *Eye Opener*, of James Emmett Reilly, of Richard Bedford Bennett, of P. J. Nolan, Pat Burns, and many others. And now here is the last of a great generation leaving our midst. As an Albertan, Mr. Speaker, may I express the sincere hope that Art Smith will regain his former health and remain with us for a long, long time.

Mr. Speaker, today we have been throwing bouquets; and before the Prime Minister (Mr. St. Laurent) leaves the chamber I should like to make reference to him. On behalf of the people of all parties in Alberta, may I take this opportunity to thank the Prime Minister for having seen fit to give that province representation in his cabinet. It was a generous move, and we so recognize it because we in Alberta have not always been so generous to the Liberal party.

I am the only one left of that little group that stepped out of office in Alberta in 1921. The rest are all gone. The fact that I am the only survivor illustrates the frailty of matters connected with politics. When the Prime Minister now takes into his cabinet a representative from Alberta I know that he is giving proper thought to the people of Alberta, and I have no doubt that in future, because of this recognition, those people will be more generous with him than they have been in the past.

The Prime Minister, in his wisdom, knows well how much the people of my province have contributed to Canada. He knows, too, about our great resources. He knows that in a short time vast quantities of oil will be flowing to the head of the lakes.

A report has been made only recently which indicates that there are vast possibilities in the bituminous tar sands of my constituency. In that area is the greatest reserve of oil and gas to be found anywhere in the world, without exception—and it is right in the middle of that great constituency of Athabaska. I have no doubt that is why the Prime Minister appointed to his cabinet from my province a man with technical training, and one experienced in business. I am sure that he will prove to be a first-class representative for Alberta, as well as a credit to his province and to the government of which he now forms a part.

May I offer one further word. I would express the view that even in a state of apprehended war we must continue to develop the resources of the country, and particularly the oil resources of Alberta. We must not restrict unduly any activities in the development of our oil reserves, which are so vital in peace, and so much more so in war. No matter what the cost may be, we must go ahead with the development of these great tar sands fields of Alberta. If the provincial government is unable to do

so, then I think it is safe to say that the government of Canada will come to the rescue, so that this great field of power may be developed.

Engineers have shown that these sands can be developed. Only recently an outstanding engineer from New York gave the estimate that at least 250 billion barrels of oil can be taken from the oil-bearing sands of Athabaska.

On one occasion I stated in the house that if either the Kaiser or Hitler had had resources of this kind in Germany, they would not have been permitted to remain undeveloped. Can we believe that they would be left undeveloped in Russia today? All the more reason why we in Canada should carry out the development of these great resources so as to ensure that we and our allies will have this vast supply of motive power, with which any nation can make itself more safe either in time of peace or in war.

It is fitting, sir, that you should now grace the chair of the house. Perhaps it is within your knowledge that I was born in that part of the country you represent. My family were pioneers in the lake St. John area, at a time when the nearest town was seventy-five miles away. But that proved too close when the railway came and they moved to a place in Alberta where the nearest town was one hundred and seventy-five miles away. Before my father died he took advantage of opportunity offered by the late Right Hon. W. L. Mackenzie King, took over a second homestead, and improved and earned title to it in the Peace river country when he was almost eighty years of age.

In my remarks I make special reference to my constituency of Athabaska, because in the last few years nature has not been too kind to us. There have been crop failures. Last year the condition was calamitous. Our crop was frozen, and whatever we had cut remains under the snows of winter today. It was most fortunate, however, that legislation had been passed in the House of Commons, on recommendation of the Minister of Agriculture (Mr. Gardiner), which permitted some relief for our farmers under the Prairie Farm Assistance Act.

Then, only a few days ago they were made happy by the Prime Minister's declaration resulting from his interview with the Prime Minister of Great Britain, when it was recommended that in connection with the final payment the "have regard" clause be reopened, and that further consideration be given to it by the British cabinet. Knowing the Prime Minister of Canada as we do, we cannot help feeling convinced that he will win his point. I repeat that at this time I am not speaking for the Liberal party, but that I do speak on behalf of my constituency in saying that I believe the British government will play the game—to use the expression commonly used out in the west—and that our farmers will receive generous treatment, in consideration of the prices they have accepted for their wheat during the first two years of the contract. I am fully confident that we shall be treated fairly. As an old-timer, with some experience, I believe the people of western Canada may feel confident that reasonable payments will be forthcoming from the operations of the last two years, as a result of the reconsideration to be given by the British government.

I am not going to discuss external affairs. Twice in my life I had to take home to my wife and to my mother telegrams bearing bad news. I hope this will not happen again. Let us not permit a condition to develop again under which horrible instruments of destruction can flourish. We recall having seen pictures of thousands of refugees, including orphans and women. They had nothing to protect them, and were left homeless because of invasions by their neighbour, bringing about suffering beyond human description.

An old friend from Belgium, who lived near me in Alberta, died recently. He had lived just outside Brussels, in Belgium, in 1914 when the German army marched through—a million and a half of them. He said you could hear the tramp, tramp of their feet, stretching over a week or ten days or two weeks, and that the marching went on ceaselessly. They destroyed everything on their way, ruining the work of ages and generations. This man said that he heard it all the time until he died. The tramping of those soldiers were trampings upon his soul; they tramped on everything he cherished. They tramped on the flag he adored and destroyed everything for which his nation and people had stood for centuries. I hope we shall never see such things again.

I realize that my remarks today may not be very interesting, but as an old man I have confidence in the Prime Minister (Mr. St. Laurent) when he says that we shall have peace. God is still in His heaven and He will be there when all the Stalins and Molotovs and Vishinskys have become only memories. He will be there just as He was after the great autocrats and conquerors of history had lain under the dust of centuries. I say to the government that I am convinced that they have behind them the support and backing of the people of this country, that they have the confidence of the people and whatever they believe they may have to do shall be done.

Mr. P. E. Wright (Melfort): Mr. Speaker, in rising to take part in this debate I should like first of all to compliment the hon. member who has just resumed his seat upon a very excellent speech. I want to say to him that I agree wholeheartedly in the respects he has paid to deceased members of this house and to the hon. member who has just resigned. Although I number among my friends many hon. members on the other side of the house I still do not think they are sprouting the wings the hon. member seems to indicate they are, any more than I see wings sprouting on hon. members on this side of the house.

With respect to the excellent speech just made by the hon. member for Peel (Mr. Graydon), I should like to say to him that I agree one hundred per cent on one point, that the real aggressor in the world today is Russia, on whom we should be keeping our eyes. Perhaps in voting for the resolution which was recently passed by the United Nations many delegates failed to realize just who the real aggressor is.

I do not think there has ever been a time since I have been a member of this house when so many people have come to see me in the two weeks before leaving for Ottawa. These people had questions to ask as to the government's intentions with respect to many problems and I should like to name a few of them. One question which was asked quite frequently was: What are the government's intentions with regard to our Korean forces presently training at Fort Lewis in the United States? What forces have we in Canada for our own protection and to take care of our commitments throughout other areas of the world?

I come from an agricultural constituency in western Canada and another question which I was asked practically every time I went down the street in the little town in which I live was: What are the government's intentions with regard to the five-year pool? When are they going to make the payments? These people were told by the Minister of Trade and Commerce (Mr. Howe) last fall that payments would be made before the first of the year. Later they were told that they would be made immediately after the first of the year. Now they are told that they may be made in time to provide funds for putting in the crops. Another question asked is: How much is the payment going to be? Is it going to be 25 cents a bushel, 15 cents a bushel or five cents a bushel? We do not seem able to get any idea from the government and I think it is time we had some information.

Another question which was asked practically every time I went into a store was this: What is the government going to do about the cost of living? A man would say, "Look at this sweater. It is costing me $17.50. Four years ago I was able to buy it for $10. Five years before that I could purchase it for $8. The storekeeper tells me that the next shipment will cost $2.50 more, or $20." What is the government going to do to prevent the rising cost of living?

Our old age pensioners want to know the government's intentions with respect to old age pensions. I am glad the Prime Minister (Mr. St. Laurent) made the statement he did in answer to the hon. member for Winnipeg North Centre (Mr. Knowles) and indicated that it is the intention of the government, immediately the provinces have cleared the way, to bring in the necessary legislation to make old age pensions universal. But that is not going to solve the problem of a great many old age pensioners because it will not increase the basic pension of $40, $42.50 or $50 which the old age pensioners in some provinces are receiving at the present time. It is only by taking action in respect to the cost of living that we are going to be able to solve some of these problems.

I could go on enumerating the questions that were asked. There is one vital matter that concerns western Canada: the intention of the government in connection with freight rates. Are they going to allow another overall increase or is there to be some adjustment of the iniquitous freight rate structure there is at the present time in Canada?

These are questions which the government should have answered in the speech from the throne. When I was asked these questions the only answer I could give was that probably the government would indicate its intentions in the speech from the throne. But in the speech from the throne we found again just a lot of generalities, with very few definite answers to the questions which are in the minds of our people today.

I believe it is time that these questions were answered. If we are to maintain the morale and initiative necessary for an all-out effort at this time, the people must have answers to these questions.

I should like to point out four reasons why we in this group believe that there should be support in the house for the C.C.F. amendment. Just before the vote was taken in the United Nations the Secretary of State for External Affairs (Mr. Pearson) spoke as follows:

> . . . we think the putting of such a resolution at this stage and in this form, when the possibilities of negotiation with the people's government of China are not, in our opinion, completely exhausted, to be premature and unwise.

Yet, despite that statement, a few minutes later the delegation voted for the United States resolution. It seems to me that there must have been some other reason why that action was taken, and in talking with people I find that there seems to be a general opinion that there probably were three reasons why our government and other governments supported the United States resolution. First, it is thought that there was apprehension in the minds of a great many delegates that if the United States amendment was not supported the United States might withdraw from the United Nations. Second, it was thought that there was a possibility that the United States might be lukewarm in its support of the Atlantic pact unless her wishes were met with regard to this resolution.

Third, I think there was a fear that unless support were given at this time it would encourage isolationism in the United States. I do not think these are sound reasons. I think we should have more confidence in the sound judgment and intelligence of our good neighbours to the south than to think that they would have done any of these things if the resolution had not been supported. As a matter of fact I should like to give the house an opinion which I believe was fairly general in the United States a week or ten days before the vote was taken, at a time when it appeared that the United States was not going to be able to obtain support for its resolution. This opinion has to do with the purposes of the United Nations. It is found in the *Christian Science Monitor* and reads:

> Its inability to coerce a major power was even written into its basic structure in the form of the big power veto which, a fact frequently overlooked in discussions, was insisted upon by the American delegation at Dumbarton Oaks and San Francisco just as much as by the Soviet delegation. We ourselves participated in making the United Nations an organization which could not coerce or effectively punish a major power. The demand that it coerce communist China is therefore a demand that it do something which it is not constitutionally built to accomplish. It is a limited instrument. We helped to make it a limited instrument. It is hardly accurate therefore to say that it has failed. It has only failed to do what it never was given the power to do.

I think that is a true statement. It is a statement of fact, and if the United States had had any idea that they would fail to accomplish their purpose in this way I think that other steps would have been taken. Further on in the article it states that the United Nations is not an always available instrument for American purposes.

I think that is a point and one that we should have emphasized by voting against the U.S. resolution. Any time that the United Nations becomes an available instrument of any one of the larger powers then the United Nations is due for extinction. That is the main point of our objections to the Canadian delegation voting for the United States resolution. By so doing, we are playing right into Russia's hands. This is the idea that they have been trying to spread. They have been trying to tell the rest of the world that the United Nations is simply an instrument made available for United States purposes. That fact is one of the main arguments that the Soviet union is using to destroy the United Nations and yet we give them that opportunity.

The second reason why I believe we should not have supported the United States resolution is that we are convinced that the real threat to freedom at this time is not in China but in Russia, and that there is nothing that would please the real aggressor more than to see the western world embroiled in a general conflict in Asia. Look at the position in which the western world finds itself today. Great Britain has twenty-five to thirty per cent of her forces engaged in Malaya or stationed at Hong Kong and Singapore. We find the French with probably fifty per cent of their available forces engaged in Indo-China. The United States and other members of the United Nations have a large proportion of their available forces already engaged in Korea. That is exactly what the real aggressor wants today. He wants to see the forces of the free people of the world engaged in other areas, engaged in the Asiatic area so that they will not be available in Europe where the real threat is.

The third reason why we feel that our amendment should have the support of the house is that it is of little value to declare a nation or an individual an aggressor unless we are prepared to contain or punish them. Indeed it may even encourage them to further acts of violence. There are three types of sanctions: diplomatic, economic and military. Unless we are prepared to go the whole way, unless we are prepared to institute some type of sanction against a nation which we have called an aggressor, it seems to me we are only encouraging aggression in the world.

Can we institute sanctions without becoming further embroiled in Asia? I doubt it. Any form of economic sanction will require some form of military aid to maintain it. Immediately we send ships or other forces to the east to maintain economic sanctions we are in danger of becoming definitely embroiled in a war with China itself.

The fourth reason why I think our amendment should be supported is that there is a strong tide of nationalism sweeping the Asiatic countries at the present time. Action by the United Nations, a majority of whom

belong to the western world, against an Asiatic country before every avenue of possible settlement has been explored, can and will have serious repercussions. In my estimation China and Russia are not natural allies. They have several thousand miles of common border. Along that border much of the area is not clearly defined as belonging to either of them. I refer to Outer Mongolia, Manchuria and the islands north of Japan. Given time, it seems to me that an alliance between China and Russia would become very difficult. In moving the resolution at the time that it was moved in the United Nations it seems to me we are doing the one thing that will drive those two countries together and give them what they may consider to be a common enemy.

I am sure that anyone who listened yesterday to the radio report from Lake Success could not but be impressed by the fact that it is now admitted there that any committee set up under the United States resolution to try to negotiate a peaceful settlement of the present dispute has very little chance of success. As a matter of fact there is talk already of setting up an independent committee outside the United Nations to try to negotiate a settlement. It seems to me that is not good. It seems to me that we were premature in our support of the resolution at Lake Success.

I was very pleased to note that reference is made in the speech from the throne to the Colombo conference, and that at that conference discussions and negotiations have taken place with respect to economic aid to the Far East. I am sure it is long overdue. As a matter of fact we should have instituted some form of economic aid to the eastern countries immediately the last war ended. If we had done so we would be in a much stronger position than we are today. When speaking in the house last year, I made two suggestions. I suggested that one of the ways in which we could obtain the good will of the eastern countries was to bring young people from those countries to our universities and to our industries, to give them some training in the methods of the democratic world. I still believe that is a good idea. I still believe that we would obtain more good will in those countries if we were to bring these young people to the North American continent to enter our colleges, our industrial life, our civil service, our co-operatives, to gain a knowledge of all the functions of a democratic society. It would enable them to see the advantages of a democracy. Little is known about these advantages in those eastern areas.

When these young people returned to their own countries they would be messengers of good will from the western world. They would be able to assist the people we may send to those countries as a result of the Colombo conference, to institute the reforms which are necessary if the people are to enjoy a better standard of living in that part of the world. I am glad to know there are others who believe in this idea. At the first of this session I believe all the members of the house received an editorial which was published on January 15 in *Maclean's* magazine. I do not intend to read the whole of the editorial, although it was a good editorial, but I should like to read one paragraph. It states:

> For every dollar we must spend to train and maintain our special Korea brigade, we could spend another dollar to train and maintain a special brigade of several thousand doctors. We could send these doctors, at our expense, to fight disease in the parts of the world where many millions live and die without knowing a single day of freedom from disease.
>
> For every shell and bomb we shall create if there is a third world war we could create with greater ultimate profit to ourselves a meal for the mouth of a starving child.

I believe that editorial expresses the sentiments of this group and a great many other people in Canada agree with those sentiments. We should be doing the practical thing by training people to serve in those parts of the world.

That brings me to the second point which I tried to emphasize at the last session, and that is that Canada should be prepared to make an immediate contribution of food to India to aid in alleviating the famine which is now sweeping that country. I have in my hand a copy of the *Economic Annalist* in which it states:

> Total supplies of Canadian wheat for the 1950-51 crop year are 575 million bushels. Exports in 1950-51 may reach 275 million bushels, while about 155 million will be required for domestic use. The 1950 western wheat crop contains abnormally large quantities of low-grade wheat, slightly more than half of the total deliveries being expected to grade No. 5 and lower. Fortunately, the carry-over at July 31, 1950, included a large proportion of high quality wheat and as a result, enough of the millable grades should be available to satisfy domestic requirements and to meet this crop year's allocation (approximately 219 million bushels) under the international wheat agreement with a small margin left over for sale outside the agreement. Both the domestic and export markets are expected to absorb significant quantities of low-grade wheat. If these estimates are realized, some 145 million bushels of wheat (mostly low grade) will remain for carry-over at July 31, 1951.

In my opinion that is a conservative estimate of what our wheat carry-over will be next August. What excuse can we have for watching people starve when we have upwards of 145 million bushels of surplus wheat in this country? It is true that this 145 million or 150 million bushels which we may

have as a surplus has a large proportion of low-grade wheat in it—probably over half of it will be No. 5 or No. 6. However, No. 5 or No. 6 wheat will still make a flour that will keep the people from starving. It does not make a first-class loaf of bread, but it does make a loaf which the people of India would be glad to have in this emergency. I see no just reason why we should not immediately make this available to India.

There are three ways in which this could be done. First, it could be made available directly by Canada to India. Second, it could be made available through agreements or understandings reached at the Colombo conference. Third, it might be made available through the food and agricultural organization.

I should like to say a word about the food and agricultural organization. At a meeting in Washington a little over a year ago it was suggested that food banks should be set up by this international organization in order to have supplies available for just such an emergency as we find in India. I was sorry that at that conference our Minister of Agriculture (Mr. Gardiner) did not see fit to support the setting up of these world food banks. They have been requested by the Canadian federation of agriculture and by the international federation of agricultural organization, known as the IFAO. They have been asked for by a great many other organizations in the world.

There are three main food grains: wheat, rice and soybeans. It seems to me that if we are to carry out our obligations to the eastern world, if we are to carry out the promises which we sometimes make, then some international food bank such as was proposed by the food and agriculture organization of the United Nations should be set up. We have not that instrument available to us now. Our Canadian government should therefore immediately offer the government of India at least 50 million bushels of our wheat to be shipped just as quickly as possible, under the difficult situation which exists with regard to transportation and drying of these lower grades of grain.

There is an editorial in *Saturday Night* which I believe illustrates the point very well. It states:

> At the instance of Senator Tom Connally, the request . . .

That is the request of India for two million tons of wheat, not as a gift, but at a favourable price.

> . . . has been pigeonholed, and no secret has been made of the reason for ignoring it: It is that India's views on China are different from those of the United States. Fortunately, the Indians possess a remarkable calm in these matters. They don't explode with indignation: They say "how childish."
>
> It would be nice if Canada were in a position to feel superior about Senator Connally's attitude . But this country has done nothing yet to justify feeling smug. India's need has been explained to the government at Ottawa. Our exportable surplus of high-grade wheat this year is smaller than usual. Most of it has already been contracted for. But we have large quantities of low-grade wheat, so much that we hardly know what to do with it. India is not making fussy distinctions between grades. People with empty bellies are more concerned about nutritional value than about baking qualities.
>
> Within its limited dollar resources the Indian government is prepared to pay some sort of price for the wheat. The Canadian government should be quick and eager to meet them halfway. But we don't feel much confidence that it will.

Now, here is an opportunity for our government to do something that they have been talking about for a long time. I hope it will seize the opportunity to make this wheat available just as quickly as possible. As I have stated before, the fact that it is low grade does not necessarily mean it is not good for human consumption, and will not save many lives in India. It could be shipped through the Pacific ports. It does not have to go out through the great lakes, over which shipment is, of course, impossible at this time. It would mean that our cars that are available in western Canada could be used to advantage in taking that wheat to the Pacific coast from which it could in all likelihood be shipped. It also would provide work for our Canadian mills. Much of this wheat could be crushed in the mills in western Canada and at the Pacific coast and made available in the form of flour to the Indian people at this time.

I want to say a few words with respect to the situation in which we in western Canada find ourselves today. I do not think the government fully appreciates just what happened in western Canada last fall, and I am certain that hon. members from the east do not. In July we had the prospect of one of the best crops ever harvested in western Canada. Had nothing happened, in all probability we would have harvested a crop of from 550 million to 600 million bushels of wheat last year. But in the latter part of July we had severe frosts. Immediately after those frosts it was announced by the people who made a survey of the situation that our crop was probably reduced by some 65 million bushels. Later that estimate was raised by another 20 million bushels.

But that was not the worst of the situation. Not only was the yield reduced but the grade of the grain was seriously affected. In the west our average grade is usually No. 2. This year it will be No. 4 and No. 5. On top of that we had about one week of good

harvesting weather. Then the weather broke and as a result a large share of the western crop, probably 50 per cent of it, was threshed either tough or damp, and much of it was not threshed at all. In my own area—and I think this applies on an average throughout western Canada—15 per cent of the crop is still lying out under a foot of snow, not cut at all, or if it is cut, it is lying in the stook or in the swath. Whether this grain will be harvested or not will depend entirely upon weather conditions next spring.

As to the grain that we were able to thresh, owing to transportation difficulties we have not been able to move it to market. This year a much smaller amount of grain has been moved to market than in any other year. The harvest was late to begin with. Then we found that many of our freight cars were down in the United States although they were needed here for the moving of our harvest. On top of that, we found that we had great difficulty on the great lakes in securing boat space for the movement of grain from Fort William to eastern terminals. The boats were being used mostly by the United States at that time in moving strategic materials. As a result, we had a congestion at the head of the lakes. Consequently probably 50 per cent of our crop is not in a position where any money can be realized on it. If there ever was a time when the farmer in western Canada needed money, it is right now. He needs the final payment on that five-year pool a great deal more now than he needed the 20-cent interim payment which was made before the 1949 election. I can assure the government of that. I do not remember a year in the last several when there have been as many debts left unpaid at the local store and to the local implement dealers as there are today in western Canada. We just have not been able to deliver enough grain to meet our running expenses.

I think the government were wise when they made a further interim payment on this year's crop with respect to wheat and coarse grains. That was a wise move and one that will be appreciated by the farmers in western Canada. Nevertheless, that is not enough. Because of the fact that we have not been able to make our usual deliveries, it is not enough to enable the average farmer to meet the debts which are owed right at the present time to our local people. I would urge on the government that, as soon as possible, they make a substantial final payment on the five-year pool. It is needed now more than it has ever been needed before.

These are things in which we are vitally interested in western Canada. They are matters to which the government should give immediate attention. Unless they do, we are going to find the position extremely difficult next spring. As to the movement of grain, according to press reports at the present time we are going to have approximately 200 cars a day available from now until navigation opens next spring. What do 200 cars amount to when there are approximately 2,800 delivery points in western Canada? It simply means that we shall get only 2 cars a week at the average delivery point in western Canada for the shipment of grain between now and next spring. That is not enough to meet even the movement of the damp grain that we find in our bins and in the fields in western Canada; because a great deal of that damp grain that has been threshed has simply been left in the fields. The farmers have not even put it into a granary because they were afraid that if they did so it would heat.

I know that there are difficulties in this matter. I know that the drying facilities at the head of the lakes are being used twenty-four hours a day and that in many cases damp grain, with 20 per cent to 30 per cent moisture content, must be dried not once but two or three times before it can be permanently binned. It seems to me that those drying facilities should be increased or that we should try to see if we cannot obtain some means of using United States drying facilities that might be available south of the line for the purpose of drying some of our grain that we are selling down there. It might be moved down there even when it is tough or damp, dried by means of the United States drying facilities and distributed in the United States market. Every endeavour should be made to get as much as possible of this damp grain moved before the middle of March. Otherwise it is going to spoil in the granaries and on the farms of western Canada, and we shall find that not only shall we have the tremendous losses we have had to date with respect to this year's crop but we shall have further losses owing to the deterioration and the heating of this grain when spring comes.

These are matters which require immediate attention. They are matters which have been brought to the attention of the government by the Canadian Federation of Agriculture, through the farmers' unions and other bodies in western Canada. At their annual meeting in Calgary just recently the Canadian Federation of Agriculture passed a number of resolutions which they have forwarded to the government with the request that they take some action. Among the resolutions was one expressing some dissatisfaction with the working of the federal price support policy. The meeting voted solidly for a resolution asking the federation to try to secure from

Ottawa an adequate statement of policy and implementation of such policy which would assure more active and more general use of the existing price support powers under the Agricultural Prices Support Act which we passed here at the last session. It seems to me that this is action which we should take at this session. We should see that there is some parity price guaranteed to agriculture in western Canada, and throughout the whole of Canada, for the products which we produce on the farm.

I was disappointed in the speech from the throne because there was nothing in it which indicated that the wheat board act might be amended at this session. Along with a great many other people in western Canada, I feel that the wheat board act should be amended at this session to allow the government to take over whatever remains of this year's crop on the 1st of August in 1951 and to make a final settlement with the farmer. If this is not done, and we have a carry-over, such as is suggested in the *Economic Annalist*, of some 145 million bushels of low-grade wheat it will mean that we shall not be able to dispose of it for probably twelve to eighteen months, and no final settlement can be made on this year's wheat pool until all the crop is disposed of.

If our wheat board act were amended to allow the wheat board to take over what quantities remain on the 1st of August 1951 at a nominal figure, say the average price at which they have been able to sell that wheat during the course of the year, and make a final settlement, I am sure it would be appreciated by western agriculture, and it would mean that the wheat board method of handling the grain would be more popular than it will be if they have to wait for from twelve to eighteen months before a final settlement can be made on the crop.

It is not my intention today to go into other matters mentioned in the speech from the throne. If I had time I should like to discuss the matter of the national mobilization of our resources, and many other matters which are dealt with in the speech from the throne, but opportunity will be provided for that during the session when these matters are under consideration.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, I greatly enjoyed the speech of the hon. member for Peel (Mr. Graydon), and I was much interested in the remarks of the speaker who has just taken his seat as regards the assistance which we should have been giving to less favoured lands.

One of the things which always impress me, while projects of this kind are up for discussion, is that never a word is said about where the money should come from to pay for all these acts of generosity which we all realize we should be performing toward other countries. I wish that somehow or other it would get into the minds of the responsible people of today that there is the general problem of finding money to do these things that everybody knows could be and ought to be done.

It is my purpose today to devote some attention to price controls. In my judgment, Mr. Speaker, price controls should be applied immediately. Everyone at all familiar with the problem of prices realizes that, involved in that problem, are numerous and baffling difficulties. I have no severe criticism to offer the government. I realize they are in an extremely difficult position, harassed by considerations on every hand which make it extremely hard to make the wise decision. Nevertheless I believe that the policy which I have already suggested is sound.

Those who favoured the removal of controls—and our Conservative friends were among the leaders in that noble task at the close of the war—believed that production would overtake consumption. It was quite logical to expect that. For some reason or other matters did not work out the way they should have.

Those who now resist the re-imposition of controls believe as well that production will overtake consumption in Canada, and force prices down. That may occur. If the war in Korea fails to expand, as there are some dangers it might expand, then conceivably we might be faced with depressed conditions in this country, if production goes forward as rapidly as it could.

But while we are learning what is going to happen something must be done for the ordinary person right now. There must be relief until production can catch up with consumption.

Even after production catches up with consumption we shall very likely have to have for a time floors and other help to prevent ruinous depression falls in prices of all those commodities the producers of which are not able to defend their prices through limiting production or by price understandings or by some other means. This country faces that grim consideration also, so that merely to break the price structure, with overproduction widespread, is not to find a solution to the problem which confronts us.

The Social Credit proposals for stabilizing of our prices in a war economy may be summarized as follows: Over-all prices and wages control should be introduced. But at the same time there should be adjustment of prices to

provide a fair profit, and an adjustment of wages to conform with the adjustment in the price level.

Farm prices should be adjusted to provide for a parity with this adjusted price level to which I have already referred.

Every possible encouragement should be given to increase production of all required goods.

There should be adoption of measures such as consumer subsidies to maintain the purchasing power of low income groups so as to enable them to buy the necessities of life.

Rationing of commodities should be introduced wherever the supply of those commodities cannot be increased to satisfy consumer demands.

As a larger and larger percentage of the production of the nation is diverted to war purposes, thereby making for a scarcity of consumer goods and at the same time requiring an increase in government expenditures, adoption of the following policies is recommended: (1), holding income tax exemptions at present levels; (2), institution of compulsory savings; (3), in the event of an unavoidable increase in taxation, it shall be in the form of direct taxation; (4), any change in indirect taxation should be downward, and any sales tax that remains should be converted to a direct sales tax and advertised as such; (5), if the government is unable to raise sufficient revenue by the above means and finds it desirable to adopt a policy of monetary expansion, then the government should effect that monetary expansion by utilizing the Bank of Canada rather than the chartered banks. In order to deal with a problem such as that of the inflation which now confronts us, it is of the greatest importance to analyse carefully the cause of that inflation. Otherwise we may be advocating remedies which would aggravate rather than remedy the situation.

There are several causes of inflation, all of which I do not at this time need to mention. For a few moments may I concentrate on one of them? The one important cause to which, I believe, we must give careful thought is the increases in the cost of production. We find people advocating far greater taxation in order to draw off purchasing power. I do not see that greater taxation would be of very great value. My fear is that such greater taxation would actually increase costs, and probably do more harm than good.

As an example of how prices have increased through increased production costs, let us consider that in April 1946 the prices board permitted an increase in the price of pig iron. That was an increase of $5 a ton. I believe that on that occasion I pointed out that it was a dangerous move owing to the fact that iron entered into the construction of so many commodities of great importance. As I recall it, I advocated at that time that, if it were found necessary to give an increase of $5 a ton by way of remuneration to the steel companies, such increase should take the form of a government subsidy, the money to be drawn from the consolidated revenue fund. I am still of the opinion that that procedure should have been adopted.

Just let us think of the vast number of commodities in Canada the production costs of which are directly affected by an increase in the cost of iron and steel. It would be a most impressive list, if it were detailed before the house.

Because of the tremendous number of commodities, the cost of production of which was forced up by the increase in the price of steel, there was both a direct and an indirect effect upon the price of a vastly greater number of commodities. To make matters worse there was a strike of steelworkers in 1946. They said, in effect, "Well, if the steel companies are going to have more money, then we are going to get our share of it." They struck and, if my memory is correct, they remained on strike for eighty-two days, during which time there was tremendous loss of production in the country. This might have been the factor which determined finally that production would not keep pace with or catch up with consumption in this country. At any rate the steelworkers' strike set an example to other workers all across Canada, and a standard from which they could judge their incomes. Either through strikes or through threats of strikes wage increases became impressive, and were made almost all across the board.

I fear these movements were the factors which put the price structure of Canada on the skids. As everyone knows today we see price increases taking place throughout the nation in a completely bewildering fashion. Let us consider for instance the recent increase in the price of bread. Already at this time today some of the bread companies have increased the price of a loaf of bread by one cent, and many others are expecting to follow this example.

I am told by one who I believe is qualified to judge that, even after this present increase is made by the bread companies, they will not be in as favourable a position as they were when they made a similar advance of one cent per loaf during the summer of 1950.

As a result of the advance in 1950, Miss Jean I. Hamilton, corresponding secretary of the Canadian association of consumers in Toronto, wrote to Arthur May, executive secretary of the national council of the baking industry, protesting against that one-cent increase, and expressing the opinion that it was something of an outrage, for which no justification could be shown.

On September 7, 1950, Mr. May wrote a letter in reply to Miss Hamilton. I think the people throughout the country would be interested in reading certain passages from that letter—one which I believe every member of parliament received. It is addressed to Miss Hamilton at 32 Alvin avenue, Toronto, and states:

"I have to acknowledge receipt of your letter of August 29 on the subject of increased prices for ingredients going into the manufacture of bread.

The baking industry has been experiencing cost increases on a continuing and cumulative basis since the beginning of this year. The selling price for one product is, of course, the cost price for those using the product in question, and the increased costs which bakers have experienced reflect in a general way the widespread increases that have occurred in the cost of living.

It is not possible for me to give you details of these cost increases for all the many raw materials and services which bakers employ, but the following represent a few of the more important items:

Lard—The wholesale price of lard has increased since June from 12½ cents per pound to 22½ cents.

Shortening—The wholesale price of shortening has increased from 26 cents to 32½ cents per pound.

Sugar—Wholesale prices have increased from $8.40 to $9.86 per 100 pounds.

Milk powder—Roller process has increased from 8½ cents per pound to 13-14 cents.

Spray process has increased from 10 to 16 cents per pound.

Malt products have increased about one cent per pound.

Raisins have increased from $11.76 per 100 pounds to $14.50.

Salt has increased 33 cents per 100 pounds (arising out of the last freight rate increase).

Shipping cartons have increased (on September 4) by approximately 10 per cent.

Waxed paper has increased in August by approximately 3 per cent."

Today I was speaking with a man prominent in the baking industry who said that since the time that letter was written, September 7, 1950, the increases in costs of these various commodities affecting the cost have been even more striking than they had been up to that time. The letter continues, in another passage:

Further, labour costs have been climbing. It is a fact that those bakers whose shops are unionized invariably experience hourly wage increases and company paid benefits on every contract re-negotiation. Apart from this, bakers are increasing wages and salaries on an individual employee basis continuously. It is difficult to arrive at an estimate for increased labour costs, but it is very substantial and certainly not less than the rate of increase which has occurred for raw materials. Nor is the end in sight. I think it is reasonable to assume that there is absolutely no prospect for lower labour costs in the baking industry, and every probability that labour costs will continue to climb.

Finally, mention should be made of the cost increases which are manifold and which have occurred for the variety of miscellaneous goods and services which the baking industry require in the manufacture and distribution of their products. Fuel costs are up—both coal and oil have again risen in recent months. Truck replacement and maintenance are up sharply. Truck tires, for example, have been subject to the following increase: December 7½ per cent, May 15 per cent, July 7½ per cent and August 20 per cent. A list of all such cost increases would be endless but these two examples are typical.

I should like to quote the final paragraph of the letter, which reads:

I wish I could give the members of your organization assurance that even after the recent increases bread prices would go no higher. Unfortunately, I cannot. If the present inflationary trends continue for raw materials and labour which bakers employ, further price increases will become inevitable. And no one will deplore this more than the baker. The record shows that the sale of bakery products is extremely sensitive to the law of diminishing returns. Higher prices invariably result in lowered sales volume. But bakers are not magicians, and it is beyond their power to continue long to exist if they do not adjust their prices consistent with their costs. Certainly their profit margins have always been, and are today, so small that they simply cannot absorb any substantial measure of further cost increases.

Yours very truly,

National Council of Baking Industry
(Signed) Arthur May

For any government agency, any banker, any financier or any economist in Canada to indulge in propaganda in order to try to convince the people of Canada that the cause of these rises in the cost of living is the fact that there is too much money in circulation is for that person to manifest either ignorance or dishonesty.

This is the first thing we have to face. This increase in cost of living has been the result of action by this government right here in Canada in permitting freight rate and other increases. This government has allowed freight rate increases which have resulted in a wide variety of annoying increases in the cost of living and the cost of producing all over Canada—outside of Ontario and Quebec. For the government to pretend that these advances in cost are the result of too much money in circulation I say is to insult the Canadian people and is a downright shame. If we face the facts we will not be talking about the laying on of taxation to draw off surplus purchasing power which is said to be the cause of these enormous increases in prices.

I will not argue that increased purchasing power in the hands of the people does not have something to do with it.

I do not think it would be wise to go into this matter any further at the present time. Sufficient is contained in that letter to cause us to think. I have given the Social Credit proposals and now I should like to summarize them. We urge that there should be an increase in production to make our country more and more self-supporting. That suggestion has been urged upon the government by a number of agencies, and I think every hon. member knows that such is the case. For example, we have the Canadian Bank of Commerce monthly commercial letter for November, 1950, urging greater production. We have organizations such as the Canadian Manufacturers' Association urging increases in production. Therefore we Social Crediters are not unique in urging this increase in production.

My own feeling has been, and it was during the war, that there are altogether too many annoying taxes and restrictions of various kinds that are interfering with production in the country. The Minister of Finance (Mr. Abbott) has indicated that he is aware of this and is apparently prepared to clear all such regressive taxation from the statute books of the future. I hope he will be able to do that and not have to yield to the importunities of some group within the cabinet or elsewhere who might urge a different course.

We in Canada are capable of producing many more of the things we need; in fact we are capable of producing sufficient of most things for our needs. All we have to do is to give our producers encouragement and the guarantee that they will not be destroyed by some change in regulation which will render it impossible for them to sell their product in Canada at a remunerative price. The more nearly we can become independent in the matter of production, the safer we are going to be in the days now coming along.

Second, the Social Credit group urge that little if any increased taxation shall be used to draw off surplus purchasing power. Both of the points I have mentioned are clearly indicated in the list of proposals which I gave at the outset of my speech. There is no need to go into them further.

I repeat, third, we urge that there should be over-all price control with continuous adjustments to make for equity toward all groups, both of producers and consumers.

It is of the first importance in this critical time in our history that every group in this nation shall realize that there is a definite responsibility on every individual to produce all that can possibly be produced and do everything possible to prevent increased prices. If we cannot get our people to realize the gravity of this fact, then we face perilous times indeed. If we can pull together as a great co-operative union, if we each agree to do our part to make this nation the great powerful factor for stabilization in the world that it is capable of being, then I believe that we have no need for fear of the future supplies of goods and services at prices we all can afford, or with respect to the part we are to play in the powerful dramas which appear about to be enacted all over the world. I hope that all our people, producers and labourers, can come to realize that the more we force up the cost of living the more we endanger this wonderful Canada, so dear to us all.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, the Prime Minister (Mr. St. Laurent) and the Secretary of State for External Affairs (Mr. Pearson) have given us the government's view of the present situation and set out the objectives of our country and the prospects for peace. In their endeavours in this connection, as well as in their statements, I feel sure that I voice the views of all hon. members of this house, of all the people of this country as well as a great number of peoples of other countries, when I say that in all those endeavours they made to maintain and preserve peace they had our strong united support.

Our purpose is peace, and it is for this purpose only that the government thinks it right to recommend to this house and to the country these further measures to increase the state of preparedness of ourselves and our allies.

The Canadian government's defence program put before you tonight results directly from the world situation. That program is intended to provide, as Canada's part of an effective deterrent against aggression, what is considered necessary at this time for the defence of Canada against attack and to carry out Canada's undertakings under the charter of the United Nations and the North Atlantic treaty to the full.

Put together, these plans are intended to provide for nearly one hundred ships in the navy, manned and equipped, forty regular and auxiliary squadrons in the air force,

the equivalent of over a division in the army, and in all three services, administrative and training establishments and equipment and stores which with current production will enable us to meet the shock of mobilization, and all this in addition to furnishing our allies with hundreds of millions of dollars worth of equipment to strengthen their forces in our common defence.

This is a three-year program to involve the expenditure during that period of some $5 billion.

Many times it has been said that war is not inevitable. Neither is peace certain. This large expenditure, almost four times as great as the expenditure voted last year, is felt to be justified as the increased premium to ensure peace. The Canadian government's view is that the chance of maintaining peace will increase as the forces opposed to aggression become stronger. That belief is shared by our eleven allies under the North Atlantic treaty.

Since parliament adjourned on September 15, a great deal has happened to affect the international climate. These developments have been dealt with by the Secretary of State for External Affairs. While no one can clearly penetrate the dark curtain of the uncertain future, most people assume that the risk of a general war is greater than it was when we last met five months ago.

Because of that view, all of the North Atlantic treaty countries have separately and together re-examined the position of their defences.

Canada's defence objectives.—While the situation has changed, the objectives of our foreign policy and of our defence program remain the same.

The object of our foreign policy is to preserve peace and to build up the broad foundations of security which are essential to the prosperity, the welfare and the happiness of our own and other people. In dealing with foreign or defence policy it must never be forgotten that the ultimate object of all our efforts is human welfare. In so far as we can do so consistently with national and international security, we must press forward with everything that will build up the good society here and everywhere else.

The objectives of our national defence are simple and clear. They are: (1) The immediate defence of Canada and North America from direct attack; (2) the implementation of any undertakings made by Canada under the charter of the United Nations, or under the North Atlantic treaty or other agreement for collective security; (3) the organization to build up our strength in a total war.

Let us examine each of these in turn.

Defence of Canada against direct attack.—As has been said many times, if a war should come, the government believes that the best place to defend Canada would be as far away from our shores as possible. Consequently, everything we do for the collective defence is done for the defence of Canada herself. But to make that possible, we must do what is feasible to make this continent secure from attack.

Russian medium bombers of the B-29 type could reach pretty well any part of North America on a one-way trip and, under certain conditions, reach some parts of North America and return. This being the case, it is quite likely that in a general war Russia would launch bombing attacks against North America either with atomic or conventional weapons.

There is no way of making a continent of seven million square miles impregnable or impenetrable with a kind of aerial Maginot line. Radar and fighters, combined in a heroic team, won the battle of Britain; but despite the heavy concentration of air defences in that small area, many enemy aircraft got through.

To meet the possibility of air attack, our services are working in close co-operation with the United States. A screen of stations with the latest and most powerful radar apparatus is being built, connected with a network of communications and backed up by squadrons of fighters. The American and Canadian chains will be linked together to form a single system, of which about one-quarter will be in Canada.

If the question is asked why this radar and fighter defence is not already fully operational, it is because the radar, the type of communications selected and the aircraft—the F-86 Sabre and the CF-100 Canuck—have only recently been developed and have not yet been produced in the numbers required. As fast as aircraft can be produced, regular and auxiliary fighter squadrons will be manned and equipped to war strength. In the interim, the R.C.A.F. has mobile radar sets and Vampire and Mustang fighters.

To supplement these air defences the army has a large stock of heavy anti-aircraft guns to be manned by active and reserve force personnel.

In addition to attack by air, it might be possible for an enemy to land airborne troops by a surprise attack on an airfield or by parachute. To meet this possibility the Canadian army has a specially-trained airborne brigade group. For much the same purpose the United States has similar but larger formations. It is noteworthy that none of

these formations was moved to Korea because they were specially trained and earmarked for this particular type of continental defence

In support of the regular forces and to take action to prevent sabotage are the reserve forces as well as the R.C.M.P. and other police.

In continental defence the navy is respon sible for the protection of coastal sea lanes and shipping against enemy action, including mines, and for the vital task of keeping our harbours and approaches open. Ships and installations are being constructed to discharge this role. The R.C.A.F. is building up a number of maritime squadrons for anti-submarine work.

Civil defence.—Because of the possibility of direct attack, it is necessary for us to take precautions for civil defence. Military defence has as its objective the defeat of the enemy and the defence of the country against direct attack. The object of civil defence is to reduce the consequences of enemy action upon civilian population and property.

Because of the immense area of Canada and because of its constitutional structure, civil defence is a matter calling for the close co-operation of federal, provincial and municipal authorities. A large part of civil defence is the result of organizing the manpower and material resources already existing in each community. In the very nature of things the agency for action in civil defence, here as in other countries, must be the local municipal authority. That position was agreed to by the representatives of all the provinces at a conference held here last September.

Following that conference a pamphlet on civil defence organization was issued. It incorporates the main conclusions of our discussions as well as suggestions made by provincial representatives. Civil defence organizations have been set up by most of the provincial governments and many municipalities are taking action. The first staff course is now in progress in Hull. That is a nation-wide staff course attended by representatives of all ten provinces. We are arranging for co-ordination of civil defence activities with the United States. Orders are being placed for equipment of various types.

One question of concern is the division of financial responsibility for this special equipment and to deal with this and other matters relating to civil defence co-ordination, the representatives of the provincial governments have been asked to meet here on February 20 if that date is convenient to them.

I come now to the support of the United Nations and North Atlantic treaty. This is the second objective of our national defence.

[Mr. Claxton.]

Action taken by the Canadian armed forces to carry out the objectives of the charter of the United Nations and the North Atlantic treaty must be regarded as action taken for the defence of Canada.

To assist the United Nations forces in Korea Canada sent three destroyers and they have given a good account of themselves. They are being successively replaced by other destroyers.

The 426 heavy transport squadron gave great assistance in the arduous airlift to the Far East.

The Canadian army enlisted 10,000 men for an eighteen months term for the special purpose of carrying out any undertaking by Canada under the charter of the United Nations and the North Atlantic treaty. With 900 men posted from the regular active force they form the Canadian Army special force. Appropriate arrangements will be made for officers and men who wish to do so to become part of the regular force.

One unit of the special force, the second battalion of the Princess Patricias, is in Korea.

The remainder of the special force is continuing its training at Fort Lewis and will be available for service where required.

Western Europe.—Without minimizing the significance of the character of the fighting in Korea, it is the view of this and the other allied governments that the vital centre of our global defence is in western Europe. It was in recognition of this strategic necessity that the North Atlantic treaty was entered into by twelve nations less than two years ago.

North Atlantic treaty organization.—Because of its importance to Canada, it is necessary to deal for a few minutes with the development of the North Atlantic treaty organization.

People are apt to overlook how rapid has been the acceleration that has taken place in the march of events. It was only at the meeting of the council of the North Atlantic treaty organization, held at New York as recently as last September, that the United States gave great leadership in suggesting the establishment in western Europe of an integrated force under a supreme commander. The United States representatives stated that if such a force were created the United States would add substantially to the number of American troops in Europe. This proposal for the first time created the possibility of having in Europe forces strong enough to deter aggression. That was barely five months ago.

You will remember that in the treaty the member nations agreed that an act of aggression against any of them would be an act of aggression against all, to be resisted by all.

To effect co-ordination under the treaty there was the council of foreign ministers. There were also set up a committee of defence ministers, a committee of finance ministers, a military production and supply board, with numerous subordinate committees, and a committee of deputies of the council. This organization was elaborate enough on the civilian side but it was duplicated on the military side by the military committee of the chiefs of staff of all twelve nations with an executive standing group representing the chiefs of staff of Britain, France and the United States. In addition, there were five regional groups each with corresponding military set-ups. It is not surprising that there has been criticism of this organization as over-elaborate, but progress is being made in its simplification.

NATO progress.—At its September meeting the council approved the American suggestions and referred them to the defence ministers.

At Washington in October the defence committee approved a plan for the defence of the five regions of NATO. These are the western European, northern European, southern European, north Atlantic ocean and Canada-United States regions.

The defence plan for the first time set out particulars of the requirements for defence; it showed to what extent those requirements could be met; it also showed the allocations of forces that might be contributed by each of the member nations.

At that meeting agreement was not reached as to the participation of western Germany and this question as well as the creation of the integrated force and the appointment of a supreme commander which were considered to be in part dependent upon it were left to be decided by the defence committee when it reconvened.

Meanwhile, at the request of the defence committee, the rearmament of western Germany was considered by the deputies of the council and the military committee of chiefs of staff at their meeting in London.

These London meetings resulted in agreement, which was approved by the defence committee at a meeting held in Brussels on Monday, December 18. This was followed by a joint meeting of the defence committee and council, and the next day by a meeting of the council. It was a privilege to attend these meetings in a dual capacity, both as Minister of National Defence and as representing my colleague, the Secretary of State for External Affairs (Mr. Pearson).

At the Brussels meeting Canada again raised proposals for streamlining the organization of NATO. The defence production board was set up with more definite terms of reference to replace the military supply and production board and several other committees.

The terms of reference of the standing group were clarified. There was also established a committee of military representatives of the chiefs of staff of all twelve nations to permit continuous consultation between the standing group and representatives of the chiefs of staff of all the NATO countries.

Canada's remaining proposal that the three ministerial committees be consolidated into a single council, in which the appropriate ministers will represent their governments, is being actively considered.

When criticism is expressed of the organization of NATO it should be remembered that the first meetings to organize the twelve countries for joint defence took place just fifteen months ago.

The accomplishments of the North Atlantic treaty organization to date have been substantial:

(1) The twelve nations have agreed to act together in their common defence; (2) they have set up the organization necessary to combine their common efforts; (3) they have set up an integrated force; (4) they have appointed a supreme commander, who has already visited all the twelve countries, as well as western Germany. Our meeting here a week ago was most satisfactory with that great leader, General Eisenhower, who is now one-twelfth our general; (5) they have prepared plans of joint defence and also requirements of men and materials have been estimated and resources examined; (6) each country has indicated what it will do towards meeting these requirements.

Canada's participation in NATO.—Against this background of the organization established under the North Atlantic treaty, let us look at what Canada is doing.

Following the meeting of the defence committee at Paris in November, 1949, a Canadian offer to train army officers and aircrew for the forces of the other NATO countries was well received and arrangements were worked out under which army officers and aircrew for Belgium, France, Italy, The Netherlands and Norway are now being trained in Canada. Later the United Kingdom expressed a need for such assistance and vacancies having been made available the first British trainees arrived in Canada last month.

A further offering is being made through NATO to increase training facilities considerably.

These facilities, together with those for training our own aircrew, will provide training for over 3,000 aircrew per year.

This operation will require the opening of additional air stations and recommencing the manufacture in Canada of large numbers of Harvard trainer aircraft and the production of aeroplane engines in this country.

The expense of training aircrew for North Atlantic treaty nations during the fiscal year 1951-52 is estimated at $64,500,000, to apply against the mutual aid appropriation made at the special session.

In addition to training aircrew officers in the numbers mentioned, we have here, now, attending the various staff colleges and other courses in this country officers from Australia, Belgium, France, India, Italy, the Netherlands, Pakistan, Portugal, the United Kingdom and the United States.

Last August Canada offered to NATO the armament and ammunition of U.K. type for a division. In November we were advised by NATO that this equipment should be supplied to the Netherlands. The equipment was overhauled, reconditioned, crated, shipped and delivered before the middle of December.

Negotiations with the United States for the purchase of corresponding American equipment have been completed and we have now offered the equipment for another division in western Europe.

The Canadian army—and I do not think this is realized—has in store or on issue most of the equipment for four divisions, even more of some weapons, and as arrangements are completed for replacement, we propose to offer successively the equipment for several more divisions.

Since there are men trained in Europe waiting for equipment, each division's equipment sent to Europe virtually adds a division's strength of equipped forces to the common deterrent force.

When he was here, General Eisenhower asked if we had 25-pounders we could put in the hands of the Luxembourg artillery regiment which was being raised. The following day the cabinet authorized the offer and by Monday evening arrangements had been completed both with Luxembourg and the North Atlantic treaty organization and the guns are waiting for shipment.

Speaking to an informal meeting of congress concerning the result of his tour, General Eisenhower said:

> In little Luxembourg I had an unusual experience. I think you would like to hear about it as illustrating the readiness of the nations today to try to cooperate. They are very small. There are only 300,000 people there. But they set their jaws and said: "We will have universal military service, with no exemptions." They said, "We are very badly handicapped. We have equipment for one battalion only. What we particularly need is more artillery equipment."

And then General Eisenhower went on to say:

> When I stopped in Ottawa I told the Canadians about this trouble, and the Canadians said, "Why, we have some artillery; we can ship it tomorrow." When I got to West Point a few hours later I was greeted with the information that the Canadian government had approved of the transfer, and just left the red tape to me and my staff to look after.

Apparently on this occasion we did not have any red tape here—or at least we gave him that impression.

We are placing an order here in Canada for 50,000 platoon walkie-talkie wireless sets designed in Canada to specifications agreed upon with the United Kingdom and United States and likely to be adopted as standard for all North Atlantic treaty nations. This would be the first article of standard equipment to be so adopted for all twelve nations. The Canadian forces plan to use 5,000, the other 45,000 sets being supplied to the other nations.

Canada is also manufacturing a large number of radar sets for supply to our allies. We expect to be making 155 mm. guns of U.S. pattern. We are at work today on the 3-inch 50-calibre U.S. pattern guns for the U.S. and Canadian navies.

In his statement last week General Eisenhower stressed the importance of equipment. He said this, in his broadcast:

> For this purpose the most immediate need of Europe is munitions and equipment.
>
> Every one of the continental nations I visited can rapidly and markedly increase its resistance power if it can be promptly furnished additional supplies of this kind. To fill this need, our loyal neighbour, Canada, with Britain and others, is shouldering part of the load.

We feel, however, that equipment without men is even less useful than men without equipment. For obvious reasons, it is important that all the countries concerned in our collective defence should contribute men as well as equipment to the defence of western Europe. Accordingly we propose, if parliament approves, to place in the integrated force elements of the Canadian army.

The force we propose to send will initially be a brigade group or regimental combat team, and we hope that it may arrive at about the same time as the additional U.S. forces, but this may depend on events in Korea.

Material considerations alone might suggest that there might be greater military value in spending the same amount on equipment for forces already on the spot rather than

on Canadian ground forces; but we and our allies believe that the fact of participation by the Canadian army will show more emphatically than any amount of equipment, welcome though that may be, that we stand together with our allies.

It is hoped that arrangements under discussion will permit us to rotate the men serving abroad at reasonable intervals. It is also planned to keep the numbers of supporting personnel as small as possible. How the tail often outgrows the body is well known to everyone with military experience.

In addition to whatever army forces we have in Europe, our army role in NATO is to provide a strategic reserve.

Canada's most substantial contribution to the planned force in being will be our air force participation. Air power is especially needed. One squadron is already undergoing operational training in England. This squadron is to be joined by two others to form a wing and these squadrons will be made available to the supreme commander.

We plan to have in the integrated force an air division of eleven squadrons at full fighting strength, equipped with F-86E and Canuck aircraft. To support them there will have to be a supply line of reserve aircraft, depots, training establishments, and so on. You can see that the air force participation in the integrated force will require a very large portion of our total defence budget.

The Royal Canadian Navy has an important role in the North Atlantic treaty defence plans. In addition to the defence of our harbours and coasts, the R.C.N. will participate with Britain and the United States in anti-submarine and escort work across the North Atlantic. Plans for the navy will provide the necessary ships of the latest types now under construction or those that we now have in commission or reserve, all rearmed, refitted and recommissioned. In this way we expect to be able to carry out our allotted share of North Atlantic defence with nearly 100 ships equipped and manned.

NATO prospects.—The role of Canada in the North Atlantic treaty organization has now been determined in consultation with the other eleven nations. Canada intends to do everything necessary to carry out that role. The program put forward here includes everything necessary to do that.

We are approaching this common effort in the same spirit as our other partners. We believe that if we all do as much as we can we will be able to build up the strength necessary to deter aggression or defeat an enemy. In ground forces or in the air this strength has still to be built up, but there are other important factors which count in the balance when nations come to weigh their chances, including the atomic bomb and the ability to deliver it.

General Eisenhower had this to say:

> In military potential, the free nations have everything they need—natural resources, industrial genius, productive capacity, and great reservoirs of leadership ability. Given the ingredient of morale—the determination to combine for mutual protection—the military strength necessary will be produced at a speedy pace. With every increase in strength, there will be an upward thrust in morale, an evermounting spiral of confidence and security.

The third objective of our defence efforts is to have the administrative staff, the training establishments, the nucleus of trained officers and N.C.O.'s, the supply depots and everything else needed for mobilization.

Because this has been set down as one of the objectives of our national defence, there have been references to what others have called "the nuclear theory of defence". There isn't any such theory. In every country, the full potential fighting strength of the nation is developed only if war begins.

The Canadian forces have today mobilization plans and administrative and training staffs, supply depots, arms and a good many of the things needed for rapid mobilization.

Equipment.—This report indicates something of the size of the equipment program now under way and gaining momentum from day to day.

To meet these requirements a new department of the government, the Department of Defence Production, is being proposed. In the first nine months of the present fiscal year, which ended on December 31, 1950, 80,000 orders were actually placed with industry. During this period orders have been placed with trade and commerce for the sum of $701 million.

The main items are:

Aircraft, $331 million; ships, $96 million; radar and wireless, $50 million; clothing and textiles, $35 million; motor vehicles, $50 million; armament, $26 million; construction, $113 million.

In the year before the second world war the Department of National Defence spent $34,432,839, and even during 1939-40 only $125 million. It has been suggested that the position of defence industry today corresponds to what it was about two years after the beginning of the last war but with much greater potential capacity.

Additional orders are being placed for ships, seaward defences, electronic devices and wireless, for army equipment of U.S. pattern, for aircraft, including Harvard trainers and engines.

As hon. members who visit the plant at Canadair Limited will see tomorrow, new aircraft are beginning to roll off the production lines.

These large expenditures on equipment are brought about by the staggering cost of modern equipment. Some figures about these costs have already been made public.

A new anti-submarine vessel costs over $8 million; a two-engine fighter, $750,000; a single engine jet interceptor, over $400,000; a new airfield with runways, buildings and equipment, $20 million; a radar station with buildings and equipment, from $3 million to $6 million.

Reference has been made to the equipment we are producing and the men we are training for the North Atlantic treaty nations out of the appropriation of $300 million voted last year. Most of this appropriation has either been already committed or is covered by orders for equipment and plans for services now being arranged for.

Part of our equipment program will be to replace the equipment we are sending to Europe by equipment of U.S. pattern.

Canada has had greater reason than any country to feel strongly about the need for standardization. One obstacle was the large quantities of U.K.-type equipment we already have on issue or in mobilization stores—most of the armament for four divisions.

This equipment was of the kind needed to strengthen the defences of Europe, where there were trained men with empty hands.

It occurred to us that Canada could make a very substantial contribution to collective defence by shipping this equipment to them. This also was the only practical way for us to standardize on U.S. pattern. As related above, the armament for a division has already been shipped. Our offer of 25-pounders to Luxembourg has been accepted. Our offer of another division's equipment is under consideration. The rest will be supplied, including probably a large number of anti-aircraft guns, as arrangements are made to replace the equipment by purchase in the United States or production in Canada.

By this means we hope to, first, strengthen the defences of Europe immediately; second, help to keep these forces standardized on U.K.-type equipment; third, expedite standardization of our own forces on U.S. type and, finally, tool up Canadian industry for the production of further equipment of U.S. pattern.

This in itself will do much to co-ordinate our defence production with the United States. We expect, however, that there will be further development of this character all along the line.

[Mr. Claxton.]

Defence research.—Defence research activity is to be correspondingly increased both to meet the increased needs of the forces and to expedite programs which had been planned for a longer period.

Like all our defence activities, defence research and development is planned and carried out in close co-operation with our allies, including particularly Britain and the United States. Except in so far as it may be required by actual operations, there is no duplication between the work done in the three countries.

Defence research in Canada gives particular emphasis to anti-submarine equipment, anti-tank weapons, wireless equipment and similar fields in which Canada made a notable contribution during the second world war and in which Canadian scientists and industry have special qualifications.

Construction.—We have already placed orders this year for $113 million worth of construction.

Next year the figure will be more than twice as much, made necessary both for additional operational buildings and living accommodation for the expanding forces.

Today the accommodation for men living in barracks is full to overflowing at every place where accommodation is needed. For every man joining the forces today, additional construction is required. That means about $2,000 per man for construction.

Manpower.—Turning to the vital question of manpower, and womanpower too, three years ago there were in the department and services working full time either as service or civilian personnel a total of 54,000. Today that figure is just short of 90,000, an increase of 67 per cent.

To carry through these plans during the next three years the strengths of the three services should be increased to about 115,000 full-time active service personnel and about 33,000 civilians, the civilians being largely employed in work in the dockyards and shops and on construction. This will be an increase of about the same amount, about 67 per cent above present strength.

Because of the large requirements of the R.C.A.F. not only in building up to its total of 40 regular and auxiliary squadrons, but also in the training services, the R.C.A.F. will, we expect, have more men than the army has today and will be spending nearly as much as the other two services put together.

The strength of the navy will be doubled.

The army will show substantial increases.

During the last six months of 1950 the active forces enlisted, including the special

force, a total of 17,772 officers and men. Through retirement and discharge there was a total of 2,879, making a net increase of 14,893, an average of 2,482 per month.

During the month of January 1951, officers and men joining totalled 3,354; there was a decrease by retirement or discharges of 830, making a net increase of 2,524.

With a rate anything like that, the over-all requirements of this program should be met by the planned dates with men provided to man the ships, the guns and the aircraft as these are produced.

However, there will be some shortages, which will call for great efforts to overcome.

Meeting these manpower requirements is going to require a big effort and the whole-hearted support of all sections of the population.

Summary of program.—Now let me draw together in the most summary form what this program is for each of the three services.

The program envisaged by the government calls for its completion within three years but the job is intended to be carried through just as fast as it can be done.

The program has fifteen main points.

In the navy.—

1. Nearly 100 ships and many small craft, either new or refitted and newly armed.

2. Permanent seaward defences of vital harbours.

3. The shipbuilding industry geared to produce additional ships rapidly.

4. Administrative and training staffs, depots and stores, for all-out mobilization.

In the army.—

5. An airborne striking force, anti-aircraft artillery and other units for the defence of Canada against direct attack.

6. Part of the active army with integrated force under General Eisenhower.

7. Part of the Canadian forces continuing in the Far East as long as that is necessary.

8. The administrative staff, training establishments, depots, stores, clothing and equipment to provide for rapid mobilization in a total effort.

9. Replacement of equipment on issue to active or reserve forces, or in stores, by latest type United States equipment purchased from the United States or made in Canada and our industry in Canada tooled up to make a considerable part of this equipment.

In the air force.—

10. Forty regular and reserve squadrons with more than 3,000 aircraft additional to those we now have of the types suitable for the purposes intended.

11. Radar equipment manned and located to provide radar defence integrated with a corresponding United States chain of stations, connected by the necessary communication system and backed by fighters.

12. In Europe an air division of 11 fighter squadrons, included in the 40.

13. Airfields, men and equipment to train large numbers of aircrew for ourselves and other countries.

14. Industry in a position to produce large numbers of the latest types of aircraft needed by the forces of ourselves and others.

15. Production of quantities of equipment for NATO and training of large numbers of officers to strengthen our common defence by assisting our allies.

If time permitted, sir, I might deal with a number of the other parts of the program which will be put forward during the course of this session, including of course the necessary and proper emphasis on the work of our reserve forces. Tonight I felt it would be the wish of this house, and of the country, that the main lines of the whole program should be set out in a broad way.

This whole program involves an increase in the number of service and civilian personnel employed full time on defence from the present figure of about 90,000 to a total of about 148,000.

That is the program, a large one for a country of 14 million people still involved in developing its natural resources and also facing the task of maintaining essential services over an area of 3½ million square miles.

Should it be required, there will be the capacity to expand further rapidly because of the emphasis on training establishments, depots and other essential services.

The cost.—Now, finally, what is the cost?

It is not usual under our system to announce the figures of any estimates before the estimates are tabled by the Minister of Finance, which is usually done after the conclusion of the debate on the address.

But this is not a usual time.

Defence expenditures four years ago were $194 million. This year we appropriated in the original estimate $425 million, and then added in the supplementary estimates $142,200,000, making a total appropriated this year of $567 million, which we expect to spend. Then there was in addition part of the $300 million voted for mutual aid. Next year defence, including mutual aid, will require about $1,600 million.

The three-year program outlined will involve the expenditure, in all matters of the defence of Canada, and our participation in the common effort, of over $5 billion.

One point I want to emphasize. The program and the plans I have outlined are all subject to change as the world situation changes.

We in Canada cannot control that situation; all the nations of the free world cannot control it. We cannot hope to have security unless we are free to adapt our plans and our programs to meet new situations which can —and may—be created at any time by the potential aggressor.

Korea created a new situation and we changed our plans to meet it. It is of vital importance to keep our minds free to make further changes and different plans whenever they are needed.

This report of the government's program should make it clear to every one of the Canadian people that its accomplishment is not going to be an easy task. It means a greatly increased call, indeed a demand, on the armed services themselves and on all the human and material resources of the country. But Canada has always met every challenge and the confident determination to meet the threat of communist expansion will be, and here I am sure I express the feeling of everyone in this house, the dominant feeling of the Canadian people.

Mr. G. R. Pearkes (Nanaimo): Mr. Speaker, the fact that there were a certain number of seats vacant on this side of the house when the minister started to make his speech was no indication that there was any lack of interest on the part of members of the official opposition in the subject under discussion nor was it intended in any way as a token of disrespect to the minister. This was the last opportunity we had of saying goodby to a comrade who has meant so much to us and whose advice has been invaluable to the party in which he was such an ornament and to the constituency which he represented. I of course refer to the departure of the hon. member for Calgary West (Mr. Smith), who leaves this city this evening.

Like the majority of Canadian citizens, I suppose, I am somewhat mystified and bewildered by the statements which have been made by the ministers of the crown with respect to the international situation. As one reads those statements, one cannot help feeling that here is some conflict of ideas and some uncertainty, even amongst the cabinet ministers, as to the gravity of the present international situation. Speaking for myself, coming as I do from the Pacific coast, from probably the most exposed and the most vulnerable province at the present time and one in which there is probably less preparation than elsewhere to resist enemy aggression, I am impressed with the gravity and the seriousness of the situation.

Living in British Columbia are a great many retired army men and civil servants who have had long experience with the administration of British affairs in Asian countries. They are familiar with the background of what has been going on in India, in Malaya and in China, and they realize that there is a new awakening of the peoples of Asia such as has not happened for centuries. In the new China they see a nationalism coupled with an imperialistic spirit, a demand amongst the peasants of China, for the first time in centuries, that something be done for China. They realize that there is growing up in that continent a feeling of confidence and a feeling which can perhaps be described as almost a disregard of the powers and principles of the western countries. The feeling of the young Chinese of today, in their communist armies and in their positions of government, is one of great arrogance; and it is of little use talking about the western powers losing face in China today. It would seem that they have lost face, at least temporarily.

But we are not so greatly impressed by the dangers in Asia as to lose sight of the paramount importance of western Europe. It was only a couple of weeks ago that I had the great privilege of spending several hours with Mr. Paul Henri Spaak, the former premier of Belgium. He certainly impressed upon me the dangers in which the people of northwest Europe are living. He also impressed upon me the difficulties that they have of selling to their people the need of having a strong heart and of being prepared to resist communist aggression. One point he stressed was that while the people of France, Belgium, Holland and Luxembourg were prepared to hold the gun and the bayonet, they would do so with much greater heart if they saw United States and Canadian soldiers alongside them.

Judging from the remarks made by the minister tonight, it is obvious that he visualizes Canada's having three objectives in so far as her defence forces are concerned, the first being that of the defence of Canada; the second being that of providing assistance to the United Nations and particularly to the North Atlantic treaty countries; and the third being that of the preparation for total war. For one who has risen in this house, year after year, and stressed the importance of Canada's being ready to defend her own shores, it was encouraging to hear the minister recognize the importance of that task for our defence forces. In the past we have

heard that the only danger facing Canada is that of some diversionary raid. I have never subscribed to that theory. I have always believed it was possible for enemy bombers—we have a range of forty-five hundred miles—to carry out upon the cities of this country raids of a far more substantial nature than those that might be classed as diversionary. I am encouraged to hear the minister admit that such a danger does exist and that he places as the number one requisite for our defence forces the need of protecting the cities of this country against such raids. As he said, the B-29's of the Russian air force are capable of attacking the majority of the cities of Canada, particularly if they are prepared to carry out refuelling operations in the air en route, which it is perfectly possible for them to do.

The second requirement that he mentioned was that of supplying forces to the North Atlantic treaty nations. He mentioned a modest contribution of armed forces; in so far as the army is concerned a brigade group or regimental combat team. As he said, they might be sent to Europe in the immediate future. Then he just touched upon the steps which would be taken to prepare for the total war if in our lifetime we are to be faced with a third world war.

To meet all these requirements it will be necessary, as the minister said, to provide a great deal of money, and to provide a very considerable expansion of the actual number of serving soldiers, sailors and airmen. The minister adroitly skated around the question as to how he was going to raise the men to provide for this necessary expansion. The other day the Prime Minister (Mr. St. Laurent) told us how he was not going to raise these forces at the present time. I suppose if the Prime Minister was in a generous mood he would probably describe me as being one of those sincere and patriotic personages who might advocate other and more positive methods of raising those particular forces to meet the requirements.

I realize that the government is responsible for the method that it adopts in order to meet this situation. I have no hesitation in saying that I believe I am sincere and patriotic; and because the responsibility rests upon the government, and even though I might hold different views as to the methods by which these forces should be raised, I think it would be detrimental at this time to advocate strongly methods which the government is not prepared to follow, because I believe it is of paramount importance that the government raise the men that it requires, and the government alone will say by what method it will raise those men. I for one would be loath to utter a word which would discourage any man from joining those forces, or in any way put any hindrance in the way of the national effort carried out by the methods recommended by the government to meet what I consider to be a grave situation.

It would, however, seem to me only common prudence that the government should at this time set up the machinery which may be necessary to accelerate its method of enlistment, its method of assigning the manpower of the country to the various services and to industry, agriculture, transport and all the rest of it. If these steps are left to the eleventh hour I feel that it will not be possible to take full advantage of the resources of this country, both in manpower and in materials. Therefore I feel there is no time to be lost in carrying out a review both of our assets and of our deficiencies. I feel that that review should be carried out at once so that the government will be in a position to change its present method of providing for the expansion which has been indicated, should the methods that it proposes to follow immediately fail, or should the situation deteriorate to such an extent that other methods would have to be followed. There is no time to be lost in making the preparations and in setting up the machinery so that a more vigorous system of supplying the material and the personnel for expansion can be followed, and to set up this machinery there are many requirements. For instance, during this winter we have seen the necessity of sending the brigade which is being organized for Korea to a foreign country, to the United States, in order to carry out its training. That brigade has gone to Fort Lewis in Washington, chiefly I understand because no camps were available in this country where 10,000 men could be trained.

The camp at Fort Lewis was vacated only a very short time before the Canadian troops arrived there. It was vacated by the second United States division which had gone overseas to Korea, and so this camp was available. It is essentially a staging camp. It could hardly be described as an ideal training camp. It is certainly not an ideal training camp for a theatre of war such as Korea. It is a flat gravel plain, heavily wooded, having an extent of some 100,000 acres. There is no opportunity for the troops to train in mountain warfare, and the Korean theatre of war is one in which there are mountain ranges and barren hills, no heavily wooded flat plains.

There is no opportunity at Fort Lewis for combined training to the extent that companies or battalions would be able to carry out field firing exercises with all the supporting arms such as anti-tank weapons and field

artillery. Actually the field artillery of that brigade group had to go to Yakima, 180 miles away from Fort Lewis, in order to carry out their firing practices. They have just returned. They can carry out exercises with their infantry only of a most elementary nature, firing down what might be described as a rifle range, so that their own artillery mounted on a rise can fire in a very restricted area.

I believe therefore that the provision of camps is one of the most essential features in any plan to take care of the expansion of our army. The need for more instructors is of paramount importance. Second battalions of the Royal Canadian regiment, the Princess Patricias and the Royal 22nd regiment were trained and supplied with instructors, in the main, from their first battalions. The third battalions of those regiments, which are also in training at Fort Lewis, had to obtain their instructors from the A. & T. staffs of the reserve army. Today they are very short of instructors.

Then, there are more elementary things, such as uniform attestation papers among the three services, and all the need for co-ordinating the manpower effort between those. Finally there is the urgent need of impressing upon all services the importance of thorough medical examination before the men are enlisted. Anyone who has had any experience with veterans' affairs in the last few years will realize how many men there are who are receiving a pension today on account of pre-enlistment disabilities aggravated by war service in the last world war. Today Canada is paying pensions to thousands of men who had pre-enlistment conditions which were aggravated by their service overseas. In the recruitment of the Korean force there was the same urge to bring units up to strength, and the same lack of facilities for medical examination which was so clearly marked at the beginning of the second world war.

I am not suggesting for one moment that all those pensioners who today draw pensions for pre-enlistment conditions aggravated by service would not have been taken. Of course you would have taken a chance with some of them. Yet, there are a great many who would never have been taken into the Canadian army in the early days of the second world war had there been proper facilities for carrying out more thorough medical examination.

If we are visualizing further expansion, such as the minister has told us we may expect—and such as it is quite obvious we must expect—then I urge upon him that we should take the preliminary step necessary to ensure that these conditions can be carried out most effectively.

So far as the Korean force is concerned, there are today hundreds of men who were enlisted but who have since been discharged because it has been found that they did not measure up to the physical standards required, although they had been originally accepted.

I said earlier that I realize it is the government's responsibility to apply the methods it endorses in order to bring about the expansion indicated, and that I had no intention whatever of trying to put forward alternative means, and of stressing those means. I believe that in so doing we might retard the national effort. However, I intend to make one or two suggestions which I trust may be of some help to the minister who has to bear this grave responsibility.

I am encouraged in this because in the past I have made certain suggestions in the house. I could not help noticing that, perhaps after a lapse of many months, they have been adopted. One of the most recent was that of appointing an over-all chief of staff, a procedure I advocated with some force in the house some two years ago. I have already mentioned that I had called attention to the fact that some of our cities were in danger. Also at one time I stressed the fact that it was regrettable that we had allowed our women's division to cease functioning, and that there was an opportunity to utilize it.

All these things are now being put into effect. While I am not naïve enough to believe that I was the only one who recommended those steps, or that I am the only person advocating those points I shall mention from now on, I take courage from the results which have been achieved in the past.

It was my good fortune to be in the state of Washington on January 25 and 26, just a few days before the opening of the session. I took the opportunity at that time of asking the commander of the Canadian special brigade if he would permit me to see the progress the troops were making, and to get some idea as to the efficiency of those units, and the state of their training. I received a most cordial invitation from Brigadier Rockingham, and received every courtesy from him and his staff, and from the commanding officers of the various units at Fort Lewis.

I want to say, without the slightest doubt or uncertainty in the matter, that in the person of the commander of that brigade Canada has a man in whom we can place great confidence, and one who is supported by a group of young staff officers who are well educated

in the military art, who are keen and conscientious; that he has commanding officers of the five battalions and supporting units that I saw who have great personalities and powers of command; and that the Canadian people have there units which are a first-class cross-section of young Canadian manhood, who are physically content, who are interested in their work and who can be entirely relied upon to do a first-class job, no matter where ultimately they may be sent.

The special Korean brigade is one of which I feel Canada might well be proud. As a "has been" soldier I would say that they are making excellent progress in their training and have taken every advantage of the opportunities that are available to them to weld together men who before enlistment had few interests in common and who were not necessarily drawn from any particular area of Canada or from any particular class. Essentially they were Canadians who were inspired by a spirit of adventure and who were determined to do the job for which the Canadian taxpayer was paying them.

There were United States troops under training in that same camp. They were replacements, or as we would say reinforcements, for the United States second division. They were reservists, men from the National Guard. When those men took their discharge after world war II they volunteered to have their names placed on the reserve list and if opportunity presented to do a certain amount of training which would be comparable to the training carried on in our reserve units.

These United States replacements were being put through an eighteen-day intensive refresher course and then, because of the need for men, were being sent direct to Korea. I hope the day will never come when Canadians will have to be sent into a theatre of war with only an eighteen-day refresher course. The one thing which impressed itself upon my mind more than anything else was that the United States because of unpreparedness was forced to send replacements to a division which had suffered heavy casualties with only an eighteen-day refresher course.

This refresher course was carried on in a mass production style with an instructor standing up on a platform and giving the details of some drill to hundreds of men. There was no personal instruction, or very little, given during those courses. If at times some people in Canada are apt to criticize the tactics or strategy of General MacArthur I ask them to remember the picture that I saw of those United States soldiers, ex-G.I.'s of five years ago, being sent to join their units in Korea after being given only eighteen days of training.

If we say that certain elements of the United States army have not fought to the bitter end in Korea, if we say that they have given ground too quickly, let us remember that the tactics of today are different from the tactics of the Ypres salient or the Somme or Passchendaele, when we contested, rightly or wrongly, every yard of ground. It is a broad question whether it would be wise to fight to the death for each barren hill in Korea. Let us remember the mixed forces that General MacArthur has under his command and that many of the soldiers of his own United States army have had very little training and that units of his army have been rather hastily collected together.

Now let us look at the other side of the camp where our Canadian brigade had been in training. That brigade had been fortunate enough to have many weeks available for training. I saw fire and movement exercises being carried out by infantry battalions. I saw the second battalion of the Royal 22nd regiment carrying out exercises from a bivouac camp. I saw anti-tank units on manoeuvres. It struck me that those units were following the pattern which had been drawn up by British armies and adhered to for centuries.

It seemed to me that the main difference between the Canadian and United States method was that the United States taught their men in the shortest possible time how to fire the particular weapon with which they were to be armed while the Canadian commanders were teaching their soldiers how to fire their weapons from the most advantageous piece of ground available so that their lives might be saved, so that they would not be expended in the first battle in which they were engaged.

It seemed to me that that was in accordance with the British tradition. All through the centuries British armies have been relatively small and British commanders have had to emphasize the importance of preserving the lives of their men. I hope that that will be the tradition of Canadian commanders in the future.

We might say, therefore, that on one side of the camp there was the urgent need of sending men into a theatre of war no matter how little training they had while on the other side there was thorough training going on which would enable the Canadian units to give a good account of themselves in battle at the least expense as far as lives were concerned.

At the present time we are in the position of having to change our armament from the

British to United States type. The Minister of National Defence (Mr. Claxton) told us this afternoon that we were sending great quantities of arms to the armies of western Europe. Obviously those guns and rifles must be replaced by arms and equipment manufactured on this continent. I do not think that anybody will quarrel with that policy. However, I plead most earnestly at this time that we do not follow slavishly the organization of the United States armed forces, that we do not adopt, lock, stock and barrel, the United States staff organization and the organization of their armies.

I think that any attempt to Americanize the Canadian army one hundred per cent would be viewed with dismay by the Canadian people as a whole. I am disturbed by statements that have appeared in the press within the last ten days indicating that there is a tendency to go further than is necessary in Americanizing our Canadian forces. A wholesale change at the present time would disrupt the Canadian army. So far as the infantry is concerned, it would mean that battalions of old historic regiments would lose their identity. We would have to make a complete change in our supply system. The Royal Canadian Army Service Corps would have to assume the functions of a transportation corps and quartermaster's corps in order to conform with the organization of the United States army. The Royal Canadian Ordnance Corps and the R.C.E.M.E. would be changed beyond all recognition.

Within our divisions we should have to adopt the United States system of medical services, and I think that few who have had any experience with the two systems would question that the Canadian system is superior within divisions so far as medical services are concerned. Surely the care of the wounded is one of the prime considerations of any army organization. So far as staff is concerned, we should have to adopt the United States G-1, G-2, G-3 and G-4 system instead of having a division between our general staff and administrative staff.

Coming to the higher level, in the United States army the corps has very little administrative authority over the division. If it so happened that a Canadian corps was serving with the United States army and we were organized according to their system you would find that our Canadian divisions would be administered directly from United States army headquarters. I emphasize this point because of the reports that have been circulated, and I say that any sweeping changes in our organization would be unwise and detrimental at the present time.

There will have to be minor changes. It is necessary that we accept United States arms and equipment. If we carry United States arms then it is necessary to modify our tactics in order to make the fullest use of such arms; but with the exception of the fact that we are to be supplied by a United States pipe line I feel that no other changes should be necessary.

Finally, in comparing the two methods of training, while I realize how unacceptable it would be to the Canadian people to have our soldiers trained in eighteen days and then sent overseas, I feel that if we are to face up to the conditions of modern warfare somehow or other we must devise a system of training which will make men fit for service in a shorter period than is now allowed. I presume that the majority of commanders would say that they require at least twelve months in order to place a brigade in the field ready for action. There must be some halfway mark between the eighteen-day and the twelve-month systems of training. The way modern war is fought we may not be masters of our own destiny. As a matter of fact Russia is calling the shots and we may not have twelve months to prepare our troops of war. Therefore I suggest to the minister that he instruct his staff to consider most seriously some method of speeding up the training of our troops.

The Minister of National Defence (Mr. Claxton) referred to civil defence and the fact that a staff course was being conducted at the present time. He also referred to the difficulty of defining where the financial responsibility should rest so far as the dominion, provincial and municipal governments are concerned. We shall never make any real progress until that is settled and the provinces and municipalities know exactly how much of the burden is going to be borne by the federal government and what their share will be.

I throw out a final suggestion, and I do not know whether the minister will like it. In preparing for the active defence of this country he is carrying such a burden that I think he might be well advised to place civil defence under another minister.

(Translation):

Mr. Wilfrid LaCroix (Quebec-Montmorency): Mr. Speaker, I wish to congratulate the Prime Minister most sincerely for his statement of February 1, 1951, on conscription. I quote:

> We know that the cost to us of maintaining one man on European soil, as part of the integrated army, is much more than the cost to the Europeans themselves of maintaining and equipping one man there. And we know that, in the production of equipment, we can get for every dollar expended as much as can be got from any dollar expended anywhere in the world, and perhaps more. We believe,

as General Eisenhower is reported to have submitted in his report to congress today, that the big need of western Europe at this time is for arms rather than for troops.

The Prime Minister did not commit himself for the future and, to me, his frank and sincere way of dealing with a question is far better than what we had been accustomed to in the recent past.

In my opinion, it would be much wiser to organize our own territorial defence and to let Europe raise a European army. We could however undertake to make maximum use of our natural resources and of the productive capacity of our industry to supply the equipment necessary for the efficient operation of the army shortly to be set up in Europe under the command of General Eisenhower.

I even think it might be advisable not to send any troops to Europe or to Korea, so as to ensure the maximum amount of productive capacity of our farms and industry. Our country has only a small population of some 15 million scattered over a territory as large as Europe. If we want to transform Canada into an arsenal and a bread-basket to supply the necessary munitions and foodstuffs to the European army, it would seem foolish to deprive ourselves of a part of our people, especially if we compare our population with that of the United States or of European countries party to the North Atlantic pact. Indeed, the government itself has admitted our shortage of manpower by stating its willingness to supply funds to bring some 150,000 European immigrants to this country. Obviously, Canadians do not like to be compelled to go to the defence of Europe while their places are being taken here by Europeans. It therefore seems unwise to send Canadian soldiers to Europe—at a cost which even the government considers excessive—in order that they might replace those immigrants.

Furthermore a force such as that made up of volunteers would necessarily find itself compelled, in case of war, to replace its casualties with conscripts. I may state with the utmost assurance that if public opinion is prepared for any sacrifice for the defence of our territory, it surely would not accept conscription for overseas service because it bears in mind the tremendous number of people in France, England, Belgium, Spain, Germany, Holland and Italy who, I am sure, want only the necessary weapons to raise their own forces in order to be able to fight communists in Europe. Besides, any other course would tend to lower the efficiency of the very limited population of Canada in the development of our vast natural resources, which we could put at the disposal of this European army.

Those who launched a campaign in favour of compulsory military service are being less helpful than they think to the defence of Canada against communist aggression. Canada today can be of much greater service to her allies by helping to set up a tremendous military machine, through the work of her farmers and her workers, than by sending forces to Europe, Korea or elsewhere. Campaigns in favour of conscription for service overseas can only be detrimental to the organization of our own defence. Let us not forget that, if war breaks out, our own country will at once be attacked from the Pacific and we shall certainly not be able to bring back our soldiers from Europe or Korea in time to face the music.

The campaign in favour of conscription for overseas service is bound to hurt our country by causing internal dissensions at a time when all our efforts, both military and diplomatic, must be combined if we are to face that dictator from Moscow.

Fortunately, in these dark and trying days, Canada's affairs are directed by a man, the Right Hon. L. S. St. Laurent, whose characteristics of honesty, courage, and vision, vitally important for the safety of our nation, are acknowledged the world over. For goodness' sake, let us not play into the hands of our enemy by dividing our country.

Another point I wish to raise in connection with our domestic policy is the steadily rising cost of living. The government hinted in the speech from the throne that price controls are going to be established in the near future. Of course, there are serious disadvantages to this method of fighting inflation, but it is of indisputable value, when compared with the profit motive of certain monopolies that, in this country more than in any other, control the purchase, the distribution and the sale of daily essentials. Those monopolies strangely help the propaganda of communists, who turn them to account in order to convince the popular masses that in no other country in the world is wealth more unevenly distributed than in Canada and the United States.

In France, and in Europe in general, there are innumerable small shopkeepers and small manufacturers, the inevitable consequence of wise legislation; whereas in our country, we

have to put up with a monopoly that controls the distribution of milk and its by-products, a monopoly of meat, directed by Canada Packers and Swift's; we have to pay the prices set by chain stores, those of milled feed set by the large milling companies, to say nothing of the monopolies controlling essential public utilities such as telephone, transportation, power companies, et cetera. In other words our legislation is admirably suited to the organization of cartels.

I might, while I am on the subject, thank the government for having recently instituted a commission to recommend such changes as are necessary in our legislation to deal with trusts. I hope this will finally prevent these exploiters of human suffering from causing further harm.

I insist upon the re-establishment of price control since it has been established beyond all doubt that, between 1941 and 1946, the cost of living index only rose five points while, on the other hand, after controls had been lifted, that is between 1946 and November 1950, it rose fifty points.

May I suggest however that the government change the practice it followed in 1941 to 1946 of appointing as price controllers officers of those big companies that constitute the monopolies I just mentioned. Those men, who were being handsomely paid by their companies could surely not serve two masters at the same time. Could we not establish a more flexible organization, one better adapted to special conditions and able to consider particular cases? I sincerely believe that an arbitration commission on prices, with no representatives from the monopolies controlling our economic activities, would be in a position to give to the public sufficient garantees of honesty and disinterestedness. This formula, indeed, is one that is advocated by trade unions. Labour would surely approve of it.

To show the control exerted by monopolies on our economic system, let me mention the case of the Bell Telephone, which has just been allowed by the board of transport commissioners to increase rates up to 135 per cent in the district of Quebec. I now quote the following excerpt from section 52 of the Railway Act, chapter 170 of the Revised Statutes of Canada:

The Governor in Council may at any time, in his discretion, either upon petition of any party, person or company interested, or of his own motion, and without any petition or application, vary or rescind any order, decision, rule or regulation of the board, whether such order or decision is made *inter partes* or otherwise, and whether such regulation is general or limited in its scope or application; and any order which the Governor in Council with respect thereto shall be binding upon the board and upon all parties.

In view of this section, after the board's decision, I wrote to the Minister of Transport (Mr. Chevrier) on November 20, 1950 the letter which I now quote:

My dear Minister,

The people of the district of Quebec have taken due note of the board of transport commissioners' decision which, according to the statement of its deputy chief commissioner, Mr. A. Sylvestre, authorizes an increase of up to 135 per cent in telephone rates applying to the district of Quebec.

As you know, parliament has the right to appeal from this decision to the cabinet. I strongly protest against this judgment of the board of transport commissioners because, throughout the examination of the Bell Telephone Company's application, that body refused to accept any evidence showing the relation that might exist between the Bell Telephone Company of Canada and the Northern Electric Company Limited from which the former firm buys all its equipment without even asking for tenders.

If the board of transport commissioners had allowed the evidence of financial ties between the Bell Telephone and the Northern Electric Co., it would have been easy to prove that part of the Bell Telephone profits, through the channel of equipment purchases, go to the Northern Electric Co., Ltd. whose shares, were they quoted on the market, would reach an astronomical figure.

I have already proven in the House of Commons that the ten or so shareholders of the Northern Electric Co. are also the principal directors and shareholders of the Bell Telephone, and as far as I know, that proof I have given parliament has never been challenged.

That siphoning of Bell Telephone profits into the Northern Electric Co.'s till deprives the Bell shareholders of profits that belong to them and the customers of rates that would be set according to the company's real profits.

To establish the cost of the equipment provided by the Northern Electric Co., it would have been necessary for the commissioners to allow as evidence the profits made by that company. But all such evidence was entirely rejected by the board of transport commissioners.

You know as well as I do, sir, that the Bell Telephone in this country is a monopoly of this indispensable service called the "telephone apparatus" and I feel it is my duty to ask you to reconsider this decision of the board of transport commissioners which affects particularly the electors of the Quebec district who are represented in Ottawa by the Right Hon. Louis S. St. Laurent. The matter will no doubt crop up again during the next session and as the increase is announced for January 1, 1951, and the session will not begin before February, it seems to me that the cabinet should reconsider this matter immediately.

I am enclosing herewith an editorial published in *L'Evenement*, November 17 issue, and in the *Soleil* of November 19. The *Soleil* calls itself the "Liberal organ" in Quebec. Therefore you should not brush aside their views which, besides, are shared by the whole population of the Quebec district.

I am sending today a copy of this letter to the Right Hon. Louis St. Laurent and I rely on your kindness, since the board of transport commissioners are responsible to you, to take the necessary steps to defer the enforcement of that ruling and leave it to parliament to decide.

On December 4, 1950, the Minister of Transport replied as follows:

My attention was called, upon my return, to your letter of November 20 about the decision of the board of transport commissioners approving the revision of certain rates of the Bell Telephone Company in the district of Quebec.

As you know, the Bell Company's request for a general increase of their rates was considered by the board of transport commissioners during an investigation which began on March 8, 1950, and was completed on June 2 last. Following that investigation, the board ruled in favour of granting the company's request.

In your communication you ask me to "take the necessary steps to defer the enforcement of that ruling." In this respect, I wish to call to your attention the provisions of sections 51 and 52 of the Railway Act which grants to the board of transport commissioners, to the governor in council or to the Supreme Court of Canada, as the case may be, the exclusive right to vary or rescind a decision of the board of transport commissioners.

In other words, the board is a court of justice against whose decision an appeal may be lodged, the procedure of which is clearly established by the Railway Act. You will note that the act does not authorize the Minister of Transport to intervene in the way you suggest.

If therefore any of the parties concerned in this investigation wishes to lodge an appeal against the board's decision, it can do so by complying with the above-mentioned provisions of the Railway Act.

As for your commentaries concerning the commercial relationship between the Northern Electric Company and the Bell Telephone Company, I would refer you to the findings of the board of transport commissioners. From page 36 to page 46 of the mimeographed French version, you will find set out in detail the terms of the contract for services between these two companies. You will notice more particularly on page 46 the following statement: "Reading of the agreement, of the documentary evidence and of the minutes of proceedings proves to my satisfaction that the company pays the Northern Electric Co. prices which are not unreasonable."

In view of the fact that I have not sufficient authority to grant your request, I feel I must reject it.

I am sorry not to be able to give you a more favourable reply and I thank you for obliging me with your views in this matter.

To the above letter from the Minister of Transport, I replied as follows on December 11, 1950:

My dear Minister,

I acknowledge your letter of December 4 concerning the decision of the board of transport commissioners approving the revision of some of the Bell Telephone Company's rates in the district of Quebec.

You draw to my attention the provisions of sections 51 and 52 of the Railway Act which grants to the board of transport commissioners, the governor in council or the Supreme Court of Canada, as the case may be, the exclusive right to vary or rescind a decision of the board of transport commissioners. That is exactly what I did when I wrote to you on November 20 since I asked you in your capacity as Minister of Transport to be so good as to appeal to the governor in council of which you are part.

I understand and I have always understood that parliament has the right to appeal to the governor in council; this will probably be done shortly since you will receive petitions from every town concerned as well as from chambers of commerce begging the governor in council to intervene in this matter.

With respect to the business relationship between the Northern Electric Co. and the Bell Telephone Co., you refer me to pages 36 and 46 of the French copy of the board of transport commissioners' judgment, which deals in detail with the contract for services between these two companies. From page 46 you draw the following statement: "Reading of the agreement, of the documentary evidence and of the minutes of proceedings proves to my satisfaction that the company pays the Northern Electric Co. prices which are not unreasonable."

How then could the board of transport commissioners have reached this conclusion if they have not permitted that evidence be based on the aggregate profits made by the Northern Electric which, as you know, belongs to and is controlled by the Bell Telephone?

You know as well as I do that the Bell Telephone Company controls the Northern Electric Co. and that it is paid but a very small dividend on its shares, compared to the profits made. Investigation of the Northern Electric's operations could have easily established the exorbitant figure for depreciation, for salaries paid to officials, under various guises. In addition, you could have discovered that the Bell Telephone Company has erected a building and leased it to the Northern Electric which, in turn, sublets parts of it to the Bell Telephone.

You might also have noticed that all the equipment manufactured by the Northern Electric Company and suitable for construction purposes is entirely turned over to the Bell Telephone Company for use in its new buildings and installations.

I understand that the board of transport commissioners refused to admit any evidence concerning the operations of the Northern Electric Company in general. It seems hardly credible that the conclusion should be reached that the price asked by the Northern Electric Company for its equipment is not unreasonable, since absolutely no account is taken of profits made by this wholly-owned subsidiary of the Bell Telephone Company. After all,

these profits should augment the latter company's revenue in all fairness to its shareholders and to the public who pay the rates established on the basis of profits made by the Bell Co. The board of transport commissioners used the expression "not unreasonable prices", in its report, because it was afraid to say "reasonable prices".

Consequently, Mr. Minister, you should not be too surprised if this question is raised once more at the next session of parliament, several members having expressed the opinion that parliament should appeal in this case to the cabinet itself. If you look into the increase in rates, as it particularly affects the Quebec district, you will agree with me that we are right.

I would be very grateful to you if you could intervene in this connection before the governor in council."

As you can see, in my letters of November 20 and December 11, 1950, I made very grave accusations and on the basis of this decision I have doubts about the competence of the members of the board. Besides, these gentlemen have had many opportunities of changing their minds in the past, for instance in the matter of freight rates. Here is an example of the telephone rates charged in Quebec. I quote:

	Former rate	Final rate	Per cent Increase over Former rate
Residence service			
Single line, hand telephone ..	$3.35	$4.25	21·2
Double line, hand telephone ..	2.85	3.50	22·8
Rural line, hand telephone ..	2.60	3.00	15·4
Extension, hand telephone	1.15	1.25	8·7
Business service			
Single line, hand telephone ..	5.10	9.50	86·3
Rural line, hand telephone ..	3.10	4.75	53·2
Extension, hand telephone	1.40	1.65	17·8
Exchange line (connecting with switchboard)	5.95	14.00	135·0
Local hand telephone (connecting with switchboard)	1.85	1.85	

The house will realize from the rates I have just mentioned the shameful exploiting which was allowed through an increase of the telephone rates in the Quebec district. I deeply regret that the Minister of Transport took no action to implement my request.

I wish to inform the house of these facts so that it may take action and also because I believe they are essential to the campaign now in progress against the exploiting of the mass of the people by those who enjoy special privileges.

One of the best ways to fight communism is to prevent the setting up of trusts and to operate the public or commercial services in the interest of all.

[Mr. LaCroix.]

In addition, to promote private enterprise, legislation will be required to break up combines and ensure a better distribution of public wealth.

Before resuming my seat, I wish to mention another matter which, in my opinion, should be called to the government's attention.

In these troubled times, there is someone who can lead us into the path of understanding and avoid a third world war. I refer to the Vatican, the heart of Christendom, where, following the example set by Great Britain and several other countries, we should have an ambassador.

Many diplomats, even those who object to such relationships on purely religious grounds, admit, in private, that in no other place is it possible to obtain so much accurate and detailed information. From every corner of the globe some 2,000 reports reach the Vatican weekly. They are forwarded by some 3,000 archbishops and bishops and 300,000 priests. Such reports, especially those coming from eastern Europe by secret channels, are the best source of information to be found anywhere.

The church uses this source of information to defend itself against communism and to foster the growth of catholicism the world over. On the basis of such data the Vatican radio is able to furnish its listeners with day and night highly interesting broadcasts in 16 different languages. Russia, Czechoslovakia, Poland and other communist countries favour the Vatican radio with as much attention as the "Voice of America" by jamming the messages sent by the church to its faithful.

A large number of those reports are not published, but diplomats accredited to the Holy See have access to them in certain circumstances.

May I therefore express the hope that, following the lead set by other countries, our leaders will send an ambassador to the Vatican.

I wish to point out too that the people of my constituency were disappointed when they noted that the speech from the throne makes no reference to the adoption of a national flag. At a time when our part in the international sphere takes on added importance from day to day, it is regrettable for our fellow countrymen abroad and for ourselves that we should still be without that symbol around which we

could rally and which would do a great deal to maintain our patriotism and the national unity so necessary to its full expression.

I dare hope that the government will very shortly review its policy in this respect.

(Text):

Mr. J. W. Noseworthy (York South): First of all I want to join with the hon. member for Rosetown-Biggar (Mr. Coldwell), the hon. member for Peel (Mr. Graydon) and the hon. member for Peace River (Mr. Low) in expressing my appreciation of the opportunity of having attended the United Nations as parliamentary adviser from one of the opposition groups. I want to endorse what the hon. member for Peel has said regarding the opportunity that was afforded to us as members of the opposition groups to participate with the Canadian delegation in the daily discussions of the program which was to come before the various committees of the United Nations during that session.

I am confident that the practice followed by this government in giving the opposition groups those privileges will help to win support and unity in this house for our policy against any aggressor nations. I should point out, however, that our appreciation is none the less sincere because in our subamendment, moved by the leader of this group, we take issue with government policy regarding the United Nations aggressor resolution.

One of the glories of a democracy as distinguished from totalitarianism is that we have the right and privilege to disagree with the government, or the party in power, according to our conscience and our light. I think that what the hon. member for Peel said regarding the fact that we were free as opposition members to approve or to disapprove of government policy during the discussion periods is exemplified in the fact that some of us who were members of that delegation are now taking issue with the government.

Quite rightly, Mr. Speaker, the speech from the throne indicates that our chief concern in this session must be directed to the international crisis with which Canada, along with the rest of the free world, is faced, and with matters that are closely related to that crisis. The Secretary of State for External Affairs (Mr. Pearson) gave us a review of that crisis which faces the free nations of the world, and he laid down certain general principles which, in his opinion, we should follow in meeting that crisis. On the whole I am confident that hon. members, and the country generally, will agree with these general principles which were laid down by the Secretary of State for External Affairs. We all appreciate his awareness of that crisis and his intelligent understanding of it. I might add, we have to await pronouncements from other departments of the government before we can assume that all departments of the government, and the government as a whole, are as fully aware of the crisis as is the Secretary of State for External Affairs.

This evening the Minister of National Defence (Mr. Claxton) outlined to us the government's policy of preparedness for meeting that crisis. So far as I was able to follow the minister, I assume that the government policy is as follows. First of all, we are to prepare to defend our own shores in case of an attack. We are to prepare to go to the assistance of our allies of the Atlantic treaty in case they are attacked. We are to prepare to go to the assistance of the United Nations when called upon, to stop aggression anywhere. Finally we are to prepare for the eventuality of a total war. That policy I am confident will have the fullest possible support of every member in the house, and of every political party here represented. Moreover, I am confident it will have the support of every loyal Canadian who wishes to see democracy survive in our country.

The question uppermost in the minds of Canadians today is whether or not we can contain communism without a global atomic war. Canadians do not want to find this country overrun by communists. Canadians do not want to be obliged to live in a communist-controlled world. They do however want to avoid war, if that is possible. It is the hope and prayer of millions of Canadians that communism can be halted without having recourse to such a war. It is the achievement of that objective which is the primary responsibility of governments and diplomats of the free countries of the world. To achieve that objective these governments and diplomats will need the support of the peoples of the countries they represent.

I think we dare not accept the inevitability of war. The mere acceptance of the inevitability of war may very well make war itself inevitable. We are living today in a revolutionary period—probably the greatest revolutionary period in all human history. Tides of revolution are sweeping across the world today. They can no more be stopped than can the tides of the ocean. Nor are those tides of revolution caused necessarily by communism. Without communism, without the threat of Russian imperialism, we would still be faced with these revolutions throughout the world.

The world order as we have known it for the last century is being swept away. A new world order is in process of being born. Whether that new world order is to be communism, or whether we can adjust our democratic society to meet the needs of the

peoples of the world, and thereby avert conquest of the world by communists, depends I think upon how speedily democracy can adjust itself, and whether it can adjust itself to meet those needs speedily enough to stop the march of communism.

Eventually we may be forced to have recourse to war—even to atomic war. I cannot for one moment believe that the democratic nations will forgo their freedom and surrender to totalitarianism any more than they were willing to surrender to totalitarian fascism and nazism, without fighting to the bitter end with every weapon at their disposal.

If there is one rallying call that should ring throughout the free world today I would say it should be, "Free peoples of the world, unite! You have nothing to lose but your freedom." Free peoples everywhere will rally to the cause of democracy and, if necessary, fight for it. If the newly freed peoples of Asia, and those who have not yet received their freedom, are to line up on the side of the western nations in the conflict, then democracy as we know it today must do a good deal of housecleaning. In fact, our one hope of saving democracy, either with or without war, lies in the speed with which democracy can bring about those necessary reforms within itself to meet the growing needs of the people of the world today.

Certainly communism is not the answer to those crying needs. Communism is not that good life for which the peoples of the world down through the ages have been seeking. It is not the answer to the revolutionary cries of Asia, Africa and other parts of the east. If communism is not the answer, neither is capitalism. When I refer to capitalism I mean capitalism as it exists on this continent, capitalism as the peoples of Asia have known it for almost two hundred years.

If some of the free nations today which are prepared to spend billions of dollars and millions of lives in defence of democracy would cease to confuse democracy with capitalism as it existed in the past, and be concerned more with democracy per se, in my opinion their task would be easier and their success more assured. Today there are millions of people in Asia and elsewhere who could be induced to fight for democracy. Millions of those people have very little incentive to fight for the type of capitalist democracy they have known over the past centuries.

All parties in the house are agreed that in this crisis the free nations must arm themselves. They must be prepared to fight in defence of their freedom, if that becomes the only alternative. While we all accept that premise, I believe we are agreed that it would be preferable to avoid war if at all possible, on the theory that communism can be contained without war, and that, given time, democracy may be able to demonstrate its advantages over communism as a way of life, not only to those who live in the non-communist world but to many of those who live in parts of the world now dominated by communism.

That leads us to consider the question of negotiation with Russia. I do not believe for one moment that a general peace agreement, implying agreement on all outstanding problems, is possible with Russia. As far as I know, only one man in history has ever succeeded in making an agreement of that kind with Russia, and that was Hitler. Hitler was able to do so because he shared Russia's taste for dividing the world into spheres of influence. I cannot conceive that the United States or other countries in the United Nations will ever be willing to participate in such a horse-trading deal.

While negotiation for general peace may be impossible, that does not rule out the possibility of negotiation for peace or of agreement within limited areas. It does not rule out the possibility of maintaining an armed peace or armed truce with Russia. The idea of an armed peace is not new in history. Europe lived under an armed peace for forty years between the time of the Franco-Prussian war of 1870 and 1914. Granted such a truce is unstable: we know that the armed truce to which I referred eventually led to war in 1914 and any armed truce that we may achieve with Russia may eventually lead to war.

But our best chance of survival is to secure time in which the free countries of the world may not only equip themselves to withstand Russian aggression but be able to adapt themselves to the needs of the people and win support from these millions of Asiatics. Today we are engulfed in a cold war that may last for a generation. Armed peace is not war; it is not necessarily a cold war. It implies a settlement of differences in limited spheres by negotiation, even though the negotiators may parley with atom bombs in their hands. It does not imply commercial or cultural boycotts of nations; it is possible with intense trade and cultural contacts.

I think we are getting on dangerous ground if we accept and become guided by the belief that an atomic war is inevitable, that because communism is our enemy, communism must be blasted from the earth here and now by atomic bombs and the sooner we undertake it the better. That school of thought has a great many supporters in this country and in the United States, in fact far too many supporters. The adoption of that philosophy

must lead eventually to a war of annihilation that will set civilization back on its heels for centuries. Those hon. members who received and read copies of the editorial that appeared in *Maclean's* magazine of January 15 will recall what was said about the possible results of a world war against communism at the present time. Whether we lose such a war, whether we win it or whether it draws to a stalemate, at the conclusion of that war we shall be looking straight down the gun-barrels of world war IV.

War will not wipe communism off the earth; it will no more solve our problems than did world war I or world war II solve the problems of those days. It is on that account that today millions of people are praying that our government and our diplomats may be able to guide us through this period of crisis, may be able to help us withstand the onslaught of communism, may be able to help us to contain communism or to defeat aggression without having recourse to such a world war.

Nevertheless, as I have indicated before, I think as a free people we must be prepared to meet force with force. Above all we must not permit ourselves to be pushed into such a war until we have exhausted every intelligent and honourable means of averting it. Because of the shift in world power which resulted from world war II there has been created a great power vacuum in Europe. Today we find Russia and the United States, two great world powers, vying with each other to occupy that vacuum. Capitalist America and communist Russia are fast dividing the world into two camps and each is seeking allies wherever it can.

The most potential allies that either side can find will be the Asiatic countries. Possibly not from the standpoint of military power, but in the long conflict between communism and democracy, whichever side the 800 million people in Asia choose to throw their weight toward, that side will eventually win. In the struggle for the alliance of Asiatic countries Russia has a great advantage over the western world. For two hundred years these countries have experienced life under western rule. The history of western nations in Asia does very little to win them friends there at this particular time. On the contrary, Russia was not a colonizing country during the nineteenth century. So far as colonies in Asia and Africa are concerned, Russia has no past. She finds it much easier to appeal to the imagination and the needs of the Asiatic people than do the western countries today. As a matter of fact I think we can agree that today the sins of capitalism in Asia are coming home to roost. Today we are paying for the sins of the past.

Faced with a revolutionary Asia, we have Russia, a great imperialist power, always on the alert, always ready to avail herself of any opportunity to foment trouble, to make the road of the democratic countries difficult and to undermine their influence. As the hon. member for Peel (Mr. Graydon) said this afternoon, they are always on the alert to put the nations of the free world in the international doghouse. That, taken together with the fact that Russia has not the past that the western nations have in Asia, enables us to realize the colossal task facing the western world today if it is to win the support and allegiance of those countries.

I mentioned the fact that democracy must do some housecleaning. We have in Canada a very great degree of political democracy. It has been won for us throughout the centuries by our forebears. We appreciate the freedom of our democratic institutions. We have achieved a considerable degree of economic democracy. The sphere of economic democracy has been widening and increasing with the years. We have in this country and on this continent a considerable degree of industrial democracy. Trade unions are able to participate through collective bargaining in the planning and determining of the policies which industry shall follow. Most of the countries of Asia have very little knowledge of political, economic or industrial democracy. In addition to political, economic and industrial democracy we need to take ethnic democracy to them. The day when the white race can consider itself master of the universe, master of the world, is past. If democracy can reform itself, if we can be given time, we may well be able to avoid global warfare, and we may be able to retain and improve democracy in this country and in other countries of the world.

On motion of Mr. Noseworthy the debate was adjourned.

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

HOUSE OF COMMONS

Tuesday, February 6, 1951

The house met at three o'clock.

EMERGENCY POWERS ACT

PROVISION FOR ORDERS AND REGULATIONS DEEMED ADVISABLE FOR NATIONAL DEFENCE AND SECURITY

Right Hon. L. S. St. Laurent (Prime Minister) 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 empower the governor in council to do and authorize such acts and things, and make from time to time such orders and regulations, as he may by reason of the existing international emergency deem necessary or advisable for the security, defence, peace, order and welfare of Canada subject to the restrictions enumerated in the said measure.

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.

UNITED NATIONS

KOREA—INVITATION TO MR. PEARSON TO SERVE ON GOOD OFFICES COMMITTEE

On the orders of the day:

Mr. Gordon Graydon (Peel): I should like to direct a question to the Secretary of State for External Affairs. Has he made a final decision with respect to acceptance or rejection of the invitation extended to him by the president of the general assembly of the United Nations to serve on the good offices committee with respect to oriental problems?

Hon. L. B. Pearson (Secretary of State for External Affairs): Along with the delegate for India at the United Nations, Sir Benegal Rau, I was asked by the president of the general assembly if I would serve on that committee. The president, Sir Benegal and I had constituted, as hon. members know, the cease-fire committee. I believe Sir Benegal Rau has indicated that he would be unable to serve on the good offices committee. Therefore I informed the president that in view of Sir Benegal Rau's inability to serve possibly it would be better for him if he selected two new persons. However, he has asked me to reconsider the matter, and at the present time I am reconsidering it.

NATIONAL DEFENCE

QUESTION AS TO OPPORTUNITY FOR EXAMINATION OF EXPENDITURES

On the orders of the day:

Mr. W. Ross Thatcher (Moose Jaw): I should like to direct a question to the Minister of National Defence. Can the minister say whether members of the house, particularly opposition members, will have an opportunity to examine in detail during this session the defence expenditures which he enumerated last night, either in the public accounts committee or in any other parliamentary committee?

Right Hon. L. S. St. Laurent (Prime Minister): I think I should probably answer the hon. member's question. There will be an opportunity for hon. members, including the members of the opposition, to examine in the public accounts committee all the expenditures that have been made. If the question refers to the estimates for future expenditures, there will be opportunity in the committee of supply to discuss these in detail.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Monday, February 5, consideration of the motion of Mr. W. H. McMillan 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. Drew, and the amendment to the amendment of Mr. Coldwell.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, so many avenues of information, which are available to members of the cabinet, and particularly to the Prime Minister (Mr. St. Laurent) and to the Secretary of State for External Affairs (Mr. Pearson), are closed to private members of this house that it is with some diffidence that they approach the question of foreign affairs. But it is no mean thing to be a free member in a free parliament, and to be able to exercise the freedom of speech which we enjoy. So far as I am concerned, my wish is that we may long cherish and preserve it.

Now, sir, it has occurred to me that every day the world grows smaller. As nations we live upon one another's doorstep, and we have not yet learned to do it in amity and in mutual understanding. The very closeness of

contact which makes that difficult makes war global and the more disastrous. Its instruments can reach us without warning, overnight.

In our lifetime we have seen two wars, and many hon. members of this house have taken part in one or both of them. I think most of us have seen our sons—and some have lost their sons—in one of them. But even at that, we on this continent have no experience of the horrors of war as they have come to certain European nations: the horrors suffered by countries like Germany, France, Britain, Korea, or Russia—just to mention a few. We cannot hope for such immunity in another war. Thus it is the belief of every member of this house that the greatest problem of our day is the preservation of world peace. We wish for it devoutly, and indeed I think the peoples of every nation wish for it devoutly; but in spite of that we seem unable to settle our differences, and we drift and drift to what may be ultimate self-destruction. Indeed, the very instruments we create for the settlement of disputes appear to emphasize the differences rather than the agreements in the opinions of men.

I think the greatest deterrent to a condition of peace is the present division of the world into two and only two camps, built around two powerful nations—two great magnetic poles, as it were, attracting into their orbit all other nations, for ideological, economic or merely geographical reasons. Between the two is a great gulf fixed, and there seems no middle road. The fact that one of these powers has retired in surly reticence behind what we call the iron curtain, and does not permit its own people free intercourse with the western world, has added to the mutual fear and suspicion, as indeed have some of the ebullient and boastful statements of certain irresponsible people in the other.

In the state system which used to obtain in Europe, when a number of strong nations were divided into two camps, Great Britain, then a great world power, often achieved the preservation of peace through exercising what was commonly called the balance of power. The last war relegated Britain to a sphere of comparative unimportance, the status of a weak nation in comparison with either the United States or the U.S.S.R. Her voice at worst has been hushed by economic conditions, and at best has lost some of its authority; alone she cannot be a restraining influence. But in association with the other members of the commonwealth, Britain could be again a potent force in the preservation of world peace. Could she rally about her, as she did of old, the other component parts of what was known as the British empire—Canada, India, Australia, New Zealand and the other countries which comprised that empire—then the strength which would be in such unity might yet be a sobering influence upon any nation which, drunk with its own power, might contemplate disturbing the peace of the world.

I come now to the question which has been disturbing us of late, namely, Korea and the Chinese intervention there. The hon. member for Winnipeg North (Mr. Stewart) said the other day, and better than I could have hoped to do, many of the things which have exercised my mind.

We as Canadians have had little experience in dealing with the people of Asia. We must remember that a revolution is taking place, not only in Korea, not only in China, but in all the countries of Asia. There is an intense desire on the part of these people to get rid of the exploiter, or foreigner—so far as many of them are concerned the terms are synonymous. While Americans are apt to blame the communists for all these troubles, the fact is that the ideological issue means little to the masses of those people. The demand is for bread, for equality, for a place in the sun, for a better way of life, for self-determination. The day will come, and perhaps before long, when the Asiatics will decide to run their own affairs and foreigners will have to give up their control or be forced out. We who fought a war in 1914-18 for self-determination of small nations and for democracy in general would find ourselves at a loss for good arguments against such a course.

The Labour government of Britain, a country old and wise in the ways of diplomacy, picked the psychological moment for retirement from India, and in such a way as to leave behind mutual esteem and good feeling. It is to be hoped that the present difficult negotiations will in no way interfere with that happy state of affairs.

The happy facility of the British in diplomacy does not appear to extend to our American friends. They are a fine and friendly people; they are splendid neighbours, as we have good reason to know; they are generous to a fault; they believe, as we do, in political freedom, but having said that, I must say that in my humble opinion they have made mistake after mistake in their dealings with Korea and China. It is easy for Asiatics to misinterpret their good intentions.

Since I am speaking in support of our amendment, which declares that the action

of the Canadian government in declaring China an aggressor was premature and unwise, I shall give as background a record of some of the mistakes.

For example, the Chinese people think of the United States as the nation which opposed their emancipation from the dictatorial and corrupt regime of Chiang Kai-shek, supplying him with arms which prolonged the civil war and resulted in thousands of deaths and in untold hardship to the Chinese, including their women and their children. They think of the United States as the nation which protected that leader in Formosa, the declaration of Cairo notwithstanding—a declaration to which, incidentally, the United States was a signatory.

The United States has consistently refused to recognize China and allow her to be seated in the council of the nations. That is a responsibility which the government of Canada must share, but one which this C.C.F. party does not share, since it has consistently advocated recognition, while repudiating the communist philosophy of the Chinese government.

One might argue that our present quarrel with China might never have arisen if she had been so seated in the United Nations, but the time to prove that is now past. When we consider the Korean sphere, the failure of the United Nations forces to halt at the 38th parallel would certainly be misinterpreted by many Chinese. The other day the minister simply and aptly described that line as the Rubicon. History tells us that while the crossing of the Rubicon was to the immediate advantage of Julius Caesar, it was the cause of his ultimate downfall. While it might have appeared necessary from the military viewpoint that General MacArthur should not stop at the 38th parallel, we thought that certainly he should have stopped very soon thereafter. That would have been a good time to call a cease-fire; that would have been an opportunity for what the Secretary of State for External Affairs quoted Mr. Churchill as describing as magnanimous appeasements, and a gesture of conciliation based on strength rather than upon weakness.

Apparently the minister was as much surprised as the rest of us, and as much surprised as were the Chinese, when the American general, on whose responsibility we have not learned, ordered that victory march right up to the Manchurian border. Can hon. members put themselves for a moment in the position of the Chinese on that occasion, crouching on the banks of the Yalu river? Most of those people are not learned in diplomacy. They know little or nothing about foreign affairs. I am sure most of them know nothing about the cause for which they are fighting, but they do know what it means to protect their homes. I ask hon. members to put themselves in the position of those common men of China, crouching there on the muddy banks of the Yalu, and watching the approach of that vast foreign army. What must they have thought? What would hon. members have thought had they been in that position?

Well, if we do not know what they were thinking, at least we know what they did. Even as they drove us toward the sea, we still refused to admit them to the only council in which we could talk with them as equals. Rather it stiffened our resistance, and we demanded that they appear not for consultation but for condemnation before a court to which we had consistently refused their admission on equal terms. Simultaneously we asked them for a cease-fire. What would hon. members have answered, had they been the Chinese, in the light of the background I have just described?

I have mentioned foolish and irresponsible statements on the part of Americans, which did not make for reassurance in the minds of the Chinese. There were:

1. The famous Truman statement, later qualified, but undoubtedly expressed, to drop the bomb on China.

2. The home-for-Christmas declaration of MacArthur, and the drive for the Manchurian line.

3. The speech by an individual American in a responsible position about wiping communism out of all Asia.

4. The threat to withhold United States wheat from the starving people of India, because of a difference of opinion between the United States and India on a phase of the Korean situation.

5. The general tendency for the United States to allow certain prominent American military men to make political statements, if, indeed, not to dictate American foreign policy.

A casual observer might be tempted to think, from all these things, that the United States was deliberately trying to provoke a war with China. I do not believe that for one moment, but I do believe the American foreign policy is panicky and vacillating. We in Canada must be no mere satellite to anyone. I am aware of the coincidence of our opinion in many things with that of our American friends. I am aware the time may come when we may be very dependent upon their good will and very thankful for their strength and assistance. But I believe that at this time any blind subservience to their foreign policy on

those accounts would negate the whole principle upon which the United Nations is based.

We should—we must—have an independent foreign policy. We must not be dragged into a war against China, where our forces would be dissipated and we would be left helpless to defend our country, if that need should arise.

I do not believe that this upsurge of Chinese nationalism is necessarily favourable to Russian-Chinese alliances. There are many points of difference. They have totally different cultures. But we have done much to cement such an alliance. We have thrown the Chinese people into Stalin's arms; we have provided him with a great propaganda weapon by slapping the Chinese, not on one cheek but on two. At least in words, Stalin has befriended them and in my opinion we have played right into his hands.

Someone will say that some of the statements I have made today have been made before by Canadian communists. That may be so. Those people have spoiled many good causes by their very advocacy of them. They have certainly hurt the cause of peace in this country, to the extent that their screaming for it has rendered it unpopular. But I shall not fall into the trap of deviating from my beliefs, or my expression of them, because of what communists may think or say or do. That method has been only too successful in certain quarters in the past.

On the whole question I have come to certain conclusions, among which are the following:

First, the restoration and preservation of peace by agreement among the nations is at the moment the important thing. The saving of face is not the important thing. I am mindful of what war has done to the Korean civilian population. Liberation has been expensive for them, and it could happen to other populations. Let us get on with the negotiations.

Second, I do not believe that attack upon us is inevitable or, indeed, likely; but machinery, preferably under the United Nations, to prevent aggression, will have to be maintained. As long as part of the world is shut off from us and there is consequent darkness and mutual suspicion, we shall have to build our defences, lest our very helplessness may provoke such attack upon us. In the meantime it must be part of our task to allay the suspicion and fear that now exists, so that disarmament, the ideal condition, may at least become possible in our time.

Third, eventually, and soon, we shall have to abandon intolerance and ideas of racial superiority. We shall have to admit the equality of human beings as such; we shall have to admit the right of Asiatics—nay, of people everywhere—to control their own destinies.

Fourth, just as a loss of freedom in one part of the world is a threat to freedom as a whole, so hunger and poverty and injustice anywhere should be the concern of all.

Fifth, to this end we cannot expect forever to maintain our high standard of living while there are millions who have never had enough to eat. We shall have to learn to give, and to give without hope of return. We shall win friends, and we shall only win friends when to our gifts there are no strings attached, either political or military.

Finally, the opinion that I expressed before, that a third force in the world might have a moderating and restraining influence on world affairs, indicates that by mutual aid and co-operation we can strengthen the ties of friendship that exist between the members of the commonwealth.

I have not resisted the temptation, as did the hon. member for Calgary West (Mr. Smith) in his touching address the other day, of prescribing for the ills of the world. What I have said has been a background for my support of the C.C.F. amendment to the motion for an address in reply to the speech from the throne. I believe that the condemnation of China as an aggressor at this time is a mistake. It is without meaning; nay, it makes a laughing-stock of the United Nations, unless it is followed by sanctions or other punitive measures, which could lead only to retaliation and then to open war with China.

As it is, I believe that public condemnation at this time is a mistake in that it may close the door on negotiations, may keep China indefinitely out of the United Nations, and may widen the already existing breach with Asia. The C.C.F. amendment suggests that the Canadian government made one mistake in branding China as an aggressor at this time. I urge that it do not now make a second mistake in agreeing that sanctions be applied against the same nation. That course may be the next step that the United States may advocate, but in my opinion it would close the door to peace with China and might lead, in progressive steps, to the world war which we all wish to prevent.

Mr. David A. Croll (Spadina): Mr. Speaker, in the few months since we last met, many things have happened, some inspiring and some discouraging. As tension grows between east and west we in Canada seem to find ourselves in a perpetual crisis. On every side we are beset by dangers and obstacles which are not of our own making, and about which

even we can do very little. In the midst of this dark and confused picture I feel that the highest tribute should be paid to the Canadian people for their calmness, their good sense and the unity they have displayed under all circumstances. By comparison with other countries, the people of Canada have borne themselves admirably.

By the understanding and patience of the people, the government's contribution to world peace has been made effective. We are not a house divided. I feel that the government is entitled to a full measure of support because of the manner in which it has handled international problems. If any one man is to be singled out for special attention he is the Secretary of State for External Affairs (Mr. Pearson). Time and again he and his assistants have shown a faculty for doing the right thing when Britain and the United States have differed on questions of policy. Too few understand his difficult position. He is trusted by both the United States and Britain. He has to explain one to the other. He has to help compose their differences. He has always been the bridge between the United States and the commonwealth—and I do not mean a Duplessis bridge.

Canada's contribution to the cause of world peace has been a significant one. For that, as I have already said, the government is entitled to full credit. I heard it said the other day, by a man who should know what he is talking about, that we have in Canada 14 million of the most influential people in the world. The minister of external affairs, as Mr. Canada, is making this country's voice heard and influence felt at the council tables of the world. I think this house will fully agree with me when I say that he is doing a superb job, and that he has in large measure captured the imagination of the Canadian people.

I think we have reached our present position in Korea because the United States in particular has refused to permit the actual government of China to take its place in the assembly. I have felt that for a long time, but there is nothing we can do about it at the moment. The criticism has been made in this house that, by voting for the United States resolution branding China as an aggressor, Canada helped to shut the door on a peaceful settlement of the Korean war. An examination of the cold facts indicates that there is no validity in that argument. The door to understanding has not been slammed; it has not been shut; the door is wide open today, and there is a welcome mat on the doorstep inviting China to come in whenever she so desires.

There is no doubt that Canada did not welcome this kind of resolution, feeling that the prospects of settling not only the war in Korea but other important Far Eastern problems would be increased by exploring all other avenues before naming an aggressor. But once the resolution came before the United Nations this country could not do anything else in good conscience; we could not vote against the resolution. We merely called truth as our witness and acted accordingly.

There can be no denial that there was aggression. These volunteers came fully equipped with jet planes and tanks. There was a definite act of aggression, and Canada voted accordingly. But what the minister of external affairs did before the first political committee of the general assembly has been to some extent neglected by this house and has been hardly understood in the country. He understood full well that a tough United States resolution would result in a splitting of the unity of the free world. He bent his efforts toward achieving two objectives: First, the softening of the United States resolution to emphasize negotiation and place the punitive aspect in a secondary position; second, to persuade the United Kingdom and other nations that if this modification took place it would remove the barriers in the way of a yes vote. How successful the minister was is shown by the vote in favour of a greatly modified resolution.

If the United Nations is to serve the high purpose for which it was created, it is of vital importance that unity be shown in the face of a world threat to freedom. What else could Canada do? This country did not, as some suggest, play along with the United States because there was nothing else we could do. In his powerful address before the United Nations the minister described the resolution as premature and unwise. But, having said that, he did not depart from consistency when he said that Canada would vote for the resolution because this country could not disagree with the paragraph thereof which condemned communist China as an aggressor.

Let us not fall into the fatal error of believing that aggression will become more widespread because we face the realities of the world situation. If all our problems and confusions are to be resolved not by negotiation of differences but by force against force, then we must equip ourselves to the full, not only in a military sense but also in a spiritual and moral sense. We have made our position very clear to the Chinese communist government. We have left no doubt in their minds and in the minds of the Russians that the days of appeasement have

disappeared with the realization that appeasement breeds the very aggression it seeks to halt. In future we intend to lead from strength.

If the Chinese government reacts to this resolution as Chinese rather than as communists, they will regard the condemnation as involving loss of face. It will be a blow to their pride. This is serious, but it is not insurmountable. They can be made to understand that the very basis of the United Nations made necessary such action by the sixty nations represented therein. On the other hand, if they react as communists—and it appears that is what is happening—then they will shout and bluster; they will threaten one day and change their tune the next, as may suit their particular purpose.

It must be becoming very clear to the Chinese communists that they are not going to attain their ends by force. If they want to be given a seat in the United Nations—and that is what they desire above everything else; if they want to replace the pigmy nationalist segment that is there at the present time, then that can come to pass only by the settlement of the Korean and other Far Eastern problems on a basis acceptable to them and to the democratic world. When the time comes to revoke the resolution of censure and admit China to the comity of nations, we shall of course act accordingly.

We in this house are in a fortunate position in that we can second-guess the government and play Monday morning quarterback. After the government has made a decision we are in a position to pass judgment on it. I said earlier that our great strength was our unity. We have had a full discussion of this matter. It has been complete, and it seems to me that discussion is one thing and voting is another. After all, the differences among members of the house with respect to the particular policy expressed in the amendment is a trivial one. I think it should not be exaggerated or magnified in order to indicate that our differences are greater than they actually are. When the time comes I hope that we can avoid a vote on the amendment.

I should like to deal with another matter, arising out of the statement made yesterday by the Minister of National Defence (Mr. Claxton). It was a clear, concise and convincing statement of what the world of tomorrow may be like from Canada's point of view. He emphasized that we are committed under the North Atlantic treaty to do our share in the common cause; that we will stand together. Then he went on to translate that to mean that we shall be sending Canadian troops to serve in the European army to be commanded by General Dwight Eisenhower. In that adventure we shall be full partners. Therefore it will become our duty to apply ourselves with others to the most perplexing question of Germany and German rearmament. Today for the first time Canada will be asked to help to find the answer to the German problem. It is a very old problem, and one which apparently must be answered by each generation in turn. During all my adult life we have been either arming Germany or fighting Germany.

All these decisions need to be taken in the light of the east-west cleavage, which is a real one. It is deplorable, but it is a fact and all our international thinking must be predicated on that fact. There are two important aspects of the question of German rearmament; there is the need, and there is the danger. First let me deal for a few moments with the need.

A good case may be made out for German rearmament. From a military point of view it may be a regrettable necessity. Nevertheless we must approach with the greatest caution the whole question of rearming Germany, and with the memory still vivid of what an armed Germany cost the world in blood and tears not so many years ago.

In girding ourselves against the threat of communism let us remember that not so long ago we regarded fascism as just as deadly a threat to our freedom. Therefore in putting arms into the hands of a people who still regard Hitler as having been unlucky rather than a scoundrel, let us take care that we do not create a Frankenstein as evil as the one hovering over the free world today from behind the iron curtain.

The existence of an armed east German force has doubtless been a factor in the decision of the Atlantic powers to consider the creation of a west German army as a part of an integrated European army. We may have to permit the rearming of western Germany precisely to the extent that the Russians arm eastern Germany. However, if we must rearm Germany on the advice of our military commanders, then there must not be moral disarmament. The west has already lost more than half the continent—a good deal of it by default, some by delay, but far more by appeasement. If we are to hold what little is left of Europe, as I believe we shall, we must make up our minds on certain fundamental issues. If Europe will defend itself, then we must be prepared to extend a very large measure of support when and as required. In his report General Eisenhower says there is a will and a desire on the part of western Europe to defend itself, and we are joining with them in this common undertaking. I

see no reason why we should not accept his assurance; but the statement he made on his visit to Germany, in which he suggested that we "let bygones be bygones," is not so reassuring. It seems to me that statement could well be construed as an apology for fighting against them the last time, or as an apology for the defeat we inflicted upon them. That sort of talk encourages the worst elements in Germany.

If it is decided that under the circumstances there is need for a strong Germany, that brings up the question of the danger of a strong Germany. History is too fresh in our minds for us to forget what happens when Germany becomes strong. Can we afford to chance it again without adequate precautionary measures? It is all very well to say that we are dealing with a different Germany, but are we? I believe we are still dealing with a people who are undemocratic and unrepentant, who consider themselves unfortunate, and whose chief object at the present time is to figure out the winning side and get on it. They think they can make a deal on rearmament, to the point of getting themselves out of the doghouse, and they believe we must agree on their terms. I remind the house that the west built up a democratic Germany in the twenties, only to find itself with Hitler's Germany on its hands in the thirties.

We are fighting communism today on a world-wide scale, with all our strength and resources. In doing so, however, we must make sure we do not bring back a form of fascism. I am not concerned with the question whether communism and fascism are the same or different. One thing basic to both is that they are living denials of human freedom and decency, and we are unalterably opposed to both. That decision must be irrevocable. Let me remind the house of a declaration made just five years and two days ago at Yalta:

> "It is our inflexible purpose to destroy German militarism and nazism, and to ensure that Germany will never again be able to disturb the peace of the world . . ."
>
> Germany was to be permitted no armed forces, no general staff, no military equipment; nazi and military elements were to be "removed from public offices and from the economic life of the German people"; German industry that could be adapted to war production was to be dismantled or placed under international control. "Only when nazism and militarism have been extirpated" would Germany be received into the comity of nations.

As I have already indicated, I am content to leave the handling of external affairs to the Prime Minister and the Secretary of State for External Affairs who have shown themselves to be statesmen in the broadest sense of the word. However, I do say that in approaching the German problem we must not let the need to rebuild and rearm Germany blind us to the inherent danger involved. Nor are our fears allayed when we read of the reappearance on the present scene of left-over and warmed-over nazi generals, and some of the manifestations of fascism. Ex-German generals, former nazi leaders and war criminals are starting to roll off the allied amnesty assembly lines like Fords in Windsor. The recent action of the United States and British military in releasing large numbers of convicted criminals makes the war trials appear a farce, almost a scandal. The French, who know the Germans best, have not done any releasing. They know full well that when you give a German a gun he immediately starts marching towards the French border.

A report in the Montreal *Gazette* of February 1 indicated that the Americans and British had made a general release of various convicted persons. The Americans had set free thirty-three, had shortened the sentences of thirty-six, and were reviewing the sentences of more than four hundred others. The British were reviewing the sentences of some two hundred and forty. For reasons of their own the French confirmed the sentences of all their prisoners, and were not reviewing any.

One of the men released was Alfred Krupp. I wonder if the Germans will rejoice at his release, so that he can start again to make munitions for them. It is interesting to see the British reaction. The pro-Labour *Sunday Pictorial* had this to say, as quoted in the *Globe and Mail* of February 5:

> They opened the gates of a German prison yesterday, and they turned loose a man with blood on his hands . . . the blood of British soldiers, of Russians, of Americans and Frenchmen, of Poles and Dutchmen and Belgians; the blood of millions . . .
>
> Who can believe that Alfred Krupp has any contribution to make to the problems of the present-day world?
>
> It is a slap on the face for human decency that he is free today . . .

The Laborite *Reynolds News* also had something to say:

> Times have apparently changed. Does murder cease to be murder when political circumstances change? Is Krupp, who starved and ill-treated in his factories thousands of helpless victims drawn from prisoner-of-war camps or seized as slaves . . . less guilty in 1951 than in 1948?

Then Lord Beaverbrook's *Sunday Express* carried a cartoon showing monstrous-looking war criminals filing out of prison. A sign on the wall said, "Please collect your weapons and cash on the way out." A British soldier is telling an American: "Now I suppose they will have us in court for wrongful imprisonment." Another newspaper carried an even more cutting cartoon showing two United

States military policemen translating for a cringing nazi general, and one of them says, "He wants to know if he'll get his gas chamber back."

We in this country are having a little problem of our own. I notice from the press that Major General Kurt Meyer now wants to get out. He is tired of his confinement in Dorchester penitentiary. An article appearing in the *Globe and Mail* says that Meyer was originally sentenced to be shot, but the sentence was later commuted to life imprisonment. He was convicted in December, 1945, of responsibility for the deaths of eighteen Canadian prisoners of war at his headquarters in Normandy in June, 1944. The article goes on to say:

> The youthful general was said at the time of his conviction to be the personification of German national socialism.

I picked up an editorial in the Windsor *Star* of February 1. It has this heading: "Meyer wants out," and reads in part as follows:

> If it were not for counter-excesses allegedly committed by Canadian troops, S.S. Major General Kurt Meyer would now be dead, instead of appealing for clemency from Dorchester penitentiary . . .
>
> Public opinion will not take kindly to the idea of releasing him, although that would not be a reason to hold him if he could establish his innocence. It would be easier to argue that a man so dangerous potentially, as a rallying point for the worst German elements, should be kept in protective custody until that danger is past.

For our own safety, and in the interests of the west as against the east, we may decide that it is necessary and advisable to rearm Germany. But it must be on our terms. I make this further point. It is one thing to put arms into the hands of Germans to fight on our side and to be disciplined by us, but it is another matter to arm Germany in the way that she wants to be armed. I for one am not prepared to give Germany carte blanche in this matter. Either Germany is with us in the west wholeheartedly, or she is not in our camp at all. This is certainly no time for mental reservations, either on a personal or a national level. If we have any doubts about Germany's good faith, then the time to correct those doubts is now, before the wheels start moving; because once they start, I am not so sure that we shall be able to stop them again.

It is a mistaken view, held, I think, widely in this country, that the safety of the west depends upon German divisions. I would point out that the Germans are not the only virile people in Europe. Let me point out to this house some inherent dangers which must be considered by the government. It is possible that in rearming Germany we may start the Russians marching. The Russians have threatened that course on many occasions. It is a calculated risk, and it may be worth taking; I do not know. It is also possible that if we rearm Germany, and if she is confident of herself, she may well try the military adventure of conquering eastern Germany in order to bring about the unification of Germany. That is understandable. She may well commit us to a course of action for which we have no stomach and no desire. There is also the possibility, unless we are in full control of the situation, that she may decide, after being rearmed, that she will join up with Russia; then our boys would be facing the very weapons that we sent over there. This is not a fanciful suggestion, because twice within the last twenty-five years Germany has done just that. I think we must make sure, so far as we are able to do so, whether Germans will fight for French, American and British people against their own countrymen in eastern Germany. In this possibility another risk is involved. If we build up a German army under the guidance of people such as General Guderian or General Speidel, we shall be getting the only kind of army those people know, namely a replica of Hitler's army. Surely we should have no use for those shoddy, left-over German generals. In Europe the Germans are still distrusted and feared. There is great danger in the policy of supporting anything so long as it is not communistic. What is bad, rotten, outworn and hateful should be tagged as unworthy of our support.

There is in this country much anxiety and uneasiness over the talk of revival of German military nationalism. The German generals have a great responsibility to history. They supported Hitler in his endeavour to destroy democracy in Europe, and in the unspeakable massacre of millions of innocent men, women and children. They have in the past shown themselves to be congenitally untrustworthy. German rearmament is a matter that will be subject to negotiation at a high level. I plead with the government to go slowly in this dangerous German adventure.

Mr. J. A. Ross (Souris): In rising to take part in this throne speech debate, Mr. Speaker, may I first of all congratulate the mover (Mr. McMillan) and the seconder (Mr. Breton) upon the able manner in which they performed in making their maiden speeches in this house.

As to the speech from the throne itself, as has already been said it is rather vague and ambiguous but it does point out the grave danger of the international situation and the magnitude of the defence effort which necessarily has created an emergency situation. As to external affairs, we heard a detailed

account of events given by the Secretary of State for External Affairs (Mr. Pearson); and with respect to the amendment before this house as to external affairs, my colleague the hon. member for Peel (Mr. Graydon) I thought did an excellent job and made our position clear in that respect. Last evening we had a lengthy discourse from the Minister of National Defence (Mr. Claxton), in which he pointed out the objective of a three-year program. He stated that it was the desire to have at the end of three years 148,000 personnel in the services. That was a real challenge both to the human and the material resources of this country. As to the program announced last evening by the Minister of National Defence, forecasting 148,000 men in the services at the end of the next three years, I should like to point out that, on a per capita basis, that is less than half of the effort already put forth by the United States of America or by Britain. The United States of America, with a population eleven times that of Canada, has a target for June of this year of 3,500,000 men in the services. To match the United States, on a population basis, Canada's program should be 318,000 men. Great Britain, with a population three and a half times that of Canada, had 1,023,000 men in her armed forces last October. To match Britain, on a per capita basis, Canada's program should be over 285,000 men in the services. I think it is well that we should keep that fact in mind, because throughout this country it is difficult at this time to get information.

I agree with the remark just made by the previous speaker, when he began his address, in which he said that the people of Canada were to be congratulated on their level-headed thinking in these times. I can tell you that throughout the province from which I come the people are wondering what this is all about. The men and women whom I have met in the streets in the cities and towns and the farmers have been extremely anxious as to just what is taking place in Canada and are wondering what this is all about. They think they should have been receiving from the government much more detailed information than they have been receiving with regard to the expenditure of so much of the taxpayer's money, as to what it is spent for and as to what is required for the armed services.

The other day I received a copy of a newspaper article from a friend out on the west coast. It was taken from the *Daily Colonist* of January 14, and points out that the reserve army of Victoria is tragically undermanned. The city has only 580 men to defend it from attack. The article goes on to say that after a detailed investigation over 3,000 personnel are required for the units there. That picture is very true of the reserve forces of the province from which I come. I know it is true of the many organizations in this province of Ontario today. I would be surprised if it is not the situation with respect to the reserve forces in every province throughout Canada at this particular time. With respect to both the United Nations and the defence of this country, it is very unsatisfactory at this particular time.

Turning to another matter which has been mentioned in the speech from the throne, with respect to production, I wish to deal with the matter of the five-year wheat pool following the last world war, 1945-50, and the contribution made by the farmers to the consumers of Canada and of Great Britain, and the money now owing to these wheat producers by the government of the day.

If you will bear with me, Mr. Speaker, I should like to bring the record up to date, because again these people find it very difficult to know just what the score is.

In discussing the United Kingdom-Canada wheat agreement, the Minister of Agriculture (Mr. Gardiner) had this to say on August 14, 1946, as appears at page 4810 of *Hansard*:

> When we are at the end of the four-year period, if in the last six or twelve months we find ourselves in the position that world markets, so-called, are not offering as much for wheat as we are getting for it, I hope people will still stand behind us to the extent they are standing behind us now. Even if wheat stays above $1.55 during the whole period, I hope people will still feel that it was worth while trying. If we are successful in this experiment, then we can talk to the grain trade people with some assurance. If they are able to show us at the end of the five-year period that we were all wrong, that over that length of time the farmer got less than he ever got before under similar circumstances and that the other system would have brought him more, then we shall be in a position to discuss the matter with them on an even footing. I am sure anyone who has taken this position and finds himself wrong will be quite prepared to discuss it from that point of view. In the meantime we are convinced that this is the best thing for the farmer. As long as we are convinced of that, and having another four years in which to try it out, we can put the policy into effect in a way that will at least help us to determine how this long argument between farmer and grain trade in western Canada ought to be settled in the interests of the great masses of the people.

Then on August 15, 1946, as reported at page 4848 of *Hansard*, the minister put on record the details and terms of the contract. In one of the articles there is this statement:

> In determining the prices for these two crop years, 1948-49 and 1949-50, the United Kingdom government will have regard to any difference between the prices paid under this agreement in the 1946-47 and 1947-48 crop years and the world prices for wheat in the 1946-47 and 1947-48 crop years.

It is understood, of course, that the Minister of Agriculture received credit for having negotiated the deal at that time on behalf of the then minister of trade and commerce, the Hon. James MacKinnon. Then the Minister of Agriculture is reported at page 569 of *Hansard* of March 8, 1950, as follows:

What I wish to say to this house, and through the house to the country, is that the Prime Minister stated to the farmers that it was decided during the first discussion that every dollar the wheat pool was entitled to as a result of the British agreement would be paid into the pool by the end of this crop year, on the basis on which the British agreement called for the deliveries, and that therefore there would be no possibility whatsoever of any loss being taken by the farmers of western Canada as a result of that exchange. The money will be paid into the pool by the government of Canada and any loss which is taken—if any loss is taken; and we do not expect that there will be any—would naturally be taken by the treasury or by a settlement that we get from the British under the "have regard to" clause rather than by the farmers themselves. I thought it was necessary that that matter should be cleared away at this time in order that we may avoid discussion of the idea in the future.

And remember, the end of that crop year referred to was July 31, 1950.

In discussing the amendments to the Canadian Wheat Board Act on June 5, 1950, as appears at page 3221 of *Hansard*, I am reported as follows:

The Minister of Agriculture and the then Prime Minister repeatedly stated that the farmers who were making these sacrifices would have that taken into account for many years following the war. However, I take it there is to be no further settlement expected from Britain under that contract?

Mr. Howe: That is correct.

Then, as reported in the Winnipeg *Free Press*, and other daily papers, of January 24, 1951, just the past month, the following appeared:

Gardiner at federation of agriculture meeting in Calgary announced reopening of wheat payment negotiations.

He said before he left Ottawa he and Prime Minister Louis St. Laurent had agreed that he should make the statement at this time.

Under clause 2 (b) of the four-year wheat contract now terminated Britain had agreed that there should be an adjustment.

During the parliamentary session last summer Right Hon. C. D. Howe said that Britain considered the matter closed.

Well, since then we have had some questions asked on the floor of this house. On January 31 the hon. member for Battle River (Mr. Fair) asked the Minister of Trade and Commerce (Mr. Howe) the following question, as reported on page 7 of *Hansard*:

May I ask the Minister of Trade and Commerce when the wheat growers of the prairie provinces may expect the final payment under the five-year wheat pool, and whether the government has made up its mind what it will contribute toward making up the losses sustained by those farmers? If the amount has been determined, how much will it be?

[Mr. Ross (Souris).]

The Minister of Trade and Commerce replied as follows:

I am not able at this time to make a statement regarding the five-year pool.

Then the hon. member for Melfort (Mr. Wright) asked a question and the Minister of Trade and Commerce replied as follows:

I am not able to make a statement on that subject today.

I then asked the Prime Minister the following question:

If I may ask a further supplementary question, could the Prime Minister say whether negotiations have been reopened with the British government in regard to a final settlement of the United Kingdom-Canada wheat agreement and the five-year pool?

The Prime Minister replied as follows:

I will not say that negotiations have been opened with the government of the United Kingdom in that regard, but representations were made as to what I thought was the view prevailing throughout the wheat-producing provinces of Canada, in regard to the fulfilment of all obligations under the four-year contract.

It would be interesting for us to know what representations have been made because I would imagine that the head of the Saskatchewan pool is pretty close to the federal Minister of Agriculture. They have asked that a final payment of at least 15 cents a bushel be made. They do not give any formula; they refuse to set forth any argument as to why it should be at least 15 cents a bushel. The Alberta pool has always asked for at least 25 cents a bushel; so have the united farmers and other organizations of the three prairie provinces. Therefore it would be interesting to know just what representations the Prime Minister may have made to the authorities in Great Britain. However, that does bring this case fairly well up to date.

Then, when the chairman and members of the Canadian wheat board, and the Minister of Trade and Commerce who is the responsible minister for the operations of the wheat board, appeared before the standing committee of the House of Commons on agriculture and colonization during the session of 1950—that is, the past year—some of us requested that the Minister of Agriculture (Mr. Gardiner) be asked to appear and explain the "have regard" clause in the United Kingdom-Canada wheat agreement. That is set forth in the minutes of proceedings of the committee. It was pointed out however by the Minister of Trade and Commerce (Mr. Howe) that a minister could not be summoned to appear before a committee, with the result that we did not hear from the minister at that time in the committee.

This is set out in the proceedings at page 150. I shall not read it all, but I believe I have given the gist of it—and, if I am wrong, the minister is in his seat and can correct me. On the next page, under the heading of appendix "A", we find the following information given by Mr. McIvor, in answer to a question:

Grain exchange dues appearing in Exhibit XVI (Report C.W.B.) amounting to $1,900, consists of the following payments paid to the Winnipeg grain exchange:

1. Annual dues on 4 memberships owned by the Canadian wheat board at $250 each	1,000
2. Annual dues on 3 memberships owned by employees of the board and used in conducting board business at $250 each	750
3. Transfer fee of 1 membership	50
	$1,800
4. Annual dues on 1 membership owned by the Canadian wheat board in the Vancouver grain exchange	100
Total	$1,900

That is interesting, in the light of the speeches one hears across the country, and the poison thrown around across the country about the grain exchange. I have always made it clear that I believe in the Canadian wheat board myself. However, I think people should be fair about the arguments they use, and not at times try to misrepresent the facts, as is done by some when they appear on the hustings.

The five-year wheat pool ended on July 31, 1950. During those five years the wheat producers delivered to the Canadian wheat board slightly in excess of 1,400 million bushels of wheat, at a loss, to date, of approximately 50 cents a bushel. That is the difference between the class II wheat quotations averaged over this period, and the price actually received by the farmers to date. Last year, according to the evidence, the board were deliberately underselling United States wheat, basis seaboard, by an average of 35 cents a bushel. This is all set out in the minutes of proceedings of the committee on agriculture.

Hon. members will understand that the international boundary line divides North Portal. American grain is marketed on one side, and Canadian on the other. On January 23 of this year while the Canadian farmer was receiving $1.23½ per bushel for No. 1 wheat, his neighbour across the line in the United States was receiving $2.21. True, since then there has been added the 20-cent payment announced by the Minister of Trade and Commerce, thus leaving a difference at the present time, after that payment, of 77½ cents.

The Canadian farmer has taken that trimming for five years. He is taking a trimming today; and I can tell the house that many farmers in the prairie provinces, through no fault of their own—and I am not blaming the government for this—have suffered heavy loss because of weather conditions. A great deal of the crop was frozen before being fully matured. Then the harvest season was wet, with the result that in many sections of the country the grain was not and has not yet been harvested. In other places, where it was harvested, it is still lying on the ground. This has meant great hardship for the farmers affected. At this stage many of them are not able to meet their obligations with the local storekeepers or merchants.

I urge the government immediately to assume its responsibility and to announce the final settlement of the five-year wheat pool at a rate of 25 cents per bushel. This amount would represent appproximately one-half the loss suffered by the wheat producers in marketing their grain under the compulsory system set up by the government. Those producers have no other alternative, and I say therefore that it is the responsibility of the government to help out. Even in the face of this I believe the western producer would be willing to assume half the loss. The government, which has the responsibility, should announce a final payment assuming the other half. As has been pointed out, it is essential to many of those farmers that the announcement be made and the payments made before seeding commences in the spring. There is great hardship in some sections of the country, as was pointed out in the debate yesterday.

I should like now to discuss the marketing, grading and transportation of the present 1950-51 grain crop in western Canada. As I said earlier, weather conditions for the harvesting and marketing of the crop were very bad. However, the grading and marketing of grain in many sections of the country was most unfair. In many cases a person having good grain was unduly penalized.

The distribution of box cars for the movement of grain was handled most unfairly throughout many districts of the west. There was and still is a very great shortage of box cars. As of January 1, 1951, the total of Canadian cars in the United States was 28,915, as against 13,873 United States-owned cars in Canada, or a difference of approximately 15,500 cars. One can imagine what that would do, even in the matter of storing grain on the tracks, let alone moving it.

On the day I left home an embargo was placed upon the movement of dried grain, including wheat, oats and barley, in western

Canada. It was the wish of the board to move out the damp and tough grain in an effort to bring it to the head of the lakes to have it dried. This has created hardship for the producer.

Western Canadian hard wheat is recognized as the best in the world. I have often heard people who should know make that statement. Our present members of the Canadian grain commission—and I would ask hon. members not to confuse that with the wheat board—claim that we have the best grading system. Well, the Canadian producer receives a great deal less for his wheat than do the producers in other countries—and it is the net return that usually counts with the producer.

I do not believe we have the best grading system in the world, and I am supported in my view by Dr. J. Ansel Anderson of Winnipeg, chief chemist of the board of grain commissioners. In this connection I should like to quote a portion of his remarks before a gathering in western Canada, as they are set out in the *Western Producer* of January 18—and his observations were reported also in many other papers:

Grain Commission's Chief Chemist Suggests How It Could Be Done

A carefully-planned system for protein grading No. 1 and No. 2 Northern wheat was presented to western farmers last week by the chief chemist of the board of grain commissioners, Dr. J. Ansel Anderson of Winnipeg. Dr. Anderson introduced his plan at the annual meeting of the Saskatchewan Field Husbandry Association at Saskatoon. He described it as a "proposal" for grading wheat according to protein content and added that, in his opinion, protein grading in Canada was "strictly inevitable."

He went on to point out how this could be handled, and stated also that there was a higher market value for the product with the greater protein content. As I have said, this whole system unduly penalizes the man who produces a top-grade product, and that is a matter of some importance to the people of this country.

Referring again to the difficulties connected with the marketing of this year's crop, I would point out that I have never known such a variation in the prices of top grades. These have been totally unwarranted and most unfair. I do not wish to take the time of the house to read this long article, but hon. members who are interested will find it set out in the *Grain Growers Guide* and also in the *Western Producer*. It is of some importance and worth reading.

May I add further that there is wide variation in the protein content in different districts. In this connection the evidence of Dr. Geddes is to be found at page 115 of the report of the Turgeon grain commission, and it indicates that the protein content may vary from 8 to 20 per cent. This is a wide variation, indeed. I believe it will be recognized by all that in the past fifteen or twenty years research has developed highly improved types of cereals. Great strides have been made in Canada for the benefit of the producers and for all other people in the nation.

I believe that this government should appoint a royal grain inquiry commission to investigate the grading, marketing and transportation of grain both in Canada and abroad. That is most essential in the interest of both the producers and the people of this country. The Sirois commission report points out that during the difficult 1930's, about which we have heard so much in this house, the production, storage, transportation and financing of wheat in Canada played a great part in supporting our economic system. I do not think there is any argument about that right across the nation.

Last year one-third of the value of Canadian exports was made up of agricultural products, and a great part of that was grain. That is most important to all parts of this country, and it is vitally important to the livelihood of those engaged either in production or in business generally throughout the three prairie provinces.

There exists today great discrimination in our income tax law which reflects upon the farmers of this country. I urge the government to permit capital depreciation for farmers on the same basis as that allowed to industry. I cannot understand why they are not allowed to operate on the same basis. During 1950 the farmers of Canada suffered a loss of over twelve per cent on income as compared with the previous year while the cost of everything entering into production was greatly increased and is yet increasing. During the same year of 1950 the cost-of-living index increased 11·5 points and is now at an all time high of 172·5.

In conclusion I urge the government, first, to eliminate the extravagant and wasteful expenditure of the taxpayers' money. There is so much of that today. This has been pointed out during the last two sessions of this house and I think that, at a time like this when we are to have increased expenditures, all possible waste should be eliminated.

Second, I urge the government to recognize their responsibility with respect to the five-year wheat pool 1945-50 and announce a final settlement to producers of 25 cents per bushel.

Third, I urge the government to appoint a royal grain inquiry commission to investigate the grading, marketing, transportation and storage of grain.

Fourth, I urge that in connection with income tax capital cost allowances for farmers shall be on the same basis as is allowed to industry.

I will support the amendment moved by the leader of the opposition (Mr. Drew) and seconded by the hon. member for Peel (Mr. Graydon), which reads:

> We regret that Your Excellency's advisers have failed
>
> (1) to give this nation leadership in the face of the present grave danger; and
>
> (2) to bring into being forces necessary to enable Canada to defend itself and discharge its international obligations; and
>
> (3) to take effective measures to combat inflation and the rapidly rising cost of living.

Mr. Robert Fair (Battle River): Mr. Speaker, although the house has been in session for only one week quite a number of topics have been discussed and before our deliberations have been completed some time in the summer I expect that a greater number will have been dealt with. I was not happy coming to Ottawa to attend this session and I have found that same opinion expressed by many other hon. members. They feel that many important matters will have to be decided without the necessary information having been given to the members. I am fully aware that it is not possible to give us all the information, but it places those of us who have responsibilities to our constituents in a rather tough position when we have to make decisions without having all the necessary information.

As usual, the speech from the throne does not give us much detail of the matters to be brought before us although it does indicate that a number of important measures will be brought down during the session. Apparently most of our troubles are caused by the international situation and I think it is agreed by all hon. members that communism has a lot to do with the terrible international situation that exists today. Because I have not been privileged to get much of the information which has been given to other hon. members, particularly those who have been attending the sessions of the United Nations, I do not intend to discuss that matter. I shall leave it to those members of my group who have attended the sessions in New York.

I believe that one of the best things we can do to combat the disease of communism is to place our own house in order and keep it that way. While we have a democratic form of government there are still a number of iniquitous conditions existing in the country. The first thing we should do is to straighten out those injustices and give everybody a chance to live. Government policy as announced recently indicates that it is expected to bring 150,000 immigrants into the country during the present year. It would be good business on the part of the government to see that those immigrants are carefully screened and to see that no more of that disease which apparently is prevalent in our country is brought in by these people. In the case of those already here who are suffering from the communist disease I suggest that action be taken to cure their disease.

In connection with preparedness, which is causing some little concern throughout the country, many requests have been made by various branches of the Canadian Legion as well as by the dominion command to have something done. I believe most hon. members will support those requests. In fact, I think some of us would like to deal with other matters not mentioned in the requests made by the Canadian Legion.

I have particular reference to our financial set-up as it exists today. To a great extent our financial set-up is the lifeblood of our commerce and I submit that that is the first thing that should be effectively controlled and used by the government.

Yesterday afternoon the Minister of Labour (Mr. Gregg) made an announcement that a national advisory council on manpower would be set up. That is a move in the right direction. Last night the Minister of National Defence (Mr. Claxton) made a statement in connection with defence. He told us what is to be done by the three branches of the service and also that the program would involve an expenditure of $5,000 million. That program looks good on paper, but many of us would like it better if the program were actually in operation. If the other fellow who has been preparing ever since the end of the second great war has time to play his part then I am sure it will be too late for us to get out and do things that should have been done before now. I am firmly convinced that only when the great masses of the people of Canada understand the basis of our prosperity and freedom, and understand and accept the fundamental truths in which we believe, will we have a secure foundation for peace, unity and prosperity. That statement applies to external affairs and particularly to conditions within our country.

As to the cost of living. Before coming to Ottawa for this session more people asked me about it than any other question. I am not at all surprised because I am quite well aware of the hardships being endured by many of our people. The physically incapacitated were having a tough time even before the cost of living rose to where it is today. Then there are the old age pensioners for

whom the dominion government has provided 75 per cent of a basic pension of $40 per month. In my own province, and some others, certain other benefits are being provided. In Alberta we are providing an additional $10 per month without any means test as well as the services of all licensed practitioners within the province, and hospital care. It is estimated that this amounts to approximately $3.50 per pensioner per month. I believe Alberta is taking the lead over all other provinces in that regard.

There is another group of people between the ages of sixty-five and sixty-nine for whom something must be done in the very near future. The dominion civil service, and I believe the civil services of all the provinces, are compelling civil servants to retire when they reach the age of sixty-five. Many people working for the different governments are not in a position to draw superannuation. That means that just as soon as they reach the age of sixty-five they are thrown out in the gutter, and it is a case of "root hog or die". The health of many of these people has been broken down by work and the suffering to which they have been subjected in getting along so far in life.

On the question of old age pensions I have a quotation which may be fitting at this time. Hon. members should not be compelled to quote such things but I believe it fits the situation quite well. It reads:

> In heathen tribes, where skulls were thick, did primal passions rage,
> They had a system sure and quick, to cure the blight of age,
> If one's native youth had fled, and time had sapped his vim,
> They simply popped him on the head, and that was the last of him.
> But in this, our enlightened age, we're made of finer stuff,
> And so we look with righteous rage on methods so crude and tough,
> So when our man grows old and gray, and bent and short of breath,
> We simply take his job away, and let him starve to death.

It has been suggested that is Liberal policy, and I do not think any Liberal will try to get away from it because ever since I came here some 15 years ago we have tried to have something more suitable done for the old age pensioners. On one occasion a few years ago the question of increased pensions for the aged was under discussion, and the Minister of National Health and Welfare (Mr. Martin) said that the pension was never intended to take full care of our old people. With many of them without any financial resources I wonder how he expected them to provide for that part of the cost of their living not covered by the pension.

[Mr. Fair.]

In addition to the old age pensioners and prospective old age pensioners, there are a number of others receiving small amounts by way of superannuation or pension as well as a number of people who are in the low income brackets. For instance, many of our store clerks start to work for as low as $14 per week. I think hon. members will have quite a difficult mathematical problem to solve if they try to figure out how such people are going to buy their food and clothing, pay room rent and so on. These matters should be dealt with.

Here in Ottawa, as in all other parts of the country, we have our civil servants. Many of them are still receiving low salaries. Many of them are married men or married women with families. How are they expected to carry on? Many people believe that the farmer is to blame. I want to deny that with all the power at my command. In the November-December issue of the *Labour Review* there is an article at page 247 by Mr. Zénon David, president of the Canadian Federation of Labour. At the bottom of the second column he has this to say:

> The government is in the grain business, the government is in rent control, the government is in marketing control. The government is in the gasoline business, and today, in some provinces, the tax is as high as half the price of the gas. The worker goes to buy honey; there is a support price. He tries to buy butter; there is a support price. The cost of living is up because of the subsidies, or support prices.

I want to deny that because it is not correct. If this gentleman would take the trouble to ascertain the facts I think he would realize that butter and honey have not cost the government anything for the past number of years. It is true there are support prices for those commodities but the advantages other occupational groups enjoy by way of tariffs and other devices are much greater than those enjoyed by agriculture. Continuing he says:

> This is to keep the farmers happy. Maybe these things do. But everybody has to pay for these subsidies, including the farmers themselves, who seem to like robbing Peter to pay Paul.

In this morning's *Citizen* there is a report of an address by Mr. McMillan of Huntingdon, Quebec, to the Rotary club meeting at the Chateau Laurier yesterday. Mr. McMillan is the president of the dairy farmers of Canada. He is reported as saying:

> Since 1939 many of the things that enter into the cost of living index have increased one to two hundred per cent and yet there is less outcry against these. Wages for an hour's labour will buy more milk today than ever it did before.

The article continues:

> Declaring that milk production per capita in 1950 was 20 per cent less than in 1942, Mr. McMillan told his hearers, "In an area not far from

Ottawa a government survey has shown that the average producer faced a loss of $174 on his milk production after allowing him only 50 cents per hour for his labour."

What other occupational group today is working for 50 cents per hour? When a person works on a dairy farm, believe me he is not playing around as many of our workers are today and by so doing causing the price of our goods to rise and thus the cost of living. In many cities across Canada there has been an increase in the price of bread. I have an article here showing that out of a 13 cent loaf of bread the farmer's average share in 1949 was only 2·3 cents, or 17·9 per cent of the retail price. Taking the average of 1935 to 1949, the farmer's share of the retail price of certain commodities was as follows:

	Per cent
Potatoes	57·3
Eggs	73·7
Fluid milk	43·4
Creamery butter	68·9
Cheese	31·2
Beef	60·3
Wheat flour	36·0
Canned tomatoes	17·0

I believe anyone looking at these figures will readily realize that someone between the farmer and the ultimate consumer is getting the rake-off, and I hope to have a little more to say about that before I conclude. To show that conditions are exactly the same across the line we have a statement by Mr. John W. Sims, general manager of the Farm Bureau Co-operative Association of Columbus, Ohio, who states that in 1950, out of an average 14½ cent loaf of bread, the farmers received only 2.4 cents, while the year before they had received 3 cents from the average 13 cent loaf. At the present time producers are getting only 47 cents out of the consumer's dollar, whereas a year ago they were collecting 55 cents.

According to the Edmonton *Bulletin* of January 5, only a month ago, during November the nation-wide cost of living index rose by .4 to a new high of 171.1. The statistics agency said that the Canadian cost of living rose a total of 10 points during the first eleven months of 1950, and that it had climbed by 69.7 per cent since August, 1939. That did not take into account a statement published on January 4 in the same newspaper that the price of eggs had dropped by 18 cents per dozen. That was not mentioned by our friend Mr. David. Then, before we had time to more than turn around, in the Ottawa *Citizen* of February 2 we were told that living costs had zipped yet higher, and that during the month of December living costs had increased by another 1.4 points to an all-time high of 172.5. Prices were higher for meat, butter, vegetables, fruits, men's wear, furniture, blankets, carpets, telephone rates, laundry, coal, health care and barbers' fees. Before I leave that matter, I believe there should be some adjustment in those fees. As we look around this house and many other places we find that a number of the clients of the barber shops have only a little fringe left to clip, but still have to pay the rate of 75 cents. I believe there should be an excess profits tax in those cases. The article goes on to say that there were also increases in the prices of gasoline, streetcar fares and newspapers. The general trend today seems to be to boost prices. It would almost seem that some high officials here in Ottawa have said, "We are going to have a freeze on prices one of these days. The sooner you get your prices up, the better able you will be to take advantage of that increase."

As far as farm living costs are concerned, I have an article from the wheat pool *Budget* of October 13 last, which states that since 1939 farm living costs have increased by 77 per cent, farm wage rates by 245 per cent, farm machinery by 60 per cent, binder twine by 227 per cent, gasoline and oil by 51 per cent, fertilizer by 46.7 per cent, equipment and materials by 100 per cent, building materials by 128 per cent, and hardware by 65 per cent. The index for farm living costs as at August, 1950, was 180.7, while urban living costs were 168.5. Farm equipment and materials stood at 194.3 and farm labour at 215.7. I had intended to deal further with this matter, but since time is slipping by I shall let it go for now and perhaps deal with it a little later on.

In my opinion high labour costs, exorbitant dominion government taxation and excessive mark-ups are mainly responsible for our high cost of living today, and until these things are remedied we will have to put up with what we have suffered in the past. Most people, including myself, resent price and wage control in peacetime, but present conditions demand that action be taken if our people in the lower income brackets are to survive. And as I have already indicated, a freeze of prices at today's levels will not entirely overcome the difficulty. We find that in the United States they froze prices but a few days later commenced to fix certain margins for the different people who handle goods all down the line, and I believe something like that will have to be done if we are to overcome the problem in this country.

In the speech from the throne we are told that we will be asked to approve substantially increased expenditures for defence. That means, of course, that we shall also be asked to approve higher taxation. In my opinion, under no circumstances should the

present income tax exemptions be lowered, or the levy increased on those in the low income brackets. That, I believe, can readily be understood by anyone doing even a little thinking. People must eat and they must have a place to live. In that connection I say the present inequitable rental levels should be investigated. Some places are being rented for perhaps less than they are worth today; some are being rented at depression levels, but many others are being rented for twice what they are worth. Those things should be looked into and levelled off.

During the last war taxation caused a great deal of absenteeism, and since the war many of our farmers have been easing up on production. During the war the farmers worked all the hours they could in order to produce food for Canadians and send some overseas to our allies. They entered the fighting forces; they sent men and women into the factories, and at the same time paid their full share of the war costs. Then the income tax branch sent their police into the field, and many of our farmers are not yet back to normal after the grilling they were given. By that method the government collected hundreds of thousands of dollars from farmers which in my estimation they never should have been asked to pay. The men sent into the field were bookkeepers, trained in that work. In most cases farmers are not bookkeepers. Rather than go to court and assume expenses they were unable to pay, many of them went to the bank and borrowed the money with which to pay the amounts they were charged.

An example of the lowering of production can be found in the case of hogs in my own province. Last year our hog marketings amounted to less than one million head, whereas during the peak years we marketed more than three million head. We are all aware, also, that we did not even begin to fill our contract with Britain last year for 70,000,000 pounds of bacon. So I believe the government will have to reconsider its high taxation policy if we are to get the production we expect will soon be necessary in this country.

Last year in my part of the country we had one of the toughest crop years in history, to begin with. There was no subsoil moisture in the spring, and for a couple of months there was not even a shower of rain in many districts. In June we did have some showers, and the crop made an almost miraculous recovery. As a result, by the middle of July the farmers felt they were going to reap one of the biggest crops they had harvested for many years. Then they went to bed one night; when they woke up in the morning they found their crops had been frozen. Such are the fortunes of the farmers in the prairie provinces. That did not occur only on one night. We had three successive frosts within ten days. By the time the frost had completed its job, the farmers found their yield cut by several bushels per acre, possibly by 25 per cent or 30 per cent, and the grade cut down from what normally would be No. 1 northern or No. 2 northern to No. 5, No. 6 or feed in many cases. That is the condition. I might say that while the initial price of No. 1 wheat was set at $1.40 per bushel, the initial price of feed was only $1 per bushel, netting the farmers in my part of the country 82 cents at the elevator. That will give the people some idea of the things that our wheat growers and the farmers in general are up against.

Then they were just beginning to get accustomed to the frost conditions, many of them adjusting their anticipated returns in order to pay off a little bit here and there. They had just barely started harvesting when, on September 25, we had a break in the weather, after one week of decent harvesting weather; and since that time there has not been one day that was fit for either harvesting or threshing. In my part of the country we have at least 50 per cent of the crop lying under the snow today, either in the stook, in the swath or, in many cases, not even touched. People have commenced to use the combine there, and the conditions that I have described have made an extremely tough year for our farmers.

I had intended to deal at some length with the initial payment on last year's crop. When this cut was made from $1.75 down to $1.40, I felt that the Minister of Trade and Commerce (Mr. Howe) had made quite a mistake. We tried here on one occasion to have that initial payment increased to $1.75; but with the help of its supporters the government was able to turn back our attempt. Perhaps they will not be quite so well satisfied now when they find that in spite of their judgment, and in spite of the government's judgment, the Minister of Trade and Commerce recently announced an interim payment of 20 cents a bushel on wheat, 10 cents a bushel on oats and 20 cents a bushel on barley. That interim payment will help to some extent. But in spite of the fact that the cost of living and the cost of practically everything we buy is going up, we find that the international wheat agreement, which is in effect for another two-year period, helps to reduce our farmers' returns. We are compelled to take a decreasing price for our wheat; and if the people who have contracted to buy our wheat do not feel like taking it, the agreement is only a gentleman's agreement anyway, and they can

go elsewhere—to Russia, Argentina or somewhere else—and buy their supplies of wheat.

The interim payment that I spoke of a moment ago will be quite a help to those farmers who were able to thresh and to deliver some of their grain. But for those who have not been able to thresh or combine grain and deliver it, there is little comfort in that payment. It leaves those people who did not have any grain threshed badly in need of the final payment on the five-year pool, 1945 to 1949, both years inclusive.

Many people still seem at a loss to understand why the farmers claim some compensation under that agreement. It must be readily understood that out of the 1946 crop, according to an agreement made between the Canadian government and the British government, Canada was to supply to Britain 160 million bushels of wheat at a price of $1.55. During that crop year the wheat board—for which I have the highest regard and which I shall support as long as I am here, knowing the difficulties and the losses that the grain exchange got us into in the past—was able to sell grain to countries other than Britain, for which they received $2.43 per bushel, which made a net loss of 88 cents a bushel on wheat that was sent to Britain. That means that any farmer who delivered 1,000 bushels for delivery to Britain had an immediate loss of $880. If he delivered 2,000 bushels, his loss directly on account of the agreement was $1,760. If he delivered 3,000 bushels, as many farmers did, he accepted a loss of $2,640.

In the next year we were again expected to deliver and did deliver 160 million bushels at $1.55 a bushel, according to the agreement. That year the wheat board sold class II wheat again to countries other than Britain, at an average price of $2.88 per bushel; so that the farmers again had to suffer a loss of $1.33 per bushel. To bring this situation nearer home, it means that the farmer who delivered 1,000 bushels for delivery to Britain suffered a loss of $1,330 right off the bat. If he delivered 2,000 bushels, his loss was $2,660; and if he delivered 3,000 bushels —and many of them delivered far more than that—his loss was $3,990. Yet many people ask us why the farmers are coming to the government begging for some more money. Mr. Speaker, I do not want anyone in this house or in Canada to feel that the farmers have ever begged the government for anything. But if by various methods they had not been robbed—and I use the word "robbed" advisedly—of the things they produced in this country, they would not be in the financial position in which they find themselves today in many parts of the country.

In 1948 we had agreed to deliver 140 million bushels, and the same in 1949, at a price of $2 per bushel. In 1948 the price for class II wheat was $2.23 a bushel. I am not able to give any figures in connection with the 1949 crop because those figures were not available the last time I asked for them, but I hope to get them in the near future. In addition to that, while by government contract we subsidized the people of Britain, we also subsidized the people of Canada in order that they could eat cheap bread for several years past. The loss sustained on that account and the loss sustained under the British wheat agreement in my opinion runs up fairly close to $600 million.

In speaking to the Saskatchewan wheat pool delegates in Regina a couple of months ago, the Minister of Trade and Commerce stated that it would cost $14 million to pay one cent a bushel on the wheat during the five-year period. That is quite a good deal of money. But he did not say that payment of that amount would be borne by all of the people of Canada. He also neglected to point out the loss that the few thousand wheat growers in the prairie provinces will have to suffer as the result of that subsidizing of the British people and of the Canadian people.

Apparently the government is still negotiating with Britain. Earlier this afternoon the hon. member for Souris (Mr. Ross) mentioned questions that I had asked the Minister of Trade and Commerce, questions that the hon. member for Melfort (Mr. Wright) had asked the Minister of Trade and Commerce and questions that he himself had asked the Prime Minister (Mr. St. Laurent); but with respect to which we were unable to get any particular information. In my opinion we should not, under the terms of the agreement, have asked Britain to pay a great deal. As for myself and those with whom I am associated here in the house, we believe that the job of making up those losses belongs to the people of Canada. At the time the Minister of Trade and Commerce was speaking to the Saskatchewan wheat pool delegates, or during that week anyway, a Liberal convention was held in Saskatoon, another city in Saskatchewan. At that time the leader of the Liberal party in that province, Mr. Walter Tucker, who was at one time the member for Rosthern, suggested to the convention that negotiations be reopened with Britain with respect to the "have regard" clause; and later in the convention a resolution was passed demanding that, and saying that if Britain did not make good, then the responsibility fell upon the Canadian government. Therefore I feel that we are in the company

of at least the Saskatchewan Liberals in demanding the repayment of the losses that we are pleading for here today.

At our convention held in Regina on October 18, 19 and 20—the convention of the Social Credit Association of Canada—a resolution was passed demanding that every dollar of this loss be made good out of the Canadian consolidated revenue fund.

I have read in the papers about the Minister of Trade and Commerce (Mr. Howe) and the Minister of Agriculture (Mr. Gardiner), either or both of them, addressing delegates to the Alberta wheat pool convention in Calgary, the farmers' union of Alberta in Calgary, and the Canadian Federation of Agriculture also in Calgary; but in every instance not much information was given. Before I leave this perhaps I had better state that I believe our farm leaders—I do not like to use this language—were just a little bit easy in dealing with this whole question of making up the losses. This is a business proposition, and the welfare, in fact the security, of a lot of the farmers in the prairie provinces is dependent upon the payments that will be made in this instance.

Facts that are not frankly faced have a habit of stabbing us in the back. That may possibly be worth thinking over. Conditions at the present time would indicate that in the very near future farmers may again be called upon to supply sons to fight Canada's battles on the battlefields of the world. They may also be called upon to supply sons and daughters to work in our munitions factories; they may be called upon to supply daughters to enlist in the three services, as was done in the last war. We may be asked to produce more and more food for ourselves and for our allies overseas. The conditions that have existed in agriculture up to the present time have been responsible for driving, and otherwise getting, 84,000 of our farm workers into the industrial centres during the past year. Perhaps this is worth thinking over also, because we should not have such a condition as that in agriculture in this country at the present time.

In connection with this final settlement on wheat in the 1945-49 wheat board pool, unless the farmers are treated properly they will not be so ready to respond to the government's request as they did in the last war. I am not suggesting that the farmers are going to do that, but do not forget that the farmers have a conscience. They demand a proper share of the production for which they are responsible in this country. Only during the years from 1915 to 1919 have the farmers ever received a proper share of the national income.

[Mr. Fair.]

Mr. J. L. MacDougall (Vancouver-Burrard): Mr. Speaker, I feel that in entering this debate there are certain aspects of our defence situation which possibly have not been touched upon previously and that at the present time are not thoroughly understood by the Canadian people from the Atlantic to the Pacific.

For a long time during the second world war different Canadians had occasion to say: "Well, it can't happen here." Consequently when today they are pondering in their minds the rather staggering figures that the Minister of National Defence (Mr. Claxton) presented to this house in such an able manner last evening, they may be wondering just why this great expenditure of the taxpayers' money.

As I rise to take part in this debate I have two ideas in mind, one dealing with the question: "It can't happen here," and the other with the economics of our defence-spending program. It is quite easy for a great number of people to understand what happens to their pocketbooks when taxation becomes heavy. That is a more understandable proposition with the great mass of Canadians than to say that our expenditure for, say, the construction of a certain type of aeroplane is $400,000; because to many of those within the range of my voice that is an astronomical figure.

Before I go further with the points that I have outlined I should like to say how pleased I was that the hon. member for Peel (Mr. Graydon) was batting substantially on our side yesterday.

I should also like to pay my respects to the remarks made by the hon. member for Nanaimo (Mr. Pearkes) who, as hon. members know, has a most distinguished war record. He was a colonel when I was a rear rank buck private in the first world war. At that time my highest ambition would have been reached if I could have attained half the number of medals that General Pearkes had. If I could have obtained them I would have been satisfied, but I never obtained any of them. I trust I may be excused, sir, if I refer specifically to his remarks about the Princess Patricia's Canadian Light Infantry. I might also be pardoned if I make this statement: I was one of five brothers who served all during the first world war. One of them was more or less a poet. He was then living in the United States of America, which at that time had not entered the war. He composed a little poem, of which I shall quote only one verse. I do so, sir, not only in honour of the Princess Patricia's Canadian Light Infantry, but in honour of all our armed services who were serving and have served in all parts of the world.

That little verse went something like this:

Tell me, Canucks, who are these Pats?
Who are these boys in the broad-brimmed hats?
Who are these soldier lads off to the front
Eager to bear and share in the brunt?
Quick to respond to Canada's call
Smarting to fight and ready to fall?
Why, those are the boys of the regiment that
Is Canada's glory—the Princess Pats.

My reference a few minutes ago to the statement, "It can't happen here" was prompted by a document I have before me which, with the permission of the house, I should like to place on record. It is an exact copy of the Hitlerian edict that eliminated the independent non-state church in Germany in 1933.

Dictators, whether of today, fifty years ago or a thousand years ago, are ostensibly one and the same thing. A definition, the author of which I cannot name, states that a dictator is any man who claims to have power over the conscience of man and, having that power, if he could, would usurp the kingdom of God. We have today in the world the type of individual we had in the years immediately preceding and subsequent to the termination of the second world war.

It is because of this fact that I wish to place this document on record, so that it may give an insight, in the minds of those who hear and read, to the fact that what happened in 1933 with respect to Christian tenets of faith in Germany can happen here, provided we are not prepared to spend our dollars in defence of our freedom and our belief in the Christian faith.

This document is in these words:

The Program of the National Church (Reichskirche) of Germany

1. The national church (Reichskirche) of Germany claims with all clearness the exclusive right and the exclusive power on all churches within the boundaries of the German empire. These churches will be nominated "national churches of the German Reich."

2. The German people is not supposed to serve the national church of the German Reich, the national church of the German Reich has to serve exclusively and solely to one doctrine "people and race."

3. The territory for working and activity of the national church of the German Reich will be marked by the territorial empire and colonial frontiers of Germany.

4. The national church of the German Reich will not force any German individual, to join, she is, however, willing to do everything within her might, to get hold even of the last German soul. Other churches or similar institutions and associations may and will not be tolerated in Germany, especially if they are internationally bound or directed.

5. The national church of the German Reich has decided to eradicate unalterably and with all necessary means the Christian faith, which was imported in the disastrous year 800 into Germany, which was pressed on the German people, although it was against its nature and not identical to its character.

6. There will be not allowed any fundamental changement in the construction of the existing church buildings because they represent German national property, German culture and a part of the historical growing of our German people. They will not only have the value of the German national property, but they also must be preserved.

7. In the national church of the German Reich there will be no scribers, ministers, chaplains and clergymen, but only public speakers of the national church of the German Reich.

8. The celebrations of the national church of the German Reich will take place at night and not in the morning, that is to say on Saturdays, at splendid illumination.

9. In the national church of the German Reich men and women, boys and girls will acknowledge unanimous God and His immortal works.

10. The national church of the German Reich insists firmly upon her unfailing fusion with the state. She has to subordinate herself to the state as a serving member.

11. On the strength of this fusion she demands an immediate delivery of all territorial property of all churches and confessions to the state. She interdicts, also, that in future the churches will not be allowed to own the smallest part of the earth, or that such a part will be given to them, for the churches do not conquer, defend and build the German estate and soil, but only the German people: "The State".

12. The national church speakers will never be chosen among those who constantly talk today with malice and tricks in words and writing about the absolute necessity and maintenance of the Christian doctrine in Germany, for they not only deceive themselves but also the German people and only on account of their position and their "sugar bread".

13. The national church speakers will officiate as German state officials after the law and state-officials.

14. The national church of the German Reich demands the immediate stoppage of the printing and publishing of the bible within the boundary of Germany as well as some more publishing of Sunday papers, writing, readings of church-similar character.

15. The national church of the German Reich has to superintend with all severity at that, and she has to take strictest measures that the holy bible and other Christian religious scriptures cannot be imported to Germany.

I believe it is well that the people of Canada should have this authentic record of what dictatorship has done in one of the former great states of the world. That should be some indication to the people of Canada, whether within or without the halls of parliament, that what has happened in Germany can, save by the grace of God, happen to the people of Canada. I am sure, sir, none of us wishes to see that occur in this beautiful land. It has been our good fortune that the Almighty has placed us geographically whereby, in two world holocausts, we have avoided the actual bombings and carnage of war, and have suffered only the loss of our dear ones on the fields of battle.

I believe it was Sir Wilfrid Laurier who, many years ago, in describing the geographical boundaries of Canada, said: "It is

bounded on the north by gold; on the west by the east; on the south by friends and on the east by history." Certainly that describes our geographical position. How fortunate we are. Right here I should like to say that I believe earnestly the countenances of our Canadian people should be a great deal more smiling than they are today. So many people that we meet seem to think that we are being hard done by. Our cup is running over and yet we are not satisfied. In this time of world chaotic conditions it would seem to me that we individually and collectively would profit ourselves by the recognition of the fact that we have been favoured under Providence and that a smile on our lips would be a great national emblem for us to bear no matter where we may be, whether at home or abroad. Certainly sugar draws more flies than vinegar. I think we should all practise for ourselves and preach among our neighbours that the happy heart is a treasure to possess and also a treasure with which to associate.

Coming now to the scope of our national program and its economic problems I should like to quote, something which I do not like to do but which I have done quite consistently today, an editorial that appeared in a small British Columbia publication known as the *B.C. Financial Times*. I do not suppose that many easterners have heard of that publication. In its issue of January it had what to me was a very sound and sensible article with respect to our national defence spending. I should like to quote this as it will take only a matter of five or six minutes. It reads:

> The essence of the economic problem is the release of heavy and sustained government expenditure of an unproductive character on a situation where factors of inflation are already active. This has to be recognized as a continuing state of affairs, though quite unlike the intensive effort of 1940-45 when every normal activity was subordinated to winning the war. Open war may come; but if it can be avoided, these conditions will probably go on for years and we have to decide how we can live with them and survive them most advantageously. It has been well said that one of democracy's difficulties is that the future has no vote, so that the national interest is too easily identified with what the majority of people want here and now. Our problem is that most people are going to want things that cannot be provided in these circumstances.
>
> Objectives of Policy
>
> The policy required to meet this situation must embrace two objectives: (1) increased production; and (2) economic stability.

I am happy to say that the government has recognized that fundamental fact.

> These are inseparable. Stability means an underlying balance between spending and supply. Defence supply will certainly get priority. Consequently, civilian supply may or may not be reduced long-term, but civilian demand will be much augmented by transfusion of government expenditure and this will happen at once. Two lines of approach are therefore necessary.

The government is also cognizant of this.

> The first is to continue to increase the production of civilian goods. The second is to channel excess purchasing power out of the market by taxation and saving.
>
> Inflation is our opponent's secret weapon. It was Lenin who invented the slogan, "Debauch the currency first." Our defence therefore has two fronts. If we ignore the internal front of production and stability, the external front will prove to be another Maginot line.
>
> At first sight there may seem to be a choice of two methods. One is to impose direct controls over prices and wages, and to allocate resources by government direction. The other is to encourage the vitality of an open economy, relying on its productive power and allowing the price system to do its work properly, protecting it from inflation and distortion by means of the indirect methods of fiscal and monetary control.
>
> There is really no choice. Comprehensive direct controls would defeat the purpose in the following ways: They would drive the economy into a regime of black markets and administrative paralysis; would destroy public morale and the incentive to produce, and would conceal inflation without preventing it. They would in any event require crushing taxation to be practical at all.
>
> The method of control, is, of course, necessary in order to allocate scarce materials to direct defence production. Its use in Canada will depend largely on what is done in the United States, in view of our joint supply arrangements with them. But there may be little need of formal apparatus in this country, provided that we succeed in the main object of controlling inflation at the source and can impress the American authorities with the vigour of our determination.
>
> The second course indicated above spells control in an entirely different sense. It means that we can have a free economy so long as it does not run out of control. More particularly, it means that the government must conduct its budgetary operations in such a way that they add the least amount of fuel to the inflation process and exert a stabilizing influence upon it as far as possible. The indirect method of fiscal and monetary policy is therefore not only the right prescription, but it also offers the only assurance that the alternative of full "controls" can be avoided.

I should like in a word or two to express my opinion of the soundness of that editorial. If I may, I should also like to add my commendation of the government for the sane practical manner in which they have dealt with the present crisis while in some other countries hysteria has run rampant. We have heard a considerable amount of criticism of our reserve forces. I do not think that even the minister would say that he was entirely satisfied with the situation with respect to the reserve forces. We can and must continue to attract a greater number of our men and women throughout the country to the ranks of the reserve army.

There is something more I might add with respect to this matter. No one in this house, no one on the North American continent or in any of the other free countries of the

world knows when Uncle Joe may pull the trigger. The best that can be said for all our planning is that we may, by good fortune, be ready with our maximum endeavour at the time that is most emergent. I do not know whether he might pull the trigger in 1952, 1954 or 1956. That is in the lap of the gods. But I do know that, if this twilight cool war should not break into a flaming, open, shooting war, in all probability some time will elapse before the emergency becomes completely and utterly emergent in its fullest sense. Therefore if a period of years should be given to us to strengthen ourselves so that the potential aggressor will be rather shy of putting out his jaw for a haymaker it would seem to me that we could utilize most advantageously Canada's three services, the army, navy and air force, and additional endeavours could be made with respect to the recruitment of cadets in these various services.

As in the first world war, modern war is a young man's game. That is an accepted fact in practically all the countries of the world. When that is realized I think it is correct to assume that any additional enticement that we and the government of Canada may be able to offer for increased enlistment in cadet training will eventually pay off most handsomely for all the people of this country in a dire emergency.

Many of you within the range of my voice knew and loved as I did the old padre of the first world war, Canon Scott. The third time that I was wounded, I remember, Canon Scott came to my bedside on his horse over shell holes for a distance of twelve miles, not particularly to see me but to see three of us who were lying in a dressing station. One was a Protestant, one was a Roman Catholic, and one was a Jew. They were members of my battalion which we jokingly referred to at reunions as the fighting 46th that never took a trench and never lost one.

Since those days Canon Scott has passed to his last reward. I thought I should like to pay my tribute to that great Christian gentleman in ending my dissertation by utilizing a little verse that he wrote. In it he used the word "rest" but I am going to substitute the word "peace". I think this verse is a fine motto for us in these troublesome times and that we should think of the things that are beyond dollars and cents. On that note I wish to conclude by quoting Canon Scott's verse, which is as follows:

> To labour not for place or power,
> Nor wealth which lasts a paltry hour,
> But only that when peace is won,
> A kindly God may say "Well done."

(Translation):

Mr. Raoul Poulin (Beauce): Mr. Speaker, I wish to make my humble contribution to the debate on the address in reply. I should indeed be remiss in my duty if I failed to congratulate the mover and the seconder of the address for their excellent speeches, as did others who spoke before me. I am sure their constituents will be proud of their new representatives.

The top question in the speech from the throne is, of course, that of international relations and the position of the various delegates at the United Nations.

The American representatives at the UNO, amongst others, have shown a feverish eagerness. One would think that they have hastened to create conditions which are apt to bring about a general war.

What is their purpose? Did they ever state it clearly? Obviously, like everybody else, they are anxious to fight communism. Why then did they ostracize General Franco for so long?

Why did we not help nationalist China to the end? Why did we, only recently, side with Tito of Yugoslavia, a communist as dangerous as Stalin, to whom we shall have, sooner or later, to make compromising concessions, similar to those from which Stalin benefited at the end of the last war?

The American government undoubtedly wishes to maintain peace and order in the world under the aegis of the United Nations. At the time of the Korean incident, on June 27, 1950, why did the leaders of that country adopt a definite policy, even before the security council had taken a decision, and why did the latter, faced with a *fait accompli*, simply give its approval and blessing?

Yet in the case of Formosa, for example, the American government does not seem to mind risking widespread warfare, through its uncompromising attitude. In fact, we all know that Washington's assistant delegate to Lake Success asserted, on January 20 last, that the attitude of the United States would be dictated by the needs of their national security.

What explains the stubborn hurry with which American diplomats replied to China's counter-proposals during the past few weeks when the special committee of three, of which our Secretary of State for External Affairs (Mr. Pearson) was a member, very

commendably tried to temporize and to continue discussions in an attempt to find grounds for agreement.

I also believe it my duty to congratulate Canada's representative to the United Nations on the most acceptable and commendable stand he took on that occasion. It would be unfair not to offer the Prime Minister (Mr. St. Laurent) the tribute of my personal approval of his attitude in inviting India's president to intervene and ask China to clarify her reply.

I have no illusions, knowing full well that by praising or censuring these hon. gentlemen I neither add to nor take away from their personal merit nor from the prestige they enjoy in the world. As an independent member of the house, I am duty bound to adopt such an attitude.

For the moment, it would seem that the intervention of our representatives was not effective, but no one is willing to believe that their devotion and their efforts, especially those of the Secretary of State for External Affairs, will remain fruitless. Even if the effect of his plans is not yet generally felt, sooner or later we will realize that our Secretary of State for External Affairs meant well when, particularly the last few months, he sought peaceful settlement of this burning question. However, I am sorry that, by his vote on the American proposal to brand China an aggressor, our representative went back on the splendid work he had done for some months past. I also express the hope that the Secretary of State for External Affairs will agree to be a member of the new committee now being planned to discuss the situation with the Peking government.

Why then should the United States representatives be so anxious to have China called an aggressor, knowing that this will, in effect, make further negotiation impossible, whatever may be said and whatever the house may think to the contrary, as has been proven in the past few days?

And now, to be logical, our behaviour towards China, an aggressive power, should be the same as our behaviour towards North Korea, also an aggressive power. Otherwise it will be thought that the United Nations' attitude towards smaller countries is not the same as towards great powers. It is easy to see the impossible situation into which we have been thrust by the warlike ardour of our neighbours. Their intentions may be pure, but they want to drag us along with them, in good fortune or ill.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Poulin: Mr. Speaker, while she plays an important part in world affairs England is not prepared to rush matters. She evidently wants to protect her interests, her assets and her crown colonies in Asia.

Indeed her history shows that England has no friends; she has only interests. She knows, however, that she must look after them herself and trust to no one to do it for her. Be that as it may, what has been the result of this policy? England continues to avoid war and, to that end, strives to prevent interventions in Asia.

Besides, except for the great influence exerted by Washington on the decisions taken at the United Nations, it must necessarily be admitted that the large majority of countries want no part in an adventure that may lead to a general war.

Forces were sent to save Korea, and now we know how many unforgiveable blunders were made in this adventure on behalf of free nations. Shall we conitnue risking a war with China, a country that the United States will never be able to conquer or subdue? What Japan could not do within range of its cannons, western nations cannot do from thousands of miles away.

Moreover it must not be forgotten that under the present circumstances communism in China is perhaps but the manifestation of her nationalism, and that in order to get that country out of Moscow's orbit, shelling with butter would be much more effective than with guns.

China is now a communist country, not on principle or from conviction, but rather on grounds of expediency, out of necessity, because she cannot live otherwise. Let us give her a chance to recover, to rehabilitate herself, to find her lost freedom. Let us grant her a seat at the United Nations and we may have the great satisfaction of witnessing a change of attitude on her part. She will not become an ally of the western nations. On the contrary, she will no longer be the unwilling ally of Russian imperialism. She will be once again a nationalist and

traditionalist country. What could be better for peace in Asia and in the world than the materializing of such a possibility?

The policy followed by the United Nations, and especially Washington, is leading to a world war by the reaction it draws from the Russians who, obviously, in their own interest, help communist China. One would even think that war is being prepared.

The monstrous war budget of $87 billion introduced by the American government and Canada's defence plan calling for an expenditure of $5 billion lead us strongly to believe that a general war is in the offing. These fabulous expenditures, I will be told, are designed to prevent war. As was done last September, the old saying *si vis pacem, para bellum,* if you want peace, prepare for war, will be invoked. But history proves this saying to be false; conquerors have always used it as a sham to hide their infamous designs for conquest. History is repeating itself once more. Besides, we all know that this saying was coined by these same people, these same imperialists who preached a preventive war of conquest with these words: *delenda est Carthago,* Carthage must be destroyed.

The Roman empire then wanted, in the name of peace, to cross the Mediterranean and destroy the very foundations of the African empire. Today the American empire is picking up the torch from the failing hands of the British empire and wants to cross not only the Mediterranean but the seven seas and use guns, tanks and flame throwers to make the Asiatic people benefit from the blessings of peace. And they want to drag Canada into the venture: we are already taking part in the undertaking as members of the Atlantic pact organization that has been set up.

We are asked to defend Europe or to defend ourselves in Europe. The speech from the throne suggests—and this was confirmed Monday by the Minister of National Defence (Mr. Claxton)—that the house will be called upon to vote billions of dollars for war or defence preparations.

In addition, Canada is being asked to send troops to the eventual battlefield of Europe. What shall we do in Canada? How shall we defend ourselves? Who will defend us and with what weapons?

We are told that the European continent is, at present, hard to defend against a mass Russian attack. In the event of such an attack and of the possible fall of Europe, the American continent would become vulnerable. That, in my humble opinion, means that we should get ready to defend our own country. We should keep in Canada all the men available. We should also use the millions and the billions of dollars that will be voted by this house to organize our own protection.

I am neither a military man nor a tactician; when the first world war was declared, I was too young to take part in it and when the last one ended, I was no longer young enough to serve. I shall however be allowed to form a personal opinion, especially since I compel no one to concur in it. I do not share the view of those who claim we can defend Europe any more than I agree with those who would have us believe Canada can eventually be invaded, even if I admit that she can be attacked.

However, to save our country from such a disaster we must keep in this country the forces at our disposal and which we would need in case of attack, instead of sending them to Europe, where they probably would be destroyed without any tangible result. For, in the final analysis, results are what count.

In 1939, we fought a war to save Poland and thus keep a promise made to one of our allies. What were the results of our intervention? We have won the war, yet Poland is now subject to the worst kind of slavery she has ever known throughout the whole of her extremely tragic history.

We know now what our intervention in foreign wars can lead to. Already, from various districts across Canada come suggestions, urgent appeals for the conscription of our manpower for compulsory military service. This concerted pressure will go on increasing and well do we know what happened in the past under similar conditions: the government, whether Conservative or Liberal, finally yielded.

We will send to Europe or to Asia as many men as we will be able to recruit. When at last our country finds itself face to face with imminent danger—which heaven forbid—we will be told that conscription is necessary since we lack soldiers for our own defence.

Let us keep the soldiers at home that we can raise through voluntary enlistment. Let us not send them abroad to die probably in vain. And, after that, if the danger should grow greater and more pressing, so that we would need more men for our own defence,

there is not a single man worthy of the name—and that would include the humble representative from the constituency of Beauce—who would refuse to serve or to lay down his life in defence of his country!

The speech from the throne announces our continued participation in the Colombo plan for aid to underdeveloped countries. That is a very laudable plan which should not provoke too much discussion, as far as the principle is concerned, at any rate. For my part, I am entirely in favour of it.

If we are to fight communism, and I think we must fight it, I know of no better way of doing it successfully. Let us raise the standards of living in underdeveloped countries and their citizens will be much more inclined to shun communistic theories than if we resorted to bombing.

However, it should be borne in mind that, according to the gospel, "Man shall not live by bread alone." We should do our best to develop learning, education and religion among those peoples, all of them being free to improve their standards according to and along the lines of their national aspirations. Let us not try to change them into occidentals, because it would be useless; besides we would thus encourage their present tendency to turn towards Russia, which could be easily understood as a natural move of caution on their part. And above all, let us not make the colossal blunder of providing these populations with arms and munitions that they might very well turn against us.

Besides, those nations should be deeply impressed with the fact that western civilization is based more on fundamental principles and truths to liberate the mind than on weapons to enslave the body. Briefly, let us strive to make them love constructive peace rather than destructive war.

For some weeks past, I have endeavoured to poll the opinion of the constituents of Beauce with respect to the Canadian military budget.

I am convinced that the great majority of them have been startled by the announcement of a $5 billion budget.

I trust that in the future the supporters of an all-out effort will be satisfied and that a certain Montreal newspaper will stop showing the Minister of National Defence with a wooden sword and a straw cap.

[Mr. Poulin.]

On February 1, the leader of the official opposition moved an amendment to the speech from the throne. I cannot accept paragraphs 1 and 2 because, in my humble opinion, they are couched in terms too vague. Had it not been for the last paragraph, I would certainly have voted against the amendment. However, that last paragraph warrants my full and spontaneous support. It reads as follows:

> We regret that Your Excellency's advisers have failed to take effective measures to combat inflation and the rapidly rising cost of living.

Mr. Speaker, when one thinks of the high cost of living, when one notices that the rise in the cost of living is proportionately much higher for the poor man than for the rich, because of the very fact that it affects consumer goods that the poor cannot do without, such as food and clothing, let us also stop and think that the government may be planning to bring in controls that would freeze prices at their present level while salaries, which have not increased at the same rate, will also be frozen at a relatively low level. In view of all these considerations, I cannot help supporting and voting for the amendment even though the first two paragraphs do not suit me.

The subamendment moved by the hon. member for Rosetown-Biggar (Mr. Coldwell) recognizes that the government has followed a constructive course in relation to the Korean dispute. I do not share this view and I said so emphatically in the house on September 2 last. With this qualification, however, I shall vote for this subamendment because it censures the government, and with good reason I believe, for having supported a course which is premature and unwise in relation to the resolution branding China as an aggressor.

Before concluding my remarks I wish to add a word about the national flag which Canada, like all self-respecting countries, should have.

On November 17 and 18 last I attended two beautiful ceremonies at St. George and St. Joseph de Beauce in commemoration of the Canadians who gave their lives in the two world wars, among whom were many men from the county of Beauce. At both places the ceremonies were moving and well carried out and I wish to congratulate the organizers.

At one of those places a scene was enacted in which some distinguished veterans of Beauce county mounted guard around the body of a Canadian soldier who had fallen on the field of honour. This Canadian soldier who had died for his country and who was

surrounded by some of his compatriots who had generously offered their lives was wrapped up in a shroud which seemed to me like a flag but on which I looked in vain for something recalling the country for which this Canadian had given up his life. For once in my life I admit I was ashamed of my country, for having failed so far to give those who die for their fatherland a shroud which would not be an insult to the greatness of their sacrifice. And all those who were there took advantage of that occasion to request the government of Canada to give its citizens at last a national flag.

(Text):

Mr. W. J. Browne (St. John's West): Mr. Speaker, I should like to add my congratulations to the mover of the address to be presented to His Excellency for the speech with which this session was opened. May I thank the hon. member, first, for the reference he made to the Labrador iron ore mines. Like him, I hope that it may not be long before we shall see, as one speaker said last year, "the giant iron ore carriers moving up the St. Lawrence loaded with iron ore from the Labrador ore fields."

Tonight I do not think I should make any apology for drawing the discussion away from the subject that has been followed generally thus far by speakers in the debate. For a few minutes I shall deal with conditions in Newfoundland. So many people have asked me what things are like in Newfoundland that I think I should make some remarks in this connection.

A few days ago we had the pleasure of learning that the board of transport commissioners had given a decision in favour of Newfoundland's case, stating that the freight rates that had been charged since April 1, 1949, had been excessive, and that they had been contrary to the terms of union between the two countries. This decision however was not made retroactive. The effect of it was to make Newfoundlanders think that during almost two years excessive rates had been charged, and that moneys at the rate of $4 million a year had been collected by the Canadian National Railways in excess of what should have been collected. The excess amounted to almost $7 million.

I would suggest to the Minister of Transport (Mr. Chevrier) that justice requires retribution in such a case. A good opportunity is now open to the minister to make such retribution. I believe he has been in receipt of correspondence from the board of trade in St. John's, Newfoundland, requesting that, in the construction of the ferry now being planned to carry passengers, goods and motor vehicles across the Cabot strait from North Sydney to Port aux Basques, there should be provision for carrying goods by freight cars as was done in connection with the ferry from the mainland to Prince Edward Island.

At the present time I understand there is a wide-gauge track on Prince Edward Island. In Newfoundland we have a narrow-gauge track of three feet six inches, while the mainland gauge is over four feet six inches. In the early days of Prince Edward Island it was the custom to carry the freight cars across on the ferry, lay the freight car with the wide-gauge alongside the freight car with the narrow-gauge, and transfer the goods from one car to the other. Let us see what happens at the present time—and this is one place where the traffic is almost entirely in one direction, with Newfoundland purchasing $100 million worth of goods from the other nine provinces, and the other nine provinces purchasing not more than about $10 million worth from Newfoundland.

The freight goes down in the freight cars to North Sydney. It has to be taken ou of the freight cars and put into sheds. Then it has to be taken out of the sheds and put on steamers so that it can be brought to Port aux Basques. There it is taken out of steamers and put into sheds, following which it is taken out of sheds and put into the freight cars. Would it not be very much better, when the minister is arranging the design of the ferry boat, to have it so that freight cars can be placed on it, travelling across from North Sydney to Port aux Basques, so that when reaching Port aux Basques the goods could be placed directly from the freight cars with the wide gauge to the freight cars with the narrow gauge.

I understand from the hon. member for Victoria-Carleton (Mr. Hatfield), who has a great deal of interest in matters of transport, as the minister knows, that this is a practical proposition. I trust the minister may see his way clear to kill two birds with one stone so as to do justice to Newfoundland, following the excessive rates which have been taken from that province in the last twenty months. I believe justice could be done by providing us with a service which will be satisfactory for many years to come. If trade with the other provinces of Canada is to flourish and grow, as I hope it will, he will have to make such provision, or he will be left with a boat he will not know what to do with—because I do not think the trade would grow so fast that

he could use two boats at the same time. He is going to invest a certain amount of money in this ferry boat. I believe there has been mention of the sum of $8 million. If that is so, then very careful consideration should be given to the question before a final decision is made.

What are the conditions in Newfoundland at the present time? Apart from our fishing industry we have a pulp and paper industry, with the largest pulp and paper mill in the world, located at Corner Brook. We have another large paper mill at Grand Falls. We have a composite ore mine at Buchan's owned, I believe, by the American Smelting and Mining Company. We have a great iron ore hematite mine at Bell island, in Conception bay. I am very glad to be able to say that, although unfortunately it is on account of war conditions, an extra order for a million tons of ore has been received by the Dominion Steel Company for the export of iron ore from Bell island, which will give much employment in the district represented by my hon. friend from St. John's East (Mr. Higgins). I am very glad that he has that prosperity in his district, and I am sure that my district, too, will benefit to some extent from it. The paper mills are working to capacity. In addition to that, orders have been received from the United Kingdom for the export of large quantities of pulpwood.

In addition to these industries we receive, due to confederation, the benefits of family allowances, old age pensions, and unemployment insurance, and we also have the benefits introduced by the provincial government in the form of mothers' allowances and dependents' allowances on a scale which we did not have before.

But, sir, making due allowance for all these sources of revenue, and for the prosperity that must ensue from the extension of the industries I have mentioned, there still remains the great fishing industry which, for centuries, has been the staple industry of my country. If the fisheries in Newfoundland prosper, then the whole of the country is prosperous. If the fisheries are not prosperous, then the province cannot be said to be prosperous, and people cannot be said to be happy. They become discontented, critical and discouraged.

What has been the experience in the last year? Perhaps hon. members would like tc know. Some may recall that it was necessary for the Canadian government to give a subsidy in respect of the fish left over and not sold from the 1949 catch. The industry started the year 1950 with that quantity of fish on hand, which the government bought. I do not think they bought much, because they did not take what was in the hands of the merchants, and accepted only what was in the hands of the fishermen. I do not think the subsidy came to a great amount of money. But here is what the fisherman had to face after he had reluctantly decided to take part in the 1950 fishing season at the urging of the provincial premier.

In the first place the fisherman had to face a reduction of almost $3.50 per quintal of fish, or from $13.95 down to $10.50, with prices for the lower grades in proportion. That was a drop of over three cents per pound in the price of fish. These prices were paid in September in the early season, but as the season advanced the price began to drop lower, and dropped fast. Some of the merchants did not wish to buy Labrador fish. I do not know whether it was because of the representations made by the provincial government or because we have a Newfoundlander as a member of the government, but the federal government came forward and guaranteed a price of $7 per quintal for the Labrador catch. People were discouraged last year from going to Labrador. Others had sold their vessels, but the total catch was only about 150,000 quintals.

What about the shore fishery, which is the principal part of our fisheries? The catch there amounted to about 800,000 quintals. What was the attitude of the government in reference to that? The government did not give any guarantee but simply said they would keep the matter under review, would keep a close watch on it. But the government has done nothing about it. The fisherman of Newfoundland could not afford to wait for weeks or months until the government made up its mind and so perforce he had to sell his fish at depressed prices.

Not only was the normal price $3.50 a quintal lower, but the fish were culled in such a way by the merchants as to give much lower prices. If a merchant did not want to buy fish he would say it was poor quality and would put it in a lower grade. If a fisherman was sufficiently disgruntled or angry he might persuade the merchant to cull his fish a little higher. I was told by an outport planter that one fisherman had brought thirty quintals of fish to a merchant and these were first culled as being 25 quintals low-grade fish and five quintals of what we call madeira, for which the price was about $10.50 per quintal. He became angry and threatened to take the matter up with the inspectors in St. John's and the merchant changed his mind and made a second cull which turned out at 15 quintals of good quality fish and 15 quintals of lower quality. The fisherman still was not satisfied. He cursed and swore and said he was going to St. John's to get someone to come over

to see what was being done. His fish was culled the third time and this time the result was 25 quintals of good fish with only five quintals of lower quality.

This outport planter said to me that he had written to the fisheries board in St. John's, which is the representative of the Department of Fisheries, and asked what they were going to do. He wanted to know if there were three different ways of culling or grading fish. He has not yet received an answer. I fear there are more than three ways of culling fish. A lot depends upon the attitude taken by the merchant.

I have seen many receipts given by merchants for the 1949 and 1950 catches. I know that in 1949 almost all the fish was culled as being high grade and the top price paid was $13.95 per quintal. But in 1950 most of the fish was culled as being of an inferior grade. I have here copies of receipts that were passed over to me by fishermen. One fisherman said to me, "Why is the federal government guaranteeing the price of Labrador fish and not guaranteeing the price of shore fish? Don't you think that the people who fish from the shores of Newfoundland deserve as much consideration as those who fish in Labrador waters? What is the difference between the two?"

I have no complaint to make about the Labrador fishermen receiving a guaranteed price, but what about these shore fishermen? I do not suppose there are many hon. members outside of those who come from Newfoundland who understand the difference between the two types of fishing. Labrador fishing is normally carried on from a vessel and the fishermen are not able to dry the fish so well. It therefore contains more moisture. The shore fisherman is able to dry his fish more carefully and it has a higher value. Generally shore fish are worth from $3 to $5 more per quintal than the Labrador fish.

The guaranteed price for Labrador fish was $7 per quintal and you would therefore expect that the price received by the shore fisherman would be in the neighbourhood of $10 per quintal. What did he receive? As I said a moment ago the fishermen were asking why they did not have a guarantee for their fish. I sat down and wrote to the minister and the minister wrote back saying that he was informed that the price being received by the fishermen ranged between $9 and $10.50 per quintal. He was surprised to hear the figures which I quoted. I have in my hand receipts of the same date that the minister wrote, November 21, and also some of the same date on which I received his letter, November 27. As I say, the minister was quite surprised at the figures I had quoted in my letter, namely, $5.30 and $4 per quintal.

As I said a moment ago, the price which the minister thought was being paid was between $9 and $10.50 per quintal. He had received that information from the St John's fisheries board. I called up the fisheries board and found that that was also their impression. As a result I do not think very much of the fisheries board. I do not think they talk to the fishermen at all; I think they talk only to the merchants. They take what the merchants have set as the price for fish, not what is actually paid. Anyway, that was the information given to the minister by the fisheries board.

I have one receipt here averaging $8.10 which is the highest price paid. That was on September 9, at the beginning of the season. Here is one for September 19 averaging $6.50. Here is one for October 17 for $3.75. Here is one November 27, the date I received the letter from the minister, for $5.90. The average for all this man's fish is $6.20, which is over $3 below the lowest price the minister thought was being paid, and 80 cents below the guaranteed price for Labrador fish.

I have another lot of receipts, one for November 13 and one for November 17, the date on which I wrote to the minister. The receipt for November 13 shows a price of $4.90, and the one for November 17, $5.42. This is an average of $5.16 a quintal or $4 below the price the minister thought the fishermen were receiving. Here is another lot of receipts showing an average price of $5.50 per quintal; here is another lot showing an average price of $5.50. The gentleman who gave me these told me that the same fish would have fetched $13 per quintal in 1949. He said that 448 quintals had been sold by him at an approximate average of $5.50 per quintal. I took this matter very seriously because I wanted to bring the matter up in the house when I came here for it is a matter of the greatest consequence to the fishermen of Newfoundland. I got in touch with some fishermen on whose judgment and opinion I thought I could rely. I talked to several and asked them to give me their candid opinions, and one man in particular wrote. Here are the prices that he gives: $7 for the large madeira, which is the best quality that is being sold this year; $6 50 for the small; $5 for the large West India and $4.50 for the small West India. He said the fish was sold at an average of approximately $6 per quintal, which is $1 per quintal less than the price paid by the government for

Labrador fish, and as much as $4.50 less than the price which the minister thought was being paid as the top price for shore fish.

The fishermen were very discouraged and disheartened this year, and they said to me that they were not going to fish next year. They were persuaded to do so this year against their better judgment because they felt if there was not a guarantee given them they would lose money on what they were doing. This one man said to me in his letter:

I might add this price is no good for fish and unless something is done for this year to guarantee at least $9 or $10 per quintal for dried shore fish I do not see that there will be many fishing. For my own part I operate cod traps and unless there is a price set I cannot see how I can go fishing, and this goes for a great many.

I do not want to read any more of the letter. That represents the general opinion. Several fishermen have told me that they have burned their flakes. We have heard the expression "burned their boats". These men have burned their flakes. It amounts to the same thing because it means they have no place where they can dry their fish. There is no industry in Newfoundland which is more important for the prosperity of the country than fishing. That is generally recognized because, while you may have one Bell island, one Buchan's, one Grand Falls and one Corner Brook, where thousands of men are employed, there are in Newfoundland another thousand settlements at least where men are fishing, and only a comparatively small proportion of them are engaged in fishing and selling their fish fresh. The majority of them are dependent on the sale of salt codfish.

You might be interested to know what happened to that fish; and every fisherman in my riding and in Newfoundland generally would like to know what happens to the fish after it has been sold to the merchant. One man came into my office and said he did not know what he was going to do with his fish. He had 80 quintals of fish. He sold it and it netted him $5.30. As we say, it was bought sight unseen. What was the average price of that fish when it was sent to the markets abroad? Our fish goes to Puerto Rico, Jamaica, the Barbados, Spain, Portugal and Italy. I was glad to see that the other day UNICEF, a United Nations organization, bought 500 tons of fish for Yugoslavia and Greece. I should like to know how much they paid for it.

Today I got in touch with the dominion bureau of statistics and found out the average price paid for all fish exported from Canada in October, November and December, and if the averages are fair and just in one particular, they ought to be fair and just in the other. For October the average price was 14·6 cents per pound. For November the average price was 12·7 cents per pound, and for December 16 cents per pound. The best part of our fish goes to Puerto Rico, a larger proportion than to any other foreign market, and the average price in December for fish that went to that country was 15 cents per pound.

A great deal of that fish came from Newfoundland because Newfoundland is the greatest salt codfish exporting province in Canada. In contrast to the 14·6 cents received in October, 3½-7½ cents was paid to the fishermen. In contrast with the 12·7 cents in November, less than 6 cents was paid to the fishermen, and in contrast to the 16 cents in December, on December 8 the average price paid to some fishermen was less than 5 cents a pound when the average export price going through customs, as recorded by the dominion bureau of statistics, was 16 cents a pound.

It needs no great imagination to see that between 5 or 6 or 7 cents a pound and 16 cents a pound there is a great gap. I am sorry the Minister of Fisheries (Mr. Mayhew) is not present. I know he would like to hear what I am saying, and I hope he will find time to read it in *Hansard* tomorrow. I believe the fishermen have been cheated this year on a wholesale scale and some recompense or rebate ought to be given to the fishermen if the merchants have made the exorbitant profit which the fishermen think, and which I think, they have made on the sale of much of the fish. The fishermen had to sell their fish quickly and when they did so they did it at a great sacrifice. It is not right that the merchants should be able to profit by the great difference between the price which the fishermen received in many cases and which the bureau of statistics shows was received.

In 1929 the maritime provinces were in a great state of depression. The government appointed a commission under the late Judge MacLean, I believe, to go through the Gaspe peninsula and the provinces of Nova Scotia, New Brunswick and Prince Edward Island to investigate the poverty and the generally bad conditions that prevailed amongst fishermen. As a result a report was brought in and one of the recommendations contained therein was that it was time for fishermen to be organized in co-operative societies. It was recommended that the federal government should appoint an organizer to go down there, carry on educational work and organize the fishermen into co-operative societies. I have a copy of that

report and I shall read a few sentences from it to show you what they recommended. They are:

> We recommend, therefore, that the establishment of co-operative organizations of fishermen be assisted by the department as soon as possible, and that an organizer, experienced in co-operative methods, be appointed and paid by the federal government for the required period to initiate and complete this work. A preliminary study and survey of the entire maritime provinces should be made to determine the localities where such organizations are possible or feasible. We do not conceive such an undertaking to be beyond the scope of departmental responsibility or government aid. The fisheries are a basic industry and are reasonably entitled to assistance and encouragement. A similar venture has already been aided for agriculture, in part at least. We are far from suggesting that the government should enter into the business of buying and selling fish products; we merely suggest, rather, that it should help fishermen through their organizations to buy and sell for themselves to better advantage.

Then they go on to say that if they may judge from the success of similar undertakings in Canada, they feel that in a very short time these suggested co-operative undertakings will give good results. That was done; that recommendation was implemented, and the greatest expert on co-operatives on this continent, Right Rev. Dr. Moses Coady of Antigonish, was sent around the maritime provinces to organize the fishermen. As a result of his work the united maritime fishermen's association was established, and is functioning today.

What is to prevent the government doing the same thing in 1951 for Newfoundland? All that is necessary is for the minister to appoint a man to go to Newfoundland and organize the fishermen; and it should be done quickly, before the 1951 season begins. I am sure all the members here from Newfoundland and the maritime provinces will realize that unless the fishermen are organized they are defenceless against the merchants, especially when they come to sell their catch. I trust, therefore, that the minister will give serious consideration to what I have suggested, remembering that, as I have said previously in this house, what counts in the fishing industry is the fisherman. He is the one who must be benefited. If he is not, the system is a failure. If the fisherman is going to be disgruntled and dissatisfied, as he is this year, selling off his equipment, selling his vessels, stuck on the rocks, as they say at home, for the fishing season, then we would have been better off under our own government, because we never would have allowed the fishermen to suffer as they have been suffering for the past year. I saw men with reputations as great fish killers at home on the rocks in Newfoundland, their beautiful vessels lying in the harbour, because they could not get supplies to go fishing. Even then they were not as badly off as those who did go fishing. Many of those who brought in catches had to sell them at depressed prices, as I have attempted to show.

Therefore, Mr. Speaker, I hope the minister will consider what the fisherman has to say, and not listen only to the fisheries board, or the salt cod export board, or the Newfoundland Associated Fish Exporters Limited. As I say, the first thing to do is send someone down there to organize them, and they could very easily be amalgamated with the fishermen of Nova Scotia. The advantages of co-operation are well known in Newfoundland today, because many of the bankers from the maritime provinces come into the harbour of St. John's and other harbours along the coast and tell the fishermen in Newfoundland what they are being paid for fish in Nova Scotia and New Brunswick. In almost every case we have found that the price being paid in Nova Scotia is better than the price the Newfoundland fisherman is receiving, and I say that is largely the result of the organization of the fishermen.

Now, sir, for the remainder of my time I propose to deal with the international situation. I should like to congratulate the hon. member for Joliette-L'Assomption-Montcalm (Mr. Breton) on his excellent speech in seconding the motion for an address in reply. I am sorry that I do not know French well enough to have the courage to address these remarks to him in his own language, but I may tell him I have read his speech with interest and noted his emphasis on the provincial and federal arrangements mentioned in the speech from the throne. I also noted with interest his historical reference to the fact that this year represents the fifteenth centenary of the invasion of the civilized world by the unholy alliance of the Slavs and Mongols. Everyone here acquainted with ancient history knows what destruction the ancient Roman empire suffered when those terrible races overran Italy and Gaul, as the hon. member said; and he pointed out that today the danger is much greater.

Then I should like to congratulate the Secretary of State for External Affairs (Mr. Pearson) on his very interesting speech. Whatever we may think of his decisions I believe we agree that the hon. gentleman makes a very interesting speech, not merely one that you delight to listen to at the time it is given but one you can pick up later and enjoy not only the phraseology but the fine distinctions he draws. I was particularly struck with the fine distinctions he made in his speech the other day. I do not believe the ordinary citizen of this country is able to follow those fine distinctions, however; nor do I believe the ordinary citizen of this

country is able to follow the complicated debates that have been taking place in the United Nations assembly for the past few months. The ordinary citizen is not able to appreciate the niceties of the thing at all. Therefore he becomes disinterested and a little impatient with what is going on. He can see the broad issues, but I suppose the finer ones must be left to the experts. The ordinary citizen therefore is dependent to a large extent upon those propounders of public opinion, the ministers of the government and the editors of the newspapers.

In listening to the Secretary of State for External Affairs it seemed to me there was a lack of realism about his speech. He said, as is true, that the free world is in the greatest possible danger; and I commend this to my hon. friend who preceded me. If words mean anything, that meant we ought to be almost frightened to death. The free world is in the greatest possible danger; nothing could be greater than the greatest possible danger. How long has that situation existed? How long did it take the members of the United Nations to determine how the conduct of the Chinese should be designated? Let us compare the time it took to determine what name should be applied to the conduct of North Korea. We remember the special session, at which we were presented with a white paper entitled "Canada and the Korean Crisis". Let me direct the attention of the house to page 7 of that publication:

> . . . the United States government informed the secretary general of the United Nations on June 25 that it considered the attack of the North Korean forces on the republic of Korea constituted "a breach of the peace and an act of aggression" and urgently requested the calling of an immediate meeting of the security council, the whole machinery and the first purpose of the United Nations was put to the test.

A meeting was called for that very day; before the day was over North Korea was declared to be an aggressor, and an immediate request went out to the member governments of the United Nations for assistance. Because the United States was the only country on hand with forces to repel this North Korean attack, the government of the United States sent those forces immediately.

On the other hand, how long did it take to decide that China was an aggressor? We were told that this action by the United Nations was something new, something historic, something we should all remember; that a new era was dawning for the world. More than once we were told, by ministers in this house and by people in other countries, that this was police action. Well, having been a magistrate for a number of years I am familiar with what is meant by police action. Let me contrast the ordinary procedure in a police action with what has taken place in regard to Korea and China. If a citizen is assaulted on the street, what does he do? He cries for help; if there is a policeman within a block or two someone will say, "You had better get down there; a man is being attacked," and the policeman gets there as quickly as he can. Or someone telephones the police station and the black maria, as we call it at home, or the police wagon is sent out and if possible the attacker is arrested. In other words the police go into action as quickly as possible. What happened in Korea? The call went out that the South Korean territory was invaded and that the North Koreans had attacked an unprepared and unsuspecting country. The United Nations was the magistrate that was appealed to and that asked for the police to come. The first police to arrive on the scene were the United States forces. Other policemen came up after a while. Through the skilful manoeuvres of the chief of that police force, General MacArthur, the assault was quelled and it looked as if the whole thing was over. However, it was not over. We were wrong.

Suppose that, when the police went to assist an ordinary citizen, the bystanders took a part in the affair; what would happen then? They would be arrested also, and the bystanders who assaulted the police would be liable to a second charge, they would be liable not merely to one charge but to two charges. Whereas the original aggressors or assailants would be charged with assault and battery, the second assailants would be charged with interfering with the police in the performance of their duty and would be liable to another two years' imprisonment in addition to the three years for which they would be liable for assault.

What happened as to the police action in Korea when the bystanders, who were well prepared to attack, came in? With the intervention of the Chinese communist army, did the United Nations immediately take action against them and lay a further charge? No, they did not. But in my humble opinion, and I believe in the opinion of a great many people, there was a great deal of shilly-shallying and beating about the bush; it was said that we did not know this and that we did not know that. In my opinion the Secretary of State for External Affairs (Mr. Pearson) has added a new conundrum to the puzzle book. What he has done is this. He has found an answer to the question: When is an aggressor not an aggressor? The answer, as I conceive it to be from his remarks, is: When the aggression is an old one. It seems to me, Mr. Speaker, that the old aggression was finished and done with and that there was a new aggression. I will admit that the

Secretary of State for External Affairs was perhaps placed in a difficult position; but for the life of me I do not see how he can call it an old aggression when an army that has been poised on the Manchurian border attacked the police force of the United Nations, the hope of the civilized world, and caused them so many hundreds and even thousands of casualties.

In this subamendment we are asked to condemn the action of the United Nations in declaring that communist China was an aggressor. It seems to me that if we accept that subamendment, what it amounts to is that the members of this house are declaring that the United Nations are aggressors, because where two people are into a fight, one of them must be an aggressor. I repeat that statement: If we accept that subamendment of the C.C.F. party, it amounts to an acknowledgment that the United Nations themselves were the aggressors in this matter.

I have here another document, a white paper distributed by the Secretary of State for External Affairs. On pages 9 and 10 of it are listed the different dates and the events that took place on those dates which justified the United Nations in deciding that communist China was an aggressor. I notice here an extraordinary thing—I do not know whether other hon. members have noticed it —and I do not know what significance it has. I notice on October 30:

> Interrogation of 19 Chinese prisoners of war identified two additional regiments of 124 CCF division . . .

Mr. Gauthier (Portneuf): What a fighting unit!

Mr. Browne (St. John's West): I do not know whether my hon. friends to my left formed part of that force. I notice that on November 2 mention is made of the 112, 113 and 114 divisions of the 38 CCF army; and so on for the other dates. I am not making any suggestions at all. There are the facts and there is the document presented by the Secretary of State for External Affairs. At page 55 of *Hansard* the Secretary of State for External Affairs is reported to have said:

> I feel, however, that the Far Eastern problems could be more readily solved if diplomatic relations existed with the government of China, which has the whole of the mainland of China under its control.

He made that statement of his feelings, but he did not back it up with any facts. I should like to know from the Secretary of State for External Affairs whether he can give us any illustration in history which justifies him in saying that diplomatic relations with Russia or with any of the satellite countries have solved any problems whatsoever. Let me mention a few. Has the existence of diplomatic relations with Russia solved the question of Russia's foreign debt? Has it been able to give Christians living in Russia due respect for their religious beliefs and protection of their religion? Has it facilitated investigation of complaints against the Russian government or the question of the marriage of Russians with non-Russians? Has it solved the question of the disappearance of the 10,000 Polish officers who disappeared after they had been taken prisoners by Russia in 1939? Has it solved the question of the repatriation of the hundreds of thousands of German and Japanese prisoners of war, of whom no trace has been found since they were taken prisoners in the second world war? Has the existence of diplomatic relations with the friendly communist Yugoslavs enabled justice to be done as we should like to see it done, in accordance with the fundamental freedoms that we hear so much about, in the case of the arrest, the persecution, the trial and the imprisonment of Archbishop Stepinac? Has the existence of diplomatic relations with these communist dictatorships and totalitarian regimes helped in any way to prevent espionage, sabotage and underground revolutionary activities in all the other countries?

We all recognize that there are fundamental differences of outlook and differences in belief between the governments of communist countries and our own. The chief difference is that communism is materialistic and atheistic. It recognizes neither the divine origin of the universe nor the divine destiny of man. It is built on hate rather than on love. We were told many years ago—

Mr. Speaker: Order. I must inform the hon. member that his time has expired.

Mr. Browne (St. John's West): I just have a couple of minutes to go.

Some hon. Members: Go ahead.

Mr. Pouliot: Make it snappy.

Mr. Browne (St. John's West): Thank you very much.

In 1920 the Independent Labour party of Great Britain sent a questionnaire to the Soviet government in Moscow containing twelve questions. The eighth question in that list was as follows:

> In what respect does the third international consider that communism differs from other forms of socialism?

That is a very important question and was recognized as the principal question in the list submitted by the Labour party. The answer came back:

> There are no other forms, there is only communism. Whatever else goes under the name of socialism is either wilful deception by the lackeys of the bourgeoisie—

And they were referring to the socialist members in Great Britain. I continue:

> —or self-delusion of persons or groups who hesitate to choose between the proletariat and the bourgeoisie; who hesitate between a life-and-death struggle and the role of assistants to the expiring bourgeoisie.

Now, sir, the effect of voting for this sub-amendment would be, as I have said, to brand the United Nations organization as aggressors.

The aim of communism is world domination. That has been so often stated by the Russians themselves that we are fools to think otherwise. The general opinion that prevails today is that the greatest danger lies in the west, and I believe that opinion to be sound. Because of long civil wars in China and the war of attrition with Japan, China cannot be in a position to make war on any great scale.

If there is a surrender to aggression and the use of force, it will be not only a military defeat but a moral defeat, the results of which may be catastrophic.

Today in Japan there are 84 million people watching anxiously what is taking place. It seems to me, unless Korea is re-established at least in the position it was before June 25, with compensation, if possible, from the North Koreans, the United Nations is not able to fulfil its task.

In conclusion, sir, I should like to draw your attention to a press dispatch that appeared in a St. John's, Newfoundland, paper on January 21. I am not sure that it appeared in other papers. It came from Berlin and it said:

> An 18-year-old German's defiant cry that he would rather die than bow to communist rule stirred his countrymen today on both sides of the iron curtain.
>
> "I love my freedom more than my life," Herman Joseph Flade shouted to a communist court in Russian-controlled Dresden.

That was courage, Mr. Speaker. Does not that outburst of that condemned but courageous German represent the feelings of us all?

Hon. C. G. Power (Quebec South): Some hon. gentleman earlier in this debate made the statement that in his opinion this session of the House of Commons would be devoted largely to the discussion of international affairs. To some extent I agree with him; but I think his attention should be called to the fact that there are many weighty matters of domestic concern which will have to be debated and discussed during the present session.

To some extent I am inclined to agree with him because it is impossible to get a true picture of the over-all situation of Canada at the present time unless one gives at least some consideration to the relationship of Canada to the United Nations organization and to world affairs.

Just over 30 years ago in this house I opposed the subscription of Canada to the covenant of the league of nations; and some years later, in 1923, I introduced a resolution calling upon Canada to withdraw from the league of nations. Nevertheless I cannot claim the prescience of having opposed the entry of Canada into the United Nations organization because at that time the wave of idealism for the brotherhood of man and of enthusiasm swept the world and encompassed Canada itself. But permit me to say, sir, as one who has never made any claim to an extensive or intensive study of external affairs, and who knows no more of the proceedings of the United Nations than that which he gleaned from the headlines in newspapers or from the radio commentators, that in my humble opinion, whatever may be said in favour of the United Nations organization —and much can be said and has been said by its supporters and apologists—certainly we can no longer say that it will bring about peace in this world. Nor can it be said that the United Nations of itself can prevent aggression by a major power or its satellites.

In order to endeavour to assure ourselves of a somewhat uneasy peace we are obliged perhaps not to disregard the United Nations organization but at least to set it aside in favour of the Atlantic treaty. Let me say at the outset of my remarks on this subject that I favour the Atlantic treaty; but let me also say that in placing most of our faith and confidence on what can be accomplished out of that pact and that treaty we are returning to that which we have condemned and reviled in the past, namely, power politics.

I can see little or no difference between the state of the world as it exists at the present time and the state of the world as it was immediately prior to and during the seven years war, the Napoleonic wars and the first world war. Now as then, nations, desiring to preserve their autonomy and their liberty against the encroachment of monarchial or dictatorial tyrants, had been obliged to band themselves together in combinations or coalitions; now, as in that time, the weaker nations are obliged to call on the

stronger ones for subsidies for arms, and for the furnishing of armed forces.

Now, as in former times, there are satellite wars and undeclared wars. Prior to the seven years war the English were fighting the French in America, and the French were fighting the English in India for months and perhaps years, long before their governments and courts declared that a state of war existed. So that if my conjecture is the right one, and we are dependent almost entirely, for the preservation of peace in the world and for the prevention of aggression, upon the construction of a wall of peace against Russian aggression in Europe, then we have returned to the realm of world politics and of power politics.

As I said before, I am not opposing the Atlantic pact; but I would like it to be placed in its true light before the people of this country, and before the members of the house. I believe that at the present time the combination of the Atlantic nations is probably the only thing which will save the liberties of the European nations, at any rate, and probably save their hides.

I realize, as every member realizes, that the Atlantic nations, particularly those in Europe, in banding themselves together to resist aggression are taking upon themselves a very grave risk. But it is what Mr. Churchill called in the last war a calculated risk. It is a calculation that fear of the atomic bomb may deter Russia for a sufficient length of time to enable the Atlantic nations to rearm. And, less probably, it is a risk calculated on the fact that perhaps Russia, with the diverse elements of nations and races which compose it, has not as yet formed herself into a nation so well integrated as to permit of undertaking a global war. The Atlantic nations, those who subscribe to the pact, and who live on this side of the Atlantic, have come to the conclusion, rightly or wrongly, that they cannot afford to allow Russia to sweep over Europe, and to become possessed of the manpower and industrial potential which is on that continent. As a result of that, these nations have decided to extend their frontiers to the other side of the Atlantic, by extending assistance in the way of armament and equipment, and by rearming the peoples of Europe.

The policy and program laid down last evening by the Minister of National Defence (Mr. Claxton) is that, as a nation, we shall give our utmost support to the Atlantic pact nations, that we shall do so by supplying arms and equipment, by placing our industrial potential at their disposal, and by sending armed forces to Europe.

With respect to the program which was so well explained by the minister himself last night, it seems to me that the first reaction of the house and of the Canadian people must have been one of astonishment at the magnitude and cost of the program he unfolded. It drove home to us, and I think to the people of Canada, that in order even to prepare for war we must spend almost astronomical sums. If that be the case, if the preparation in order to deter the enemy from attacking us runs us into five billions of dollars, then it is difficult to imagine what a real war would cost.

The next reaction—and this is the one which struck me—is that it behooves us to have a certain note of caution. We should—and I gather the government has given consideration to these things—endeavour to ascertain for ourselves, as Canadians, how we may be of the most assistance to our partners in the Atlantic pact, if we are to play fully the role we propose to play. And the note of caution I would wish to sound would be this: Having decided on the course of action and on the program which we should follow in order best to render assistance, let us be careful not to waste our energies and our resources by an over-diversification of those energies and resources.

I take it for granted, indeed I think the minister so stated, that the decisions arrived at as to the kind of assistance we propose to render to our partners were decisions which had been approved of and agreed upon—subject of course to confirmation by parliament—by our partners in the Atlantic pact. Canada, by agreement with the Atlantic pact nations, apparently has decided to give preponderance in its assistance to air power. It will do this, firstly, by training the air crews of its associates, and secondly by furnishing squadrons to Europe. Apparently our allies are satisfied with this proposed contribution. The question I ask myself is whether the people of Canada will be satisfied with this contribution of a preponderance in air forces. I say that because, during world war II, there were persons in the country and even in the House of Commons who, notwithstanding the glamour and the glory of the achievements of the air force, and notwithstanding that, in proportion to the number of their men actively engaged, they suffered greater casualties than any other arm of the service, were not convinced that Canada was doing its part in that war, until such time as casualty reports came rolling in from Italy.

I am not saying I blame those people. There are in Canada a number of men who are battery-minded, battalion-minded, division-minded; and they have as much right to their opinions as anyone else. Then there

are other hon. members of the house and other men in this country who believe in a big navy.

I expect to be accused of being prejudiced, but I put myself on the side of the angels, geographically speaking—I favour the Royal Canadian Air Force. Since we are now laying down government policy for the next three years, a policy which presumably will be followed should we be so unfortunate as to be drawn into a shooting war, it should be part of the duty of every hon. member of this parliament, before allowing this program to pass unchallenged, to explain his views and state whether he considers it to be in the interests of Canada to have a greater proportion of the strength of Canada devoted to an air force than to any other force.

I say that advisedly because I well remember at the beginning of world war II when the delegates from Great Britain came here to propose that we embark upon a great air training scheme. The then minister of finance, my late chief, a leader and patriot whose like has rarely been seen in this house, Layton Ralston, said to the delegates that we should be careful to be sure that Canada could afford this large amount of money and, secondly, that Canada should not be bled white right at the start of the war. He pointed out further to the delegates that we were likely to have other commitments, that we were likely to have to furnish ground forces. The reply was made that the primary duty of Canada was to undertake this great air training scheme.

As time went on we all know how that air training scheme was developed, but other efforts were put forth paralleling that scheme. Not only did they cost enormous sums of money, but in the long run it led to serious difficulties.

I mention these things in order that we in this house, as well as the people in the country, may thoroughly understand this program. As I said before, I strongly favour a preponderance of assistance by way of an air force. Since I am asking other hon. members to give their reasons why they would favour a big navy, a big army, a big tank brigade or preference for other components of an army, perhaps I should give some of the reasons I have for suggesting that an air program should be adopted. I say this notwithstanding what may appear to have been a setback at the beginning of the Korean war. Perhaps the supporters of a great air force held exaggerated views and possibly the effectiveness of air strength did not come up to their expectations, but I do believe, and I think this is admitted, that supremacy in the air will go a long way toward settling any future war.

The reasons I have for supporting an air program are that Canadians for some reason or other have a great reputation as air warriors; that Canada has earned a reputation for its capacity to train air crew; that the program calls for Canadian squadrons, manned by Canadians and supplied with Canadian equipment from Canadian factories.

Perhaps I am treading on dangerous ground when I contend that there is less danger of deterioration of morale among air force personnel stationed in a foreign country than there is on the part of, let us say, army personnel. I think it will be confirmed by those who were fortunate to be in England during the first two and a half or three years of the war that it was extremely difficult to keep up the morale of the ground troops no matter how well the manœuvres simulated actual conditions of warfare. There is always the danger of boredom with a consequent loss of morale.

But as far as the air force are concerned, the ground crew will be doing exactly the same work they would be doing in wartime. They will be preparing aircraft for troops. Perhaps the danger will not be so great as if an enemy were shooting at them, but they must be ever alert to any deficiency in the machinery or equipment. The air crew are engaged in a hazardous occupation. Every young man who makes up part of an air crew has the pleasure of having under his hand a fast, swiftly moving machine. For these reasons I believe there is less danger of deterioration in their morale.

Undoubtedly there would be an easier interchange of squadrons. Those which are trained here in Canada could more readily, more efficiently and more expeditiously be exchanged with squadrons being trained on the other side. With respect to the psychological effect on our allies and on our enemies, which is given as one of the great reasons why we should send forces to Europe, the greater mobility of the air arm and the fact that there will be a large number of men engaged in servicing and in flying eleven squadrons would result in their making their presence felt equally with and perhaps more than an equivalent or similar number of the other arms of the services. Perhaps I should not say this as a last reason, but if the worst comes to the worst the air force has half a chance of getting out and coming back again.

I assume that the division—which is a new term to me in air force jargon—mentioned by the minister will be composed of fighters, interceptors, reconnaissance and transport. It

is a matter of regret to me that it will be almost impossible to add squadrons or wings or groups of bombers. Although I have not gone to any authoritative source, I am informed that to have in Great Britain or on the continent of Europe a group similar in size and equipment to No. 6 Canadian bomber group in the last war would cost in initial equipment alone anything from $1,500 million to $2 billion. Therefore we are precluded by the very thought and consideration of the cost of any such contribution of heavy bombers.

I am told that an individual heavy bomber costs anywhere from $5 million to $6 million. Therefore a squadron composed of twenty bombers would cost in equipment alone $100 million. Therefore the task of strategic bombing of the enemy will, as I understand it, be left largely to the air force of the United States of America just as the task of supplying ground forces will apparently be placed to a considerable extent on the shoulders of the republic of France.

There is one other matter that I should like to mention, and since it is one that has aroused some controversy in this house and outside I approach it with considerable diffidence. It is the question of whether or not a committee of this house should be set up to discuss the expenditure on national defence. The leader of the opposition (Mr. Drew) has set forth his views on the matter eloquently and cogently. Members of the government have replied equally eloquently and in terms which merit consideration. I am inclined to think that there is a middle course between the views of the government and those of some of the members of the opposition.

With respect to the constitutional aspect, I believe that matters relating to policies and strategy are the responsibility of the government and the government alone. Recently I was reading the life of William Pitt, Earl of Chatham, by Brian Tunstall, and I found this passage in reference to the government of William Pitt:

> In a country such as England, governed by a constitutional monarchy, it is neither desirable nor practical for war to be conducted either jointly or independently by the heads of the fighting services. On all major issues they must receive express direction from the crown constitutional advisers, responsible to parliament. Admirals and generals are the commanders-in-chief of the sea and land forces, but the crown and ministerial advisers are the commanders-in-chief of the whole nation.

I believe it will be found that Lloyd George in world war I and Winston Churchill in world war II kept within their own hands all decisions with respect to policy and strategy, and I can conceive of nothing worse for the morale and discipline of the various armed forces than for their chiefs of staffs to be called before a parliamentary committee to give evidence either for or against the policies laid down by the government. I will give one instance. I myself, although I was a member of the government when the project was initiated, have always had serious doubts as to the value to this country of the creation of a fleet air arm and of the acquisition of the *Magnificent*.

I hold those views and I believe that in all probability a great many of the superior officers of the Royal Canadian Air Force hold similar views, although I have not communicated with them for over five years, but I would not think it either fair to the forces or fair to the minister to call the chiefs of staff of the Royal Canadian Air Force before a parliamentary committee and to place them in contradiction with the policy of the government. I would go one step further. In my time there were in the Royal Canadian Air Force earnest, conscientious and devoted men who had strong views as to certain types of equipment. Those views were fought over and discussed in air council and sometimes went as far as defence council, but once the policy was settled, once the chiefs of staff and the officers concerned had decided that such a type of equipment should be that which would be acquired and no other kind, then the matter rested there.

I think it would be unfair to place officers of different arms of the services in contradiction with each other with respect to such matters. That is only a personal view acquired from some little experience in dealing with this department.

On the other hand it seems to me that since we are embarking upon a program calling for the expenditure of $5 billion, this House of Commons of Canada has a duty to scrutinize and supervise that expenditure. It is extremely difficult for that scrutiny and supervision to be carried out in a house composed of as many members as we have here; and I believe that if a committee on expenditure were set up, with an appropriate reference which could be agreed upon by the leaders of the government and the leader of the opposition (Mr. Drew), much good would result. Members of parliament would be in a better position to analyse and understand why certain moneys were being expended.

I would not propose to curtail in any way the right of every member of parliament to talk on any subject arising out of this expenditure; nor would I implement the rule, if it ever was a rule, that was brought into effect some years ago to prevent questions being placed on the order paper with respect to a department whose affairs were under the

scrutiny of a committee of this house. Either by arrangement among the members of this house or by the order of reference I would safeguard in every possible way the rights of members of parliament to discuss anything arising out of the estimates of the Department of National Defence. At the same time I believe that a more careful scrutiny of these expenditures, having in mind the complexities which are bound to arise in connection with an expenditure of this size, could be made by setting up such a committee. This I believe would maintain the traditions of parliament and at the same time would be a benefit to the members and to the people of this country.

Mr. Henri A. Gosselin (Brome-Missisquoi): Mr. Speaker, it is with great pleasure that I join other hon. members of the house in extending my congratulations to the mover (Mr. McMillan) and seconder (Mr. Breton) of the address in reply to the speech from the throne, who performed their duties so well. I am sure the counties they represent will be highly pleased by the way they carried out their task.

In my first remarks I do not intend to deal at length with the matter of national defence, but I believe it is my duty to express my views with respect to the most important matters with which this government will be called upon to deal during the present session. I have listened carefully to the various speeches that have been made since the opening of the session and the statements by the different ministers, the Secretary of State for External Affairs (Mr. Pearson), the Minister of National Defence (Mr. Claxton) and others. From the very first Canada has been developed on certain principles and traditions, and we wish to continue under those principles. Canada has a small population, but we have always known freedom and good understanding, and we intend to maintain our freedom against any aggressors who would destroy it.

I believe it is our duty to treat this matter in a non-political way. I believe it is the responsibility of every member of this house to deal with these matters sincerely and honestly. On various occasions our representatives at the United Nations have stated that these principles should be advanced throughout the world, and we have felt it our duty to join with other countries to find ways and means of making sure that communist principles shall not be introduced here. From what I have read in the newspapers and learned in other ways I want to congratulate those members of the government who have had the responsibility of expressing the principles in which our country believes. It is our duty to give them our entire support day by day, so they may be in a position to act immediately if at any time they feel the welfare of the country is threatened.

As I say, we have only a small population compared with other members of the United Nations, but in the last two wars we have shown the world that when the Canadian people undertake a task they fulfil it one hundred per cent. We intend to carry on in the same tradition if there should be a third world war, but I believe we should be prepared to assist the United Nations in every possible way so that the danger of a third world war may be averted.

It is our duty, Mr. Speaker, as these matters are presented to the house to scrutinize and examine them, but in the most sincere way, so that no errors may be committed; and with our experience in the last war I believe we should strike an average of almost one hundred per cent in our endeavours with the United Nations. We have an energetic population which is ready to make all possible sacrifices in order that our liberties and our way of life may be preserved. The efforts of our people, with all our natural resources, will be offered to the United Nations, if necessary, so that success may be achieved. We must endeavour to make every possible sacrifice in our way of living so that we shall be able to meet the expenditures necessary to carry on the fight to preserve our principles. I shall not endeavour to go into the ways and means of administering the various departments, for I have not the necessary knowledge or experience. Nevertheless, I feel that those who have the knowledge of these matters should be supported one hundred per cent, in order that success may be achieved.

Our sister country on this side of the ocean, with a large population, has up to the present time taken measures to protect freedom and liberty, so that the principles of the communists who desire to rule the world will not be accepted amongst the free nations. Knowing our obligations, we in Canada for several months past have followed the contribution which Canada has proposed to make to ensure the success of the United Nations. In this I believe we have the support of the entire population of Canada. They feel that it is the duty of the government, through their representatives, to follow every move which is necessary and to give the necessary financial support regardless of politics; because liberty cannot be bought with dollars but can be obtained only by defending the principles which we are endeavouring to preserve.

Along with the measures we take for our defence, it is our duty to carry on under our social laws which have been on the statute books for several years past, so our people will be assured that, during their lives, they will be protected by social laws designed to help those who have not been so fortunate as to accumulate wealth and who are most in need. By so doing we shall establish in this country of ours the basis of the principles which we have for many years been supporting.

It is our duty, Mr. Speaker, to base our policies on the development of our natural resources. This development will be necessary in our efforts in connection with national defence. It is necessary for us to create in the minds of our younger generation the feeling that the policy which this government is bound to follow is one looking to their protection in the future. It is our duty to see that our natural resources are developed as fast as possible so that our growing population will feel convinced that there is for them a living in this country.

It is also our duty to encourage in every way possible the principles of labour. With regard to those principles of labour, may I say a few words of thanks to this government for the action taken by them with regard to the railroad strike. I am a railway employee and I confess that I was a striker. We have obtained entire satisfaction, and I am speaking in the name of a large number of railroad employees who have said that they were entirely satisfied with the way in which this government acted. The railroad men had the right, and they exercised it, to tie up the transportation system of Canada; and I wish to thank the Prime Minister (Mr. St. Laurent) for ordering the railroad men to go back to work. We had the right to tie up the transportation of the Canadian people, and the government has given us the right to negotiate further, and we have obtained satisfactory results. I wish to thank the entire membership of this house for granting us the privilege of continuing those negotiations.

Furthermore, I think it is my duty as a farmer to offer to the Minister of Agriculture (Mr. Gardiner) my congratulations on the way he is carrying on in the interests of the Canadian people. Whether you are from the east or from the west, the interests of agriculture are intimately connected. We are working for the interests of the Canadian people. It is the duty of the Minister of Agriculture and of this government to establish markets so that our products can be sold as they are grown. Agricultural products cannot be preserved from year to year. They must be sold after the crop has been harvested. It is necessary for the farmers to obtain immediate payment. It is necessary for the farmers to be protected, as they are the fundamental basis of the prosperity of the country. It is necessary that the farmers obtain all the encouragement possible so that they may enjoy the comforts they deserve for the hours of work they perform.

I would not say that the farmers are not prosperous at the present time, but I will say that we need further protection having regard to the preservation of our products. I have all confidence that the Minister of Agriculture will give his full support to obtaining refrigerating processes so that our pork, our eggs, our poultry products and so on may be displayed and sold at the proper time, and at a reasonable price, to the benefit of the labouring population.

I believe it is the duty of the Department of Agriculture to study ways and means of increasing production. If we can do this, we shall be able to reduce the cost of living. It is necessary that production be increased, and this can only be done by giving credit to the farmers, as has already been done in many different ways by the Department of Agriculture. I feel that additional ways should be found of giving further protection to our farmers. May I repeat that it was a great pleasure to congratulate the Minister of Agriculture, who is a farmer himself, upon handling our agricultural matters in such a way that we can produce with confidence and that prices will be well protected. The farming industry faces great problems. If our farmers are not given the necessary encouragement to induce the younger element to remain on the soil, they will not do so. Our younger population are deserting the soil because they are not receiving sufficient remuneration for the work they perform. That difficulty could be overcome by giving our farmers a guaranteed price for their products. A guaranteed price would bring about such results as would encourage them to continue farming. Regardless of what the amount of subsidies may be, we must encourage the younger element to remain on the farms; otherwise it will be a disaster for our Canadian population.

Agriculture is still the basic industry of the country. We must be prepared for an increase in population, but we must also be in a position to produce the necessary supplies for the population whom we shall be called upon to support. If our farmers

receive fair prices for their products, ways and means will be found to take care of the amounts required for national defence.

Before closing my remarks I should like to ask the Minister of Agriculture (Mr. Gardiner) whether it will not be possible to grant subsidies to the eastern parts of the country to enable the farmers to buy fertilizer. Our farms in the east require fertilizer. They require substances to destroy the acid which is gradually appearing in our soil. If the farmers could buy fertilizer at a cheaper rate, it would assist in increasing the productivity of the soil, and enable them to sell their produce at lower prices, because with the greater production the return for the work performed would be proportionately greater. At the same time our labour population would be able to buy produce at a lower price, and one more in keeping with the salaries they receive.

May I address a few words to the Minister of National Health and Welfare (Mr. Martin), who is carrying on a great work in the improvement of the health of our people. Canada, like other countries, has to suffer from diseases amongst our population. It is necessary to call attention to this problem and to that of education. An unhealthy and an uneducated population is a detriment to any country. The policies which the department and the government are carrying out will help to maintain good understanding amongst the people of our country, and I am sure we are all glad to support them.

I believe every Canadian is willing to support the principle of taxation when necessary, and is willing to do all that is necessary so that we may maintain the principles under which the United Nations was formed and bring about good understanding and harmony amongst the nations of the world.

Mr. F. H. Larson (Kindersley): In this debate, which hinges chiefly upon defence and on the diplomatic side of our national activities, I rise not because one so new as myself can attempt to advise the people who have had long experience in these things, but the speech from the throne and the remarks of the mover of the address in reply touched on a topic which was very interesting to me and, I feel, very vital to the future conduct of world policy.

I understand that when the first atomic explosion was carried out in Nevada a large staff of men was there to try to stop any reaction which might have occurred from the explosion of the bomb. That did not happen. The atomic bomb was developed. Scientists very soon decided that possibly they could use that atomic bomb to start reaction in some less volatile substance. Possibly the hydrogen bomb is a fact. I do not know. It has never been officially declared a fact.

Is it impossible that some day scientists may figure out a method of using the same sort of knowledge to start some inert substance such as the air we breathe, or the soil we walk on, and end the whole course of human development on this planet? Trusting, however, that things will not be quite as serious as that, we can look forward in this country to the possibility of atomic attack.

There are some people in this country who say that we are totally unprepared to meet any attack in force. Today quite a few members of parliament went down to Montreal, and there they saw something which I am sure convinced them that we are not totally unprepared, but on the contrary we are doing everything possible, and we are doing it effectively, to protect ourselves and our friends in the Atlantic pact.

War today is a pretty terrible thing. Centuries ago Athens and Sparta, the one a democratic country and the other a military-minded country, fought it out. I suppose people a few hundred miles away from what was going on, and who were not involved, did not even realize that there was a war on; but in this day and age a major conflict between two major nations is a thing which should be absolutely unthinkable. I for one still believe and hope that the eventuality of a war, chiefly with atomic weapons, is a thing which we shall never see. What the solution is I do not know. There are a lot of people who talk about a world federation. We have some sort of world federation in the United Nations, but it has no sovereign authority. It has not a police force which is completely under the control of that body. The next thing to that we have is the Atlantic pact. That organization is in a somewhat different position, because we have recently appointed a supreme commander who will have armies and forces of various kinds under his control. Then if any nation—and probably this is unthinkable—within the Atlantic pact were to start any form of aggression, police action would be taken immediately.

If that type of thing could be developed to encompass most of the nations of the world we would have some chance of having a federation of world nations. All this may look difficult, and appear to be impossible; but I presume that the problems that beset the founders of the United States federation, and the Canadian confederation must have appeared to them to be almost insurmountable.

These matters are more or less academic. I feel that Russia, or the international cominform is using a weapon against us which is as old as humanity itself. It is a weapon of which we do not realize the full import—and we have good reason for not doing so. They are using this weapon chiefly in Asia at the moment, and making very good use of it indeed. The reason we do not understand it is that as a nation on this continent we have never been hungry. The cost of living is high—certainly it is high. But practically every family on the continent can set a good table and buy the clothes they need. They can house themselves, and on top of that enjoy some of the amenities of life. To the average Asiatic, the cost of living is probably beyond his earning capacity.

In the conclusions reached at the Colombo conference it was found that the average amount of food upon which the average Asiatic exists for a day is about the same as the normal adult on this side of the water would eat at any one normal meal. The amount of clothing the average Asiatic gets is far from adequate. I do not propose to go into the merits or demerits of the Colombo plan at this time. That plan is set out in a journal on trade and commerce, and it is available to all. The only comment I would make is that the purpose is to give technical assistance so as to increase food production in Asia. Possibly that plan should be extended to provide actual foodstuffs when there are surpluses on this hemisphere. At the present time we have in Canada among other surpluses large stocks of low-grade wheat. It is difficult to make standard milling flour out of such wheat and I am sure that probably within the next year and a half it will be sold for the consumption of livestock. With the situation in India today, I am sure the people there would be happy to have some of that wheat, even though it is not of a top milling grade. It would still provide nourishment.

In Canada we have been bothered by food surpluses from time to time. We have always felt that large surpluses on hand depressed the market and tended to bring about a recession in agriculture. The Americans have had that same difficulty, but it would seem to me that they are somewhat more advanced in their thinking. I believe they are going into the next crop year with several hundred million bushels of wheat in surplus. However, rather than consider it a surplus which would depress the market, they consider it as a strategic war material, and one absolutely vital if an emergency arises.

We could allow Asiatic countries to carry on as best they can, as we have done in the past. We could allow situations to develop in China, as indeed they have developed, and take no responsibility for them. We can even watch the Chinese in vast numbers joining the communist armies, perhaps as a result of having been bribed to enter those armies, with the threat of starvation if they did not come in and promise of adequate food supplies if they did. With our supremacy in technical knowledge and industrial capacity we could probably defeat those huge armies; but to organize the military strength to fight and, when the time comes, to wipe out the hordes of people in those armies would cost us vast sums of money and a great deal of hardship through having to see our people go to war.

If we want to get right down to considering this matter from a business standpoint, even if we wanted to ignore the fact that possibly we are our brothers' keeper, we could say that it would be cheaper to feed them than to fight them. That is my belief; and in that position I do not think we have any choice. I believe it is cheaper to feed them than to fight them, and I doubt if there will ever be peace until the threat of famine has been wiped from the face of the earth.

We might say we have done something in the past to provide foodstuffs for China when it was needed, and when we have had surpluses; but our tendency has been to deal through normal channels, with the big businessmen of China. I doubt very much if the average coolie has ever felt any beneficial effects from what we have done.

It is apparent that the communists have gone into China and stirred up the masses against the land owners and the wealthy people. They have given support to taking over the property of those people. There may have been enough food produced from those activities, so that the communists have not had to send very much from their own countries into China to keep the people satisfied thus far. Indeed, they have had the Chinese fighting their battles, with the only cost to Russia being that of perhaps a few aircraft and tanks. We are now in a position where, even though for a long time the Chinese have been considered our friends, we do not feel we can talk with them. However, we are still on good terms with India and with Pakistan. We are still on speaking terms with a good many other countries in southeast Asia.

In the near future it seems to me it would be to our advantage politically to give some practical indication that we are on the side of those people, that we are people of good will, and that we are prepared to help them in their troubles. It could be said that this

continent simply has not the ability to feed Asia. I agree. But there is no doubt in my mind that we could vastly increase production on this continent. In fact, there are several projects we could construct which would have the effect of increasing production. There is development work we could do. There are lands in northern British Columbia, in the Peace River district where the rainfall is adequate and where the soil is suitable, but where at the present time there are no settlers. If that were not sufficient we could go ahead with the South Saskatchewan river project and 400,000 acres of submarginal land could be brought into production to produce a lot of food.

Industrial skill can do a tremendous lot to make our position more secure, but well-fed people normally do not want to join armies to fight. We should not rest in our endeavours as a highly developed civilization until we see the world completely inhabited with well-fed people. With the international situation being as it is I do not see how we can afford not to do everything possible with our industrial ability to see that our friends have what is necessary for them to fight in defence of our way of life.

But there is a danger that if we place too much strain on our internal economy and spread ourselves too thin we will not be effective in international affairs. That great Canadian, the late W. L. Mackenzie King, said once that rather than making tours of the war fronts his job was to stay in Canada to see to it that our internal economy was operating to the fullest extent in order to produce things for our friends. He felt that our great strength lay in no hitches developing in this country.

At the risk of boring you I am going to say how pleased I am that the British government has considered fulfilling the "have regard to" clause in the five year wheat pool contract. I know that when that clause has been fulfilled to the satisfaction of the western farmers, and I do not think their requests are unreasonable, those same western farmers will be much happier at having to pay heavy taxes in order to supply aeroplanes to Great Britain and to train air crew and do those other things which will cost much in excess of what they are asking from the British at the moment. They will be ready to do all that most willingly.

I am not going to mention any alternatives because I am confident the British government is sound and fair enough to see that justice is done. There are no other alternatives that could be mentioned at this time.

From November 20 of last year to January 13 of this year my information indicates that some $39,900,000 of defence contracts were issued in Canada. I have not the Alberta figures but the contracts in Manitoba amounted to $1,200,000 with only $60,000 in Saskatchewan. Saskatchewan does not worry about defence contracts to any great degree because the people do not feel that that is their role. They feel that their place in the national economy is the providing of that strategic material, food. If that material is not supplied everything else breaks down.

I have heard it said that the Saskatchewan farmers are making so much money that they do not know what to do with it. I have heard it said in high places that prosperity is judged by income tax collections. It must be realized that Saskatchewan is primarily an agricultural province and its primary production is wheat which is sold to the wheat board. The wheat board is an agency of government and the income tax department is a department of government. It is reasonable to expect that information passes back and forth and the experts are able by means of mathematical calculations to tell what it costs to run a farm. With that factor in mind it is easy for those who collect income taxes to assess and collect all that is coming to the federal government in these taxes.

Another fact to be remembered is that those who pay large income taxes farm large tracts of land. They have been fortunate enough to obtain those tracts of land and are thus able to produce more economically than the small farmer. Consequently most of the income tax is paid by a small group of people in Saskatchewan. The great majority of the people in Saskatchewan fall into that other class which do not enjoy the same prosperity.

In closing I want to say that I support the policy of the government as laid down last night by the Minister of National Defence (Mr. Claxton) and by the Prime Minister (Mr. St. Laurent) in his speech during this debate. I feel that with the lead given by those two men and their associates we will have the best possible guarantee we could get that we will have a smooth-working, well-integrated internal economy which will allow this country to produce the way we saw it producing today in Montreal. I have great faith that with a smoothly integrated economy and with large defence production we can do our part to carry out our obligations in connection with affairs that lie ahead. But I wish to stress that we must keep our own internal affairs solid so that it will be possible for us to give the most to our friends.

Mr. Deputy Speaker: The question is on the amendment to the amendment. Those in favour of the amendment to the amendment will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: Those against the amendment to the amendment will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it. I declare the amendment to the amendment negatived.

Some hon. Members: On division.

Amendment to the amendment (Mr. Coldwell) negatived on division.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I think at this time the Canadian people are concerned about two serious problems. The first is the very serious international situation and the second is the constantly rising cost of living. Before I proceed to deal with my main topic this evening I wish to say that I heartily endorse the remarks made by my leader, the hon. member for Rosetown-Biggar (Mr. Coldwell) concerning the present international situation. I also endorse the excellent and incisive speech made by the hon. member for Winnipeg North (Mr. Stewart) in connection with the same question. In 1941 it had become apparent to the government of the day that something had to be done to curb the pressures on the economy due to the rapid expansion which had taken place at that time, and the gradual absorption of formerly unemployed resources into the stream of production. For various reasons the government decided that monetary and fiscal policies alone were insufficient to curb inflationary tendencies. Two alternatives faced the government at that time. The first was selective controls confined to a few basic commodities and the second was an over-all price ceiling on all goods and services with accompanying production and distribution controls.

The minister of finance of that day stated in the house on November 6, 1941, that the government had chosen the latter alternative. The introduction of the over-all price ceiling was announced by the prime minister of that day on October 18, 1941, and came into effect on December 1, 1941. As we all know, price ceilings were based on prices in the period from September 15 to October 11, 1941.

There is no question that at the conclusion of the war the Canadian people realized the advantages of price control legislation and the advantages of certain necessary subsidies to equalize and stabilize the cost of living. Canadians realized that price control was effective. They realized it was successful, and I think that generally speaking the Canadian people fully appreciated the value of that policy. In addition to the people, the Liberal government of that day realized that the Canadian people were in favour of price controls and had realized their effectiveness, their successful operation, and their advantage to the large majority of working people of this country.

They realized that to such an extent that they based their election appeal of 1945 to some extent upon the value of the price control policy to the Canadian people prior to that date.

An hon. Member: And nearly got beat.

Mr. Herridge: Mr. Speaker, I hope that the hon. member who interrupted me is not going to massage his ego by constant inane, innocuous and inconsequential interruptions. I should like to quote a few statements made by leaders of the Liberal party and by the Liberal party itself just prior to the election of 1945, realizing as they did the opinion of the Canadian people with respect to the Liberal party price control policy during the war, which we all admit was excellent. The late prime minister, Right Hon. Mackenzie King, in an article in *Maclean's* magazine of February 1, 1945, had this to say:

> Immediately after the war the dangers of inflation may be even greater than they are now. The Canadian people cannot afford to sacrifice the benefits of wartime stabilization by relaxing controls too soon.

In the Halifax *Herald* and other dailies of June 5, 1945, nation-wide Liberal advertising contained the following:

> Consumer goods soon to be available at 1941 prices.

Again in the Halifax *Herald* and other dailies of June 5, 1945, Liberal advertising contained the following:

> Price ceiling—the purchasing power of your dollars maintained by the price ceiling under careful Liberal management.

Again nation-wide Liberal advertising in the dailies throughout this country on June 5, 1945, contained the following:

> New low-cost housing . . . instalments as low as $9.58 per month under the new national housing plan.

My point in commenting on the advertisements of that date is to illustrate the fact that the government was fully aware of the opinion of the Canadian people with respect to their policy of price control and necessary subsidies that was in effect during the war. We find that, although election advertising and election literature of that time indicated the continuance of the price control policy, that policy was changed some seven months later. On January 31, 1946, the Prime

Minister announced the government's decontrol policy and on February 1, 1946, the first actual decontrol of prices took place on a long list of items, although few were necessities of life. This action continued until well on in the summer. Wage controls were eliminated by the end of the year. From that time on, the Canadian people have been subjected to constantly rising prices.

As we all know, the cost of living has gone up and up. By the end of 1948 complete decontrol had practically been accomplished. Under the National Emergency Transitional Powers Act, originally passed in 1945, the dominion government had been enabled to retain authority over prices, production, distribution and rental controls, but at each successive session of parliament this power was restricted until today the only powers remaining with the government under this act are those over rents.

Rising prices between the early part of 1946 and the latter part of 1948 created such a disturbance and such protests throughout the country that the government was forced to give some consideration to public opinion in that regard. In February, 1948, when, as the result of decontrol, prohibition of certain imports from the United States and other factors, prices were soaring, there was a great outcry for the reinstitution of price control legislation. The government's answer was to set up a House of Commons committee to study the question. We all remember the lengthy sittings of that committee and the report it made. Then a royal commission was established to find out why prices were going up. I remember sitting in this house and hearing the then member for Cariboo, Mr. William Irvine, saying when the commission was being established that it was like the government witnessing someone drowning. Instead of trying to prevent the tragedy they appointed a committee to find out where the water came from.

The royal commission reported on March 18, 1949, after investigating a number of industries. Although the investigation of the commission did not bring prices down by so much as a cent, they did come to some significant conclusions. Before proceeding with my brief remarks this evening I want to quote from their report to indicate some of the conclusions which, as I said before, are most significant for the Canadian people. In volume I, pages 27 and 28, dealing with monopolistic conditions, the commission reported as follows:

> The tendency appears to be for monopolistic enterprises to try to protect themselves from the "peaks and valleys" of the business cycle by obtaining for themselves a stable price over a period of time, the net result of which is generally to place the average price of their goods in the long run above what would be the average competitive level.

That is an example of the operation of the free enterprise system. Then the section dealing with mark-ups is very interesting for those interested in studying this important subject. Again I quote from volume 1, page 26:

> In our investigations we found that it was general for the distributive trades to maintain the same fixed percentage mark-ups on their various lines of merchandise as their costs rose, and that the effect of this practice was to increase prices to the consumer much more than a dollar and cent mark-up would. Where a fixed percentage mark-up is used by the manufacturer, wholesaler and retailer, an initial cost increase at the manufacturing level is pyramided through the entire price structure . . .

I could give much lengthier quotations, but I am just giving a few to illustrate my point. Dealing with bread the report had this to say at page 29 of volume 1:

> The margins now being established appear to be out of proportion with the margins that would exist under competitive conditions on a fast moving packaged food such as bread.

There again the obvious implication is that under this so-called free enterprise system we have a monopoly control avoiding the effects of even proper competition. Then, dealing with the situation concerning livestock, the report has this to say at page 31 of volume 1:

> The very heavy capital investment required, together with decreasing cost ratio as the scale of the business expands, tends to keep additional competitors from entering the field . . .

Again there is the implication of monopolistic control in order to maintain prices; yet we are told repeatedly that members on the government side and members on the opposition side support a free enterprise economy. I have a few other references before I go on. The report of the commission dealing with monopolies in textiles has this to say, at page 33 of volume 1:

> The returns on capital for the nylon producers and the second mentioned rayon manufacturer were, by any standard, very high indeed.

You must remember, Mr. Speaker, that this was the standard established by the royal commission. Again I quote from the report of the commission dealing with fertilizer monopolies, at page 33 of volume 1:

> One firm, following decontrol, raised its domestic prices to export levels and more than tripled its percentage of net profits to capital employed between 1946 and early in 1948.

Mr. Gibson: How did they compete with you?

Mr. Herridge: I thought I had finished with the hon. member, but apparently I have not. The point is that these advantages were taken of the Canadian people immediately following

the abolition of price control and the dropping of necessary subsidies. I could give many other references to show the advantage taken by many firms in this country of that policy of decontrol, but let us see what happened after the change of policy on the part of the government of the day. To illustrate, while the general wholesale price index went up 52 per cent between July, 1946, and July, 1950, the index of the wholesale prices of farm products went up only 35 per cent. This fact was also discovered by the royal commission on prices and led them to state in the report of March 18, 1949, at page 25 of volume 1:

> Since the end of the war, farm products prices have risen less than prices of most other groups in the wholesale index. Yet, because the cost of foods has risen so sharply during this period, this fact is often overlooked. The chief explanation for the apparent anomaly is to be found in the removal of food subsidies which kept food prices down during the war.

Price control is a policy to which this party has been advocating that the government return since the change in 1946. I think there is no question as to which party in this house has been correct since that time with respect to price controls and necessary subsidies. Now I want to quote a short table to illustrate the effect of this policy of decontrol upon the farmers of this country, because sometimes we hear it said that the policy of price control and subsidies is urged largely by industrial groups or workers in urban centres. Let us see what effect it has had upon the farmers. This table shows the increases in percentages between July, 1946, and July, 1950:

	Per cent
Gasoline	18·3
Mower, 5-foot	22·4
Grain binder, 8-foot, 4-horse	29·0
2-furrow plow	36·8
Combine, 6-foot	40·1
Tractor, 4-cylinder, 4-ply tires	44·7
Electrical fixtures and equipment	56·3
Hardware	56·5
Binder twine	135·8

What further argument is necessary for the reimposition of certain subsidies and necessary price controls?

I would ask you, Mr. Speaker, to call it eleven o'clock; and I move the adjournment of the debate.

Motion agreed to and debate adjourned.

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

HOUSE OF COMMONS

Wednesday, February 7, 1951

The house met at three o'clock.

HIGH COMMISSIONERS

REFERENCE TO PRESS REPORT AS TO CHANGE OF STATUS

On the orders of the day:

Mr. Gordon Graydon (Peel): Mr. Speaker, may I direct a question to the Prime Minister? According to the press, it has been suggested in London that the diplomatic status of commonwealth high commissioners is likely to be altered. Would the Prime Minister care to indicate to the house whether this matter was under discussion at the recent commonwealth prime ministers' conference? If so, have any arrangements of the kind been made?

Right Hon. L. S. St. Laurent (Prime Minister): The question was not raised at the recent meeting in London.

HEALTH INSURANCE

INQUIRY AS TO APPOINTMENT OF COMMITTEE DURING THE PRESENT SESSION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I should like to direct a question to the Minister of National Health and Welfare. Will the government consider the setting up, at this session, of a special committee, similar to last year's committee on old age security, to study and report on the whole question of health insurance for the Canadian people?

Hon. Paul Martin (Minister of National Health and Welfare): It is not the intention of the government to recommend the setting up of such a committee at the present time.

PULPWOOD

PRINCE EDWARD ISLAND—SHORTAGE OF BOX CARS FOR SHIPMENT

On the orders of the day:

Mr. W. Chester S. McLure (Queens): I desire to direct a question to the Minister of Transport. This is not a question about reefer cars, but it is not unrelated to that subject. In connection with what is practically a new industry in Prince Edward Island, namely, the exporting of pulpwood, I have been informed by shippers from Kings county that there is a large quantity of pulpwood cut, ready and awaiting shipment. While the Prince Edward Island Railway, through the superintendent and the divisional freight agent, is endeavouring to assist shippers in the export of pulpwood, there is a considerable shortage of box cars. Will the Minister of Transport endeavour to assist the divisional freight agent at Charlottetown in getting a satisfactory number of box cars for the shipment of pulpwood from Prince Edward Island to the mainland?

Hon. Lionel Chevrier (Minister of Transport): I shall be glad to look into the matter.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Tuesday, February 6, consideration of the motion of Mr. W. H. McMillan 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. Drew.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, last night at the adjournment I was attempting to show the effects of decontrol—or a few of them—on the farming population of this country. I should like now to point out briefly some of the effects on the general consuming public and the industrial population. I can give only a few illustrations, because my time is limited and I am sure there are other speakers who will be pleased to give fuller information.

By way of illustration, taking the cost of living index in September of 1939 at 100·8, in February of 1946, when decontrol began, it was 119·9. At the present time, according to the latest figures, it is 172·5. This indicates a continuous rise. Since last June there has been a rise in the cost of living of about seven points.

Not only do we in this group believe that that increase in the cost of living is raised by, shall I say, the greed of certain corporations in this country, but it is also stimulated to a certain extent by some of the remarks made by ministers in connection with the possibility of imposing price control. We all know that the Minister of Finance (Mr. Abbott) and the Minister of Agriculture (Mr. Gardiner) have on occasions expressed the belief that price controls may be necessary,

although not at the present time. I believe that has caused many firms to increase their prices, because they are afraid that, at some time in the future, price controls will be put into effect.

I think this is indicated by the resolution passed by the Canadian Consumers Association and addressed to the Prime Minister (Mr. St. Laurent). I shall quote only one part of it, because it indicates that they, who represent consumers in this country, believe that ministerial statements had some effect. Their resolution states in part:

> Whereas the C.A.C. feels that many prices have been advanced in anticipation of the imposition of price controls, rather than because of necessity . . .

I believe that feeling has been developed. I believe it is safe to say also that prices have increased rapidly, particularly since the beginning of the fighting in Korea, because of the greed of certain corporations, and because of certain ministerial statements. While prices have continued to rise, profits have continued to soar. We in this group have said that if decontrol became effective, without doubt corporations in this country would take increasing profits. That is exactly what they have done.

For instance, the total corporate profit, after taxes, for all companies in Canada rose from $468 million in 1939 to $751 million in 1946. That was during a period of high production and of price controls. After the war, profits rose in 1949 to $1,241 million.

To illustrate the validity of our argument I should like to place on record figures showing the profits of a few of the major corporations in Canada. These are net profits after taxes for several Canadian companies:

Name of Company	Net profits after taxes, 1946	Net profits after taxes, 1950
Aluminum Company of Canada	$11,581,237	$24,485,448
Imperial Oil Limited	17,326,112	23,932,986
Dominion Steel & Coal Corporation	847,034	5,252,063
Canada Packers Limited	1,816,781	3,480,212
Dominion Textile Company	2,119,770	3,108,995
Loblaw Groceterias Company	1,093,321	2,185,915
Zellers Limited	374,043	1,169,552
B.C. Packers	508,546	1,078,781

I would draw particular attention to the figures for the Dominion Steel and Coal Corporation.

The table I have placed on record is a clear indication of the relationship of decontrol, rising prices and soaring profits. The source of the figures for 1946 is the *Financial Post* survey of corporate securities for 1947; those for 1950 are from issues of the *Financial Post* from April 22, 1950 to September 2, 1950.

The record of profits clearly indicates the soundness of the argument that has been put forward throughout the years by members of this group. What has been the position of the C.C.F. in that time? For the sake of my good friends to my right and my friends immediately opposite, who are listening to me with considerable interest, I should like to make this point clear. Price controls, and the necessary subsidies, do not constitute socialism. They are an attempt, under capitalism, consciously to regulate the system so that it will work for the greater advantage of the greater number. There is nothing very frightening about that, and nothing radical about it. It is just an attempt to bring order out of chaos and to bring stability to our financial and economic system, so that the people of this country will have a cost of living that is reasonably stable, and so that we shall have a wage structure that is necessarily more stable because of that price structure.

Since decontrol the C.C.F. have advocated continuously the reimposition of certain controls and subsidies. We offered amendments in the house in 1946, 1947, 1948, 1949, and 1950. Accompanying those amendments from this group were urgent requests that the government recognize the rising cost of living and do something about it by reimposing price controls and, where necessary, providing for subsidies. Even as late as September 2 of last year the hon. member for Rosetown-Biggar (Mr. Coldwell), the leader of this group, in his speech in the debate on the address in reply to the speech from the throne, moved an amendment protesting against the failure of the government to impose price controls and subsidies. That amendment, even after prices had risen to the height they had reached last fall, was defeated by a vote of 93 to 18, the C.C.F. being supported only by members of the Social Credit party.

We have always maintained that the removal of controls would mean the skyrocketing of prices, and that it would make it more difficult for Canadians to meet household requirements and maintain themselves in decency and dignity. We have been told repeatedly by government spokesmen that once price controls were removed, prices would level off and adjust themselves. Further we have been told repeatedly by our friends to the right, members of the Progressive Conservative party, that once decontrol was put into effect, increased production would bring about reductions in prices.

The effectiveness of control measures is well illustrated by the government's own figures. During the war, under controls the cost of living index rose only about five

points. Since April of 1946, when controls were removed, the cost of living index shot up from 120.8 to 173 or thereabouts. We have been agitating the adoption of a control policy in this house since 1946. What is the state of public opinion at this time? I do not think there is any question about it. On October 7 the Canadian Institute of Public Opinion released the results of a survey on what people in Canada thought of price control. The question they asked was: "As things are right now, do you think we should have price controls again, or do you think the government should not interfere in prices?" On the basis of the answers they received, this is their estimate of how the people of Canada feel on the subject:

Should have price control	75 per cent
Should not have price control	14 per cent
Qualified	7 per cent
No opinion	4 per cent

No doubt that majority opinion has been increased owing to the rapid increase in prices since the date of that public opinion poll. In addition to that, we have the four large labour bodies, the Canadian Congress of Labour, the Trades and Labour Congress of Canada, the Canadian and Catholic Confederation of Labour, and the dominion legislative committee of the railway transportation brotherhoods, meeting in conference in Ottawa on January 3, 1950, and outlining labour's demand for the imposition of price controls. We welcome the campaign that is being waged in this country by the labour organizations. We welcome their support and co-operation in this most important matter. In addition to the major labour organizations, there are other labour organizations throughout this country which are expressing their views in exactly the same way.

As I said before, the farmers of this country want parity prices. If the farmers are to have parity prices, we must have some general regulation over our economy. We must have a system of price controls that will ensure satisfactory prices to consumers. We must have a system of price controls and subsidies that will assure satisfactory payments to agricultural producers.

The Saskatchewan Farmers Union and the Alberta Farmers Union met on September 25 last with the Minister of Trade and Commerce (Mr. Howe), the Minister of Agriculture (Mr. Gardiner), and the chairman of the wheat board and urged price controls on all goods, services, and rents, including the prices of agricultural products. I know that the farmers in my own constituency heartily endorse our appeals for price control. They are suffering from the increased cost of fertilizers, sprays, boxes, wrapping paper and all those things that are necessary to place fruit and other commodities on the market. They are heartily in favour of the reimposition of price controls and necessary subsidies.

Some interesting developments have taken place in recent months. Lately I received a letter from the city council of Nelson, one of the larger cities in my constituency, urging that I ask the government in the House of Commons to reimpose price controls. These men are in close touch with the people whom they represent. It is true that in 1946 some of them were in favour of decontrol, in the belief that that would lower prices and free the economy. They were acting according to their best judgment, but today they realize that because of the unstable nature of prices and our whole economic structure, some form of regulation is necessary. I repeat that I have been asked by that city council to urge the reimposition of price controls.

We all know the attitude of members of the Canadian Legion. They have heartily supported the reimposition of price controls in order to protect the living standards of the working people. In addition to that, along with other hon. members I have received hundreds of letters, cards and other communications since coming to Ottawa urging support for price and rent controls.

I remember from my reading of history that Marie Antoinette, when she was informed that the people could not afford to buy bread, said, "Let them eat cake". Surely the government is not treating this important matter of bread, in the sense that bread is the lifeblood of the people, in the superficial way in which Marie Antoinette treated it. If there is any truth in the statement that history repeats itself I would direct the attention of members of the cabinet to the fact that Marie Antoinette lost her head.

The value of price control legislation has been proved by experience. The need for price control legislation is obvious and urgent. The demand for price control legislation without question is overwhelming. Therefore, I move, seconded by the hon. member for Saskatoon (Mr. Knight):

> That the following words be added to the amendment, immediately after the words "rising cost of living" in the last line thereof:
>
> "such as the immediate reimposition of price controls, and the payment of subsidies where necessary, so as to protect the health and living standards of the Canadian people."

In order to make clear the effect of this subamendment I shall read in full the amendment proposed by the leader of the opposition

(Mr. Drew), and then add to it the subamendment I have just moved. The amendment as amended will read:

We regret that Your Excellency's advisers have failed

(1) to give this nation leadership in the face of the present great danger; and

(2) to bring into being forces necessary to enable Canada to defend itself and discharge its international obligations; and

(3) to take effective measures to combat inflation and the rapidly rising cost of living, such as the immediate reimposition of price controls, and the payment of subsidies where necessary, so as to protect the health and living standards of the Canadian people.

I have just one more point to make before sitting down. I should like to indicate to hon. members the situation that prevails in Canada and in other countries. I have heard members of the government party say that we in Canada are a lot better off than most other people so far as increases in the cost of living are concerned. I have heard that argument many times, and I should like to present some figures to indicate how prices have risen in ten countries since 1945. The sources of this information are the Canadian Statistical Review, United Kingdom Ministry of Labour Gazette and the International Labour Review for July, 1950. The cost of living index is taken to equal 100 as of 1945, and on that basis we have the following result:

France	484
Canada	137
Australia	136
Netherlands	135
United States	131
New Zealand	119
United Kingdom	114
Sweden	112
Denmark	110
Norway	107

With all our enormous productive capacity, with our great wealth of natural resources, with the ability of our people, with our industrial technique, the fact remains that Canada has had the second highest increase in the cost of living of the ten countries referred to. I think we can do better than that. This government should take advantage of its powers, should take advantage of the experience of legislation in previous years and reimpose price control legislation.

In conclusion I ask hon. members, when voting on this subamendment, to think first of the mothers with children to feed and clothe; second of the young married couples trying to establish homes; third, of the old age pensioners attempting to survive under an avalanche of rising costs and, fourth, of the large numbers living on fixed incomes. I ask members of the house to recognize, on this question at least, the wishes of the great majority of the Canadian people by voting for this amendment, and in so doing to demonstrate that on this occasion the House of Commons reflects the will of the Canadian people.

Mr. Arthur Laing (Vancouver South): Mr. Speaker, at the outset I should like to refer to the bereavement suffered last evening by our colleague, the hon. member for Lake Centre (Mr. Diefenbaker) in the death of his wife. She was prominent in the group of ladies who annually came here, and she will be sorely missed by all who are associated with the Canadian parliament. I understand that the leader of the opposition (Mr. Drew) is going west on Friday, and I hope he will convey to her family the regret that is felt by every member of the House of Commons.

I want to express my congratulations—and this is no perfunctory duty—to the mover (Mr. McMillan) and the seconder (Mr. Breton) of the address in reply to the speech from the throne. My memory remains sufficiently vivid of the occasion when, in association with my colleague, the hon. member for Nicolet-Yamaska (Mr. Boisvert), this duty fell upon us. I have told many of my friends that I found it the most difficult thing I had ever done. In our country there has been a most successful development by reason of the competitive political party system. It has done a good job for us, and I was particularly delighted with the speeches of the mover and the seconder of the motion now before the house, because they were both good Liberal speeches.

Some hon. Members: Oh, oh.

Mr. Knowles: Explain.

Mr. Laing: To my good friends who interrupt may I say that I do not think that there was ever a more important time than the present for political parties to hold to and express themselves along the lines of the faith which they have built up in their parties.

In the debate thus far there has been a good deal of emphasis on defence. In the great speech made last night by the hon. member for Quebec South (Mr. Power) he intimated that there were many domestic matters which would attract the attention of the commoners, and I thoroughly agree with him. I should like to deal with one or two of them today. With all the attention that the ministry is paying to the battles in Korea and those that may occur elsewhere, I hope they will give considerable attention to the battles that are going on in Canadian kitchens every day.

At the same time—and I do not think I need to counsel the ministry in this regard—I hope they will not pay too much attention

to the suggestions made by the hon. member for Kootenay West (Mr. Herridge). I think we should be hesitant about jumping into a series of cures that might be immeasurably worse than the disease, and that might well happen if the proposals the hon. member has put before the house were implemented. I have canvassed the people of my riding very thoroughly, and none of them want controls unless they do not apply to them. I think that is the situation pretty well all across Canada. If under the present circumstances we were to compound the controls that we had in the last war, the effects of some of which are still apparent in the country, with another full and complete set of controls, I think it could well be the end of enterprise in Canada. The more we read of the continuing calamitous conditions in countries where socialism has held sway over a period of years, the more apparent it is that it is vitally important to retain enterprise.

Canada has been extremely fortunate in recent years in its ministers of finance. We have a Minister of Finance (Mr. Abbott) who need take second place to none in all the western democracies today. I sincerely hope and expect that, when he brings down the budget, in addition to going after the revenue which he will require, he will not be unmindful of the living standards of the people, particularly those in the lower income brackets.

I was especially delighted with the offer as to old age pensions made by the Prime Minister (Mr. St. Laurent) when he met the representatives of the provinces. I had the great honour of being a member of the old age security committee of the house. I was extremely proud of the work done by it—and not merely because I was a member; they probably did an excellent job in spite of that. Their report was unanimous, and it was accepted with a degree of unanimity that has not accompanied many reports made to the House of Commons by those who would be the recipients as well as those who would have to do the paying. I devoutly hope that the offer which the Prime Minister made to the provinces will be accepted by them, but if it is necessary to review the situation along the lines of a suitable amendment to our constitution I hope that the ministry will do so.

Inevitably in these affairs we get down to a discussion of whether we can afford guns or butter. In our difficult and complex economy I think that is an oversimplification of the argument, but if we have to discuss it on that basis I would say that we on our side of the world will have half defeated communism when we can display to the world that the fantastic production of free men can provide more of guns and butter than any slave state at any time.

I am going to address the remainder of my remarks today to one of our comparatively new departments, the Department of Citizenship and Immigration. This is the first opportunity I have had in the house to extend my congratulations to the minister. I believe his was a very popular appointment. If at that time the Prime Minister had not chosen to exercise his prerogative of calling the minister to wider councils but had left it to a ballot of members in all parts of the house, then I am sure the hon. member for Grey-Bruce (Mr. Harris) would still be the minister.

The nineteenth century was the century of migration; people were moving from one part of the world to another. In that century no fewer than seventy-eight million people moved from Europe to the new world. What causes people to uproot themselves and go to another country I know not. Perhaps the European peasants did not want to emulate their fathers; perhaps it was the hope of financial improvement; perhaps it was a desire to enjoy new freedoms that were denied in the old country. In the main, however, I think it was the desire to go to a vast, new, and, they hoped, wonderful country.

Things are not so easy today so far as immigration is concerned; people cannot move about so readily. We find most of the nations of the world determined as far as possible to retain their own people. We have financial difficulties that were never encountered in the past. Seemingly every possible obstacle is put in the way of the easy movement of people from one country to another. Since the inauguration of this department we have done a positive and very good job so far as immigration is concerned. I am not going to offer any suggestions to the minister, because in the main I think he has done a magnificent job in getting our immigration department under way; but we may well ask what are the sources from which we seek immigration. Well, I do not think we can do better than get it from the sources which created the present population of Canada, because up to the present we have done a pretty good job, as is proved by the nation as it stands today.

I should like to address myself more directly to the fundamentals of the entire problem, and I am going to be as frank as I can in pointing out some of the opposition that exists within our own country. I am quite confident that if I were to ask the individual members of this house, "Are you in favour of immigration?" they would say yes. If I were to go to the people outside this house most of them would say of course they were in favour of

immigration. But I have spoken to responsible labour leaders who say, "Well, you should not bring in too many people, or you will break down wage rates in Canada." I have spoken to industrialists in my province who do not want too many industrialists brought in from other countries because some of them do not like the competition. I have spoken to members of the professions, and some of them say, "Well, we had better go easy in this matter; we do not want too many brought in"—again a matter of competition. I have spoken to some small businessmen, and to be absolutely frank they have said, "Sure, bring in people, but don't bring in any Jews."

If we are to have an immigration policy hedged about with all these qualifications, Mr. Speaker, we shall have no policy at all. We find the odd individual who says, "Oh, yes; it is all right if you bring a man from Nijmegen in Holland and put him in Gravelbourg, Saskatchewan, but don't bring him near me." I believe we have to widen our viewpoint as to the advantages of immigration, and we have to widen our viewpoint in regard to our acceptance of the people whom we are bringing here. In my own province I have seen the magnificent work being done by some of the religious organizations with the people coming to this country. I believe our own department could do a better job than it is doing at the present time. It is all right to meet people at the train, but I think we should organize in such a way that we visit them on their farms, or in their little businesses, or at their homes, six months, nine months and twelve months after they have arrived.

Now let me say a word or two concerning the new policy in respect to the oriental races. I believe in our province the Chinese and Indians would be the first to admit that we cannot open the doors wide. We have opened the doors somewhat in respect to Chinese. I think I know as many Chinese in British Columbia as anyone else in that province. Throughout every campaign during the war, whether it was selling bonds, for the Red Cross or anything else, one group had its job done the very first day of the campaign; that was the Chinese. I appreciate the effect of the new regulations in respect to these people, and I am sure they realize that the number admitted must be limited. I believe there are a few things wrong in Hong Kong, through which we steer them. At the present time they have no appeal from the decision of the board which meets them there. I have advised the minister that I am not so sure you can determine the age of a person within five years by taking an X-ray of his bone structure over there and forwarding it to Ottawa for review.

These are small things. My point is that we are bringing some of those people into our country. I was delighted to learn the other day that we are to bring in annually 150 citizens of our great sister dominion India. I was only a youth at the time, but I vividly remember the incident which occurred in 1913 in Vancouver in connection with the *Komagata Maru*, having to do with citizens of that country. Perhaps this will help make amends for what at that time was considered by the people and government of India to be a great wrong. With so many people to choose from, I warn the minister that we shall expect him to get the very best when he brings in those 150 annually.

There has been some discussion and criticism of statements attributed to the Prime Minister (Mr. St. Laurent) and to the Secretary of State for External Affairs (Mr. Pearson), by people who have asked, "Are we going too far in order to avoid war?" I hope this country always is headed by a prime minister who will do anything compatible with national honour and the safety of this nation to avoid war. Only the other day I was reading a book, entitled "The Aftermath", written by Winston Churchill in 1926. It is a review of the devastation of the first war, not the second war. As you will recall, he pointed out that all the knowledge of the medical world was brought to bear to return men again and again to the shambles. There are men in this house today who will have a vivid recollection of what I am talking about when I bring up those words of Mr. Churchill. He finally said that nothing was wasted that could conceivably contribute to waste.

Let us look at it from a more shrewdly practical angle. We may assume that the other western democracies are spending like sums, in relation to their total ability to spend, as we are in Canada. With the prodigious sum indicated to us the other night, I would think that if there were one thing we would wish less than a war at any time it would be a war now. I was particularly delighted, and with this observation I am going to close, with the statement made by the Prime Minister not very long ago. He said:

> We want to act in such a manner that the other nations will not look down upon us, and we shall not look down upon them.

I think there is in that observation a great sermon for all of us, indeed much more than

a sermon. I think this is a statement of the faith of a government, a statement which promulgates to the rest of the world that in the eyes of Canadians there are no longer any inferior peoples.

I am going to suggest that we should have a live and active immigration policy. There should be a statement from the people of Canada that we will welcome immigrants to this country of opportunity as long as they are good citizens when they come here. I am very serious about this. I believe it constitutes today one of the greatest weapons against international communism. I doubt very much if General Eisenhower's greatest problem in Europe is going to be the procurement of military materiel. I think his problem will be the difficulty of convincing the people of that continent of the measure of danger under which they live today, and to bring about a determination on their part to preserve their lives and retain their beliefs.

One of the greatest responsibilities we have here is, first of all, to know fully the nature of the enemy we are confronting and then to develop within ourselves a sense of responsibility, a sense of discipline—an appreciation of national backbone, if you like. If we do that, then I believe we shall have accomplished one of the most important jobs in repelling this world-wide threat which is facing the free nations today. I believe we are doing exceptionally well in Canada. One of the most important statements was that made by the Prime Minister in respect to other nations in the world, and other peoples, and I think we can reflect that statement in such a way that the other nations of the world will say, "Here is a country that is prepared to accept people on the basis of one qualification only, and that is human integrity and the preservation of human dignity." If we act in that way in this country we shall continue, as we have in recent years, to give leadership beyond the relative population in this country.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, as the deskmate of the hon. member for Lake Centre (Mr. Diefenbaker) I should like to thank the member for Vancouver South (Mr. Laing), who has just spoken, for his timely and very thoughtful remarks about the passing of Mrs. Diefenbaker. In this house the members of all parties form a large family circle. That is true to a degree quite unrealized by the Canadian public at large. In that family circle we not only come to know all the members, but also become acquainted with their wives and families. In my time here there has not been a more friendly, kindly, lovable soul than the late Edna Diefenbaker. She will be sorely missed by everyone in this chamber. I am quite sure that when our mutual friend the member for Lake Centre returns to resume his duties he will have the sympathetic understanding of all the members of the house. He has already made a great contribution to the public life of this country, but he has an even greater contribution to make in the future. I know that everyone will help him when he returns to this chamber.

I have been greatly impressed during the last few weeks by the degree to which the people of the city of Vancouver are worried over the situation in which they find themselves today. I have never known such a general feeling of concern in my home city. Probably other members of the house have found that same attitude prevailing in their respective ridings. I believe that this worry stems largely from the world situation, from the tragic and disturbing events which are taking place beyond our boundaries, but it is caused also by the rising cost of living and the fear of inflation. I believe that as never before our people, regardless of party, are looking to this parliament for some definite leadership to help them face these problems.

That is certainly true on the Pacific coast of Canada, possibly because there we look out to the Pacific and that great continent of Asia. For over seven months now a bitter war has been going on in Korea. Canadian warships have sailed from our ports. Hon. members will have noticed just this week reports of the return to Esquimalt of His Majesty's Canadian ship *Sioux*. That destroyer was welcomed by thousands of people upon her return to our shores. Canadian transport planes have been flying out from the airport at Vancouver across to Japan; Canadian and American personnel have been carried across the ocean in that way.

And today in Korea, perhaps going into action at this very moment, we have a western battalion, the Princess Patricia's Canadian Light Infantry—the Princess Pats as we all know them; that regiment which was the first into battle in the first war; which has made a marvellous reputation since its formation in 1914. Several hundred men from British Columbia are serving in Korea with that regiment. Just a few miles away to the south of Vancouver we have the remainder of the special service force in the United States camp at Fort Lewis. Above all, we realize on Canada's Pacific slope that we are in the direct line of attack from

Siberia; that if this war should spread it is very likely that western Canada will be under enemy attack.

Therefore today, believing that the Canadian people are crying out for a definite plan of action, I make bold to offer several suggestions; but before doing so I intend to sketch briefly the broad background of the world situation, because we must always keep it in mind in deciding what steps should be taken by Canada.

The world is in its present condition because of the failure of Russia and her satellites to adopt a policy of co-operation at the end of the second great war; also by the activities of the communists in the free nations, for example, right here in Canada, and finally by the open aggression in Korea. These events have forced the free countries to the conclusion that the Soviet and its satellites aim at world domination; and have driven the free nations to a policy of being united, and also of being strong.

I think the situation is very accurately summed up in one of the paragraphs of the speech from the throne which reads as follows:

> The increased menace in the Far East reinforces the mounting evidence that communist imperialism is determined to dominate the world by force or the fear of force, and that the only hope of maintaining peace with freedom lies in the rapid increase of the combined strength of the free nations. It is equally important that the free nations should make it abundantly clear that they have no aggressive designs and that they are resolved to aid in constructive endeavours to improve the standards of human welfare in underdeveloped countries.

In other words, the free nations are making themselves strong not to attack, not to start a third world war. You and I know, Mr. Speaker, that the free nations could not start a third world war if they wished to do so; because any leaders, here in Canada for example, who tried to advocate a policy of that kind would very quickly find that they had no support. Our hope of course is that Russian leaders, because of the strength of the free nations, will eventually come to see that the only policy for them to pursue is one of co-operation. At that time effective disarmament should be possible and the establishment of a world police force under the United Nations. May I point out that such a result will be far better for the free nations than any world war, because no matter who wins a third world war, all parties taking part in it will suffer terribly.

In any event the policy of the free nations today, including Canada, is to become strong and to continue strong until there is no longer a threat of war. That means continuing strong perhaps for years, perhaps for generations, perhaps for the lifetime of everyone in this chamber today; and yet, during the whole of that time, facing the possibility of war overnight.

The Secretary of State for External Affairs put that possibility quite neatly the other day when he said, as reported at page 57 of *Hansard*:

> I say now, that the free world is in the greatest possible danger.

That condition will continue. Such a policy is very difficult for Canada, perhaps the most difficult sort of policy we could undertake, because it means staying power, it means a lot of determination; and our experience with wars and preparation for war has been so completely different. In each of the world wars we were thrown in suddenly, we had to mobilize in a hurry. There was intense patriotic fervour, a great will to win, and the nation was able to develop a very strong war effort. Today we do not face that situation. We face an entirely different kind of problem. It is no wonder that the Canadian people are perplexed and are calling for leadership. So I come to my five suggestions.

First, we must not forget that there is a war to be won in Korea. There is fighting to be done there. If the broad policy adopted by the free nations is the proper policy and can be made to work, there will probably be no fighting anywhere else in the world but in Korea, and we all devoutly hope that such will be the case. However, there is still a war going on in Korea and it must be brought to an end.

The other day the Secretary of State for External Affairs dealt with that, too. He was referring to the Korean war, and described it as a diversionary and weakening struggle which should be brought to an end as soon as possible.

Let Canada step in and do her best to help end that war. She has not done her share, to date. This Korean war was started by an aggressor. We have called that aggressor North Korea; but there is little doubt in the mind of anyone that the real aggressor was Red China or, in any event, that she was associated with that aggression and had Soviet backing.

Action was taken by the United Nations to meet the aggression, and Canada was associated with such action. Canada authorized action to be taken to meet that aggression. It quickly became apparent that the key to the whole situation was the supplying of ground troops. I would remind hon. members that in the telegram from the Secretary General of the United Nations on July 14,

1950, there was an urgent appeal to Canada for ground forces. That message read in part as follows:

I have been advised that there is an urgent need for additional effective assistance. I should be grateful therefore if your government would examine its capacity to provide an increased volume of combat forces, particularly ground forces.

Canada sent out three destroyers and has provided certain air transport, both of which steps are to be commended. I believe the men who have manned the ships and who have flown the planes have rendered a wonderful service for Canada and the United Nations. Great credit is due also to the young men of this nation who have volunteered for the ground forces.

But there was delay. I do not intend to outline in detail the delays which took place. We do know however that there was delay after delay in respect to ground forces, while all the time Canada could have sent one of her regular battalions to Korea promptly. Eventually a brigade was raised for service in Korea, which became known across the country as the Korean brigade. The house met last summer and approved the dispatch of that brigade to Korea. An advance party was sent across the Pacific ocean; then the Princess Pats were sent over; but then the advance party, with the exception of that portion attached to the Princess Pats, was recalled; and recalled at a time when United Nations forces in Korea were suffering very heavy defeats and were being compelled to retreat.

These acts, these delays, these different actions have caused talk south of the border. The people in Vancouver frequently go across to the United States because the distance is short. They are being told by their American friends that it is hard to understand the attitude Canada has been taking in the Korean struggle.

I have before me an article which appeared in *Fortune,* one of the outstanding American publications, and from which I shall quote. This is the edition for November, 1950; and, under the heading, "Comfortable Canada", it says:

In part, Canada's latest burst of prosperity can be traced to a belief that the free world's post-Korean rearmament will make heavy demands on Canada's raw materials, but need not make heavy demands of Canadians in taxes or manpower. In the bluntest terms, the question that arises is this: Is Canada doing her share?

There has been very little in the events of the last six months about which Canadians can be proud. The handling by the government of Canada's activities in the Korean crisis has been one of the most disgraceful episodes in Canada's history. Let us now do our share to finish this war in Korea. Let us send the other two battalions to Korea, with their supporting troops. Do not leave the Princess Pats to be the forgotten heroes of Canada.

There is a lesson in this for Canada, and it is that we must stand beside the United States when she is in trouble. I would be the first to insist that Canada must not become subservient to the United States in any respect; and I do not believe Americans want to have us subservient neighbours. But we must stand beside them when they are in trouble.

Let us look at the situation today. Because of the second world war, against her wishes the United States was thrown into world leadership. Americans did not want to be worried with the leadership of the world. Yet they took on that difficult job, and I think have handled it extremely well. They are a brave people, a proud people, an idealistic people, and a very friendly people. They are our friends. Over Korea Canada should have stood out as the friend of the United States. That would have been remembered for all time—because it is what one does when one's friends are in trouble that really counts. If a person or a nation cannot stand behind a friend in time of trouble then that person or nation will never be considered such a good friend in the future.

We had a great opportunity, but we failed to take advantage of it; and events in the United Nations in the last week or two have not helped. They have made that position worse. All this quibbling and wavering with Canada hesitating, questioning and appearing to be dubious as to whether she should support the American resolution, and not opposing the Asian resolution, is not going to help our relationship with the United States. Yet, right today we expect Americans to defend us in the north. The minister says that if there were an attack in the north Canada could not defend herself, would have to have American help; we also expect them to defend us on the sea and in the air.

Let us remember what happened just a few years ago—in 1938—when at Kingston that great American president, Franklin D. Roosevelt, made this statement about Canada:

The Dominion of Canada is part of the sisterhood of the British empire. I give to you assurance that the people of the United States will not stand idly by if domination of Canadian soil is threatened by any other empire.

In 1940 he took the same attitude when the Ogdensburg agreement was negotiated and a joint permanent defence board for

North America set up; the same attitude was again adopted in connection with the Hyde Park declaration in 1941. I repeat that Canada should have been beside the United States in Korea. Fortunately there is still time for her to be there.

My second suggestion is to urge once more that Canada press for a Pacific defence pact, for a common policy by all friendly nations in the Pacific. Canada is vitally concerned in this, as has been shown by Korea. As I mentioned a few moments ago, if there is ever an invasion of this country it will come from Asia. We must consider also the possibilities of trade across the Pacific ocean which is of the utmost importance to this country.

Today the Pacific area is in a state of flux. We are still worrying about a fire that might start at the front door in Europe while we are letting the house burn down merrily at the back door in Asia. The Pacific area must be stabilized. A Japanese peace treaty is to be negotiated shortly and in this connection the United States are now considering favourably the setting up or negotiating of a Pacific defence pact. I have here a press dispatch dated January 22 which reads:

> Pact on Pacific U.S. envoy's aim in Jap peace talk.
>
> The biggest unsolved problem facing Ambassador John Foster Dulles on the eve of leaving for the Far East is how to meet the desire of such countries as Australia and New Zealand for security against a rebirth of aggressive Japanese militarism.
>
> There has been some thought in the U.S. government here that the best solution might be a Pacific security pact, somewhat like the Atlantic pact.

I urge the minister again to have Canada press for a defence pact in the Pacific. Perhaps it could be done by extending the coverage of the North Atlantic pact or perhaps an entirely new pact should be negotiated. But something must be done. Mind you, I give the government credit for the aid that has been provided to southeast Asia under the **Colombo plan and to countries** under the plan to aid undeveloped countries. I was pleased to see in the speech from the throne the promise that such aid is to be continued during the next year. But a great deal remains to be done in the Pacific and it is vital that there be a defence pact covering that area.

My third suggestion is that action must be taken at once to strengthen Canada's reserve army. The Minister of National Defence (Mr. Claxton) did not deal with the reserve army when he spoke the other night. In my view he painted only half the picture. He dealt with the active forces and said that he would be talking about the reserve army on some future occasion.

I do not believe that we can divide the forces in that way. This house must keep in mind the picture of the whole defence force. The place of the reserve army—the same would be true of the air force reserve and possibly to a degree also of the naval reserve—in Canada's defence activities, both at home and abroad, is of the utmost importance. Here at home we have one airborne brigade for the defence of Canada; that is all we shall have when the special service forces have gone either to Europe or to Korea, or both. Over and above that one airborne brigade we shall be dependent upon our reserve army. The Minister of National Defence explained this when he spoke in Vancouver on November 22 of last year and said:

> Reserve forces are the only practical instrument for the long-term defence of Canada.
>
> In a country as large and thinly populated as Canada our plans must be based on a small nuclear full-time force and a large reserve.
>
> Our full-time forces are a highly-trained core which is second to none. But we will always have to depend on reserves.

In the event of a third world war and Canada having to send troops abroad practically all of those troops will have to come from the reserve forces. It takes so long under our present conditions to prepare reserve troops for action. The general officer commanding western command, Major General Penhale, who has either retired or is about to retire, made a statement on this point less than a month ago. He stated in Vancouver that it would take at least a year to train an effective fighting force in Canada. The article continued:

> General Penhale, who is retiring as g.o.c., western command, was commenting on the necessity for increased interest in the Canadian army reserve force.
>
> "The reserve force is soundly organized, but we need more manpower," he said. "We can't turn over from peace to war in twenty-four hours. It takes time."

Some of these reserve units are expected to defend us in the event of attack from the air. In Vancouver we have a reserve anti-aircraft regiment whose job it is to protect us from air raids. Those men should be ready to go into action practically at a moment's notice. The Minister of National Defence has been telling the municipalities throughout Canada that they must get busy and prepare for civilian defence. It is even more important that the anti-aircraft defences of Canada should be ready. The Minister of National Defence said last week—he makes so many speeches that it is not hard to find something to quote and I think sometimes he needs a walkie-talkie—that the probability of air attack is a very real one indeed.

What is the present position? Here is the situation with regard to this anti-aircraft regiment as reported in a newspaper article on January 22 quoting Brigadier W. J. Megill, reserve army commander in British Columbia, and other officers as follows:

> The 65th Light Anti-Aircraft Regiment, Irish Fusiliers, has 200 officers and men, 700 below its full complement, said its officer commanding, Lieutenant Colonel G. E. Ryan.

Brigadier Megill said that the British Columbia reserve army units were short 9,000 men and that they had only approximately 3,000 men at the present time. We can verify that situation in the advertisements published by the Department of National Defence in the daily papers. In the Ottawa papers of January 31 an advertisement appeared headed, "You can do more than talk about freedom." It reads in part:

> Today . . . from coast to coast every unit of the Canadian army reserve force needs more men who are willing to devote part of their spare time to our country's security.

Another advertisement reads in part:

> From Newfoundland to British Columbia Canada is calling men from every walk of life—men who are willing to devote part of their time to serving Canada. Canada's need for more men in the reserve force was never greater.

This is the reason why the Canadian Legion are conducting at the present time what they call "operation preparedness," a campaign designed to put the reserve force in a position where it can carry out its function. Splendid leadership is being given by the Canadian Legion right across the country in this campaign. Similar leadership is being given by other veterans organizations such as the Army, Navy, and Air Force Veterans Association. This house would be well advised to listen to the pleas for action by these bodies of Canadian veterans. If the reserve army is not made efficient Canada may very well face disaster in the years ahead, and possibly even in the days or months that lie ahead.

My fourth suggestion is that there must be prompt action to deal with the increase in the cost of living and with inflation. Sometimes I think that this problem is just as serious as the problem brought on by the war menace. Certainly it is affecting every family in Canada today. War, old age and other pensioners, war veterans allowance recipients, annuitants and Canadian men and women with modest savings scraped together by a whole lifetime of toil, find themselves without enough to live decently. That is what the loss of value of our money is doing. That is what the rising cost of living and inflation are doing. Take the salaried groups, clerks, teachers, government employees, all those groups that are not in a position to do very much about getting their salaries increased. Take the wage earners of Canada, whose wages are always behind the cost of living, who can never catch up with the rising cost of living. That is the situation in Canada today, and it must be faced.

It is caused of course in the main by the diversion of our production to wartime materials; by the steps we are taking to build our war strength. It is an abnormal situation and is going to get worse. We must be strong, perhaps for years to come, and the situation with which I am dealing is not going to improve. It is bound to grow worse. I suggest it must be faced.

I believe that price controls should be placed on key commodities without further delay. The government has announced that it is going to introduce stand-by legislation which will enable it, if it so decides, to impose price controls. What was the result of that action? The result of a statement of that kind was simply to force prices up higher. Men in the retail, distribution and wholesale trades have come to me within the last two or three weeks saying that something must be done about prices because they are going up every day. One man said that his prices have risen by 80 per cent in the last three months. These men say that the situation is simply intolerable and that something must be done to remedy it. They were not consumers; they were men in a position to be able to increase their prices.

I also believe that it would be most opportune if the Minister of Finance (Mr. Abbott) were to make a full and frank statement in this debate on ways to prevent inflation. I realize that price controls are not a cure-all, but I believe it is the duty of the Minister of Finance to tell the house, and through us the Canadian people everything that can be done. There is little understanding throughout the country of the underlying causes of inflation or of the best remedies. We hear, for example, such recommendations as these: that individuals should increase their personal savings, that the government should cut out every unnecessary expenditure, that there should be heavier taxation, that there should be restriction of credit, that there should be an allocation of scarce materials, that interest rates should be raised so that persons having savings accounts, for example, would receive a higher rate of interest and thus would be encouraged to save rather than spend; we hear that there should be increased individual production. These are some of the cures that are being mentioned. I suggest that we should have a statement from the Minister of Finance. Everyone in Canada is being hurt no matter

how poor or how wealthy he or she may be, and I believe that the Canadian people would co-operate voluntarily in a scheme to curb inflation if they were given leadership from the House of Commons.

My final suggestion is related to the fact that great interest is still being taken throughout Canada in contributory pensions and the removal of the means test. The Canadian people—in British Columbia at any rate—are thoroughly sold on the need for a policy which will result in the introduction of contributory pensions and the removal of the means test. They are expecting action. I take it from the throne speech, and from statements that have been made in the house and outside by ministers and parliamentary assistants, that there is very little likelihood of legislation at this session which will establish contributory pensions or remove the means test. I regret that such is the case, and I believe the failure to take such steps will cause great disappointment.

I urge upon the government that this period of high employment is a good time to start a contributory scheme in Canada. During the second world war we were able to establish unemployment insurance on a firm foundation because at that time there was high employment and it was possible to build up large reserves. The same thing could be done now to establish a contributory pension scheme. Furthermore much of the money which might be spent by the people could be drained off to provide some at least of the funds for a contributory scheme. I do hope that even yet the government will decide there can be legislation along this line at this session.

Those are my five suggestions. I urge them upon the government in all sincerity, and I hope it may be possible to get action along at least some of these lines. In conclusion may I say that while there is great concern across the country; while the members of this house are looking and feeling very blue, and everyone seems to believe that though the world has not yet come to an end it may do so very shortly; yet let me point out that we are not the first generation of Canadians who have had serious problems to face, and we are not going to be the last. Personally I believe that we are very fortunate to live in such an interesting, exciting and challenging time. Certainly no one could call this a dull era. I believe, further, that Canadians still have the wisdom, courage and determination to surmount all obstacles, no matter what they may be.

[Mr. Green.]

I propose to support the amendment moved by the leader of the opposition (Mr. Drew), which I want to place on record again:

> We regret that Your Excellency's advisers have failed
>
> (1) to give this nation leadership in the face of the present grave danger; and
>
> (2) to bring into being forces necessary to enable Canada to defend itself and discharge its international obligations; and
>
> (3) to take effective measures to combat inflation and the rapidly rising cost of living.

Mr. Raymond Bruneau (Prescott): Mr. Speaker, before participating in this debate I should like to congratulate the mover (Mr. McMillan) and the seconder (Mr. Breton) of the address in reply to the speech from the throne on the manner in which they performed a very arduous task and the credit they have brought upon themselves and the ridings they represent in the House of Commons. May I note also the visit of our Prime Minister (Mr. St. Laurent) to England to attend the conference of commonwealth prime ministers. His wonderful participation, his most helpful suggestions and the way he dealt with the difficult problems submitted to that conference have earned for him our great admiration. The deliberations in which the Secretary of State for External Affairs (Mr. Pearson) has taken part at the United Nations assembly, his splendid way of dealing with the most delicate questions and with a not too loyal opponent, his unending efforts, his great sense of justice as well as his gentlemanly attitude at the council table have undoubtedly brought him to the fore and wholly justify the esteem we all hold for him. The detailed and precise exposé recently given in this house by the Minister of National Defence (Mr. Claxton) of the way Canada intends to co-operate with and help the North Atlantic nations in their common effort to wipe communism from the face of the globe gives us great hope for the future.

When very recently in the other place we heard the speech from the throne we received that message with mixed feelings of satisfaction and apprehension. It was indeed gratifying to be entrusted with a mandate by a free people in a free country, where it is possible for us as free men to debate in this house legislation we believe capable of providing a solution to the present situation, and to feel that in this way it is possible for us to co-operate in helping, we hope before long, a people now living under fear to express themselves through a free government of their own choice. But there was also, sir, a feeling of apprehension because of the seriousness of the task with which we are confronted and the grave responsibilities arising from it.

In order to implement our program of co-operation with the Atlantic charter nations we will be asked to authorize Canadian participation in the integrated force. Having the security of Canada in mind I am sure no hon. member of this house will oppose this policy of preparedness; and I am one of those who believe that if we are to fight the enemy it is preferable to do so away from our shores. In connection with this defence program I should like to remind the minister, in view of his speech a few days ago in which he offered all available facilities to the North Atlantic pact nations to train their air forces in our country, that in the riding of Prescott we have two large airports, at Pendleton and St. Eugene, which served the very same purpose during the last war under the commonwealth air training plan, but which unfortunately are now idle. We also have a landing field at Hawkesbury which at present is used by a private flying club. Just here I must say that this club has trained many efficient pilots, and I hope that in the very near future it may be possible to provide them with a beacon so they may go on with their night training.

So it will be seen that the riding of Prescott has much to offer in the matter of air training. Its ideal location between the capital city of Ottawa and the metropolis of Montreal undoubtedly constitutes a determining factor in bringing those airports into the tremendous air training plan which the minister intends to implement during the next three years. Therefore I strongly urge that immediate steps be taken to study the possibility of putting some of these airfields to use.

In the same speech from the throne we were told that we will be asked to approve substantially increased expenditures for defence. I am aware of the need for the expenditures, but I am sure that in his coming budget the Minister of Finance (Mr. Abbott) will not tax incomes too heavily. With the present costs of living I fear it would be disastrous if we were to ask too great a sacrifice of our people. There are other expedients, I am sure, to which we can have recourse to obtain the necessary money with which to put our defence program on a sound basis.

Now I come to price control, a subject of great interest to the members of the party immediately opposite me, that is, the C.C.F. I am at a loss to understand the subamendment proposed today by the hon. member for Kootenay West (Mr. Herridge) and seconded by the hon. member for Saskatoon (Mr. Knight). That amendment reads:

> That the following words be added to the amendment, immediately after the words "rising cost of living" in the last line thereof:
>
> "such as the immediate reimposition of price controls, and the payment of subsidies where necessary, so as to protect the health and living standards of the Canadian people."

With regard to the hon. member who seconded the subamendment, there was an interesting article in the Saskatoon *Star-Phoenix*, dated January 23, 1951, entitled "Opposed to Price, Wage Freeze Now". It states:

> R. R. Knight, member of parliament for Saskatoon, said on Thursday he opposed price and wage controls now. He said that to freeze prices and wages now would permit industry to continue to enjoy exorbitant profits. Mr. Knight addressed nineteen unionists representing the C.C.L., the T.L.C., and the Railway Brotherhoods in the Farmer-Labour Hall.
>
> Workers should be free to bargain and whittle those profits down to size, he said. Wage controls would be sound in a war economy provided a proper relationship between prices and costs of production could be reached first.

That was about a fortnight ago, yet today the same hon. member seconds this subamendment.

Mr. Knowles: Surely the hon. member knows that is not a correct report.

Mr. Bruneau: I am happy to note that amendments to the Canadian Citizenship Act are to be introduced to prevent the retention of Canadian citizenship by persons who have renounced their allegiance, or shown by their conduct that they are not loyal, to Canada. I am wholly of the opinion that such amendments are most important and urgent, since it is imperative that citizenship in a free country should not be shared by those who are endeavouring to destroy the very essence of our liberty. There should be a thorough screening of those suspected of subversive activity. Those who made the supreme sacrifice at Vimy during the first world war, on the shores of Dieppe during the second world war, and today in the hills of Korea, paid too great a price for the freedom of a free democratic country to allow saboteurs and communists at large to enjoy it.

Another cheerful feature of the speech delivered by His Excellency the Governor General is the mention of the fact that the high level of employment and production within our country will give our people increased capacity to meet the demands of national security.

Before long I should like to see a bill introduced in this house granting a pension

to invalids. Since my entry into politics in June, 1949, most of the cases that have been brought to my attention concern invalids. We owe it to those who cannot help themselves to bring them assistance. I am happy also to notice the mention of a contributory old age pensions program along the lines recommended by the joint committee at the last regular session, and that proposals to that effect were laid before the provincial governments for new tax agreements. Our old people will certainly rejoice at the thought that, during this session, legislation will be introduced concerning their welfare. There is not a single member in this house who will not do his utmost to see that the twilight of life is made a little more cheerful and bright for our aged citizens.

The spirit of unity so happily reflected in the conferences between the federal and provincial governments, which is an assurance that the program of social security will operate smoothly, we owe in a great measure to the masterly hand and tactfulness of our Prime Minister (Mr. St. Laurent).

I hope that the amendments to be introduced to the Central Mortgage and Housing Act will make it possible for our people with meagre incomes to build a home which they will own and cherish.

Another measure which I should like to see introduced is one concerning the decentralization of industry. Should we be attacked from the air, and this is not an improbability, it would be preferable for our industry as a whole to be spread across the dominion rather than concentrated in two or three cities. In this way our productive capacity would not be impaired.

Let us hope that the report of the royal commission on the arts, letters, and sciences will become available during the course of this session. I add here, sir, that I intend to table a resolution regarding the introduction of a bill to create a youth department. This department would not overlap the provincial departments of education, as once alleged by the premier of Quebec during a press conference. This department would establish a vocational guidance school for our young people who have the ability but lack the money to develop their talents. On a national scale we could guide our young people in the liberal arts, sciences, the different fields of knowledge and agriculture, thus enabling us to find better trained citizens at home and avoid the necessity of importing skilled or specialized labour from abroad.

[Mr. Bruneau.]

In conclusion, sir, it is most comforting for the legislators in this House of Commons to be able to debate as free men upon a legislative program prepared by a cabinet whose prime aim is to achieve security and prosperity for the people by whom they were given a mandate, and in this way to bring freedom to other people now living behind iron curtains.

(Translation):

Mr. Auguste Maltais (Charlevoix): Mr. Speaker, I should be remiss in my duty if I failed to offer my wholehearted congratulations to the mover of the address in reply, (Mr. McMillan) and the seconder (Mr. Breton) for the ideas they expressed in their speeches and the manner in which they acquitted themselves.

Mr. Speaker, although for the past decades our country has experienced an unprecedented development in the political, social and economic fields, the numerous and complicated problems that arise in the international sphere seem to baffle our leaders. Already we feel it deeply in our daily lives. However, unless those problems are solved quickly, they will jeopardize our way of life, our very existence as a nation, during the present generation and perhaps that of tomorrow.

Every Canadian citizen no doubt realizes the seriousness of the situation. The events unfolding before his eyes summon the ghastly spectre of a third world war.

Canada, however, does not want war, any more than other countries in the association of free nations. Yet rearmament is progressing; there is a sort of confusion, and the latest discussions of the United Nations all seem to lead to the same question: What will cause the spark that will ignite the powder keg?

Such is the present state of affairs and it seems that the Communists have no intention of ending their struggle for world domination.

Karl Marx introduced his doctrine about a hundred years ago and I remember having read in a certain manifesto: "A dream, the communist dream, is spreading over Europe." Now, a hundred years later, we have to admit that the dream has given way to tragic reality.

Russia is expressing the most brutal forms of that dream. Her treacherous doctrine, under the guise of a protective political system, of promised social reforms, of a utopian economic policy, implied the destruction of humanity's most sacred possession, the spiritual nature of man.

Considering the way of life of nations still living under freedom, a way of life mirrored in our religious beliefs, in our discerning liberties, in our democratic governments, how can we imagine that this global ideology, which affects all human activities and tends to spread by every possible means, by enslaving the minds of people and by armed force, will at any given time stop its victorious march against free countries dedicated to utterly opposite ideals?

At the present time, nobody can deny that the communist ideology is spreading at an alarming rate.

The bait tendered the world by Russia varies according to the quarry for which she is angling. At times, she resorts to the cry of the people, promising less fortunate masses equality and security as was done in some Asiatic countries, while at other times she pits the colonial spirit against alleged imperialism, as happened in Indo-China, for instance. Elsewhere, in pacifist countries, she uses peace crusades such as the one we witnessed in Canada not so long ago. Today, she denounces war profiteering capitalists, and so on. That is perhaps what prompted a great leader of industry, Mr. Rhys Sale, president of the Ford Company of Canada, to say: Communists depict leaders of trade and industry as greedy cowards who hide behind the firing-line while the workers, fathers and sons serve as cannon fodder.

Unfortunately, such appeals sometimes bear a faint resemblance to the truth; but that is not the whole truth. Today, how many peoples behind the iron curtain have bitterly tasted this false social security, this imaginary paradise that no one ever sees.

This cold war, which can hardly last much longer as such, seems to take a more concrete shape. Already we can see the Russian strategy seeking, on the one hand, the balance of power among the nations and, on the other hand, trying by vile propaganda to dominate the world by enslaving the minds. This thought was again expressed by Mr. Sale and I quote:

> The rulers of the Kremlin believe they have perfected a technique that will enable them to rule the world. This technique is based on the principle that it is easier to enslave men by seizing their minds than by tying their hands.
>
> Hungary, Roumania, Poland, Czechoslovakia, North Korea and China have been the victims of this technique which is a more powerful weapon than the hydrogen bomb.

This balance of power I just spoke of is at stake in various places. Europe, exhausted by two wars and faced with enormous problems, barely has the strength to recover. Nobody can deny that potential resources of the free part of Europe could help communist Russia tremendously.

We know, too, that China, Russia's ally in any world war, would become an important factor, fraught with the gravest consequences for the United Nations. On the other hand, Asia remains a very vulnerable point.

Such are, in my opinion, the factors at work in the balance of power. The North Atlantic treaty nations will, we believe, stand firm and, with the immense assistance they will receive from other countries, the peoples concerned will be able to present a solid enough front to deter aggression.

On the other hand, we cannot say as much of the Chinese people. The disastrous Korean war has added to difficulties which already existed.

Knowing that a Russo-Chinese alliance would constitute, in the event of war, an extremely powerful association of forces, I hope that the United Nations will find a way to prevent war with this satellite country. Though we must not seek peace at any price, thus jeopardizing our national security, no door must remain closed, no stone left unturned by the United Nations in order to solve this situation by peaceful means.

I need not remind this house once more of the sane and cautious attitude of the government in seeking a solution to this problem.

The speech from the throne refers to the Colombo plan in connection with the underprivileged populations of Asia. Some time ago I read in the press a statement from India's prime minister, Mr. Nehru, to the effect that the struggle for supremacy between Russian communism and the free nations' democratic system will not be determined by war, but by what those systems have to offer.

That statement is very true. Armed conflict has seldom led to lasting solutions. The war that broke out in 1914 was meant to destroy German imperialism for ever. Twenty years later, the same German imperialism caused another war, because we were then called upon to defend Poland. I need not ask you how long Poland enjoyed freedom.

But Mr. Speaker, before discussing further the issue of this cold war between Christian countries and the forces of evil, I pause a moment to examine the position of Canada in the face of the international situation..

Following the speech from the throne and the brilliant statement of the Minister of National Defence (Mr. Claxton), the attention of all Canadians should centre on our defence. Since we intend to spend some $5 billion for defence, it is obvious that Canada will shortly be on a war footing.

Canada's population is only about 14 million and she is barely recovering from the dire effects of another war. Any honest Canadian will admit that our contribution to our common defence is second to that of no other country. However, I wish to draw the attention of the government to the dangers entailed by such a large scale effort. As a result of the program which is under way, a shortage of manpower is already predicted for the summer of 1951. By recruiting volunteers, the army will absorb a large proportion of our youth and war industries, an ever-increasing number of workers. Our economy has already been disturbingly jolted. The cost of living is skyrocketing and the slightest increase in prices would so upset the balance of many a family budget that our war effort might be seriously impaired.

Conscription of manpower under present conditions would be harmful to our economy and to the free effort of the nation, to the defence of our country and to the help we must give our allies, but uncontrolled inflation would risk slowing down the steps taken to preserve our liberty in the face of the communist peril.

Some time ago, General Eisenhower said:

(Text):

A nation's defence must spring from its own soul, and the soul cannot be imported.

Owing to the wise administration of the present government, Mr. Speaker, and the prudent measures which have been laid down so far in this house, the soul of the nation today looks to its leaders with confidence.

The Canadian nation has historically inherited the civilization of two great races: the Anglo-Saxon civilization that I have learned to like, the Latin civilization that I love. The Canadian nation, I daresay, has moral values that it is determined to keep and defend.

Canadian unity is a fact in this country and over the years our forefathers had to fight and make great sacrifices in order that we might enjoy today the heritage of which we are so proud.

If sometimes, owing to the diversity of our culture and our languages, it has been onerous for us all, we have, nevertheless, learned to know one another better and to respect each other. Let us thank Providence that through all those years we have acquired above all in this land of ours the right to be called Christian Canadians and democrats forming a nation with a soul conscious of its values and of its responsibilities.

This nation has a soul and a history, young maybe, but I hope from the bottom of my heart that the government will soon consider giving to the people of Canada an emblem which will symbolize in our public places, and in foreign lands, the reason why we are proud to be Canadians and united in the defence of this country—a national flag.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, my purpose in entering the debate at this time is this: a few moments ago, not in my hearing but in the hearing of hon. members in the house, the hon. member for Prescott (Mr. Bruneau) assumed, and stated —and from the evidence he had in his hand I do not blame him for so stating—that I had at a certain meeting, where I met certain members of trade unions in Saskatoon, namely on the night before I caught the train to come to Ottawa, made certain statements. His statement was that I am reported in the *Star-Phoenix* as having said that I was opposed to the freezing of wages and prices now.

The hon. member has been most friendly about it, and has shown me the clipping. While I have found that, generally speaking, the reporters serving my home-town paper, the *Star-Phoenix* of Saskatoon, are very accurate, this is one occasion where they made a most distinct error. I did notice at the meeting at which I spoke that the young lad who had been sent to report the meeting was just that. He was a young lad; and I did hope that, in the light of the somewhat technical manner in which I discussed the subject, he would get the facts straight.

Until today I had neglected to renew my usual request that the *Star-Phoenix* be supplied to me here. The result is that I have had no opportunity to see that newspaper. I could have seen it of course if I had gone down to the reading room; but I did not do so. The result is that its being brought to my attention by the hon. member for Prescott was the first intimation, with one exception, concerning the mistake that had been made. One

of the people who, of late, have been sending us cards in regard to price controls—and some of these are friends of mine—wrote to me telling me about this mistake in the *Star-Phoenix*. I have on my desk the copy of the letter in that regard.

Let me add that at that meeting were represented I believe every trade and industry in Saskatoon, including the two great labour congresses, the packing-house workers and others. People from nearly all the trade unions in Saskatoon were represented. There was not one of the thirty or so men who met me who had any doubt whatever as to where I stand in the matter of price controls.

I spoke for forty minutes at the meeting, and I spoke in favour of price controls—just as I had spoken to forty-two meetings in various parts of this country during the last month or two, and spoken in favour of price controls. Many of those meetings were in the maritime provinces. I think therefore that I am thoroughly on record as to where I stand in respect of the control of prices. I am in favour of price control—and now. What I have said ought to straighten the matter out, so far as the house is concerned.

Then, so far as the hon. member for Prescott and the *Star-Phoenix* are concerned, I shall have something further to say. I have the highest regard for the *Star-Phoenix*, as a good newspaper. May I say in all kindness to the hon. member for Prescott that I do not see how he could have sat in the house since he was elected, whatever the date may have been—a year or two ago, I believe—and have listened to me speak in debate, along with other members of the group with which I am associated, and then in all sincerity accuse me of ever having made a speech of this sort. That I cannot fathom.

I am prepared however to give him the benefit of the doubt. I will not say that someone in his own party supplied him with a juicy item which purported to show that I, who only today seconded the amendment of the hon. member for Kootenay West (Mr. Herridge) in favour of price controls, had within the last two weeks addressed a meeting of trade union members in Saskatoon at which I had opposed the same thing.

I believe, sir, that I have made myself clear. As a matter of fact, I have penned a letter to the *Star-Phoenix* over my own name protesting this quotation. Then, in case hon. members are curious as to what I did say, may I offer an explanation? I said—and I would ask hon. members to listen carefully; my Liberal friends opposite would perhaps like to quote it to me on some other occasion—that "if you at this moment combine"—and note the word "combine"—"wage and price controls, and put them both now into effect that, in the present disparity which exists, that would be unfair and unthinkable, and would make permanent the high scale of profits now being enjoyed."

As I have said, there was no doubt in the minds of all those trade unionists as to where I stood. We met there in a meeting held in favour of price controls, and I said to them what I have said to the house now.

I am sure now that the hon. member for Prescott will accept my assurance that I never at any time opposed price controls either in the house or out of it. Since I have become tantalized to the point where I have to make a speech, I shall proceed to put myself on record by giving some of the reasons why I believe price controls would be a good thing for this country, and why I think the lack of such controls bears heavily upon many people in Canada.

In the first place there is a demand for price controls from all parts of the country. I need not say here that the cost of living index has risen rapidly. Taking a base of 100 for 1939, we find that it has crept up to about the 170 mark. This simply means that anyone wishing to buy goods now must take $1.70 with which to purchase goods which would have cost $1 in 1939. That, may I say, is the figure for the general price index. That index covers commodities such as carpets, organs, electric refrigerators, and other items which are comparative luxuries for many people.

What is the price index for food? The last time I saw it the figure was 218. What does that mean to the people of Canada? What does it mean to the housewives? It means this, that when you or your wife go down town you must take $2.18 to buy that which formerly cost $1. One does not need a very large pocket in his overcoat to be able to carry home with him $2.18 worth of groceries.

That is what I have to say about price controls. It is not too bad for you and for me. It is not too bad for the man whose wages have been increased to a comparatively decent level; but it plays havoc with the old people in our country. How would you like to be living in a garret, as I saw people living in garrets in the slums of Saint John. I wish the hon. member from that city were here so that he could hear me say it. People were living there like rats—old people living up in third-storey garrets, with only $40 to spend in a month. Those people are not buying goods rated in the 170 price index; they are buying only one thing, food—and not too much of that.

After having seen those things, if I could come back here, stand in my place in the

house and say I was not in favour of price controls, under present conditions, then I would have, like many other members in this house must have, something pretty deadly on my conscience.

That is my stand on price controls. I could go on of course to deal in more detail with the matter. I did not know that I was going to make a speech when I came down here and found that the hon. member for Prescott (Mr. Bruneau) had made the statement he had. If there is any question in anyone's mind in regard to my attitude on this matter, that question has now been answered. I do not think I have a reputation for inconsistency in this house or outside. I say the things that I believe. I do not pussyfoot. I do not change my mind after a couple of weeks as the hon. member has suggested.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise to speak in support of the amendment that has been moved by the hon. member for Kootenay West (Mr. Herridge) and seconded by the hon. member for Saskatoon (Mr. Knight) and to urge this house to vote for that amendment, asking as it does for the immediate reimposition of price controls. If some of my friends on the other side of the house feel that for some reason—merely because they feel they have to support the government—they cannot do so, I hope that all hon. members on this side of the house will support it and that there will be a few Liberals independent enough to express what I am sure they know are the views of the people of this country.

Before I go further into that may I say that inevitably a good deal of the discussion during this debate has been with reference to the international situation. That matter has been well covered by the leader of this group and by other hon. members so I do not need to elaborate further. I should simply like to say that in my view the Canadian people, now as always, can be counted on to measure up to any challenge with which they may be confronted, but I think it is also the case—and this is the point we have been trying to press upon the Secretary of State for External Affairs (Mr. Pearson) and the government as a whole—that the Canadian people want their leaders to take every possible step, consistent with honour and basic principles, to avoid getting involved in war. If war comes, that is another story; the people of this country will meet that challenge if they have to; but first of all they want their leaders to do their best to avoid our getting into a general war, the extent of which could not but be catastrophic.

Other members of this group, including the hon. member for Saskatoon who has just resumed his seat, have endeavoured to impress upon the house and the government the seriousness of this problem of rising prices and inflation. Various answers have been given by the government as to why they are not prepared to embark upon a program of price controls. One of the reasons put forward is that to do so would put the government and the officials of various departments up against very difficult problems in connection with administration, enforcement and so on.

Let it be said right away that no one denies that there are difficulties involved in administering and enforcing a program of price controls. But we ask the government to set against the difficulties that they would have to deal with, and which are not insurmountable, the much greater difficulties that are facing the Canadian people from coast to coast. In almost every home in this country the problem of making both ends meet is becoming an impossible one, carrying with it a terrible sense of frustration. Surely the Canadian people have the right to expect their government and their parliament to take steps to help to alleviate that serious difficulty.

The argument that there are difficulties in the way comes with particular ill grace from the Canadian government in view of the proud boast that they have made, a boast they were justified in making, about the good job that they did in the field of price controls during world war II. I strongly urge that that argument be dropped and that the government face up to the problems confronting our people and bring in a program of price controls, and subsidies if necessary, with the least possible delay.

The hon. member for Saskatoon just referred to the fact that the cost of living index, which now stands at 172·5, is the over-all index and does not give the picture so far as individual items are concerned. He indicated that the last figure he had for the food index was 218. I telephoned the dominion bureau of statistics about two o'clock today to inquire as to the present food index and was told that the last figure they had was 220·2. In other words, the cost of food, already sky high, is still rising. We simply cannot get away from what this means in terms of difficulties and problems, in terms of lowered health and living standards for our Canadian people.

I had something to say during the session last fall about this, with particular reference to our old age pensioners. On that occasion I took some time in an attempt to turn the

cost of living index as it was then into dollars in order to indicate the dollar value of the money we are now paying old age pensioners in terms of the 1935-39 dollar. I even prognosticated as to what might happen in the event of the cost of living index going over 170 by the time we got back here in January. I regret to say that my prediction was correct because the cost of living index has gone up past that mark and is still rising.

The result is that in terms of the over-all figure, let alone the special figure for food which is the most important one to our old age pensioners, the $40 maximum old age pension now being paid under federal legislation is worth only about $23 in terms of the 1935-39 dollar value. When you consider that the first Old Age Pensions Act provided a pension of $20 and that we are paying now only $23 in terms of the 1935-39 dollar value, surely it is time we did something for these despised and forgotten elder citizens of this country.

If you consider the food index of 220·2 and figure out how much of an old age pension is spent on food you will realize that we are probably giving our old age pensioners today less in the goods and services that they must purchase than was the case with the original pension. I want to say something more about this subject in a moment but at this juncture I simply refer to our old age pensioners as being one group who feel most stringently the effect of a rising cost of living, which seems to be in danger of continuing to rise until it gets completely out of sight.

The government tells us what other measures it proposes to rely on, such as its general fiscal policy. We are told that the government is going to wait and see what happens as a result of the controls being introduced in the United States. All these pronouncements are no help to our people. Pronouncements and theories do not help. What they want is the kind of legislation which this government demonstrated during the last war it could administer, and which it could bring in now to protect the health and living standards of our Canadian people.

I know that every once in a while when we press for price control someone raises the question of wage control. It has already been said in reply to that question, and correctly so, that we have a form of wage control right now. Remember that a great many workers of this country have their wages determined by collective bargaining. When a collective agreement is arrived at it must hold for a minimum of one year, and in some cases the term of the agreement is even longer. During that period of time wages are fixed, wages are frozen, but prices continue to go up month by month putting our workers in an impossible position.

In fact I will draw it to your attention that this very House of Commons passed a wage freezing measure last fall when we were dealing with the railway strike. We passed a measure which fixed a ceiling beyond which the arbitrator of the railway dispute could not go. I should not say "we". Parliament passed it. I opposed it and so did all members of this group, but Bill 1 of last session fixed a ceiling of 7 cents beyond which the arbitrator could not go in adjusting the wages of the railway workers. It also fixed a floor of 4 cents below which he could not go, but that turned out to have no significance.

I wonder how many members of the house are aware of the fact that when Mr. Justice Kellock made his report and awarded 7 cents, for which the hon. member over here was expressing appreciation last night, he said in the report that if it had not been for the ceiling fixed by Bill 1 consideration would have had to be given to the possibility of awarding the workers 10 cents. Why did he say that? Because the agreement was to run for two years, and inevitably in that two-year period the increase in the cost of living would cut out the value of the increase that the arbitrator was awarding to them.

There is a case of a great band of workers who had their wages frozen by an act of parliament last fall for a two-year period, and yet we have members of the house unwilling to consider price controls to protect the standard of living given to those railway workers by the bill passed by this parliament. I submit the time has come when some members have got to get over just sticking to a position because that position is one that has been taken. We have got to face this matter and deal with it on its merits.

I am glad to note that our friends of the Progressive Conservative party are now supporting measures to combat inflation and the rising cost of living. I hope they will support our amendment which specifies one particular effective measure of doing that very thing. I cannot help but remember occasions in 1945, 1946 and 1947, during the parliament that was elected in 1945, when the government was getting rid of controls, we of this group were trying to have price controls retained, and our friends of the Progressive Conservative party were trying to get the government to get rid of controls even faster than the government was doing it. They have something on their conscience but I shall not berate them too much about it now. I am glad to see that they want parliament and the government

to do something about the rising cost of living, and I hope there are a few Liberals at least who will also represent faithfully the views of their people back home.

Just in passing, because I have referred to the Kellock report, I want to say how disappointed I was that that award discriminated between the railway workers on the one hand and the hotel and water transport workers on the other hand. Some hon. members may recall that last fall, when that matter was under discussion, I tangled with the Prime Minister (Mr. St. Laurent) about it. I was not satisfied with the wording in the bill but the Prime Minister assured me and the house that it was the intention of the government and of parliament that no group of workers should be asked to accept any legislation that would discriminate between one group and another.

The workers thought that meant that any award would apply across the board to all those involved in the dispute, but when Mr. Justice Kellock, who has shown his readiness to deal most fairly with the whole situation, read the terms of the act he did not find it that way. He found it necessary to make a different award giving a lesser increase of only 4 cents an hour, a different term of contract, and other differences to the hotel and water transport workers, to their disadvantage. The other day when I asked the Prime Minister about this matter I was sorry that he passed the buck to parliament. After all, the bill that parliament passed last fall was the bill that the government brought in, and it was passed, so far as this phase of the matter was concerned, on the assurance given by the Prime Minister on the floor of the house.

The hotel and water transport workers are deeply disappointed that they were not given the same award given to other workers involved in the dispute. There again it was a case where this parliament, by a bill that was enacted here, actually took the step of freezing the wages of certain workers at a certain level. If we can do that, if members of the house apart from this group have it on their conscience, as they ought to, that they did that job of wage freezing, the time has come when they should support the move for price controls to protect the health and living standards of the Canadian people.

I turn now to another subject to which I have already made passing reference, namely, the question of implementing the report of last year's committee on old age security. I noted that when the hon. member for Vancouver-Quadra (Mr. Green) spoke today he was not very hopeful that we would get such legislation this year. The hon. member for Vancouver South (Mr. Laing) on the other side of the house seemed to be a little more optimistic. I dare to hope that we will get that legislation this year. In fact, we must. One of the reasons that I hope for it is because of the reception that the house and the government gave to our report when the committee brought it in last year. Another reason is because of the terrific pressure for such action throughout the country. Another reason why I think it may be coming this year is because surely the government realizes that if it delays much longer the $40 a month plan is not going to be acceptable, is not going to be good enough. As a matter of fact time has already run out when that report seems as satisfactory as it did last June.

Mr. Martin: The government is not delaying at all.

Mr. Knowles: Another reason why I am hopeful that we are going to get action this year is because of what the Prime Minister said to me on February 5 in reply to a question which I put to him on the orders of the day, as recorded in *Hansard* on page 72. I am sure the reason for my question was quite clear. The speech from the throne says that amendments to the constitution relating to old age pensions may require to be laid before us at this session of parliament if the provinces agree to those amendments. So far so good. Personally I am not convinced that a constitutional amendment is necessary for the plan we recommended last year but if the authorities think we have to have a constitutional amendment let us get it and get on with the job of bringing in the legislation.

What worried me about the speech from the throne was that it stopped there. It said that the necessary constitutional amendments might be presented at this session. Well, we can get the constitutional amendments and go on home, and still not have the plan. We need one further step after the constitutional amendments have been enacted; that is, that the legislation implementing last year's recommendations be brought in. So I asked the Prime Minister (Mr. St. Laurent) this question, and I will read his reply as well:

> In view of the apparent readiness of the provinces to agree to constitutional amendments in one form or another regarding old age pensions, will an effort be made, as soon as agreement has been obtained, to present those amendments to parliament in time so that legislation implementing last year's old age pensions recommendations may be enacted at this session?
>
> Right Hon. L. S. St. Laurent (Prime Minister): I would not like to confirm or to detract from the apparent optimism of the hon. member with respect to the readiness of the provincial governments to agree to constitutional amendments which would enable that to be dealt with.

As stated in the speech from the throne, the matter is before the provincial governments for their consideration, and it is and will be the policy of the government to avoid any possible delay when agreement has been reached to have that agreement implemented.

When I suggested that there was apparent readiness on the part of the provinces to agree to these amendments, I did so because I had read the correspondence between the government and the provinces tabled in this house on February 1 and included in an appendix to *Hansard*. That correspondence reads pretty well; I do not think anyone could feel any discouragement from any of those letters. The worst you find is one or two premiers saying the matter will be studied and considered. But in addition to that correspondence a number of legislatures have been called into session and speeches from the throne have been read. In every instance it has been indicated that the provincial government concerned proposes to bring in legislation or resolutions asking the authority of the legislature to agree to the whole plan under consideration. Well, Mr. Speaker, the provincial legislatures will all conclude their sessions and prorogue long before this session is finished; in fact a number of them will be through a couple of months from now or sooner. That means that six weeks or two months from now there is every likelihood that we will know whether or not the provinces do agree to the plan and to any constitutional amendments which may be necessary, and I am hopeful that they will agree, and that we will know it soon. I now have the Prime Minister's word, as I read it from page 72 of *Hansard*, that if and when that agreement is indicated there will be no delay in having it implemented.

I suggest, Mr. Speaker, that if at the end of March or early in April we know that the provinces agree, there will be plenty of time before this session ends to take both steps, that is, to amend the constitution and then bring in legislation implementing the old age pension plan recommended to parliament last year by the committee. I strongly urge, in the words of the Prime Minister, that there be no unnecessary delay. I hope the provinces and the public generally will continue to press for speed in this matter, and that this legislation will not be put off until just before the next election, but that we will get it into effect this year.

As the Minister of National Health and Welfare (Mr. Martin) and other members of the committee know, just as soon as this plan is put into effect some of us will start a campaign to have it improved. That $40 is not enough. That means test from 65 to 69 should not be there. But at the moment our job is to get that plan, which has unanimous support, into effect, and none of us should say anything to jeopardize the success of that effort. On the other hand I ask the government to act in good faith and see to it that these constitutional amendments are not unnecessarily delayed, which could have the effect of putting off this necessary legislation until next session. The time for the old age pension legislation itself is as soon as possible, certainly at this session of parliament.

On the orders of the day this afternoon I put another question to a minister, this time to the Minister of National Health and Welfare. I must say that his answer was at least forthright and categorical, even though not satisfactory. I asked him whether the government would consider setting up at this session of parliament a special committee similar to the committee of last year on old age security, to study and report on the whole question of health insurance for the Canadian people. As I say, I was sorry the minister found it necessary to say it was not the intention of the government to set up such a committee this session. I think it is fair to say that at the end of the sittings of the committee last year those of us who were members were pretty well agreed that a committee such as I asked for today would be a good idea. I am free to confess that when it was first proposed to set up an old age security committee last session I criticized the proposal as a delaying move. Well, we still have not had the legislation, which we should have had last year, but at least I will say that the committee did a good job. We collected a great deal of material; we publicized that material, and members of the House of Commons and the public generally are better educated on the subject of old age pensions because that committee met. Also as a result of the work of that committee there is hope that we will get this better legislation this year and from there we can fight on for something better still.

During the course of our discussions in that committee we frequently moved over into the field of health and time and again we faced the fact that something needed to be done in that field as well. So I say that at the end of our sittings there was pretty general agreement, even if it was informal and off the record, that at another session it would be a good idea to have a similar committee which would make a similarly exhaustive and worth-while study of the question of health insurance for our Canadian people. I hope the international situation is not being used by the government as an excuse for not setting up such a committee.

As a matter of fact I see the international situation as a reason for taking steps of this kind. If we are heading into any kind of international difficulty it will be all the more necessary to integrate and rationalize our health and medical set-up in this country, and all the more necessary to give our people an assurance of security in the field of health as well as the field of old age pensions.

The other day I was pleased when the new hon. member for Welland (Mr. McMillan), in moving the address in reply to the speech from the throne, spoke from his own experience as a doctor and asked for health insurance because of the many cases he knew of where people had their life savings wiped out or their entire future mortgaged because of unexpected and heavy hospital or medical bills. This is something that really concerns a great many of our people and makes for a great deal of insecurity and unhappiness. This government and this parliament could do something about it, and I would hope that reconsideration will be given the proposal I put to the minister today in the form of a question, which unfortunately he answered in the negative. Let us at least have a committee, and get started at this important job.

There is just one other matter to which I should like to address a few remarks. Many of us were very disappointed with the announcement made the other day by the Minister of Resources and Development (Mr. Winters), when he indicated that the amount of the down payment on new houses under the National Housing Act was to be increased as from the day he made the announcement. We all know that in a time like this there are shortages and that because of those shortages, in steel products and other building materials, there may have to be some cutting back of building of one kind or another. But surely the course to follow is decide on the basis of what is needed, and first of all to decide as between business and recreational buildings and homes. Surely, when it comes to homes, the decision should be made as between high-priced homes and medium or lower priced homes which are needed by more of our people. Surely, some formula could have been worked out which would have conserved materials intelligently, and in such a way as to make materials available where they are most needed. But no; the government simply announces, through the Minister of Resources and Development, that it is going to attack this problem by increasing the amount of the down payment, starting with the little fellow who can build a new house only if he can get a fairly substantial mortgage, particularly under today's high prices. Mr. Speaker, I do not like that kind of legislation. There is one word that fits it that members of this house do not like, but that is what it is. It is class legislation. It is not dealing with a serious problem in a reasonable and proper way, and I object most strenuously to it.

A day or so ago I happened to meet a friend of mine who is connected with the building of houses. It was just after that announcement, and I asked him what the effect would be. I went on to suggest to him that it might slow down the building of new homes. His reply was, "Slow it down? It will stop it altogether." The great mass of the people who need homes have to be able to raise a substantial mortgage in order to build a house at all. If that is the result, to cut back the building of homes at a time when rent controls are coming off, just look at the additional problems that will be thrown on the shoulders of our people. I submit, Mr. Speaker, that such actions do not coincide with the responsibility that the government of a country owes to its people.

It is true that our people are absorbed in the international problem. It is true the government is absorbed in that problem, and we would criticize them if they were not giving very close consideration to all that is involved in the world situation. But I strongly urge that they must not let their absorption with international affairs blind them to the necessity of dealing intelligently and fairly with problems at home. I most strongly urge that this house support the amendment which is now before it requesting the immediate reimposition of price controls. I urge that there be no delay in bringing in not only the constitutional amendments but legislation implementing at least the terms of last year's old age security plan. I urge reconsideration of the proposal for a committee on health insurance, and I hope that we will yet get a more intelligent way of dealing with shortages of building materials, because our people still need homes. Homes, health, and security are important all the time. It is particularly important that attention be paid to these things at this critical time in the history of our nation and our world.

On motion of Mr. Howe the debate was adjourned.

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

HOUSE OF COMMONS

Thursday, February 8, 1951

The house met at three o'clock.

REPORTS AND PAPERS

Report of the proceedings of the commissioners of internal economy for 1950.—Mr. Speaker.

MILITARY EQUIPMENT

DELIVERY BY CANADA TO BELGIUM—ARRANGEMENTS FOR REPLACEMENT

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, as hon. members know, Canada supplied the equipment, largely armament and ammunition, for a division to The Netherlands, and this was delivered last December.

Monday night in the house I stated that, arrangements having been completed for replacement by equipment of U.S. pattern, we had indicated to the council deputies under the North Atlantic treaty our willingness to supply the equipment for another division, and we asked advice as to its disposition.

Word was received today that the standing group had recommended that this equipment be delivered to Belgium. I am glad to report that this action was approved by the cabinet this afternoon.

As soon as shipping instructions are received, the equipment will be shipped from the ordnance depot at Longue Pointe, Montreal, where it is ready and in good condition.

By this action we will help to strengthen the defences of freedom in western Europe, promote standardization on each side of the Atlantic, and strengthen the ties which already exist between the forces and peoples of Belgium and our own country.

Mr. Pearkes: Mr. Speaker, arising out of the statement the minister has just made, may I ask if he can indicate when the equipment which is being sent to Belgium will be replaced—I presume from some other country—for Canadian purposes?

Mr. Claxton: Arrangements have already been made for the replacement of the equipment for the first division, which was shipped to The Netherlands, by purchases from the United States. Delivery of that equipment will be commenced at an early day and completed in a few months. We expect with confidence that that will be followed by similar arrangements to be made with the United States for replacements. Whether or not we shall offer equipment for a third division until the replacement of the equipment for the first division has been completed, is a matter still under consideration.

[*Later:*]

Hon. Brooke Claxton (Minister of National Defence): With the permission of the house, Mr. Speaker, I should like to revert to motions.

The Acting Speaker (Mr. Beaudoin): Has the minister leave of the house to revert to motions?

Some hon. Members: Agreed.

Mr. Claxton: I should like to give the house the text of a telegram received from our ambassador in Brussels this afternoon. In this telegram he states that Colonel De Greefs said:

> On recommendation of the standing group of the North Atlantic treaty organization the Canadian government has decided to offer Belgium the armament of an infantry division. His Excellency Lieutenant General Maurice Pope, ambassador of Canada, has today informed foreign affairs minister Paul Van Zeeland of this decision. Belgium is glad to accept this offer and sees in it a new expression of the active sympathy Canada has always expressed towards Belgium.

JUDGES

DISTRICT COURTS, NEWFOUNDLAND—INQUIRY AS TO APPOINTMENTS

On the orders of the day:

Mr. W. J. Browne (St. John's West): Mr. Speaker, I should like to ask a question of the Minister of Justice. As he is aware, provision was made last year for the appointment of five district court judges in Newfoundland. Have any been appointed? If not, how much longer shall we have to wait until they are appointed?

Hon. Stuart S. Garson (Minister of Justice): The matter to which the hon. member refers is under consideration by the attorney general of Newfoundland and by our department.

Inquiries of the Ministry

ROYAL COMMISSIONS

TRANSPORTATION—INQUIRY AS TO TABLING OF REPORT

On the orders of the day:

Mr. P. E. Wright (Melfort): Mr. Speaker, can the Minister of Transport give the house any information as to when the report of the royal commission on transportation will be ready for tabling?

Hon. Lionel Chevrier (Minister of Transport): I expect to have the report from the chairman of the royal commission on transportation within the next few days. When I do receive it, some time will be required before it can be printed. As soon as that can be done—possibly within two or three weeks—it will be tabled in the house.

ARTS, LETTERS AND SCIENCES—INQUIRY AS TO PRESENTATION OF REPORT

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I ask the Prime Minister when the report of the Massey royal commission on arts, letters and sciences will be available?

Right Hon. L. S. St. Laurent (Prime Minister): The last information I had a few days ago was that the report was being printed under the direction of the commissioners themselves. I promise my hon. friend that as soon as it is available there will be no delay in bringing it to the attention of the house.

Mr. Fleming: May I ask if the government has received this report?

Mr. St. Laurent: The government has not yet received it. The chairman of the royal commission suggested that he would not present the report to the government until it had been printed in a form in which it could be made public.

KOREA

QUESTION AS TO REINFORCEMENTS FOR CANADIAN FORCES

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): I should like to ask a question of the Minister of National Defence concerning the Princess Pats. A press dispatch from the forces in Korea as published in the Ottawa *Journal* of last evening indicates that, when the battalion was informed that there were to be reinforcements of seventy-five other ranks and five officers each month, the battalion was wondering whether or not the move to combat duty would find it under strength. Apparently the battalion is now under strength. Can the minister make a statement in that regard?

Hon. Brooke Claxton (Minister of National Defence): This battalion, like all battalions, is changing its strength continuously from day to day. There are available at Fort Lewis ample reinforcements for this battalion for an indefinite period. There is at McChord field, close to Fort Lewis, a squadron of twelve R.C.A.F. heavy aircraft of the 426 transport squadron which has lifted a good many thousand troops to Japan. There is no difficulty whatever in getting men from Fort Lewis to Korea within a period of about forty-eight hours if that is necessary. We are counting on having in good time in Korea ample reinforcements under ordinary battle practice standards of the British, United States and Canadian forces.

Mr. Green: Can the minister assure the house that when the Pats go into action they will be at full strength?

Mr. Claxton: I cannot give any such assurance. I cannot think of any unit that has ever gone into action at full strength.

Mr. Pearkes: Will those reinforcements be drawn from the third battalion of the Princess Patricias, or will they be drawn from some other unit of that special brigade?

Mr. Claxton: I shall have to look into that. The reports I have with regard to the situation at Fort Lewis are several days old, and I shall have to give my hon. friend an answer later.

WHEAT

QUESTION AS TO FINAL PAYMENT ON FIVE-YEAR POOL

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to ask the Minister of Trade and Commerce if he will endeavour to have the final payment on the five-year pool made in time to assist farmers in their seeding operation.

Right Hon. C. D. Howe (Minister of Trade and Commerce): I shall be glad to promise to use my best efforts to that end.

SEARCH AND RESCUE SERVICES

RESPONSIBILITY FOR OPERATIONS ON THE ATLANTIC COAST

On the orders of the day:

Mr. W. Chester S. McLure (Queens): I should like to direct a question to the Minister of Fisheries. Is the responsibility of the search and rescue services on the Atlantic coast that of the Department of Fisheries,

the R.C.M.P. or the R.C.A.F., or do these three organizations act as a unit in providing these services?

Hon. Brooke Claxton (Minister of National Defence): Perhaps I could answer that question. These services are carried on jointly but under the direction of the R.C.A.F.

HONG KONG

POSITION OF CANADIAN CITIZENS—IMMIGRATION STAFF

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to ask the Secretary of State for External Affairs if the Canadian government, following the action of the United States government in directing its people to leave Hong Kong, has issued a similar order in regard to Canadian people?

Hon. L. B. Pearson (Secretary of State for External Affairs): No direction of that kind has gone out to Canadians in Hong Kong, nor do I think such a direction would be necessary at the present time.

Mr. Graydon: Has the minister any information about the number of Canadians in Hong Kong?

Mr. Pearson: I have not, but I think the number would be quite small. I shall be glad to make inquiry as to just how many there are.

Mr. Fraser: Has the staff of the Department of Citizenship and Immigration at Hong Kong been increased?

Mr. Pearson: My colleague, the Minister of Citizenship and Immigration (Mr. Harris), would be the minister to reply to that question. I shall bring it to his attention.

CHINA

EXTERNAL AFFAIRS OFFICIALS STILL ON THE MAINLAND

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Can the Secretary of State for External Affairs indicate whether there are any officials of his department on the mainland of China?

Hon. L. B. Pearson (Secretary of State for External Affairs): We have officials of the Department of External Affairs still on the mainland. I speak subject to correction, but I understand that our representative who has been in Nanking is on his way home on leave.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Wednesday, February 7, consideration of the motion of Mr. W. H. McMillan 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. Drew, and the amendment to the amendment of Mr. Herridge.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I have two main purposes in taking part in this debate. The first is to outline the measures that are being taken to clear the way for and to speed up the progress of defence production. The second is to outline the present economic situation and to discuss the impact of defence purchasing upon the Canadian economy.

I should like to join with earlier speakers in congratulating the mover (Mr. McMillan) and the seconder (Mr. Breton) of the address in reply to the speech from the throne. It seemed to me that both speakers made addresses that were in the best traditions of parliamentary procedure; they were very fine efforts indeed.

Since parliament met last autumn, world events have moved swiftly. Canada, with the rest of the free world, has had to revise its schedule of preparedness. The challenge of aggressive communism leaves no choice but to move ahead at once, and quickly, with defence preparations planned on a scale never before contemplated except in time of all-out war.

My colleague, the Minister of National Defence (Mr. Claxton), has outlined to you the equipment program of the armed services. Hon. members are aware that the Minister of Trade and Commerce, making use of the agency of the Canadian Commercial Corporation, is responsible for the procurement of that equipment. This is a responsibility that entails a volume of work that is being rapidly accelerated. To illustrate the rate of growth, I may tell you that, during 1950, contracts for military equipment, supplies and construction projects were placed on behalf of national defence to a value of $629 million. This is in addition to approximately $31 million spent on married service quarters and related projects by Central Mortgage and Housing Corporation. It is interesting to observe that, in the first quarter, contracts for defence materials placed totalled $56 million; in the second quarter, $88 million; in the third quarter $132 million and in the fourth quarter, $318 million. The rate of awarding contracts will be higher again in the first quarter of the present year.

This increased volume of purchasing has placed a heavy and growing burden on the staff of Canadian Commercial Corporation. To lighten the burden, all defence construction projects have been turned over to a new crown company, under the same minister, named Defence Construction Limited. This new crown company is successor to Wartime Housing Limited, the functions of which had long since been taken over by Central Mortgage and Housing Corporation, but the charter for which had not been surrendered. An application to the Secretary of State resulted in a change of name from wartime housing to Defence Construction. The new crown company has made an arrangement with Central Mortgage and Housing Corporation by which the organization of Central Mortgage provides engineering and other services as called upon. Central Mortgage has in being a decentralized engineering staff that can hardly be duplicated under present-day conditions, and is thus able to serve Defence Construction Limited in all parts of Canada. My colleague, the Minister of Resources and Development (Mr. Winters), who is charged with responsibility for Central Mortgage, has made this arrangement possible, and in doing so has contributed greatly to the efficiency of defence construction work.

However, further expansion of our defence procurement organization will be necessary. For that purpose, the speech from the throne announces the formation of a new department, to be named Defence Production, the duties of which will parallel those of the former department of munitions and supply. The intention is that this new department will take over from Trade and Commerce the functions having to do with war production that were moved into Trade and Commerce when the munitions and supply department was disbanded.

In anticipation of the new department, men from industry have been invited to head up branches having to do with steel, base metals, chemicals and explosives production, priorities, and finance, and these branches are now functioning within the Department of Trade and Commerce.

To date, it has been possible to place defence contracts without any material expansion of industrial facilities. It is now obvious that growing requirements will make it necessary to expand Canada's present industrial capacity. It is hoped that this expansion can be financed privately. A plan for accelerated depreciation is being worked out, to apply to that type of expansion required for war that will have a greatly diminished peacetime value. In addition, and as a last resort, it may be necessary to provide capital assistance for a few types of expansion. Where capital assistance is used, the facilities so created will remain the property of His Majesty.

Certain expansion of sources of basic materials is already under way. Our steel industry has in progress a vast expansion program involving new investment of close to $100 million. Canadian production of copper, zinc, lead, nickel, and tungsten is being expanded as rapidly as possible, and an aggressive search is being made for cobalt, antimony, molybdenum and chrome. All these metals are now in short supply. Although Canada is the world's largest producer of aluminum, a vast expansion of this highly-strategic war material is being contemplated. Shortages of raw materials are the greatest handicap under which defence production is labouring, and by furnishing greater quantities of these strategic basic materials, Canada can make an outstanding contribution to north Atlantic defence.

To give the house an idea of the present impact of defence purchasing upon civilian production, I have grouped the contracts already placed under some broad headings, as follows:

	million
Aircraft	$267
Armament, ammunition and military vehicles	116
Shipbuilding	74
General stores	41
Electronics and communication equipment	37
Textiles and clothing	24
Industrial equipment, scientific, medical and testing apparatus and miscellaneous	35
Defence construction	35

To avoid misunderstanding, it should be noted that defence contracts awarded are not equivalent as to timing to defence spending. Some contracts are speedily fulfilled; others take a year or more to be completed.

Contracts for aircraft comprised 42 per cent of the total of defence contracts awarded last year. This is one of the fields in which Canada is making substantial progress, and a notable contribution to the joint defence effort. A Canadian firm has designed, built and successfully tested the most powerful jet engine yet to be developed in North America, the Orenda; and this engine will shortly be in quantity production. We are producing, in quantity, airframes for the most modern short-range jet fighters. We are getting ready to manufacture a long-range, jet-propelled, all-weather pursuit ship, designed and successfully flight tested in Canada. Quantity production of small aircraft of the Harvard trainer type is being undertaken, in part for Canadian account, and in part to meet United States requirements.

Canadian government contracts let for naval shipbuilding include 7 escort vessels, 14 minesweepers, 5 trawlers which will be

used as gate vessels, and an icebreaker. Construction of these vessels is taking place on both coasts and in the great lakes area, and work is being pushed ahead as rapidly as steel and skilled manpower makes this possible.

In the electronics field, Canada is producing a great quantity of radar equipment, some for use in this country and other for transfer to European countries within the North Atlantic treaty organization. Canadian ingenuity has created certain types of electronic and related equipment which, in quality and performance, are not surpassed by similar equipment produced elsewhere. For example, a Canadian-developed portable radio set has proven so satisfactory that large-scale production is being undertaken for use both by our own forces and by those of our allies.

Canadian Arsenals Limited, which operates the government-owned arsenals for producing munitions and military equipment, has been turning out increasing quantities of weapons with its existing facilities. The company is also retooling to produce a variety of small arms, ammunition, artillery and other weapons of the United States type. The first production of United States type munitions by Canadian Arsenals will be available in the near future, and preparations are being made for volume production of a wide variety of both weapons and ammunition.

Anticipating that defence preparations would in due course require control over certain critical materials, parliament at the last session passed the Essential Materials (Defence) Act. In November of 1950, steel was declared an essential material, and two orders have been issued under that authority. A third will be issued this week. The first prohibited the use of steel for certain types of less essential construction, such as theatres, bowling alleys and amusement structures generally. The first order, while different in form, had much the same effect as the prohibition in the United States upon the construction of similar types of buildings. Controls on imports were imposed at the same time to ensure compliance with the order.

The second order established a formal system of priorities for defence orders and defence-supporting projects.

These orders, the voluntary arrangements made by the steel mills to distribute supplies equitably among their established customers, and our various arrangements with the United States, have so far been broadly sufficient from the standpoint of defence production and civilian production. I think it well to add a warning, however, that further orders may soon have to be issued to assure supplies of structural steel for essential construction projects.

I give this warning so that those who contemplate construction projects which do not relate closely to our defence effort should not commit themselves to building operations unless they have the steel and other building materials, or know where they can be obtained. It would be unfortunate for those concerned, and a waste of valuable labour and materials, for projects to be started and then held up indefinitely for lack of some vital material.

One other point about steel is worth noting. The controls that are now in effect, and that may be forthcoming in the near future, are not solely and primarily for the purpose of assuring steel supplies for the fulfilment of defence contracts. In fact, defence contracts by themselves do not require a particularly large proportion of available steel supplies. The impact comes rather from the defence-supporting projects, such as the building of railway cars, locomotives and ore carriers to move essential materials and supplies. While technically not defence orders, these are no less essential at the present time than the production of guns.

Under the Export and Import Permits Act the government has restricted the export of a number of essential materials in order to conserve domestic supplies. It also requires permits for a wide variety of strategic materials and commodities, the export of which might be risky from a security point of view. In this we are co-operating with the United States by including all items which are under export control from that country to all destinations except Canada. United States export controls have never been applied against Canada, and I do not think that there will ever be any reason why they should.

Before leaving this subject of strategic materials, I might refer briefly to stockpiling, and advance production of defence materials. Orders placed for important key materials include substantial supplies of explosives, to ensure that shell and munitions programs will not be delayed after our arsenals are in production of U.S. type of ammunition. Materials for uniforms are being acquired. We have continued a modest but adequate program covering the acquisition of strategic materials which are not readily available in Canada. In the case of synthetic rubber, the government-owned Polymer Corporation has embarked on an important expansion program in Sarnia. This will involve a capital outlay of some $7 million, and should enable the company to raise its current output of

between 55,000 and 60,000 tons of synthetic rubber annually to between 70,000 and 75,000 tons, an increase of about twenty-five per cent. Eldorado Mining and Refining Limited is also expanding its facilities for the production of uranium in the Goldfields area in northern Saskatchewan.

The national research council, which made so important a contribution to munitions production in world war II, is preparing to make another similar contribution. Under the direction of the council a new and larger atomic pile is being constructed to produce commercial quantities of plutonium.

Canadian defence production is being worked out in close co-operation with all North Atlantic treaty countries, and particularly with the United States. The decision of the armed forces to standardize on U.S. types of equipment has thrown added importance on our co-operation with that country. Incidentally, I can announce that the United States, the United Kingdom, France and Canada have been constituted a committee of the North Atlantic treaty organization to decide on standard types of weapons that will be recognized as such by all NATO countries.

Hon. members will recall the remarkable and highly successful arrangements which were made to achieve economic co-operation between the United States and Canada during world war II. These arrangements stand as a monument to the farsighted statesmanship of two great men: President Franklin Roosevelt and Prime Minister Mackenzie King.

Faced again with a common danger, and joined in a common cause, our two governments, on October 26 of last year, agreed to a statement of principles for economic co-operation. Hon. members are no doubt familiar with the general tenor of that statement, but it is of such historic importance that I think it fitting to read the full text into the record. It is as follows:

Statement of Principles for Economic Co-operation

The United States and Canada have achieved a high degree of co-operation in the field of industrial mobilization during and since world war II through the operation of the principles embodied in the Hyde Park agreement of 1941, through the extension of its concepts in the post-war period, and more recently through the work of the joint industrial mobilization planning committee. In the interests of mutual security, and to assist both governments to discharge their obligations under the United Nations charter and the North Atlantic treaty, it is believed that this field of common action should be further extended. It is agreed, therefore, that our two governments shall co-operate in all respects practicable, and to the extent of their respective executive powers, to the end that the economic efforts of the two countries be co-ordinated for the common defence and that the production and resources of both countries be used for the best combined results.

The following principles are established for the purpose of facilitating these objectives:

1. In order to achieve an optimum production of goods essential for the common defence, the two countries shall develop a co-ordinated program of requirements, production and procurement.

2. To this end, the two countries shall, as it becomes necessary, institute co-ordinated controls over the distribution of scarce raw materials and supplies.

3. Such United States and Canadian emergency controls shall be mutually consistent in their objectives, and shall be so designed and administered as to achieve comparable effects in each country. To the extent possible, there shall be consultation to this end prior to the institution of any system of controls in either country which affects the other.

4. In order to facilitate essential production, the technical knowledge and productive skills involved in such production within both countries shall, where feasible, be freely exchanged.

5. Barriers which impede the flow between Canada and the United States of goods essential for the common defence effort should be removed as far as possible.

6. The two governments, through their appropriate agencies, will consult concerning any financial or foreign exchange problems which may arise as a result of the implementation of this agreement.

I cannot, without trespassing too much upon the patience of hon. members, spend time elaborating upon the practical significance of this statement of principles. Two or three important developments, however, are worth noting.

By mutual arrangement, we are buying substantial quantities of war equipment in the United States, and that country is reciprocating by placing substantial war contracts in Canada. We are informed that the United States authorities have set a program objective for purchases of military equipment and supplies in Canada amounting to $100 million for the fiscal year 1951. The largest order placed to date is one for 3-inch naval guns for Sorel Industries Limited. A number of other substantial orders are now in the discussion stage. These orders are being placed in Canada through the agency of the Canadian Commercial Corporation.

Important arrangements have been made with the United States in the field of allocation of scarce materials, and particularly steel. Each country is extending to the other a similar priority to that extended for its own defence orders. I cannot think of a better example of mutual confidence between two countries.

Canada has been included in United States allocations of steel for essential programs, such as the building of railway cars, ships, locomotives, and for the steel warehouse trade. Other programs which both countries agree to be essential for the mutual defence effort are being studied.

New problems are arising every day in our relations with the United States, and I do not wish to leave the impression that all will be plain sailing because we have agreed upon a statement of principles. There are bound to be differences as to the best way to proceed; in fact, the statement of principles recognizes that there may be differences in approach, even though there is consistency of aim. However, I can report that differences are being resolved by friendly discussion as they arise.

I turn now to another aspect of our general defence planning, the North Atlantic treaty organization. Co-operation for defence production in this field is developing slowly but steadily. The basic principle of NATO production calls for the most efficient producers to contribute as fully as possible to the requirements of member governments. Member governments are also required, before entering into any large-scale production, to confer with the military authorities of NATO, to the end that its products shall be acceptable, from a military viewpoint. NATO is doing everything possible to encourage standardization between allies, in order to facilitate production programs. Canada's decision to standardize on American-type military equipment has made it possible for Canada to make available to Europe British-type equipment which we have been using up to the present. Equipment for one division valued at $57 million has already been supplied to The Netherlands, and further material will be made available as rapidly as arrangements for replacements can be completed.

For Canada, preparedness is a many-sided problem. We are increasing our military establishment and our civil defence. We are supplying arms and equipment to countries that have joined with us under the North Atlantic treaty for common defence. Equally important, but often overlooked, we are endeavouring to build up productive facilities and to increase the supplies of many of the vital raw materials, upon which the whole defence effort of the democratic world depends.

This is a complex undertaking requiring the most careful use of resources. Were we presently involved in all-out war, certain questions of priority would not arise. The emphasis in that event would be upon producing the maximum quantities of arms and equipment, with the productive facilities and the materials immediately available. But we are not now engaged in all-out war and may not be for many years, if ever. It is necessary, therefore, to give due weight to the long pull, to enlarging our capacity to produce as well as our immediate output, so that if and when world war III does come, Canada will be in a position to make a maximum contribution. Moreover, it may be necessary at short notice to alter the approach and to shift the emphasis.

I could illustrate the problem by many specific instances. It appears most clearly perhaps in the case of strategic minerals and hydroelectric power, which are the very lifeblood of industrial mobilization. For example, how much of the limited supplies of steel should be used to enlarge steel-making capacity? Is it in the interests of the common defence effort to use steel to construct pipe lines for the transmission of oil and gas, or to build new dams and power plants? What will be the impact of early action on the St. Lawrence seaway? There will be other opportunities to discuss questions of this kind, but it is important that the house should appreciate the nature of problems that are now being encountered, and that will be encountered in even greater degree, in the course of the preparedness effort.

Economic aspects of defence preparedness. I will now turn to the economic aspects of the defence program that has just been outlined. Hon. members will appreciate that we are imposing our defence production program upon an economy that is already operating close to full capacity. To illustrate, I will outline the economic position of Canada during the year 1950.

It is now estimated that the value of all goods and services produced in Canada during 1950 was about $17,700 million, an increase of about eight per cent over 1949. About half the increase was due to volume of output, and the other half to higher prices. If I may venture a prediction—and of course there are always risks in anticipating developments a year ahead—there is reason to expect that the gross national product will rise to approximately $20 billion in 1951.

The high level of world and domestic demand is reflected in our foreign trade. The year 1950 established a new point, in the total volume of exports and imports, of $6,300 million. Canadian exports rose from about $3 billion in 1949 to $3·1 billion in 1950. A substantial rise in exports to the United States more than offset a general decline in sales to overseas countries. I am very glad to be able to report that while nearly all overseas countries, and particularly those of the sterling area, found it necessary to continue to impose restrictions against the dollar area, these restrictions are now being relaxed rather than increased. The rate of relaxation may not be as rapid as we in

Canada might wish, or think justified, but at least we have reason to believe that the dollar problem is on its way to solution.

Imports rose even more rapidly than exports, from $2·8 billion in 1949 to $3·2 billion in 1950. Most of the increased imports came from overseas countries, contributing to their dollar earnings and thus helping to restore normal trade relationships. For the first time since 1931 imports exceeded exports.

I might point out that the small adverse trade balance reported above is an indication of increased internal activity, and particularly of increased domestic investment in productive facilities. It is traditional with us that adverse trade balances occur in periods of our greatest prosperity and that our highest favourable trade balances coincide with our periods of depression.

While on the subject of trade, it is appropriate that I should refer briefly to the efforts that are being made by the government to promote trade and a freer exchange of goods between nations. Hon. members will recall that, during 1950, restrictions upon imports under the Emergency Exchange Conservation Act were progressively relaxed and finally removed, which accounts in part for the higher level of imports.

The Canadian government is actively participating in the tariff negotiations and other trade discussions which have been under way at Torquay since last September. During the latter part of 1950, a trade delegation was sent to Latin America and succeeded in signing agreements with Venezuela, Ecuador and Costa Rica, providing for the exchange of most-favoured-nation treatment. A special mission visited European markets to promote sales of Canadian wheat and flour, with most encouraging results. We were able to arrange with the British government for a trade liberalization plan for our exporters to the British West Indies market, which arrangement came into force at the beginning of this year. Finally, I might mention the very successful international trade fair held in Toronto last year, and which will be held again in 1951.

The outlook for Canada's external trade during the present year is excellent, and the record levels of 1950 will probably be exceeded. The limiting factors will be those of supply. We are again in a seller's market for the goods normally exported by Canada. There are not likely to be burdensome unsold surpluses of any of our normal export products.

I will now turn to the other important dynamic element in our economy, the volume of our investment in productive facilities. Here again a record was established during 1950. The total value of private and public capital expenditures rose by eight per cent over 1949. An interesting point is that businessmen altered their intentions within the year. Our early information was that investment in new machinery and equipment would be substantially down during 1950. Instead, this type of investment actually increased by five per cent, reflecting a change in the outlook during the year.

At the end of these remarks I shall, with the permission of the house, put on the record two tables which summarize investment expenditures, present and intended, and similar data on production of strategic basic and selected building materials. These two tables are advance statements of the two white papers on the investment outlook, 1951, and the building material outlook, 1951, which will be tabled as soon as they become available in printed form.

Expenditures on new construction increased by ten per cent in 1950, the increase being accounted for by industrial, commercial, institutional and government construction. Housing expenditures were up slightly in value, but down slightly in number of units, when compared with those of 1949. The number of houses started and completed in 1950 is estimated at 91,000 and 86,000 units, or two and six per cent respectively below the 1949 figure. This is reflected in the increase in the number of uncompleted houses at the end of last year, from 58,000 units at the end of 1949 to 62,000 units at the end of 1950.

Looking to the future, it is only too clear that during 1951 the limiting factor upon new civilian construction and upon the purchase of machinery and equipment will be that of supply. There is no lack of demand, no lack of confidence. A preliminary survey of investment intentions would indicate that private industry and governments are aiming at a capital investment program of $4,260 million, or thirteen per cent greater than in 1950. In view of physical limitations upon supplies, and the probable diversion of scarce materials and skilled manpower into high-priority defence and related production, it is unlikely that this objective can be attained in volume terms. Already, it has been necessary to prohibit the use of steel for certain types of non-essential construction, and restrictions on the use of steel and other strategic materials are likely to be extended from time to time.

The full impact of the defence program is yet to come. In the past twelve months,

defence expenditures accounted for about five per cent of our gross national product. This proportion will rise to eight or nine per cent during the coming year and will probably be taking an even greater part of current output by the end of the year. It should be borne in mind, however, that the impact of defence spending has, in large measure, been anticipated. For example, world markets for commodities such as rubber, tin, wool and cotton probably reflect anticipated demand, as well as present demand. I need hardly point out that there has probably been some spending in anticipation of shortages, which is producing present shortages where no present shortage need exist.

However, it must be recognized that the greater effort on the part of the free peoples of the world to prevent all-out war must inevitably cause increasing disturbance to usual living. There will be shortages. We must all learn to conserve scarce materials, and to exercise our ingenuity in the use of substitutes. Some plans for expansion and improvement will have to be postponed. Consumers may not have the wide variety of choice to which they are accustomed. These are inevitable consequences of military and economic preparedness, and I am sure that Canadians will take them in their stride.

In closing, I would like to say a few words about price control. The speech from the throne indicates the intention of the government to introduce a bill which will, if approved, confer upon the executive powers to impose price controls and other related controls for the purpose of maintaining economic stability.

These broad powers are being introduced to the end that the government will be in a position to take whatever action appears to be necessary from time to time. Introduction of this legislation does not mean that the present intention is to impose over-all price and wage controls, although there is always the possibility that events will develop in such a way that general price and wage ceilings are appropriate and workable. However, it should not be assumed, either, that a price ceiling is imminent, or that, if controls become more extensive, they will follow the pattern of those imposed during world war II.

The over-all ceiling worked in world war II. But it worked for very definite reasons and it cannot be assumed that history will repeat itself. Circumstances today are very different from what they were in 1941.

One of the secrets of the success of the over-all price ceiling was that we put it into effect overnight and without warning. It caught nearly everyone by surprise. This time many people expect the reimposition of the same kind of controls and are governing themselves accordingly.

The upward pressure on prices, both in Canada and abroad, was much less severe in 1941 than it is now. True, prices were rising during 1941 but they were still relatively low when the ceiling came into effect. Today, to pick a few examples, prices for wool, rubber, tin, cotton and other imported commodities are at the highest prices in history, and there is very little that Canadians can do about it.

Finally, we have to recognize that there would be a very different attitude towards over-all controls now from that which prevailed in 1941 when we were engaged in all-out war. In formulating plans for price controls, if we have to have controls, it cannot be assumed that the people of Canada will accept with the same willingness as they did in wartime the vast bureaucracy, the irksome restrictions and the other controls, for example, of wages, that go with an over-all price ceiling. I think it is significant, in this connection, that organized labour, while favouring price ceilings, does not look with equal favour on a wage ceiling.

I am not ruling out the possibility that sweeping price control measures will be needed, should the developing situation make action necessary, but it may well be that these measures should be different in form from those that were applied during the last war. Alternative measures are now under active study by the government.

At its last session, parliament enacted a measure authorizing the government to control prices of materials where shortage is caused by defence purchases. Up to the present time, defence purchases have not been of sufficient volume to be in themselves responsible for shortages, although prices of steel and other war materials have been kept under close observation. Obviously a more comprehensive price control bill is needed for any effective control of the Canadian economy, and it is such a bill that you will be asked to consider.

A few days ago the United States government applied a system of general controls to prices and wages. In some respects the action taken resembled the over-all price ceiling applied by the Canadian government towards the end of 1941. In other respects the U.S. controls are very different; for they do not apply, for example, to a great many foodstuffs which by the Defence Production Act cannot be controlled until they reach higher price levels.

We are watching with intense interest these efforts to control prices in the United States. We earnestly hope our American neighbours will succeed in attaining a reasonable measure of stability; for only if that happens can we in Canada hope to avoid serious trouble. Dependent as we are to a large extent upon the United States as a source of supply and as a market for our exports, it would be extremely difficult, even if it were wise, for us to insulate our prices from theirs.

I do not suggest for a moment that we can relax and let the United States solve our economic problems for us. That has never been our attitude, and, as long as this government is in power, that will not be our attitude. We must continue to pursue fundamental anti-inflationary policies as vigorously as ever. All I say is that if the United States succeeds in its efforts to stabilize prices, one of the most powerful external pressures toward rising prices in Canada will be relieved. At the present time, fiscal and monetary measures can be more effective than price control in keeping internal inflationary pressures under control. With such measures in effect, there will be less need for direct controls of prices and wages, and if we do have to have more extensive direct controls, such controls should have a better chance of success.

Perhaps I should add, too, that even if we in Canada do not follow precisely the pattern of controls adopted in the United States, there will continue to be close co-operation between our two countries for the attainment of common goals. If we differ in method, we do not differ in objectives.

Mr. Speaker, I have only a few words to say in conclusion. It is most important that we should neither exaggerate nor underrate the magnitude of the task with which we on the production front are faced. We have to wage the battle of production against the enemies of freedom. We cannot hope to win that battle under the banner of "business as usual". There is much more than usual to be done, and I think that by united effort we can do it.

TABLE 1—NEW INVESTMENT IN DURABLE PHYSICAL ASSETS AND INVESTMENT INTENTIONS, CANADA, 1949–1951

Type of Expenditure	New investment 1949	New investment 1950(1)	New Investment intentions 1951	Per cent change 1950–1951
	$Mil.	$Mil.	$Mil.	
Business (2)				
Primary industries(3) and construction industry	623	668	658	− 2
Manufacturing	536	519	716	+38
Utilities	679	744	892	+20
Trade, finance and commercial services	293	372	377	+ 1
Subtotal	2,131	2,303	2,643	+15
Other—				
Institutional services(4)	190	210	270	+29
Housing	767	780	798	+ 2
Government departments(5)	395	473	548	+16
Subtotal	1,352	1,463	1,616	+10
Total(5)	3,483	3,766	4,259	+13(6)
Private—				
All enterprises and individuals	2,555	2,772	3,086	+11
Public—				
All governments(2)	928	994	1,173	+18
Total(5)	3,483	3,766	4,259	+13(6)

(1) Preliminary.
(2) Including government-owned corporations.
(3) Includes agriculture, fishing, forestry, mining, quarrying and oil wells.
(4) Includes churches, hospitals, schools and universities.
(5) Excluding equipment purchases by the Department of National Defence.
(6) Change in volume, 5 per cent; change in price, 8 per cent.

TABLE 2—PRODUCTION AND PRODUCTION INTENTIONS FOR SELECTED BASIC AND BUILDING MATERIALS, CANADA, 1949–1951

Material	Unit	Production		Production Intentions 1951	Percentage change 1950–1951
		1949	1950(1)		
Iron and steel products—					
Pig iron	Mil. tons	2·2	2·3	2·4(2)	+ 4
Rolling mill products	Mil. tons	2·2	2·4	2·5(2)	+ 4
Plumbing supplies—					
Cast iron soil pipe and fittings	Thous. tons	47·6	53·6	59·5	+11
Cast iron pressure pipe and fittings	Thous. tons	91·5	87·9	109·9	+25
Steel pipe and fittings	Thous. tons	192·1	167·3	167·3	0
Sanitary ware—					
Bath tubs	Thous. tons	127·4	138·0	138·6	−(3)
Sinks	Thous. sinks	188·3	177·7	177·8	−(3)
Wash basins	Thous. basins	137·1	201·8	232·5	+15
Heating Equipment—					
Furnaces—Warm air and heating boilers	Thous. furnaces	94·9	109·3	118·2	+ 8
Electric water heaters	Thous. heaters	184·7	226·9	267·4	+18
Hot water storage tanks (range boilers)	Thous. tanks	189·1	188·2	173·8	− 8
Cast iron radiators	Mil. sq. ft.	7·2	7·5	8·1	+ 8
Other iron and steel products—					
Wire nails and spikes	Thous. tons	88·5	85·6	85·6	0
Builders' hardware	Mil. dollars	9·6	8·9	9·5	+ 7
Sawn lumber	Bil. b.f.m.	5·3	5·8	6·0(2)	+ 4
Cement and cement products—					
Cement	Mil. bbls.	16·1	16·5	16·9	+ 2
Concrete brick and building blocks	Mil. pcs.	105·5	122·6	151·2	+23
Cement pipe and tile	Thous. tons	137·8	154·4	153·6	−(3)
Clay products—					
Building brick (incl. sand-lime brick)	Mil. bricks	366·6	392·0	406·0	+ 4
Vitrified flue linings	Mil lin. ft.	1·2	1·3	1·4	+ 8
Vitrified sewer pipe	Mil. lin. ft.	4·4	5·4	5·6	+ 4
Structural tile	Thous. tons	172·5	179·0	192·1	+ 7
Mineral wool products—					
Mineral wool batts (all sizes)	Mil. sq. ft.	137·8	145·9	173·0	+19
Bulk mineral wool (granulated and loose)	Mil. cub. ft.	14·8	14·1	14·9	+ 6
Gypsum products—					
Gypsum wallboard	Mil. sq. ft.	230·6	227·4	253·3	+11
Gypsum lath	Mil. sq. ft.	174·0	218·9	240·4	+10
Gypsum hardwall plaster	Thous. tons	160·8	166·3	199·7	+20
Roofing products—					
Asphalt shingles (all weights)	Mil. squares	2·1	2·4	2·4	0
Smooth and mineral surfaced rolls	Mil. squares	2·4	2·5	2·5	0
Miscellaneous products—					
Paints, pigment and varnishes	Mil. dollars	82·9	87·9	91·4	+ 4
Non-metallic sheathed cable	Mil. lin. ft.	87·3	108·7	110·4	+ 2
Rigid insulating boards	Mil. sq. ft.	227·7	227·3	267·4	+18

(1) Preliminary.
(2) Estimated.
(3) Less than one per cent.

Mr. J. W. Murphy (Lambton West): Mr. Speaker, I should like to join with hon. members who have preceded me in the debate in complimenting the mover and seconder of the address. In view of what the minister has just said in regard to capital expenditures in connection with the Polymer Corporation at Sarnia, I should like again to express the hope that the government will give additional consideration to the protection of that very important area.

In his statement the minister said that the increase in the Polymer extension would amount to some $7 million. I speak for that riding when I say to the house that in addition to that we have an increase from the Imperial Oil Company to the extent of some $14 million, representing an increase in their refining capacity from about 65,000 up to around 80,000 barrels a day. We also have now under construction by Canadian Oil Refineries extensions valued at between $18 million and $20 million, and by the Dow Chemical Company extensions valued at about $3 million to $5 million.

One or two other industries have obtained properties to conduct operations essential to the war effort. It is unnecessary for me to remind the house how those various industries contributed at the time of the last war toward our war effort, and how this increased expansion is going to further the protection which is so essential at this time.

Last session when I raised this particular question the Minister of National Defence (Mr. Claxton) stated that we were relying in that area upon air protection from Detroit and London. I say in all sincerity that because of the importance of these industries to our war effort it is my hope that the minister will give further consideration to air protection for those very vital industries. In my view we should have not only an airport in that immediate vicinity, but some part of a fighter squadron.

The Minister of National Defence has outlined for Canada a defence program which will cost this country $5 billion in three years. Speaking as a layman in military matters, speaking as an ordinary taxpaying Canadian citizen, the situation as I see it today contains a tremendous element of tragedy. The tragedy simply is that this country will have one hundred ships to guard her coasts, and forty squadrons of aircraft to protect Canada and assist in the defence of Europe—but only $5 billion worth, and three years from now.

Meantime Canada has on the minister's desk a paper army, a paper navy and a paper air force. Of necessity the Canadian people will accept the minister's program and will bear with determination the burden of a defence scheme that will cost them $1,600 million this coming year. But I would hazard that the people of Canada would accept that burden with a great deal more grace were they not so acutely aware that this government has failed them on so many scores in the post-war period. They would accept it in a better frame of mind if they were not now so conscious of the fact that the government has frittered away millions of defence dollars this last four or five years which could have been utilized to build so much of the equipment and so much of the strength that Canada's armed services need so urgently now.

Most of all they would accept it with greater equanimity if they could but be certain that Soviet Russia will permit Canada those three years in which to reconstruct and rearm. This is the real tragedy of the defence situation today as I see it, and I am sure as the man in the street sees it. The threat of communism, the threat of Russia's imperialism, have not been sudden developments.

The menace of communist encroachment had become so apparent two years ago that it led to the formation of the north Atlantic alliance. That alliance has been functioning now for fifteen months, as the minister has noted. Surely fifteen months ago the Minister of National Defence was aware of the deficiencies in Canada's three armed services, aware that in entering a regional defensive alliance the country would be called upon for something more than comforting ministerial speeches to the effect that no power would dare attack twelve nations united in their determination to resist aggression.

I will readily concede that the organizational details had to be worked out, that discussions on national contributions to the pact consumed time. But the fact remains that this country, as did some of the others, entered the alliance with empty hands. Only the Korean conflict stirred the government to the point where it became aware that entering alliances and making commitments meant forces in being, meant troops trained and equipped, meant ships and guns and planes.

The explanation that it is difficult to prod democracies into defensive preparations while peace remains is one that is given altogether too much currency. It is one that even now is being debunked—has been debunked. The Canadian people have been concerned, indeed alarmed, by the complacency of their own government, in preparing this country to

defend itself from the menace that has been altogether too apparent, not for weeks, not for months, but for years.

In matters of defence and defence responsibilities, the government has lagged far behind Canadian public opinion. Instead of leading the Canadian people, it has been led. Or rather, it has been compelled to face the international situation and to decide that it is high time that Canada looked to her own security and the security of her allies.

It was only a session or two ago that the Minister of National Defence told the house that the defence forces of Canada were quite able to meet any initial attack or raid on this country. How fatuous such a statement must appear now.

Canada is to have a five billion dollar three-year program of rearmament. Canadians can only hope and pray that Russia will sit back and wait for Canada and her north Atlantic alliance partners to prepare for war, before she ignites the powder-keg that will touch off global conflict.

Canadians can do nothing but accept the rearmament drive as outlined by the minister. They understand the necessity for it. They hope, as he does, that it will achieve its purpose—to demonstrate to Russia that peace, after all, is the wiser course. But they cannot help the fearful feeling that persists, that the government has lingered too long before setting its hand to the task.

But there is a companion piece to this tragedy of national defence that is being enacted daily in the private homes across this country—the homes of pensioners, the homes of wage and salary earners, farm homes and city homes. It is the daily drudgery of penny-pinching to make ends meet. It is the story of the housewife in Sarnia and in Ottawa, in Winnipeg and in Vancouver, who daily is fighting a losing battle against the rising cost of living. And for the housewife with a family of small children it is a bitter struggle as the household dollar shrinks to the point where food has to be sacrificed in order to buy clothes, or clothes have to be sacrificed in order that enough can be provided the family to eat. Here again the federal government stubbornly refuses to translate into action facts as they exist.

In the period immediately after the last war the Progressive Conservative party advocated the abolition of controls. I believed then, and I believe now, that such a policy would have contributed to the quicker return of Canadian stability; would have eliminated artificial commodity shortages and artificial price props. Canada then was striving to return to a wholly peacetime economy.

Now the situation has completely changed. This country no longer can pretend that its economy is on a peacetime basis. The government has launched on a program of controls in order to channel essential materials into defence production. The needs of the day and the hour dictate such a course. But, added to that, the government, with its multi-million dollar orders for supplies and for defence production, has accentuated an inflationary condition that already has become critical for hundreds, indeed thousands of Canadian families.

The Canadian government defence dollar now is bidding against the Canadian housewife's dollar. And that bidding is an unequal contest. By its bulk purchases and its channelling of materials the government is reducing the availability of goods and merchandise on the consumer market. As that availability shrinks, the cost of the items remaining climbs higher and higher. In other words, government policy today is creating and aggravating inflation. In view of this condition, it is not inconsistent now for me, as a member of the Progressive Conservative party, to take a definite stand for a system of price controls in Canada.

Indeed, in view of the tremendous volume of defence spending that now will be pumped into the Canadian economy and into the balloon of inflation, it is my personal view that a mere pegging of prices is not enough. Such a course would be too little; already is too late. I believe this government, for once, should demonstrate its oft-boasted concern for the ordinary working people of Canada and roll back, and I mean roll back, prices to the point where the Canadian dollar represents something more than a fifty-cent piece.

And this is not an irresponsible suggestion. The government has the experience of the last war upon which to draw; it has the multi-million dollar dominion bureau of statistics personnel and facilities upon which it can call for assistance. And it still possesses in the Department of Trade and Commerce a shadow controls organization to which it quickly could give substance. Undoubtedly, the machinery necessary for a selective system of price controls would cost money. But, as I see it, the well-being of the Canadian people is just as vital a matter of defence as any other phase of the national concern and the national effort. The struggle for freedom could be lost at home just as surely as it could be lost in Europe or in Asia, by neglect or lack of preparedness, or lack of intelligent and vigorous leadership.

It might be worth while to call attention to a recent speech in Montreal by Donald Gordon, president of the Canadian National

Railways and former chairman of the war-time prices and trade board. Mr. Gordon is quoted as having said:

> Runaway inflation is so destructive that any method of stopping it, no matter how difficult or clumsy it may be, is surely the lesser evil.

And he went on to say:

> The defence program already has begun to enter into the cost of living because, in a grim and very real sense, it has become part of the cost of keeping alive.

To this he added:

> Clearly, our real standard of living is going to depend on the productivity of the whole Canadian economy, as it has in the past . . . If prices jump upwards, no one will cheer more lustily in private, or scream more noisily in public, than our communist fifth column, and you can be sure they will work diligently to speed up the whirling spiral of wages and prices.

With those views of Mr. Gordon I am wholeheartedly in accord. Significant, I think, was Mr. Gordon's reference to the necessity for increased production. Here is a prime sore spot in the present emergency, a sore spot which a little government care and tending and encouragement could do much to relieve and to heal. Bluntly, Canadian labour—the factory worker, the office worker, the farmer, the wage earner and the salary earner of Canada—cannot reconcile a two-sided Liberal government philosophy and doctrine, which on the one hand holds to the gospel of individual economy and sacrifice, while adhering, on the other, to a "business as usual", "spend as usual" creed on the part of the government.

True, the government probably has made halfhearted efforts to economize. But the time has come when it must demonstrate the political courage to neglect its constituency fortifications, to shore up the ramparts of the nation. The time has come for real and genuine economies in the whole range of government activity, from reduction in government and government delegation journeyings and junketings, to cutbacks on deferrable public works. The political toll on the Canadian taxpayer's dollar is altogether too high. If the Canadian people are to be called upon for sacrifices that will whittle down their standard of living, then it would seem reasonable that the government must also lower its own cost of living. And that cost is the price of patronage projects.

But to get back to Canadian labour—unionized labour and unorganized labour: Today Canadian manpower is being utilized to the full. There are pressing shortages for men in the skilled trades—toolmakers, diemakers and so on. These shortages will become more and more acute as the national defence program gains momentum. The throne speech made two or three references to the fact that the international situation now had created for Canada an emergency situation. With that I agree. But I believe the government now should make some effort to bring home directly to Canadian workers the urgency of the world situation and the urgency of Canada's need for more and more production. To this end, I would suggest that through its Minister of Labour (Mr. Gregg) and its Department of Labour the government appeal to Canadian unions in all lines of endeavour to suspend for the duration of Canada's national emergency working contract clauses that stipulate the 40 hour week or less, and to permit working hours to be increased 10 per cent.

My own observations in this field have led me to believe that labour would be willing to increase its working hours, and thereby its production, at regular wage rates.

I believe, on the basis of patriotism, and as a direct contribution to Canada's defence effort, that labour would make this gesture. Indeed, many of the rank and file would welcome such an opportunity to supplement their present earnings. They would regard it in a sense as a way of earning their own cost of living bonus.

There would be a double incentive to the workers of Canada if such an appeal were made and accepted. There would be for the whole labour force the satisfaction that would come from the knowledge that they were doing their bit for democracy by increasing the production of all the goods and the materials needed for defence. There would be, too, genuine appreciation of the opportunity to add to their take-home pay. Perhaps the new advisory council on manpower, which the Minister of Labour (Mr. Gregg) announced to the house the other day, will consider this possibility in its survey and review of the Canadian labour scene.

A state of national emergency, however, applies not alone to one section of the population, one part of the national economy. A call for more production from Canadian unions and Canadian workers generally should be counterbalanced with a call on big business, big industry, to play its part.

The financial statements of a whole range of Canadian corporations proclaim Canadian prosperity and unprecedented profits. While it cannot be denied that a heavy burden of taxation upon industry and upon business discourages incentive, curtails expansion, and dries up investment capital, nevertheless these enterprises should be called upon now to bear a far greater part of the tax burden than they now are bearing.

These corporations and companies today are enjoying the profits of the free enterprise

system, the capitalist system, the system which all Canadians in all walks of life now are being called upon to defend, in and out of the services, and to the tune of $5 billion in the next three years. The fight of Canada and the free nations, then, is their fight just as much as it is the fight of Canada's liberty-loving citizens generally.

To the degree that the threat of Soviet Russia and of communism constitutes a national emergency for Canada, the Canadian government should be prepared to act with courage, with dispatch and vigour to draw taut the whole fabric of the Canadian economy. There must be equality of sacrifice. Canadian determination must match Russian ruthlessness.

It must be a source of regret to the Canadian government in the present emergent situation that in the years immediately following the last war it did so little to encourage the flow of immigration to this country. Canada today stands in need of skilled labour for her defence plants, labour for her farms, for her forests and mines, and for her armed services.

The Minister of Citizenship and Immigration (Mr. Harris) in this year of crisis has announced that the government has set its sights on something like 150,000 immigrants for 1951. The minister now has announced what he has described as a balanced program to provide more hands both on the farms and in the factories.

The government has taken several steps which it hopes will help to double the 1950 immigration total of 74,000. In succession it has lifted the wartime ban on German nationals, has decided on a fare subsidy plan for those who come to Canada by air, and has decided to advance passage money to those seeking to come to Canada by ship. But even a doubling of immigration may prove insufficient because it appears possible now that the manpower shortage will become more serious than present estimates indicate.

The Minister of Citizenship and Immigration is quoted as saying that Canada must push forward its industrial and economic expansion if it is to become an effective partner in the defensive preparations of the western world. How pitifully late is this statement of government policy! Now, in a year of national emergency, the government deems it wise to bring to Canada thousands of people from Europe to plug the gaps in Canada's manpower supply. Ever since the last war other nations have been actively encouraging British and European peoples to migrate. The best of the great reservoirs of manpower in Britain have been tapped while Canada dallied. The same applies to Europe with its potential emigrants and its thousands of refugees eager to gain the freedom and the opportunities that this young country affords.

Today Australia is competing for new citizens more energetically than is Canada, and its goal of 200,000 immigrants annually is considerably greater than that of Canada. Reports from Europe indicate that at least 200,000 suitable refugees still are homeless, and that many Germans want to emigrate.

Tragically enough, this government well may have tarried too long. The manpower problems that confront Canada in all probability will be the major problems that confront Britain and other European nations in this emergency year of 1951. Already it is indicated that Britain is becoming reluctant to part with her manpower—the skilled workmen needed just as acutely in British defence and other plants as they are required here.

The new Minister of Citizenship and Immigration perhaps is to be congratulated that he has been able to persuade the government to enunciate a program of 150,000 immigrants for this year. But the uncertainties of the world picture now have created new difficulties which may prove far greater obstacles than any that have existed since the war with nazi Germany ended. Now, when the government apparently is sincere in its desire to increase Canada's population by immigration, it may find desirable immigrants far more difficult to obtain. As in the matter of national defence, the Canadian government now can but scramble to overhaul lost time, can but seek to repair damage already done.

About a year ago the defence minister told the house, when he was presenting his estimates, that:

> Our planning must look several years ahead. On the one hand, we must start to work in time to produce the results in personnel and equipment when they are likely to be needed. On the other hand, we must avoid starting things now which might involve us in future commitments for the expenditure of money which might be needed for other defence purposes of greater priority.

Within months came Korea. It was immediately clear to all Canadians that its government had not been looking ahead to such an eventuality. Personnel and equipment were not there to match Canadian ministerial speeches at home, at the United Nations and in the councils of the north Atlantic alliance. It would seem that the government now is looking three years ahead. But there have been dangerous delays. Canadians are ready to play their full part. But they look to the

government now to demonstrate a degree of foresight and of leadership that hitherto has been conspicuous by its absence.

For the government's military preparedness program there will be general public sympathy and support. In the meantime there will be, too, the prayerful hope that once again the government has not been too late; that Soviet Russia will give Canada three years of grace in which to knit her economy for the strains of war, perhaps a war of nerves but nonetheless war, three years of grace in which to recruit, train, equip and field Canada's fighting contribution to the cause of freedom and democracy.

Mr. D. A. Riley (Saint John-Albert): Mr. Speaker, before I launch into the main topic of my remarks today I should like to apologize for not having been present here for a short time yesterday afternoon. With some of my constituents who had journeyed here from afar I was attending to the business of my constituency. I especially regret my absence because I was thereby denied the rare privilege of being mesmerized by the golden voice of a great speaker, one who awakens reminiscences of the grand old days when oratory flourished in this land and in this very house. As the logical utterances of this hon. member are carried about the commons as in a silvery chariot guided by his dulcet tones—

Mr. Graydon: You are doing pretty well yourself.

Mr. Riley: Thank you—one can fairly envisage the spirits of Macdonald, Laurier and McGee gazing down with benign approval from the linen ceiling of this chamber. Some hon. members of the C.C.F. party are apparently aware of whom I speak, because I see signs of great enthusiasm over there. He is a kindly man, a great champion of the downtrodden, a friend of labour, a man of letters, a bachelor of arts, a teacher of man, an Ichabod Crane, a moulder of little minds. On those occasions when I see the hon. member for Saskatoon (Mr. Knight) part the curtains on the opposite side of this chamber and stride confidently to the seat which he occupies with such an air of wide dignity and legislative resolve I confess to a feeling of envy and wish secretly—to myself, mind you—that we could have such a giant on this side of the house so that I and some of my associates might look to him at times to guide our awkward steps as we bumble about in the dark recesses of the back benches. When I am lulled into revery by this soothing voice, this man with a heart so filled with the milk of human kindness, a heart which like that of St. Philip Neri well nigh bursts the frail casement which encloses it, I say to myself, "Here is a noble man whose very soul would rebel in horror at the thought of stooping to mean, cheap, contemptible political advantages."

Like him, and following him I feel like a frail skiff wallowing in the foaming wake of a giant leviathan of the deep; like him, I must administer a gentle rebuke to the hon. member for Prescott (Mr. Bruneau). So in all kindness, having the highest regard for the Saskatoon *Star-Phoenix*, I must attempt to straighten out the question of how the hon. member for Saskatoon stands on price controls. Of course the hon. member has spoken at a number of meetings recently at which he expressed himself in favour of price controls, fixed ceiling prices on all commodities including—and the hon. member will correct me if I am wrong—labour, the price of wheat, and all other agricultural products. I would point out to the hon. member for Prescott that he might well take a lesson in unselfishness from the hon. member for Saskatoon when the latter thus tells the farmers of his own province that the prices of the commodities they produce must be pegged in safeguarding the interests of the common weal.

I was delighted to learn that the hon. member for Saskatoon had been in the maritimes, even in my own city. Though I had no word of his visit, I must confess I should have realized that the healthy glow which suffuses his cheeks bespeaks contact with the salt tang of the broad Atlantic. And witness his use of the word "fathom". It has a distinctly nautical flavour. I should have liked to introduce the hon. member to our dock workers. I should have liked to escort him down into the pit of our drydock. I should have liked to take him down into my own ward, where his soft and delicate hand might have tingled from the healthy handclasp of the workingman. And I should have enjoyed even more taking him out for a short trip on the tossing waters of the bay of Fundy. I am sure the experiences thus gained by him, albeit new, would have been of inestimable value in his sincere effort to improve the lot of those of us who make up the proletariat of this country. He might have found that we maritimers, in our ignorance, I must admit, refer to his doctrines — perhaps erroneously — as the impracticable and meaningless theories of long-haired idealists; and he might have discovered how the misguided workingman of my own city seems intent only upon gaining for himself a decent standard of living and for his children an opportunity to fit themselves into society as useful Canadian citizens.

I agree that the hon. member might have found in my city some elderly folk living in rather modest circumstances. He neglected to add—and of course I do not accuse him of wilful neglect—that these people are very proud that, pitifully small though their means may be, they have been rescued from an even worse fate by the sound administration which has been in power in this country, by the will of the people, since 1935.

My hon. friend referred to the slums of Saint John and mentioned having seen elderly folk living like rats in the garrets of those slums on an income which he gave as $42.50 a month. This comes as somewhat of a revelation to me, in that previously I had been under the impression that elderly people who existed on an income, not of $40 a month as we have for the elderly people of New Brunswick but of $42.50 a month, lived not in the unpretentious though solidly constructed houses of Saint John but in the shanty jungles within easy reach of his own home.

(Translation):

A few years ago, one of his colleagues, who has no longer the honour of sitting in the house, mentioned the slums she had seen from afar, in my city, during a whirlwind trip through the maritimes. Were she here today, she could repeat his remarks and they would be in harmony with what my hon. friend has said. Unfortunately, she had to go back before her electors, who are apparently fickle for they refused to repose once more their trust in her. I hope, and I believe, that with the decline and disappearance of socialist theories in our country, my hon. friend's career will come to an equally abrupt end.

This eager representative of the people who, in the past, filled his leisure deluging our legislators with countless pages of his turgid oratory for which he took inspiration in the warmth, safety and comfort of his quarters in parliament, had occasion, while on a tour of the maritime provinces, to come in contact with people whom he only knew, until then, from his perusal of books on socialism. I hope the experience he gained during that trip will encourage him from now on to support any government bill aimed at ensuring a more equitable distribution of that wealth which, thanks to Divine Providence, is so plentiful in this country, instead of cluttering up *Hansard* with senseless and groundless diatribes.

I hate referring to my good friend in such terms, but I know he will accept my remonstrances leniently and in the same spirit that prompted them.

(Text):

Mr. Speaker, I wish to congratulate the mover (Mr. McMillan) and the seconder (Mr. Breton) of the address in reply to the speech from the throne. I wish to extend also sincere congratulations to the Secretary of State for External Affairs (Mr. Pearson) who, with a number of his colleagues, has made such outstanding contributions in an honest and healthy endeavour to bring about peace among all men of all nations. The people in my part of the country look to the Secretary of State for External Affairs with unswerving confidence, conscious of his ability to exert an effort beyond the ordinary in bringing about the fulfilment of Canada's great role at the conference tables of the nations. In common with the people in other sections of Canada, we too are proud of him.

The Minister of National Defence (Mr. Claxton) must still recall the expressions of confidence accorded to him, and the enthusiasm with which he was greeted in the course of his recent tour of the maritimes. The citizens of my own constituency, and they but reflect the feeling of their neighbours across the land, are girding themselves for great sacrifices if such must be made for the preservation of our democratic way of life.

Today as I gaze over the heads of the executive who guide Canada's destiny I cannot help but refer to another man who seems to me to be somewhat like Gunga Din. I liken him in some respects, but not in all, to that famous Kipling character. From time to time he is literally belted and flayed by both friend and opponent, but when there is a job to be done requiring tremendous effort, wise and quick decision, and almost superhuman perseverance we look to him with deep respect, and we solicit the services of the right hon. Minister of Trade and Commerce (Mr. Howe) to perform another mighty task for our country.

We are about to embark upon a vast program of defence. Industrial Canada is prepared to increase production to an almost unheard-of degree. Defence orders have begun to pour out from Ottawa in an ever-increasing flow. We find that if we are to maintain our production schedule it may even be necessary to import labour from other lands. It is amazing for me to view and to hear about the vast expansion which industry in Ontario and Quebec, and in some of our western provinces, is undergoing now. I am proud

when I reflect that my country is well on the way to becoming one of the largest producer nations in the world.

At the same time it grieves me to have to state that in the course of a recent review of employment figures across Canada I have been shocked to learn that unemployment in some of our most important maritime centres extends far beyond the ten per cent mark. I am, therefore, impelled to urge once again, as I have urged before from the floor of this house, that a real effort be made to bring about some degree of decentralization of industry in our country. In my own city of Saint John the unemployment figure is down somewhat in comparison with last year's figure. This has been due in part to an accelerated movement of freight through our port during the course of the past few weeks, but it is also due in part to an accelerated movement of our skilled, semiskilled, and even unskilled labour to the booming industrial centres in the provinces of Quebec and Ontario.

Every day from all over the Atlantic provinces this movement continues. Maritime labour is once again answering the call of industry further inland. If our labour continues to thus migrate to the central provinces—

Mr. Wright: Hear, hear.

Mr. Riley: I am speaking also for the western provinces, as my hon. friend is well aware.

Mr. Wright: I agree with you.

Mr. Riley: It is fine to hear his voice raised occasionally in the House of Commons, because I have sat here for the last few days wondering when he was going to make, not a simple ineffective speech in opposition but one of those mighty speeches that we have heard him deliver in the past. I am keenly disappointed that this hon. member, who must definitely be aware of the great role which he must play if he is conscious of his responsibilities in parliament, has not given more effective opposition to this government which he persists in criticizing by means of catcalls in a sotto voce.

Mr. Knowles: Somebody must have sent you a dictionary.

Mr. Wright: He must have swallowed it.

Mr. Riley: The catcalls are coming from the hon. member speaking at the moment, and it is so interesting to see him with a smile on his face that I do not deign to answer.

Mr. Knowles: It is not a smile, I am laughing.

[Mr. Riley.]

Mr. Riley: It is even nicer to see you laughing. I am surprised that your face did not crack.

If our labour continues to thus migrate to the central provinces, I am afraid we are going to find ourselves in an even worse position that ever before in our history after the present crisis is over. The only profitable business venture in which we shall be able to engage will be the retailing of cheap cardboard suitcases. I do not want to give to hon. members the impression that I have come here to give voice to a plaintive wail, nor do I wish to convey to hon. members of this house the idea that I or the people whom I represent are looking to the government to create vast industrial centres in the Atlantic provinces. I want to point out, however, that the defence program on which we are now embarked, calling as it does for the expenditure of billions of dollars, provides for the government of this country a ripe opportunity to stimulate the development of the far east and the west, by assisting and encouraging both the establishment and the expansion of small industries.

I have taken the time to discuss our problems with many of my constituents and they consistently ask me to make known to the government that they are willing and ready to build and to manufacture whatever the government might suggest for them so to do. They would prefer, of course, to manufacture commodities which could be produced by small, light industries.

I have here on my desk a letter from a young man in my constituency. He is the type of young man who is intensely interested in the development of his own province. He is a member of a family which has built up several small industries and who himself sees for the Atlantic provinces a great future looming on the horizon. In this letter he makes an offer to supply the necessary land, buildings and operation for any type of industry for the manufacture of defence needs. The land and buildings which he makes available are in a favourable locality, close to facilities for shipment by water or rail. He has in mind that when the present crisis is over this plant could be used to house a stable peacetime industry.

I also have here on my desk another letter from one of our younger citizens who is intent upon merchandizing a commodity considered to be the best in quality and the most practical of its kind manufactured in this country. It is a commodity which is now being manufactured almost exclusively in the United States for the government of that country. The raw material is in such great

demand by the American manufacturers that the producers will have to curtail delivery in Canada unless the manufacturer here is able to get defence orders. That manufacturer himself, a ranking air force ace of the first great war, can increase his production to meet any government needs in this country. Despite our efforts to interest government officials in this commodity over the past few months we have not yet been successful. There is in my constituency a group of men who are at present preparing to found another industry. They have at their disposal an excellent plant for the type of commodity which they propose to produce. In addition, they have a great deal of extra floor space available, and they have asked me to in turn ask the heads of our government what they would like them to produce with this extra space. I had in Ottawa with me the other day one of these men, a highly skilled technical man who during the last world war managed several industrial plants engaged solely in the manufacture of defence items. I hope that his visit here will not have been in vain. Several other industries, already established, have sent representatives to me asking for direction on how they could best serve defence requirements, and they have stated their willingness to expand their plants to take care of whatever orders might be forthcoming. I have sent the names of these firms to the government agencies which might be interested and again I am hopeful that orders will be forthcoming. In checking over the lists of orders placed by Canadian Commercial Corporation since November 20, 1950, it has been a source of keen disappointment to me and to my constituents to note that orders going to the Atlantic provinces have been so pitifully small, so pitifully few and have amounted in value to such a meagre sum of money that I would be ashamed to place the figures on the record of this house.

I know that during the past two years some authorities here in Ottawa have at the instance of the Minister of Trade and Commerce (Mr. Howe) and the ministers representing the Atlantic provinces made extensive studies with a view to stimulating our economic development; but I again regret to say that the subjects of these studies have not yet tasted the fruits of their findings. I repeat that if ever there was an opportunity for the federal government to infuse a real stimulant into the economic life of our lagging provinces, that opportunity presents itself today. I should hate to have to thank those responsible a couple of years from now for an abundance only of sympathy received by our people. I would rather be able to say that the twenty-first parliament marked a milestone in the growth of the Atlantic provinces, the beginning of a realistic exploitation of their resources of materials and manpower.

It was a source of great satisfaction to me, as it was to many of my fellow easterners, to read the speech delivered by the premier of Ontario at the conference of federal and provincial governments here in Ottawa a short time ago. Speaking to the assembled delegates he expressed on behalf of his government a real appreciation of the problems which confront provinces other than his own. In the course of his remarks he directed attention to conditions in some of these other provinces, and I quote:

> Problems associated with large concentrations of industry, are, however, in the main incidental to these areas having such industrial development. What I have said makes evident the desirability of an even development of Canada. Large concentrations of industry in particular places in Ontario have created large provincial problems. A development of Canada with large concentrations of industry in particular provinces and little industry elsewhere creates like problems.
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> Perhaps it would be well if this conference, as part of its work, would consider ways and means of providing for a more even industrial development across this country. It is very heartening indeed to see the expansion in the two far western provinces of British Columbia and Alberta.

May I say just here that I had hoped that when the welfare state had been introduced into Saskatchewan there might have been a better measure of industrial development there; but apparently it has not taken place. I continue with the quotation:

> It is to be hoped that the other provinces may show a like development, and we here should do everything possible to stimulate such development. The more even the development of this country the better it will be for all of us.

I hope that the words of the premier of this great province reflect the general feeling of her people; for what he said on that occasion can bode well for the future of those provinces in less favourable geographic locations.

Mr. Victor Quelch (Acadia): Mr. Speaker, I listened attentively to the Minister of Trade and Commerce (Mr. Howe) when he spoke this afternoon. It was my feeling that his speech was a strong argument in favour of the immediate introduction of an over-all system of price controls.

I jotted down a number of points he made when he was speaking—that our economy was operating at full capacity; that there were limiting factors in export trade, namely supplies; that the full impact of the defence program is yet to come; that the defence

program will disturb our way of living; that there will be shortages. All these point to an increase in the inflationary pressure.

He said there is no intention to impose an over-all system of price and wage control at this time, but that it may be necessary in the future. He does not rule out that possibility. He made it clear that the success of the over-all system of price control in the last war was due to the fact that it was brought into operation overnight. I could not help thinking that if I were a businessman in this country, with no greater principles perhaps than many others, after hearing the minister's speech I would say to my colleagues, "Gentlemen, you have heard the program. The best thing for us to do is immediately to increase prices as other businesses are doing, or we will be left holding the bag." Judging by what is happening in Canada today, no doubt there are many businessmen who feel that way, and who perhaps will direct their energies to an even greater extent in that direction after reading the speech delivered by the Minister of Trade and Commerce.

We have before us a subamendment moved by the C.C.F. and reading as follows:

> That the following words be added to the amendment, immediately after the words "rising cost of living" in the last line thereof:
>
> "such as the immediate reimposition of price controls, and the payment of subsidies where necessary, so as to protect the health and living standards of the Canadian people."

That is an amendment to the amendment; if it were not I would offer an amendment to insert the words "and wage" after the word "price". However, I do not think that is really necessary. One may well take it as written, because surely no thinking person today would suggest for one moment that we could have an over-all system of price controls without at the same time controlling costs in that price structure. I understand the C.C.F. fully appreciates that fact. Therefore we can take it as though that were written into the amendment. Let me make it clear that in supporting the subamendment we do so on the definite understanding that an over-all system of price controls would include control of all costs incurred in that price structure, including of course wages.

When the Prime Minister (Mr. St. Laurent) spoke in this debate with reference to controls he said, as reported at page 29 of *Hansard*:

> There cannot be enforcement in a country like ours against the feeling of a majority of the people of what is right and what is wrong.

Surely no one would suggest that today the majority of the people would not support a system of over-all price control. I do not think anyone would argue for one moment, for example, that labour would oppose it. Labour has taken a strong stand in support of over-all price controls. I doubt very much if anyone would suggest that the general consumer in Canada would oppose it. Stop people on the street and ask them if they are in favour of price controls, and in ninety-nine cases out of a hundred they would say that they are.

Speaking as a farmer I would say the farmers would not oppose the introduction of price controls. I noticed that when the leader of the C.C.F. party was speaking, the hon. member for Mackenzie (Mr. Ferrie) said that the farmers were opposed to it. The farmers are not opposed to price controls, so long as they are brought in in an equitable manner. That was made clear in a resolution passed by the Canadian Federation of Agriculture in Calgary last month. A report of that convention, as it is contained in the Manitoba *Co-Operator* of February 1, 1951, states in part:

> Producers were concerned with inflation and controls, and on this subject gave unanimous support to a resolution requesting that if anti-inflationary measures, taken by the government of Canada, include price control, these controls should not be first levied against foodstuffs, but should go into effect simultaneously with wage controls, industry profit controls and that any controls on foodstuffs be imposed on a proper relationship and costs of production.

I believe that is the general attitude of all farmers. They want price controls on all commodities. They are quite prepared to have the prices of agricultural products controlled, too, so long as the prices of those products are controlled at a parity with the general price level.

Certain people in the country today and certain members in the house are warning of the dire consequences of introducing an over-all system of price controls. The hon. member for Vancouver-Burrard (Mr. MacDougall) adopted that attitude when speaking in the house on February 6. He quoted from the *Financial Times* of British Columbia and, in making the quotation, said he thought it was a sound and sensible argument.

Let me quote one part of the quotation to which he referred with approval in the house:

> There is really no choice. Comprehensive direct controls would defeat the purpose in the following ways: They would drive the economy into a regime of black markets and administrative paralysis; would destroy public morale and the incentive to produce, and would conceal inflation without preventing it. They would in any event require crushing taxation to be practical at all.

This article states that price controls would destroy the incentive to produce. Would anyone suggest that the over-all system of price controls during the second world war

destroyed the incentive to produce? We know very well that during that war our production increased at a record pace, and to record levels. Furthermore when the hon. member suggests that price controls would require crushing taxation it must be obvious that if we do not have price controls we will have to have even heavier taxation. That was realized when price controls were introduced during the second world war.

These arguments and warnings against price controls are similar to some of the arguments we heard in the early stages of that war. For instance, on November 21, 1940, as reported at page 286 of *Hansard*, the minister of finance of that day, Mr. Ilsley, replying to a suggestion from this group that an over-all system of price control should be introduced, had this to say:

> Price fixing of a few commodities, indeed rationing of a few commodities, is possible and need not have a very serious effect, but price-fixing and rationing on a general scale have at least two disadvantages. In the first place this would call for bureaucratic interference in the private affairs of all Canadian citizens.

After that he allowed his imagination to run riot and said that if we had price controls we would have to put a spy in every grocery store in Canada. He said that kind of thing might be all right for nazi Germany but that the people of Canada would not tolerate it. That was the statement of the minister of finance of that day. It is interesting to note however that he did a backward somersault in the following year, because within less than a year he had completely changed his mind.

On November 6, 1941, he was commenting on the government's proposal to bring down an over-all system of price control.

This is what he had to say, and I quote from page 4148 of *Hansard* of November 6, 1941, as follows:

> But there is no doubt that when the resources and labour of the country are pretty fully used, when we reach a stage of full employment, and are making more and more war materials, devoting a larger and larger proportion of our human and material resources to the production of war equipment and war materials, there is no doubt that inflationary forces of a very powerful type are at work.

And again:

> One will see at once that, unless curbed, forces will push the price levels up and up and up. How can that be stopped? Since the beginning of the war we have pursued a severe taxation policy. We have tried to tax as much as possible of the purchasing power back into the exchequer. We have gone all across the country and combed it for small subscriptions to war savings certificates. We have sold bonds to the people. In these ways, namely by taxing and by borrowing, we have tried to get back from the people a large amount of this purchasing power. We believed that this was a right policy and we believed that it was anti-inflationary. To a large extent it was.

And he goes on to say:

> Therefore, in this war, no matter what the course has been in previous wars, so far as I know all countries have come to the conclusion that they must resort to direct measures of limitation and control of production, and price control.

Hon. members will notice that in those statements the minister stresses the fact that prices were steadily rising in spite of heavy taxes and fairly heavy borrowings of the savings of the people and for that reason price control was necessary. It is interesting to note what the price level was at that time when the minister drew attention to the way it was going up. He stated a serious situation had developed at that time. The price level had gone up from 108.2 in March 1941 to 115.1 in October, 1941. If the fact that the price level had gone up from 108.2 to 115.1 was then a justification for price control, then how much more justification there is today for price control when the cost of living index has gone up to around 172.5?

Mr. Knowles: The food index is 220.

Mr. Quelch: The hon. member for Winnipeg North Centre (Mr. Knowles) points out that the price of food has gone up to 220. That is especially hard on low income groups. Many people without thinking blame the farmers for that situation. They say that the prices of farm produce have gone up considerably and that the farmers are profiteering. I believe all hon. members received a copy of a pamphlet entitled, "Labour Research," containing a good article which I think all hon. members should note, headed, "Is it the farmer's fault?" This reads:

> Some might rashly assume that these figures are evidence of the irreconcilability of workers' and farmers' interests. But they aren't. In September last, the dominion Department of Agriculture published a report on Marketing Margins for Selected Canadian Agricultural Products, 1935-1949. The products are potatoes, eggs, fluid milk, creamery butter, cheese, beef (commercial quality), wheat flour, white bread and canned tomatoes.
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> The results are very carefully qualified and hedged about with warnings that they must be used only with the greatest care, and with full allowance for all the qualifications. But one fact does stand out, unmistakably: That the farmers' share of the retail price in 1949 was not, in most cases, substantially different from what it was in 1946. The only notable exception is potatoes, where the farmers' share fell off 20·8 per cent. In five of the other eight cases, also, it fell off, but only by much smaller percentages:

That shows that any increase that has taken place since 1949 in the price level is not due to any increase in the prices paid to the farmer but is the result of increases in the price spreads. Of course that is something that should definitely be dealt with at the earliest opportunity. In his speech in

1941 the minister referred to the fact that at that time they had heavy taxation, but in spite of that heavy taxation they were not able to keep prices from rising. Taxation may have been heavy in the minds of the people in 1941, but taxation is also quite heavy today. I notice that in 1941 the total revenue from taxation was $771,540,000 or a per capita tax of $67. In 1942, the year in which really heavy taxation was introduced, the revenue had increased to $1,360,913,000 or a per capita tax of $120. In 1949 the revenue had gone up to $2,436,142,000 or a per capita tax of $180.

Some will say that we should not forget that the national income has also gone up. That is quite true, but the value of the dollar today is only fifty per cent what it was in those days. I simply want to point out that the arguments used by the Minister of Finance at that time to justify the introduction of price controls are equally applicable to the present situation. I would like hon. members to note the similarity in the other inflationary pressures that were referred to. The minister stressed the fact that we had full employment at that time. This afternoon the Minister of Trade and Commerce (Mr. Howe) told us that we have full employment in the country at the present time. He pointed out that we were having to divert goods from the channels of consumption to wartime needs. The Minister of Trade and Commerce also stressed the fact that a greater percentage would have to be diverted in the future.

Then there is another psychological effect that exists today as it existed then. It is true that we were at war in those days, but today the government is continually stressing the seriousness of the international situation. If the situation is as serious as it is said to be, then no doubt we are going to have to make great sacrifices in the future, sacrifices that will greatly increase the inflationary pressure. Therefore, if the argument of the Minister of Finance in 1941 was sound and justified the introduction of price controls, then I would say that there is even greater justification today for the introduction of price controls.

Some people seem to fail to realize that great changes have taken place in the general economic picture since 1945 and more especially since June of 1950. Let me review briefly those changes. It will be recalled that at the end of the second war there was a strong inflationary pressure in this country, due mainly to three things. The first was the accumulation of war savings which then became a demand against goods. The second was the fact that we were reconverting war industries to peacetime production and the money paid out in the reconversion of those industries became a demand against existing supplies of consumer goods. Then we were making large loans or gifts to foreign countries which of course took that much production away from the channels of consumption in Canada.

That inflationary pressure continued for a number of years but by the spring of 1950 it had disappeared. Therefore there was a good deal of justification for expecting that the price level would level out. As a matter of fact by 1950 many people were becoming concerned that we might sink into a recession. I recall the Minister of Resources and Development (Mr. Winters) speaking in 1950 and warning of the danger of a recession. To offset it he urged that people should spend more freely and stop saving as much money in order to create a greater demand for goods.

That was the situation up to the spring of 1950, but then in June the Korean incident occurred, and since then we have been increasing our preparations for war. So today there is an entirely different situation to that which existed just prior to June of 1950. The Minister of Trade and Commerce (Mr. Howe) has stated that it may be necessary to introduce price controls later. A statement of that kind in itself is nothing more or less than direct encouragement to industry to increase prices. He said the reason that controls had been a success in the last war was that they were brought in overnight. Now he is telling industry that we are not going to bring in price controls today but that we may have to bring them in later on. They may be introduced next week for all we know, and naturally industries will feel that, if there is any danger price controls may be instituted all of a sudden in the future, the only thing to do is to increase prices while there is a chance to do so in order that they will be in at least as favourable a position as any other industry that has increased its prices.

Therefore we believe that overnight the government should freeze prices and wages, then, through the board that they set up, adjust prices to provide for a fair profit, and then adjust wages to conform with the readjusted price level. I say that we should freeze prices and wages overnight because as long as you talk about it you are encouraging increases in prices. The thing to do, as they did in the United States, is to freeze prices and wages overnight and then as rapidly as possible readjust the price level to whatever level it should be adjusted. You should allow a fair profit and then adjust wages to conform with the new price level.

It has been pointed out that wages today have been set under agreements. That is all

the more reason for the step that I suggest. For example, let us take an agreement between labour and industry made in 1949 for a period of two years. We will say that at that time the price index was at 150. I do not say it was but for argument's sake let us say it was 150. The agreement expires this year with a price level of 170. Naturally if that wage level was right at a time when the price level was 150 labour would be fully justified in demanding increased wages when the new agreement is signed. Vice versa, if the government saw fit to roll prices back so that the price level fell below 150, then there would be every justification for reducing wages in the next agreement. That is why I suggest that wages should be adjusted to conform with the adjusted price level.

I notice that the consumers association of Canada have insisted, according to their resolution passed at Ottawa, that if price control is introduced prices should be rolled back to 1949 levels. I think most people would agree that prices should be rolled back to the level of prices at that period, but let us not forget that we run into certain difficulties when we do that. It would mean that you would also have to control costs at the level of that period. But then we would also run into this trouble. We would find that many imported goods are having to be imported at a higher price level than that of 1949, and if any attempt were made to roll back prices to 1949 we would have to be prepared to subsidize the import of those goods that we consider essential to this country. There is no great difficulty about that. We faced that difficulty during the second world war. We voted many hundreds of millions of dollars for the purpose of subsidizing imports in order that they might be sold under the price ceiling.

I now want to deal with the question of farm prices. We say that under a system of price control prices of farm products should be controlled at a parity with the adjusted price level. That is the stand that was taken by the Canadian Federation of Agriculture. I know that many members have argued in the past that parity is something so vague and indefinite that nobody can tell just what it means. There is nothing indefinite about parity. As a matter of fact parity has been in operation in the United States for several years. It is an accomplished fact, and as a result of parity the price level of their agricultural products generally speaking has been higher than the price level in this country.

Parity has a very definite meaning. It means that the price of agricultural products should be maintained at a level that will give the farmer his fair share of the national income so that the income of the farmer shall bear the same relationship to the national income as farm population bears to the national population. I telephoned the farm finance branch of the bureau of statistics this morning to ascertain just what that relationship is at the present time, because many people seem to think that farm prices are quite high today. I was informed that farm income today is approximately between 10 and 15 per cent of the national income and farm population is around 25 per cent of e national population. Therefore the income of farmers today is still considerably below parity.

In the United States they established parity on the basis of the period from 1909 to 1914. Since then I believe they have introduced a policy of taking for their base period the average of the past ten years. It must be noted, however, that prices during that ten years were based upon a certain base period, from 1909 to 1914. Therefore it would not be possible for us to adopt as a base period the average of the last ten years because during the past ten years prices in Canada have not been based upon any base period.

The first thing to do would be to establish a base period. Some people think it would be difficult to do that. The Canadian Federation of Agriculture has already offered to co-operate with the government in establishing a base period. That period would have to be not only one which would return to the farmers their fair share of the national income but one during which there was a fair relationship between the price of one farm commodity and another. Once you had established the base period it would be quite an easy thing to establish the parity price of any farm commodity in the future. For example, if the price of wheat in your base period was $1.50 and the price index of the things that the farmer buys is 175, and for the things that he sells is 165, in order to obtain parity all you would have to do would be to multiply $1.50 by the fraction of 175 over 165 which would give you $1.59; $1.59 would be the parity price of wheat today. In the same way you could proceed to establish the parity price of any farm commodity once you had established the base period. So far the government has not attempted to establish a base period; and until such time as it does take the time and trouble to do so we are going to have a good deal of discontent in this country concerning agricultural prices.

Now I want to say a few words concerning the final payment under the five-year pool. I believe the farmers are fully justified in asking that a substantial portion of the losses suffered under the British wheat agreement,

and as a result of subsidizing the consumers in this country, should be made up out of the general revenues of the government. The Alberta wheat pool has suggested that this payment should be 25 cents a bushel. Let us not forget that even if a payment of 25 cents a bushel is made, the farmers will still be standing approximately 50 per cent of those losses. That is all a 25 cents per bushel payment would represent. It has been stated by the Minister of Agriculture (Mr. Gardiner) and others that the interim payment of 20 cents a bushel on the 1950 crop is helping to alleviate any difficulties the farmers may be having in meeting their present obligations. That is only partly true. Unquestionably it helps the farmer who threshed a crop, and who was able to sell that crop. We must not forget, however, that many farmers who raised crops in 1950 still have those crops under the snow. In the constituency which I represent I should say, as a conservative estimate, that at least 50 per cent of the crops east of Hanna are still under the snow. You are not helping those farmers a bit by making an interim payment of 20 cents a bushel on a crop which has still to be threshed. Then again there are those in the more fortunate position of having threshed their crops, but who have been unable to sell them owing to the congestion at the elevators. I was told by certain officials in Alberta that generally speaking the wheat has been pretty well cleared away along the Canadian National lines, but that there is still a tremendous amount of congestion on the main C.P.R. line in Alberta. Those farmers face a very serious situation. Not only have they not been able to sell their wheat, but unless those crops, which in many cases are very damp, are moved at a very early date, there is great danger of spoilage. So I believe that as rapidly as possible the government should increase drying facilities, because we are continually running into this difficulty of handling our grain in a tough or damp condition.

I think it is high time the five-year pool was cleaned up. I listened to the Minister of Trade and Commerce (Mr. Howe) speak to the farmers' union of Alberta in Calgary last December, and he left the very definite impression that the final payment would be made in January. He did not give very much encouragement to the farmers as to what the amount might be, but certainly they got the impression that the payment would be made in the very beginning of the year. Then in January the Minister of Agriculture spoke to the convention of the Canadian Federation of Agriculture, and he made the whole picture very cloudy indeed. He said the Prime Minister (Mr. St. Laurent) was conversing with Mr. Attlee in an attempt to get more money under the "have regard" clause of the British wheat agreement and that now the whole question was up to Mr. Attlee. The minister did not know when Mr. Attlee would come through, and until such time as he did there could be no final payment under the five-year pool. So the matter was left in a very unsatisfactory position. However, today I was glad to hear the Minister of Trade and Commerce say he would do everything in his power to see that the payment was made before the beginning of spring seeding.

Another question I want to touch upon today is the price of wheat. Hon. members will recall that we signed an international wheat agreement, which received the support of the house. At that time I warned of the danger of trying to guess what the price of wheat or any other commodity would be in the future. I stressed the fact then that it was quite easy to establish a fair price for the current year, but that when you tried to say what that price should be, one, two, three or four years hence, you were guessing and the government might very well guess wrong, as they did under the British wheat agreement. Therefore at that time I urged that instead of adopting the policy outlined in the international wheat agreement we should first of all set the price for the current year at what we considered a fair level, and then tie the price of wheat to the general price level, so that if in future the price level of the importing country went up 10 per cent the price of wheat to it would also go up 10 per cent. If on the other hand the price level went down 10 per cent the price of wheat would go down by the same amount. In other words you would be establishing a parity price on an international basis. Apparently the government did not consider that proposal worth while, so today we are faced with the fact that there is a ceiling of $1.89 on wheat. No matter what happens to the general price level, even if it goes up another 50 per cent, the price of wheat is tied down.

Does anyone suggest that the farmers should have a ceiling on wheat when everything else is allowed to go free? Then in addition we arbitrarily reduced the floor under wheat by 10 cents a bushel a year. Why? Would anyone suggest any reason why the floor price under wheat should be reduced by 10 cents next year, 10 cents the year after and 10 cents the year after that, when the prices of everything else are going up? That is why I argued at that time that the basis for payment under the international wheat agreement was not fair, and that we

would never get a fair base until we tied the prices of farm commodities to the general price level on both a national and an international basis. In other words I was asking for parity prices both nationally and internationally.

In conclusion I would say it is high time the government brought in a long-range policy for agriculture based on parity. Only in that way can we assure the most efficient operation of agriculture in order to help provide the supplies of food so urgently required in many parts of the world today. The Secretary of State for External Affairs (Mr. Pearson) stressed the fact that we cannot hope to defeat communism by the force of arms alone, that we will also have to provide economic aid to the backward countries. The sort of aid most urgently needed in the world today is food. Therefore it is up to us to maintain our agriculture at the highest possible state of efficiency, so that we may make our greatest contribution to good will and contentment in the world.

Mr. W. Ross Thatcher (Moose Jaw): Mr. Speaker, I rise this afternoon to deal briefly with two specific matters. The first has to do with a recent announcement of the Liberal government, which I desire to criticize and protest against. I refer to the decision to apply dumping duties to automobile imports from certain European countries including Britain and France. Surely that decision can only be described as a short-sighted, narrow-minded policy, which is sacrificing the interests of the Canadian people as a whole to certain pressure or protectionist groups.

I should like to remind this house, and particularly members on the government side including the hon. member for Fraser Valley (Mr. Cruickshank), of the traditional, or perhaps I should say the professed, trade policy of the Liberal party during the past few decades. In public utterances, in parliament and elsewhere, not once but a hundred times, speakers of the Liberal party have stated that their government is working towards freer trade and fewer trade restrictions. I believe most members of the house would agree that the former prime minister, Mr. King, was an authority on this subject. He stated that Liberal trade policy in 1945 was as follows, and I am quoting from *Maclean's* magazine dated February 1:

> The Liberal party stands for the removal of barriers to trade, and is opposed to the principle of protection which is really a levy on consumers in Canada for the benefit of the protected industries.

On numerous occasions I have heard the Minister of Finance (Mr. Abbott) speak along similar lines. I have one quotation from a speech he made in Toronto a little more than a year ago. According to the *Globe and Mail* of October 29, 1949, the Minister of Finance was thus reported:

> But the solution of Canada's problem, he said, would depend on expanded trade, the lowering of trade barriers and the elimination of arbitrary restrictions and discriminatory practices.

I have one other quotation which I should like to put before the house. It is one which was made a short time ago by the leader of the Liberal party in my own province of Saskatchewan. According to the Regina *Leader-Post* of December 12, 1949:

> Walter Tucker, Saskatchewan Liberal leader, Friday night called upon the federal government to abolish all tariff and other restrictions on imports of British goods.

How can any member of the government reconcile words such as those, how can he reconcile the past professed trade policy of the Liberal party, with this action to apply dumping duties against British and French cars? It would seem that there has been so much talk of Korea, so much talk of national defence and the major issues, that the protectionist forces of this country thought they might get this act passed without anybody noticing it. I say that this dumping duty is completely undesirable.

Ever since the end of the war I have heard government speakers urging British industry to get its prices down to competitive Canadian levels, and to produce goods which Canadians wanted. According to the Prime Minister, according to the Minister of Trade and Commerce (Mr. Howe), and according to the Minister of Finance, it was by such means that Britain would be able to earn the Canadian dollars with which to buy our farm products, our timber products, and our ocean products. After all, if Britain is to buy from us, I suppose it is natural that she wishes to sell us goods to earn Canadian dollars. The British automobile industry accepted the admonition of our government. It got its prices down; it produced goods which Canadians wanted; it earned Canadian dollars. What is its reward? Apparently its reward is to be this so-called dumping duty.

Mr. Speaker, it seems to me that if we are to continue trading with the British we shall have to give them an opportunity of earning Canadian dollars. It would seem to me also that a government which has always stated its desire for freer trade would be more interested in securing markets for farm products in Britain than in giving a specific industry special protection.

Today the price of Canadian automobiles is almost beyond the reach of the average Canadian consumer. British cars are supplying a need in the Canadian market for cheaper

transportation. If this duty is proceeded with it can only help to send the already skyrocketing cost of living up even further.

I say that this proposed dumping duty is all the more inopportune when we realize that at Torquay, at this very moment, many of the free nations of the world including Canada are discussing ways and means of eliminating this sort of restriction. There are few things which could so darken the prospects of success at Torquay as this new protectionist measure of our own government. I say that to raise these barriers in the midst of an international effort to lower them is an act of economic folly.

Why has the government decided to proceed with these dumping duties? We must assume that the action has come as a result of representations from the automobile industry. Were those representations justified? I should like to remind the house, Mr. Speaker, of two factors in connection with those representations. First of all, Canadian cars have roughly doubled in price since 1939. Today Canadian automobiles are so high in price that many Canadians, indeed I would say the majority of Canadians, cannot afford to buy them. Second, I would remind the house that the Canadian automobile industry already has ironclad protection from United States competition, because of tariff and control regulations. Having no fear from United States competition, the Canadian industry instantly protests as soon as the British competition becomes a little too serious.

I have always heard Mr. Sale, the president of the Ford Company of Canada, and other Canadian industrialists, pay great tribute to this free enterprise system, as they like to call it, and competition. Why now does Mr. Sale, as well as the others, protest competition as soon as it appears?

Is Canadian industry suffering because of this British competition? Has the industry been forced to curtail production in any way? Every member of this house knows that today the Canadian automobile industry cannot supply enough cars. If anyone wishes to buy a Ford, a Chevrolet, a Plymouth, or any other model he has to wait some months to secure delivery.

Is there any unemployment in the automobile field? There is not. On the contrary, today there is a shortage of skilled workers. There was an article in the *Saturday Night* this week which says, and I quote from page 42:

> Canada's preparedness program now faces a threat no less serious than a steel shortage—skilled labour. All the emergency legislation, all the controls that our government or any other government could dream up might alleviate a skilled labour shortage in the defence industries, but they could not increase the supply of highly-skilled labour in anything less than years.

In view of the war in Korea there is every indication that in the next year or so Canadian industry will be able to supply even fewer cars than it does now. By no stretch of the imagination can it be said that British imports are a threat to the Canadian automobile industry. I say that the request of this industry is a short-sighted, narrow-minded request made on the basis of self-interest. If the Canadian automobile industry wants to sell more cars in Canada, let it produce them more cheaply. I shall tell the government, although they will not listen to me, that this proposal is causing considerable concern in Canada, particularly in western Canada where the farmers are wondering why the government is taking such a step. I hope they will immediately withdraw these ill-advised dumping duties which they plan to impose on May 31.

Mr. Speaker, the second matter with which I should like to deal briefly—I think I can finish before six o'clock—has to do with the announcement made by the Minister of National Defence (Mr. Claxton) last Monday evening. He said that during the year $1·6 billion will be spent on national defence. It is of course virtually impossible for opposition members who have not taken part in the many conferences under the Atlantic pact, who have not attended the military talks, to know whether this $1·6 billion is too much or too little. As opposition members, we have little choice but to accept the words of the minister that this spending is vital and essential.

Having done that, I think that the citizens of Canada do expect us to diligently and carefully scrutinize the details of these expenditures and the estimates, in order to make sure the taxpayer is getting value for his dollar. I remember that last year the Minister of Finance said at page 1992 of *Hansard*:

> I believe that the public of Canada have the right to expect parliament itself, the members of parliament itself, to exercise a constant and vigilant scrutiny over the conduct of administration, to search for waste and duplication.

Last Monday evening the Minister of National Defence said that 80,000 contracts had already been let.

It is going to be a terrific task to go over 80,000 contracts. Nevertheless, I believe it is our duty at least to make an endeavour. I personally believe, with other members who have spoken this session, that the only proper way to do that is by means of a special defence committee. I would like to see a specific committee set up for that purpose. I

think most members of this group feel likewise. However, if that is not going to be done, we must have some other vehicle for the purpose. I personally doubt if the government has much to hide; yet their great reluctance to set up a special defence committee has caused many people in the country to wonder if they have. If we are not going to have a special committee, probably the next best vehicle is the public accounts committee.

I was indeed pleased to hear the Prime Minister (Mr. St. Laurent) the other day state—at least I took him so to state—that opposition members would be given the opportunity in the public accounts committee to examine defence expenditures. As reported at page 111 of *Hansard*, the Prime Minister said:

> There will be an opportunity for hon. members, including the members of the opposition, to examine in the public accounts committee all the expenditures that have been made.

I hope that the Prime Minister will tell his chairman and the other Liberal members on that committee about that statement; because last year the Minister of Finance (Mr. Abbott) made a similar statement. As reported at page 1991 of *Hansard* it was as follows:

> Let me point out to the house that the public accounts committee is a standing committee of this house . . . and there is opportunity in the public accounts committee for any hon. member, and in particular for hon. members of the opposition, to ask that any deputy minister, or any official of any department, be brought before that committee, and to examine him to their heart's content as to the details of the particular services of the department.

The minister last year said that. But when we got into the committee, although the members asked for a good deal of information, they were not able to get it. Opposition members asked for witnesses, they asked for figures, and they asked for the public accounts. They asked for many things, but they did not get much satisfaction. We were repeatedly overruled when we sought information, and we were consistently refused the public accounts themselves. I think that committee sat for three months before it even got to the public accounts.

I would remind the house of one thing further. Last year the hon. member for Winnipeg North (Mr. Stewart) asked that that committee be called for the specific purpose of inquiring into national defence expenditures. Yet all during those three months, despite many requests, we were not able to get the national defence expenditures brought before us. I hope the minister will give some assurance that the same thing will not happen again. Let me say that Canadians want defence expenditures scrutinized. If the government is sincere in also wanting them scrutinized, I hope they will call the public accounts committee together, if that is to be the committee, and that they will call it together early. Perhaps it would be wise not to spend so much time as is customary with Mr. Sellar. Let us get down to the national defence expenditures at once and stay there.

The other evening the hon. member for Quebec South (Mr. Power) stated his opposition to calling the chiefs of staff before a parliamentary committee. I admit that I know little about military matters; but nevertheless I presume to disagree with the hon. member for Quebec South in this connection. These chiefs of staff, these men who are high up in military affairs, are the experts and they are the ones who should be able to inform parliament about defence matters. They should be the ones to tell us what is being done, how it is being done, why it is being done, and whether or not we are getting value for our defence dollar. Surely an explanation by a parliamentary committee could be conducted with some dignity and with a proper regard for security. The Minister of National Defence (Mr. Claxton) should not be the only one who knows the reasons which require the spending of this $1.6 billion. I serve notice that this group will, as soon as the debate on the speech from the throne is finished, seek to have the public accounts committee called in order to deal with national defence expenditures. If or when it is called, this group will seek to call before it the defence minister himself, the chief of the general staff, Air Marshal Curtis and many other officials whom we may feel could give information which the people of Canada would like to have. I think one more thing should be done; if the government really wants to make this an effective committee, let them do as is done in England. Let them make the chairman a member of the opposition. Then I think we might get a proper scrutiny of defence expenditures.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. G. A. Cruickshank (Fraser Valley): Mr. Speaker, more than ever I wish we had amplifiers and recorders in the house.

Mr. Gibson: You do not need them.

Mr. Cruickshank: I should like to have a recording of that splendid applause—for which I arranged, myself. I am glad to see that the opposition benches are beginning to fill up, and particularly with those members who are interested in external affairs.

Mr. Graydon: Hear, hear.

Mr. Cruickshank: I am sure they will have greater knowledge of our international situation, about thirty-nine minutes from now, than they have displayed up to the present.

I had not intended to say anything tonight. However, I am particularly interested in manpower and, having heard nothing of a constructive nature from the other side of the house as yet, I thought it was necessary for me to say something on this subject. I had sincerely hoped that the hon. member for Vancouver-Quadra (Mr. Green) might have been here. However, I am sure one of his colleagues will note carefully what I say in connection with manpower, so that at least he may review it in *Hansard*.

Before I came to Ottawa to attend this session I expressed my opinion about the manpower situation to the Legion in my riding—and, I think, the Legion in the entire province. I am particularly proud of having a gold medal from the Legion, which is the equivalent of a life membership. I believe it is the finest organization in Canada, and there is no other organization more entitled to speak about manpower or national defence than is the Canadian Legion.

They may make mistakes; they may ask for too many things, unquestionably. We on this side of the house do not claim to be experts in matters of national defence, but I know of no group to whom we could go for advice on defence matters who would be better qualified to give advice than the 250,000 former soldiers of the Canadian Legion. Surely they know something about that subject. I might not be entirely in agreement with some hon. members on this side of the house in connection with my opinion concerning the Legion's request. However, I want to make it clear at once that I make exactly the same speech in Ottawa as I make in my own riding; I do not have one for the consumption of the people of British Columbia—Vancouver-Quadra or elsewhere in that province—and another one for Ottawa. Neither do I have a different one in Nanaimo. I have exactly the same speech in the Fraser valley as I have in Ottawa, at least so far as manpower is concerned.

I say tonight that I believe we should have compulsory service for the reserve army. As it exists today the reserve army is almost useless. I do not say that in any derogatory fashion, or as reflecting upon the splendid men who serve in that force. Perhaps I might localize my remarks so that they will apply to my own district. We have there one company of twenty-eight men, who are working with very expensive equipment and in an excellent armoury. What in the world could twenty-eight men accomplish?

I can see no other way of getting the necessary manpower for the reserve army than that suggested by the Canadian Legion. Unfortunately the Minister of National Defence (Mr. Claxton) has another engagement this evening. He did say however that he would much sooner listen to me than have to make a speech himself—and I can quite appreciate that. However, if he were here this evening I would point out to him that if the reserve army, with compulsory service, is to be made effective, it should start from the top and work down—not from the bottom, up.

A colleague of mine from British Columbia who served in the regular army during the last war has told me that in the reserve army they have a course lasting from three to five weeks to teach the recruits how to drive jeeps. There is not a farmer boy in my riding, from twelve years of age up, who could not teach anyone how that is done. Yet they have this course to teach it.

We have also in the reserve army—and I want some of their officers to know it—some of the old school, of the old tie, and with accents which at least to me are not conducive to getting young Canadians to "suhve" under them. That "old school" is all over, so far as I am concerned.

Of course, I do not know anything at all about military affairs. I am willing to concede that the hon. member for Vancouver-Quadra is one who served in the first great war. When he speaks of military or defence matters we must keep in mind that he had the honour, with me, of serving in the unit which won the first great war. Of course that gives him a great advantage over the other members on his side of the house. Those of us who served in that brigade never look into the past—that is, no more than to say that we were the finest brigade that ever left Canada. That is as far as I can go. I have made my stand here tonight with respect to compulsory service, so far as the reserve army is concerned.

Now I wish to make the same speech tonight that I made in the Fraser valley about that word which, I am told, members of the official opposition were told they should never even whisper—"conscription". I am told on good authority that they were instructed as soon as this session started that they must never mention the word conscription.

An hon. Member: A naughty word!

Mr. Cruickshank: Yes, a naughty word. I had a clipping before me the other day—

and, by the way, I am getting like some of the others in that I have so many clippings that I get lost in them. However I did have one here about the bridge—and I will have to be more careful with them, because I seem to have mislaid it. I will find it after a while. That clipping said—I am sure it was correct: If you are flirting around with Quebec for votes, be careful never to mention conscription. That apparently is the policy of the opposition.

My stand on conscription, when speaking before the Legion, as it is tonight, is that I think it neither desirable nor practicable nor necessary at this time. But if the day should come when there is a vote on conscription I will vote exactly as I did before, and make exactly the same speech as one colleague from British Columbia made with me in 1944. Incidentally, through you, Mr. Speaker, I say to the people of my riding that I believe that if the time ever comes—and members in all parts of the house hope it may never come—but if the time ever comes when conscription is necessary to protect our very existence and to maintain the forms of government and liberty in which we believe, Quebec will be in the forefront and serving with all the rest of Canada.

I am willing to concede that in military knowledge some members of the official opposition far exceed me. We remember that it was only a few years ago that they appreciated the fact that the Bren gun was not necessary! Then, again, they were able to foretell that we had not trained our troops for a sufficient length of time before they went to Hong Kong! Now I understand there is a great rush among them to send troops to Korea with only a couple of weeks of training. I should like to refer to what a colleague on the other side of the house, one of the finest soldiers Canada ever had, the hon. member for Nanaimo (Mr. Pearkes), had to say. If you can understand just exactly where he stands in connection with this horrible word "conscription" or in connection with compulsory service in the reserve army, you are very good. What he said reminds me of my Uncle Horace. My Uncle Horace killed a pig but he said afterward, "It didn't weigh as much as I thought it would; I didn't think it would." I should like to quote what the hon. member for Nanaimo said, as reported on page 99 of *Hansard* of February 5, as follows:

> —and even though I might hold different views as to the methods by which these forces should be raised, I think it would be detrimental at this time to advocate strongly methods which the government is not prepared to follow, because I believe it is of paramount importance that the government raise the men that it requires, and the government alone will say by what method it will raise those men.

A little further along on the same page:

> —or in any way put any hindrance in the way of the national effort carried out by the methods recommended by the government to meet what I consider to be a grave situation.

I should like to ask hon. members of the house if the hon. member has answered the Canadian Legion's demand for 250,000 strength. It may be that the reserve army will have to be kept up to strength by compulsory means. If the time comes when we must have conscription I will be ready to say in my riding, even though it costs me every vote in the riding—probably I will not get the few votes that they will get if they do not fall off a bridge like that one down in Quebec—that I am ready to support it.

I pass now to another military expert from my province, the hon. member for Vancouver-Quadra. First I am going to deal with his remarks on manpower and then I shall turn to external affairs. I do not know whether he is the assistant leader of his party in that particular branch. It is quite easy for the hon. member to make speeches in Vancouver about the necessity of raising forces, but it is a different matter when you come down here. I want to assure everybody in my riding that at no time since 1940 have I been approached by the whip or by any member of the government to tell me what to say when I came before the house.

Mr. Sinclair: Fat chance.

Mr. Cruickshank: The hon. member for Coast-Capilano (Mr. Sinclair) has interjected a remark. I do not know whether he is trying to give me the benefit of his mature judgment or whether an attempt is being made to see that I carry on along the right lines in support of the government because I seem to be surrounded by parliamentary assistants of all sorts.

An hon. Member: That is why you are doing so well.

Mr. Cruickshank: For the benefit of the hon. member who says that that is why I am doing so well may I say that two years before he was moved over here behind me I was two rows closer to the Prime Minister's desk than he is today. The hon. member for Vancouver-Quadra is reported as follows on page 165 of *Hansard* of February 7:

> This house would be well advised to listen to the pleas for action by these bodies of Canadian veterans.

I suggest to the hon. member for Vancouver-Quadra that he should state where he stands in so far as the supplying of manpower for the armed services is concerned, and this should include the reserve army as well. As I said before, if it ever becomes necessary to have all-out conscription, I

shall vote for it. However, I have complete confidence in the Prime Minister (Mr. St. Laurent). I believe that he appreciates the situation. My confidence in the Prime Minister is such that I believe that if and when the time comes that action is required nothing will stand in the way of his directing whatever is necessary to preserve the freedom we now have.

I do not want to keep the house too long because I recently read an article by the Canadian Manufacturers Association about speechmaking. I do not own a lumber company or a packing plant so it is not very often that I agree with them. However, they said that a speech should never last more than twenty minutes and they said one more thing with which I definitely agree, something which is not followed by 85 per cent of the members of this house, that a speech should not be read. If at any time I do read a speech I shall be different from even some of my colleagues on this side of the house and will admit that I am simply reading what some member in the press gallery has written for me.

Perhaps I should not be too hard on the hon. member for Vancouver-Quadra because he comes from my province. Perhaps instead of pointing out the mistakes of the hon. member I should point out the mistakes of hon. members from Ontario or the maritimes, although I do not know that there are any members in the opposition from the maritimes.

An hon. Member: They do not make mistakes.

Mr. Cruickshank: I am going to get over to Saskatchewan and cartels in a minute. A remark was made by the hon. member about our external affairs. I want to say with all respect that from the time this department has borne the distinguished name it has Canada has never had the privilege of having at the head of this department a gentleman with the capabilities of the present Secretary of State for External Affairs (Mr. Pearson) or anyone who has enjoyed such respect throughout the world. I should like to quote a further remark by the hon. member for Vancouver-Quadra, as reported on page 163 of *Hansard,* as follows:

> The handling by the government of Canada's activities in the Korean crisis has been one of the most disgraceful episodes in Canada's history.

That remark should never have been placed on *Hansard* as it brings no credit to the party the hon. member represents and it definitely brings no credit to the province from which we both come. I have nothing at all to be ashamed of as the member for Fraser Valley

of the part Canada has played in the Korean or any other war that involved the freedom of the peoples of the world. It is a most peculiar thing that the representative of one riding should say that there has been a disgraceful handling of affairs by a man possessing the capabilities of our present minister. The status of our minister is borne out by a question asked on Tuesday by the hon. member for Peel (Mr. Graydon) when he inquired if our minister had accepted the invitation extended to him by the president of the general assembly to serve on the good offices committee with respect to oriental problems. If that is not a compliment to the Canadian minister of external affairs, I should like to know what it is. I think it is one of the finest compliments that could be paid to him or that could be paid to Canada for the part she is playing in the Korean and other crises.

In case it may be thought that I am altogether too favourably inclined in my remarks, I should like to move on to the question of controls. Perhaps I cannot speak on controls with the authority with which certain Saskatchewan members speak. It must be realized that we farmers in British Columbia do not go in for chain farming. We operate just one farm, not five or more. Of course I can speak only for myself, but I think the Minister of Agriculture (Mr. Gardiner) will permit me to say that we are both free traders. If we are able to convince the rest of the people to be free traders, we shall have free trade in this country.

Mr. Sinclair: What about margarine?

Mr. Cruickshank: What about margarine? I left one of the finest clippings I ever saw on this matter up in my office, but I think I can remember enough of it to be able to get down to margarine in a minute. In the meantime let me say that if anybody gets the benefit of our economic way of life in Canada it is the retailers of hardware products. I do not know anybody who gets more benefit than the retailer of hardware products. I know because I bought a Mixmaster wholesale through a certain friend, and I still paid 20 per cent profit to him. I believe controls are inevitable. That is my opinion. I have a little bit more hopeful view than might be taken after listening to the Minister of Trade and Commerce (Mr. Howe). I presume he still has the same title. He comes from the head of the great lakes, and they change their titles and portfolios so often, but I will call him Minister of Trade and Commerce.

I am very hopeful yet, but if controls are put into effect in so far as I am concerned they must not be put into effect as they were

in the last war, starting at the farmers' level. If the people of Canada try to kid themselves that throughout the war period they got bread at a reasonable price through Donald Gordon, they are all wrong. The reason they got bread at a low price was that it was at the expense of the wheat growers of western Canada. If controls are to be instituted let us not start at the level of the farmer. Do not forget that the farmer is not only a producer but also a consumer. I do not want to say too much about controls, but the government has a measure before the house—and I presume it will be voted on—involving when controls should be introduced and what shall be put under control. My own opinion is that controls must be across the board. If controls are imposed they must be on wages and everything else.

In the meantime, however, I believe that controls should be exercised by taxation through the Department of Finance. Even some of our lumber friends know that. I do not want to point directly so I will point to both of them over there.

Mr. Ross (Souris): Leave those independents out.

Mr. Cruickshank: They come from the Kootenays, that glorious part of British Columbia. I believe the way to have controls now is by taxation through the finance department. Here I want to say that I believe no government, be it Liberal, Conservative or, God help us, C.C.F., has any alternative but to do something about the cost of living so far as pensioners and others on low incomes are concerned. I know of the case of a widow of a veteran of two wars, in one of which he won an honour that I should like to have, the military medal. She is suffering from arthritis and is unable to do anything. She is receiving from a grateful government $40 a month. It is not good enough. I believe the people of Canada do not want that sort of condition to exist. I believe the people of Canada do not care what taxes are imposed upon them as long as no veteran's widow suffering from arthritis has to live on $40 a month.

We are spending billions on war; we can find billions to build jet planes and so on because we have to build them to protect our free institutions; but any government that can find ways and means through taxation or otherwise to pay $400,000 or $500,000 for an aeroplane surely is admitting weakness if it cannot find the money to provide a decent living to burnt-out veterans and other recipients of pensions. So far as I am concerned I will do my utmost throughout this session to see that the government rectifies the error of its ways in the past in that regard.

I should like to endorse something that the hon. member for Quebec South (Mr. Power) said the other day with respect to a check on defence expenditures. I do not see why the government should object to that. I know we have a public accounts committee. I have been a member of it ever since I have been here. Last year we sat and spent our time on a one-man fishing expedition trying to find out about the Bren gun and the North Star aeroplane. We do not want that sort of stuff as I see it when it comes to checking war expenditures. What we do want to see is that the money is spent to the best advantage in defence of our country. I believe that such a committee should be set up.

I disagree with my friend, the hon. member for Moose Jaw (Mr. Thatcher), in the suggestion he made. Speaking with a little bit of military knowledge, I think it would be ridiculous to bring the heads of the army, navy and air force before a committee. It would undermine the whole idea of military discipline. It would be detrimental to our war effort in every way, shape and form. I think if the hon. member will consult any of the military members of his own group he will find that they will agree with me that it is not practical and, pardon the word, it is senseless to expect to bring military men before such a committee to use them for a political football, for purposes of political gain at the expense of our national defence effort.

I mentioned pensions a moment ago, and I include old age pensions. I understand that legislation is to be introduced to permit the levying of a three per cent provincial tax. I am not quite sure of the legal situation because in the province of British Columbia they put such a tax on, but it was not a hidden one. Of course in our province they can do almost anything. When you buy your driver's licence they make you pay five years in advance. If you live in British Columbia under the present government you might have to forgive anything because any government that can levy a tax five years in advance is a pretty good one. I expect that the income tax is going up this year. I am very thankful that you cannot levy income tax five years in advance, knowing the disposition of the parliamentary assistant to the Minister of Finance. I want to tell the government that I am going to oppose the three per cent tax so far as possible.

I should like to turn for a minute to margarine because the subject has been introduced by one of my colleagues.

Mr. Sinclair: Free trade.

Mr. Cruickshank: Yes, free trade, and we believe in free trade, but just before I came

east a firm in Vancouver sent me a sample of fertilizer to try in my garden. I wish I had brought with me the description of that sample. It is up in my office. It indicates all the things that they had taken out of whale oil. They even took the odour out but they left the oil. When my colleague wants to ruin 500,000 dairy farmers in order to put such junk as whale oil into something to put on the tables of people who unfortunately cannot afford to buy butter at present prices, I should like to tell him that he would be far better advised, particularly in the happy position he holds in the right branch of the Department of Finance, to see that the taxation system is such that those who can afford to bear it will pay in order that the people can buy butter at a reasonable rate.

Mr. Sinclair: Free trade.

Mr. Cruickshank: I quite agree with the statement credited to the Minister of Agriculture (Mr. Gardiner) in one of the best papers in Vancouver under date of January 15. The headline is, "Butter holds power in Canada."

Mr. Sinclair: Free trade.

Mr. Cruickshank: Again I am getting interjections from my junior colleague on the left. We are short of butter and he has played a large part in the fact that we are short of butter. He introduced this axle grease, with the result that the farmers sold their good heifers because there was not the demand or the price for butter; they were being undersold by this colourless, useless stuff that he brought into our country legally, through the decision of a few judges. I am now surrounded by $32,000 extra a year; but those gentlemen surrounding me would not be getting the extra money but for the fact, as they said, that butter holds the balance of power in Canada. So I think they should cease their opposition to butter and stop supporting margarine. I hear someone say "sour grapes." You know the way businessmen generally go about arriving at a figure for a key man in their business. They size up what they are paying an executive in this department and a superintendent in that department, and make up their minds accordingly. I have come to the conclusion, with this galaxy of extra talent around me, that when my turn comes, if the Prime Minister will divide the $32,000 in proportion, I will get more than they will.

I am sorry to have taken so long; I would not have done so but for these interruptions. I want now to turn to public works, and I am going to be very brief. We see the results of one of these five-year plans over here at the fire trap called the east block. Why, any good Fraser Valley farmer could put that roof on in three months, but they have been at it for two years. Some years ago, before I came to this house, there was a popular song called, "I know where the flies go in the wintertime." I never knew until this year, but now I see that as part of the five-year plan they are finally taking the fly screens off that building, in this kind of weather.

Mr. Fraser: The efficient Liberal government.

Mr. Cruickshank: Yes; but if it had been a C.C.F. government the screens would have been on there still. In 1948 this government was most generous to the farmers of the Fraser valley, as was the provincial government. That year we had a disastrous flood, and while this government had no legal responsibility it recognized a moral obligation and responded generously. On behalf of the people of Fraser Valley I want to say that we appreciate very much the generosity that was extended to us. Ninety per cent of the dikes happen to be in my riding. The federal government invested some $10 million in those dikes. Forget the farms in that valley; forget, if you like, the third largest city in Canada. The fact remains that we have $10 million of the money of the people invested there. Last year we had very high water before the dikes could properly settle, with the result that parts of them washed away and we found weak places. So I believe it is incumbent upon some authority to find the small amount of money necessary to repair the damage and reinforce the weak spots.

I have some pictures here; I am only sorry all hon. members cannot see them. One shows a hole 30 feet deep and 130 feet long right into the dike. I was able to show that hole to the parliamentary assistant to the Minister of Finance (Mr. Sinclair), the future minister of agriculture, and also the hon. member for Glengarry (Mr. Major) and the hon. member for Norquay (Mr. Wood). One of those gentlemen was only an engineer; another sold what we produce on the farms; but the third was a real farmer. It does not make sense to me, Mr. Speaker, that a government should spend $10 million and then, for the sake of a paltry few thousand dollars in addition, let the original investment be wiped out. Why, within 150 feet of the weakest spot in that dike we have the main line of the Canadian National Railways, the main line of the Canadian Pacific serving Fort Lewis and the main line of the British Columbia Electric. In one day at the beginning of the year eight troop trains went over one line, near my house. I realize that the provincial government should make the move, but they have done

nothing. If the provincial government does not have the gumption to do anything about it, it seems to me the federal government, who have been so generous and fair to us in the past, should cut off some of their grants, or give them a boost in some other way, to see that this work is done. We in British Columbia have tried, but we cannot hope to wake them up until the next election, when once more they will try to ride in on the back of the Liberal party here in Ottawa.

I am serious about this; I think it is very important. As I say, we appreciate the generous treatment we were given, and surely it is good business to spend another few thousand or few hundred thousand and do the necessary work to protect our investment of $10 million. I thank hon. members for being so patient with me. In passing I might say, for once, a good word about the Canadian Manufacturers Association, which is a great organization. I could never hope to achieve membership in that organization unless, by some chance or other, I should happen to engage in the hardware business.

Mr. George H. Hees (Broadview): Mr. Speaker, during the next three years this country will spend $5 billion for defence. This will necessitate a curtailment in the production of a great many different kinds of goods, and the facilities producing them will have to be diverted to the production of defence materials. This will create shortages in many of the necessities of life which are in free supply today, and the bidding for the fewer goods available will cause prices to rise rapidly.

In addition, the wages of the extra people needed in industry and the armed forces to carry out a worth-while preparedness program will increase the amount of money available to bid for these goods. This will further accelerate the rise in prices.

The net result of all this will be that speculators will make tremendous profits, and the buying public must foot the bill.

During the past year we have had an increase of ten points in the cost of living index. This has caused severe hardship to pensioners and those in the lower income brackets. Further accelerated rises in the cost of living—due to defence preparedness—will create an intolerable situation for all our people, if they are allowed to go on unchecked.

It is obvious, therefore, that a defence preparedness program must be accompanied by over-all price controls.

At the same time that price control is introduced, it will be necessary to introduce wage control as well, because you cannot expect the cost of goods and services to remain stationary while the cost of the labour producing them increases.

Together with price and wage controls, of course, must come rent controls to protect those whose incomes will become controlled. This will create no hardship for landlords, because the cost of the things they buy, and the people they hire, will also be controlled.

As it will take some considerable time to set up the machinery for over-all controls, I strongly urge the government to set the machinery in motion now so that our defence preparedness program may proceed without causing great hardship to the people of this country. Prices have already risen considerably in anticipation of controls. Every day we delay their imposition, the more prices will continue to rise.

The Minister of Trade and Commerce (Mr. Howe) this afternoon indicated that if the government should ever get around to doing something towards controlling inflation, the method they would prefer would be fiscal and monetary measures. These will not do the job, for two reasons. First of all, they are only directed against one source of inflationary pressure, namely the supply of money. Second, in order to get results, these measures would have to be applied with such severity that the result would be hardship among many income classes. An authority for these views is to be found in the report of the royal commission on prices, volume 2, page 42, paragraph 6. It reads as follows:

> For reasons which are outlined in chapter 6, it was decided that fiscal and monetary actions, though an essential part of the full program, could not be depended upon to curb the powerful inflationary forces then being put in motion. More direct action was necessary. Which should it be, an intensification of the use of selective controls, firmly fixing prices and regulating uses but confining these actions to key and basic commodities; or placing a price ceiling on all goods and services, with accompanying production and distribution controls? The choice fell on the over-all ceiling policy, for reasons which were outlined by the Minister of Finance in the House of Commons on November 6, 1941, and have been further discussed by Mr. K. W. Taylor.

Now, just as fiscal and monetary measures alone will not do the job, neither will selective controls, and for three reasons. First of all, they are discriminatory. Second, we have today no unused resources. Selective controls might work if we had vast unused resources of men and materials, but they will not work in a condition of full employment such as we have today. Third, industry is too integrated and interdependent to seal off a section of it manufacturing the necessities of life only.

The forces that are generating this inflation are too strong to be dealt with by other than an all-out attack, using all weapons. An

authority for those views is the report of the royal commission on prices, volume 2, page 90, paragraphs 2 and 3, where it is stated:

> As we see it, selective price control may be justified under exceptional circumstances for a temporary period. It may, for example, be justified by a temporary restriction of imports for exchange conservation purposes which, if allowed to affect prices, might result simply in a fortuitous profit to domestic producers, and if some imports are permitted to importers. Selective price control, combined with subsidies, may also be justified as a means of slowing down the wage-price spiral, on the assumption that the rise in the cost of living is temporary and will soon be replaced by a decline. In specific cases of acute shortages of important commodities, direct controls may be necessary to ensure that the scarce supplies are directed to where they will best serve the national interest.
>
> Except under such circumstances it is doubtful, however, if selective price control has much to commend it in ordinary time. It is bound to be discriminatory. It is extremely difficult and complicated to administer. Most important of all, and particularly if subsidies are paid on the controlled goods, selective controls are more likely to augment the inflationary gap between demand and supply than to reduce it. If a general attack on inflation is to be made, the weapons should, in the main, also be general, directed to bringing the flow of money available for expenditure into equilibrium with the supply of goods and services available for purchases.

It therefore seems to me, Mr. Speaker, that we are entering a period of extreme inflationary pressure, for a substantial rearmament program is being imposed in an economy which is already fully extended. I believe there is only one way to meet this condition, and that is by making use of all the measures available to us, namely:

(1) Over-all price and wage controls;

(2) Fiscal and monetary measures; and

(3) The distribution and allocation of materials.

I sincerely urge the government to take action in these directions at the very earliest possible moment.

Mr. C. E. Johnston (Bow River): Mr. Speaker, when the date was set for the opening of parliament I believe most Canadians, and certainly all members of parliament, expected to attend one of the most serious sessions of parliament held in a long time. Since coming to parliament it seems to me that there has been a great deal of shadow-boxing between both the old line parties. Each seems to be afraid to speak out in terms that the ordinary people of Canada will understand. It reminds me a great deal of the beginning of the 1939 session when war was declared. At that time the Liberal party said in effect, "We will tell the people everything if necessary, but not necessarily anything."

I have been waiting with a great deal of concern trying to find out from spokesmen on the government side of the house exactly how serious the international situation is. I do not think there is anyone in this house, and I am sure there is no one in Canada, who is not greatly concerned with the international situation as well as the domestic situation. I read the speech from the throne with a great deal of care. I listened to the speeches made by the Leader of the Opposition (Mr. Drew), by the Prime Minister (Mr. St. Laurent) and by the Secretary of State for External Affairs (Mr. Pearson).

In the speech from the throne I could not find very much apart from generalities. It referred to a number of amendments which were going to be introduced. We all expected these amendments because there are some every session. There will be amendments to the veterans pension legislation, amendments to the Canadian Citizenship Act, the Immigration Act, the Post Office Act, the Central Mortgage and Housing Corporation Act and the Emergency Gold Mining Assistance Act. Then there was mention made of new tax agreements with the provinces. It is true that it did not overlook the international situation. It outlined the international situation in general terms. It drew to our attention the gravity of the situation. But when one compares some of the remarks which have been made by responsible persons, one begins to wonder how serious the situation is. The Prime Minister has been reported to have said that there is too much talk about war and that he is still confident that there will be no war in his time. In his speech in the house, as reported at page 26 of *Hansard* he even went on to say:

> In spite of the gravity of the situation I do not believe a world war is inevitable.

Of course I do not think anyone would say that it was inevitable. We all trust that it is not. We trust that we shall never again have to face a war. But one of the best ways to prevent war is by being thoroughly prepared. In the September session, I recall the Minister of National Defence (Mr. Claxton) telling us how well this country was being prepared, and how adequate our forces were then to take care of any immediate situation. Then when it came to the Korean war we found that we did not even have any troops prepared with which to take our share in the Korean conflict. Now we are going to spend $1·6 billion in defence; and over the period of three years we are going to spend $5 billion in war preparations. These figures would indicate that we were not at all well prepared before the Korean outbreak.

I do not profess to be any authority whatever on military or foreign affairs, Mr. Speaker. I have never studied that subject

since I have been here in the House of Commons, although I have listened to the speeches carefully. I must therefore rely on the information we get from the members of our own group, from the members of the other parties who had the privilege of attending the meetings of the United Nations, and the speeches which were made by the Secretary of State for External Affairs.

When I read the speeches of the Secretary of State for External Affairs, I am somewhat impressed as I am also when I listen to those members who attended the United Nations, and I am convinced that the situation is quite serious. For instance, at one place in *Hansard*, at page 60, the Secretary of State for External Affairs is reported as follows:

> In conclusion, Mr. Speaker, I return from Asia to our own western and north Atlantic world. Here we are now entering the period of greatest danger in the months ahead.

Then he goes on to emphasize the seriousness of the situation when he says:

> If we do not, but give way to smug complacency on the one hand or unreasoning panic on the other, we shall become, and deserve to become, slaves ourselves.

Those are grave words of warning to which we must all give a great deal of heed. When one hears, on the one hand, the words of complacency uttered by the Prime Minister, to the effect that he does not expect a war in his time and, on the other hand, has the grave words of warning of the Secretary of State for External Affairs, one wonders just how one can reconcile those two frames of mind in members of the same party and, in fact, members of the same cabinet.

I think that the action the government is now taking, although it is late, will result in a great deal more of preparedness. With that I think we shall have to be content. But speaking of preparedness, I have some views on the matter and I want to mention a few of them. If a war does break out—and I use the word "if" advisedly—it seems to me that we should not be in quite the same position as we were in 1939. In my estimation, one of the best ways to be prepared is to have a national registration. This is not something new. I think almost every organization in Canada is asking for that action. Certainly the veteran organizations of Canada are asking for it, and those who are the heads of the veterans' national organizations have had some experience in this field. In order to carry on efficiently national preparedness, it would seem to me that national registration is the first step in order that we shall know the place in which every man and woman in this country can best be fitted. When the first world war came upon us, we had time to prepare. Everyone told us that when the next war came, if it did, we would not have any time to prepare, that it would come overnight, in fact. Such is not the case. We have the warning from the Secretary of State for External Affairs, so we can be thankful for that. We should take advantage of the opportunity and should have a national registration under way immediately. We should know where every person fits in agriculture, in industry and in defence. In agriculture we should know just exactly what commodities we are going to require and in what abundance. In industry we should know what industries are capable of producing those materials which they can produce most efficiently in their plants. In defence we should know for what service men are best suited, whether for the army, the navy or the air force. I want to congratulate the Minister of Labour (Mr. Gregg) on his foresight in this regard. He is coming nearly to a national registration when he speaks of a national advisory council which he was given authority to set up under P.C. 567 and which I think is now under way. I think it was a good step to take, with regard to that national advisory council which the Minister of Labour says he is going to set up, to provide that there should be four representatives from labour, four representatives from employers, two from agriculture, two from the women of Canada and two from the veterans. I think that fairly thoroughly covers all the different fields in this country. I hope there will be good results from that national advisory council. But the success or the failure of such a council depends entirely upon the efficiency of that organization, on the completeness of their tabulation and on the records being kept of that tabulation. But I do not think it is sufficient to have a national registration and merely leave it to manpower as the proposition under the Department of Labour would suggest. I think that it must be a thorough canvass not only of industry but of finance as well.

When we came to this session there was one subject with which all members of the House of Commons and the people of Canada were concerned. I believe it has been mentioned by every member who has taken part in this debate on the address in reply. I refer to the cost of living. Despite this fact however the government seems to be most reluctant, and seems to be doing a little more shadow-boxing in telling us how it is going to cope with the problem.

This afternoon I listened carefully to the Minister of Trade and Commerce (Mr. Howe) who, I thought, gave an excellent account of the manner in which moneys were going to be spent for national defence, and for the procurement of munitions and supply. But

when it came to dealing with economic problems he did not seem to be so sure of himself. He spoke of the method that would be used to bring about controls, and indicated that the chief emphasis would be placed on monetary control. I cannot imagine what control in that field he had in mind. However, if he was thinking of the remedy suggested by the hon. member for Fraser Valley (Mr. Cruickshank), that the only way controls can be handled is by taxation, then I think he will fall far short of completing the task. In my judgment prices cannot be controlled by taxation alone. That has been tried; it is not something new.

For instance, the other day the Minister of Resources and Development (Mr. Winters) referred to tightening loans on houses. Well, the tightening of loans on houses is certainly not going to lower the cost of houses, nor will it lower the cost of materials. It may lessen the scarcity of supplies, but it certainly will never affect costs. The same is true of the government's plan for curtailing credit buying. It will stop buying just as effectively as the procedure outlined by the minister will stop the building of houses; but in neither case will it lower prices.

That is evident from the fact that, while we have had a tightening of credit buying for some months, during that time we have had additional increases in prices—to such an extent, in fact, that it has become extremely alarming. Yet the government seems to rely upon this old procedure that it has been using for months, knowing that it cannot be very effective.

I do not think there is anyone who believes in free enterprise who favours controls just for the sake of controls. Certainly the Social Credit party does not. But we also believe that when it is necessary to have controls initiated—and in my judgment it is necessary now—there is no use for the government attempting to attack a problem by simply talking about it, and continuing to talk about it.

As was said so well this afternoon by the hon. member for Acadia (Mr. Quelch), this idle talk by government officials about putting in price controls, or the probability of having price controls, is one of the greatest factors in driving prices upwards. That is exactly what is happening.

When price controls are put into effect I believe there should be a complete coverage through not only price controls but wage controls as well. There should be an immediate freezing of wages and prices, and then a proper adjustment made of both. I do not think any fair-minded person would say that we could have an over-all system of price controls without having some form of wage control. Indeed, I do not think labour itself would expect that. Anyone must realize wages form a substantial part of cost, and must therefore enter into prices. However, I shall deal with that later on.

May I add in all kindness to both the hon. member for Fraser Valley and the hon. member for Broadview (Mr. Hees), who immediately preceded me, and who spoke about controls, that neither of them said how they would bring about those controls. They spoke only in generalities. One has to be somewhat more specific when applying the principle of price controls. The Social Credit party has always taken the position that when they make suggestions in this connection they have a plan to apply, and I shall outline it as we go along.

This afternoon the hon. member for Acadia told the house how controls could be instituted. It seems to me there is a great need for them. Every member in the house has received hundreds of cards from different organizations.

An hon. Member: No.

Mr. Johnston: I have a pile of them now which must be at least three and a half to four inches thick. They come from all parts of my constituency. I have gone over those cards carefully to ascertain the distribution and I can tell the house that they come from every part of my constituency. The names on the cards represent every industry and every form of occupation in my riding. They come from the railway workers in Calgary, from the oil workers in Calgary, from the ordinary workingmen in Calgary; they come from the farmers throughout my district and from the miners in the Drumheller area. Every part is represented in those cards.

So it cannot be said that it is just a concerted effort of labour, of agriculture or of any other group to send out cards. When we see a coverage as broad as that, we can say that the people generally are very much alarmed about soaring prices. They are. Members of the house are, too. We are all concerned because the prices are going up continuously.

I have here a clipping from the Ottawa *Journal* of February 2 headed "Living Costs Zip Yet Higher Into Wild Blue Yonder," and stating:

> The official cost of living index rose 1·4 points in December to a new high of 172·5 from 171·1, the bureau of statistics reported today.
>
> All groups surveyed showed increases. Prices were higher for meat, butter, vegetables, fruits, men's wear, furniture, blankets, carpets, telephone rates—

They should have included freight rates, too.

—laundry, coal, health care, barbers' fees, gasoline, street car fares and newspapers.

It was the tenth jump in the prices barometer in the twelve months of 1950. The index is based on 1935-39 prices equalling 100.

Yes, it was the tenth rise in 1950. When we see prices soaring to that extent, and as rapidly as that, is it any wonder the people are so much concerned about it? Yet everyone seems to be cautious about what steps should be taken.

Let me read another extract along the same lines. It indicates the great concern of different classes of people in this country over this question. I intend to quote from the Ottawa *Morning Citizen* of February 7 an article entitled, "The Wives Speak", by Jack Scott. His first reference is to a barrister, although I did not think that barristers were financially embarrassed. He states:

A barrister writes that "to live with any degree of modest comfort costs us $350 a month and any saving is out of the question."

I put that on record to give some idea of just what is necessary for people to live in any form of modest comfort. As is indicated, you cannot do it for less than $300 or $350 a month. But that is not the class with which I am concerned most. One woman whose husband makes $50 a week writes:

We have a family of two boys and just manage to get by on his salary by living like hermits and cutting our food to a minimum. I dread to think of how people who make less than this are living.

Then another woman writes:

Have you ever tried to live on $77 a month, feed two children, clothe them, keep them warm and house them, and try to keep up appearances? It's only believing in God and the innermost spiritual belief that keeps me carrying on.

As the writer states, many of the letters are downright tragic. The article continues:

There is the woman whose husband is a bus driver. They have two children. Her husband's take-home pay is $72.50 every two weeks. They have found it impossible to make ends meet on this salary and are forced to sell the small home they built together.

"When I look at the house," she writes, "I think of all the nails I've hammered, all the rocks I wheeled for the drains, the roof we worked so hard on, the cold and wet, the laughter and tears that went into our home. We love it. It is our home. But it is for sale.

I'm tired of counting every penny, of telling the children, 'We can't afford it,' of not being able to go to a show or go bowling, of buying soup bones and not roast, of walking instead of riding the bus, of no holidays.

I am just so damned tired of existing and not living."

That is what that woman writes and I do not blame her for using the language she did. I have heard some members of parliament use stronger language than that in referring to the cost of living. I think they too are justified. If you want to really hear what people are saying just go out into some of the farming and mining districts. Then you will hear what is really being said about the high cost of living. It is time that this government did something definite and concrete in regard to the cost of living.

We heard the hon. member for Fraser Valley (Mr. Cruickshank) say that probably the best way to take care of this is by taxation. Let us consider some of the causes for the increase in the cost of living. One of the most important causes is government taxation. When the government decides to put on a direct tax everybody knows of it when they look at an article or buy one; they know that the tax is causing an increase in the cost. When the government increases income tax, that depreciates the purchasing power with a resultant decrease in the standard of living. There should be no reduction in the income tax exemption level. Two thousand a year or $166 a month is little enough for a married person to have in order to eke out a living with present day high costs.

Indirect taxes should be done away with because that is just a subtle means of reducing the people's standard of living without their being thoroughly conscious of it. It is idle for the government to talk about their going to do something when it becomes necessary, because that it just another direct way of increasing costs. There is no doubt that when a business concern hears about the possibility of controls they begin to raise their costs in anticipation.

The second reason for the increased cost of living is the large profits being made by industry. I do not refer to all industry, but the greater part comes within this category in the last few years. I should like to place on the record details of some of the profits that have been made. I am not one of those who do not believe in profits. I do not think anybody can carry on a business without profits. I do not think labour can exist without profits in the form of wages because that is what they are. Certainly no farmer could carry on without profits. But there is such a thing as excess profits, particularly in these trying times when living costs are so high. I should like to quote from the *Labour Research* of December, 1950, as follows:

Profits are at or near an all-time high. In 1949, total corporation profits after taxes (DBS) were $1,241,000,000. This is $18,000,000 below the 1948 figure, but there is every indication that 1950 will more than make up this difference. Financial statements of 38 companies with fiscal years ending August 31, 1950, and later, summarized in the *Financial Post*, show an increase of $7,314,409, or

12·7 per cent over 1949. Even if the percentage increase in 1950 total profits is only half as large, this would bring the 1950 total to about $1,320,000,000, or 75·8 per cent above 1946.

You do not mind people making a profit, but let us not kid ourselves about the huge profits that were made during the last war. We heard it said in this house in 1939 that there would be no blood money made in the war. What a lot of rubbish. You only have to look around the country to see the way industry has prospered, to know that there was a lot of money made during the war. In my opinion that was blood money. Something must be done or we are going to follow exactly the same track.

I spoke a moment ago about wages forming a part of the cost which enters into prices. If we are going to have price control it must be brought in immediately and there must be a levelling off of prices. Wages must form part of that levelling off process. First of all, there must be a parity set for prices and then wages must be set in fair relation to that. Whenever there is an adjustment in price, there must of necessity be an adjustment in wages.

One of the reasons the labour unions have been compelled to fight for higher wages is that they knew without question that prices were going to keep soaring and soaring and, if they did not fight for an increase in wages for their workers, those workers were going to be in a mighty tough position as a result of the high cost of living. So they have been compelled to take that action, but wages have never kept up with prices. The only way you can ever have a reconciliation between this ever-increasing cost and wages is by having a fair price set, and then having wages tied to that.

Then there is the low income group of people, even below the tax exemption of $2,000 a year. There are the old age pensioners. I agree one hundred per cent with what the hon. member for Fraser Valley said a while ago. He said that it was a disgrace and a shame to ask any of our people to live on the sums that they are receiving by way of pension. Imagine an old age pensioner having to rent a house and get a little meat at 98 cents or $1 a pound on an income of $40 a month. I do not see how those people exist. When it is necessary we can raise billions for other purposes, so surely we can raise a few paltry millions, if necessary, to help people in the low income group.

It is not only those living on pensions who are in the low income group. There are many people in the civil service who are in the low income group and need assistance. They have not sufficient to make ends meet during this period of high prices. They should also have some protection.

I remember speaking in the house on one occasion in 1939 after the war began and pleading with the government to decentralize industry. The danger of attack was great then. At that time our industry was centralized in the two provinces of Ontario and Quebec. Much as it might be desirable to have a centralization of industry in those provinces, it is certainly not in the interests of the defence of this country, and particularly in the next war if there should be one. With the tremendous destructive power available to our enemies, it is not in the interests of the nation that our industries should be centralized in Ontario and Quebec. There is no reason in the world why we could not disperse our industries. Take the province of Alberta, and I am only using it as an illustration. We have tremendous quantities of oil and tremendous quantities of gas. We have an unlimited supply of coal and lots of raw materials. There is no reason why we should not be concentrating on the development of heavy industry, not light industry but heavy industry, in the province of Alberta. It would be much safer from attack.

I venture to say that our industrial potential could be almost ruined overnight as the situation stands today with our industries centralized in two provinces, and in just a portion of those two provinces, mostly in Toronto and Montreal. When you think of the tremendous destructive power of the atomic bomb, how long would it take to put us out of commission? How long would it take to ruin us as one of the great suppliers of munitions and supplies? Even in Russia they have recognized this problem and have gone to great pains to rectify it. They have not concentrated all their heavy industries in the large centres. They have dispersed them throughout the whole country, away out in the mountain areas for protection from their enemies. Yet we have not seen fit to do that. I have not time to expand that subject as much as I should like.

I want to say a word about highways. I think we should make every effort to develop a trans-Canada highway system, and that it should be done immediately. I understand that the Minister of Trade and Commerce recognizes the importance of motor transportation in Canada. I am given to understand that when the motor transport delegation met the Minister of Trade and Commerce not long ago—I think it was last summer—he gave them assurances that

priority would be given for motor transport replacements and the maintenance of such transport. I am sure he recognizes that in case of an attack on this country our railways could be put out of commission very readily, and it would be some days, weeks or maybe months before they could be repaired sufficiently to be of any use again. Motor transport could be operating again in much less time. If they were damaged the highways could be repaired in a matter of hours or days. I think every effort should be made to see that the trans-Canada highway system is completed at the earliest possible moment.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, it gives me more than the usual pleasure tonight to congratulate the mover (Mr. McMillan) and the seconder (Mr. Breton) of the address in reply to the speech from the throne. The mover happens to have the great good fortune to be a graduate of Queen's university, Kingston, of which I also am a graduate, and it gives me hope. When one looks at the serried ranks opposite and also to the right, one always has hope that here and there the light of reason may break through and effect a conversion. Of course when it is a fellow graduate of mine—although I am afraid he is not in the chamber at the moment—my hope is greater. With respect to the seconder of the address I should just like to say in my very indifferent French that I thought he did well. Il a gagné ses épaulettes!

Since we arrived here we have been discussing very largely dangers from outside, and indeed they are worth discussing. They are serious enough. I wish tonight to take some time, Mr. Speaker, in discussing the great danger at home, which we also have been discussing, the danger of inflation. Inflation has been described very simply, more simply than I thought an economist could ever describe anything. It is described very simply by an economist called Kemmerer. He says, "Inflation is too much money and deposit currency"—simply that.

I am not going to weary the house by going over ground that we on this side have gone over a good many times in the last five or six years, pointing out to the government how they have been constantly keeping the fires of inflation going. I am not going to weary the house by giving figures which have been given so often—that the means of payment have multiplied about four times while goods and services have multiplied about twice. I am not going to count up the many times we advised the government to free the dollar before they did it, and try to compare the many times we have told them to stop inflating it, because it might be that I might lose hope. If I did that I might find that we have said the one ten times and we have only said the other five times, and therefore we have got a long time to wait. At any rate it has been much discussed, and now for the first time I think people are beginning to consider that it may mean them. For the last few years our tendency has been to think of inflation as a funny thing that afflicts far off, funny people who do not know how to look after their own affairs. We have had a very simple phrase that has come to us from Britain, about "too much money pursuing too few goods."

I am not going to weary the house with a description of inflation elsewhere, because I do not think it is necessary. I only remind hon. members that after the first war there was inflation not only in Germany, where there was some suspicion they might be wanting to inflate in order to escape their debts, but in France, thrifty, hard-working, saving, hard-headed France. By 1926 they had suffered such a degree of inflation that their franc had gone down to about one-seventh of its value, and it was only by herculean courage and energy on the part of Poincare that it was rescued at that time. Since then, of course, it has gone infinitely lower. I was in Paris last summer and for a very modest breakfast at a curb restaurant one paid 200 francs, which was the equivalent of about 60 cents Canadian; and it was sad to reflect that when I was first in Paris, 200 francs would have been worth $40 Canadian.

Now just a word about the situation here. We are under pressure; we all know that. I am not going to worry you with figures, because we are all familiar with the situation. However, I do think we should remind ourselves that really the pressure is just getting well under way. I suppose that with the people who will be engaged on war orders, plus the people who will be required for the various armed services, plus the people who will be required to supply materials for the armed services, one would not be exaggerating if he said that within a year or eighteen months from now perhaps ten per cent of the present working force will have been diverted from the production of consumer goods. I am not going into the question of the tremendous capital investments facing us, to which the Minister of Trade and Commerce (Mr. Howe) referred this afternoon, but I do want to comment on one point. I would be the last person to suggest that it would have been simple or easy to have prevented it, but it is bitter irony that in spite of the glowing figures the Minister of Trade and Commerce gave us this afternoon about our exports and imports, our investments and our production of all kinds of things—all of

which was interesting and impressive—nevertheless to an extent we hate to admit we have here a kind of "poverty in the midst of plenty". We know that, and it is a very unpleasant thing to reflect upon.

I want to say just a word more about this easy money before I pass on. It has been said before, but frankly it does not seem to me that the lessons have all been learned yet. I have here an editorial which appeared in the Winnipeg *Free Press* of November 18 entitled "The Big Blunder". The blunder they describe is a blunder we on this side of the house have tried to describe. It is that in the year 1945 an excellent tool was devised and put forward in a white paper for dealing with a depression, and it was used for five years to deal with boom conditions. That is what the Winnipeg *Free Press* describes as the big blunder, and I shall read a paragraph from the editorial, which describes in some detail what has been happening. It goes on to say:

> Toward the end of the second world war the governments of all free countries expected peace to bring a major depression unless they could head it off.

I would be the last to blame them for that; I think what was done at that time was a very proper precaution; but I quote again:

> The great blunder was made in Washington, but the government of Canada cannot escape its share of responsibility. It, too, misjudged the economic current, was haunted by the fear of deflation and announced boldly in the famous white paper issued in the spring of 1945 that it would use every means of heading off another depression.

It did use those means year after year, I suggest, in spite of everything that could be said. That is what you might call the public inflation; but there was a little private inflation, too.

I want now to refer to the inflation that took place last autumn, connected with our freeing of the dollar, when we added another $200 million of naked inflation, that is to say money without anything to represent it. Again I shall quote the *Free Press*, feeling that it probably will be taken on the other side of the house as an authority of some value:

> The government was compelled to make new money to the amount of $200 million . . .

That was to satisfy the demand of the United States investors in Canadian dollars.

> This money was borrowed from the private banks on short term paper, which meant in fact that it was created by a fountain pen. At a time when the money supply was too big it was swelled by $200 million overnight.

That brings us to the session of last autumn. I would not want to blame people for not foreseeing things I did not foresee and probably no one else foresaw, but we did not need an awful lot of foresight last September to realize that we were getting in a tough spot. It seems to me it is fair enough to complain if there was any neglect of serious restrictive credit measures beginning last September. As I look back now, indeed when we considered matters last September, there did not seem to be any sense of tremendous urgency. The government did this and did that, but there was no great sense of urgency, and today we are reaping the result.

That brings me to the speech this afternoon by the Minister of Trade and Commerce. The part with which I wish to deal is the last part, in which he spoke of inflation, or prices, or price control. I suggest that a newspaper man might headline that speech something like this: "We have missed the bus. We are too late. Prices have got away from us. The inventories have been built up. We must just wait and see, and hope that the United States may help us out of our trouble." I shall try to satisfy you that this is a fair summary of some of the things, at any rate, the minister said this afternoon.

Let me review some of the chief points of his speech. He asked us to believe that fundamental governmental inflationary policies, as he called them, have been vigorously pursued. I wish I could think they had; that is what the minister said, and I shall quote his words:

> We must continue to pursue fundamental anti-inflationary policies as vigorously as ever.

Note the words "as ever." Let us have a look at the vigour. Can anyone tell me what has really been done since last September to halt inflation? I should like to know. First of all let us take bank loans. If it wishes, the government can have something to say about bank loans. We have a central bank; we have all kinds of powers and influences and suggestions that can be made, but let us look at the bank loans. They are pretty good evidence of what is going on in the way of credit expansion. We find that current loans were up something like $300 million in the last six months of the year; and I believe that is an understatement. I have not the December figure, and I think it is more than that. I do not blame the banks. They cannot conduct a gestapo. If they have a credit-worthy borrower the bank cannot say, "What are you going to use this for?". You cannot even blame the borrowers, because after all these people are in business. If everyone else is buying and putting up the price and they do not buy, they will go out of business quickly enough. The people to blame are the people at the source of credit, the people supposed to guide our credit policy, the Department of Finance and the Bank of Canada. But,

as I have shown, last autumn the Bank of Canada and the government were busy injecting $200 million more credit of their own into the system, without trying to curb what was being done at that time by the banks.

As a matter of fact it seems to me that since last September everything has been going wrong. We have had any amount of talk, really too much talk, but precious little action. What was attempted last autumn? The only thing I can remember in the way of credit curbing was in connection with instalment buying. I have to admit that I have not been able to get the actual figures. But my impression is that they are not very large. In any event, I say without hesitation that so far as they have had an effect on the over-all credit situation, they have been as much good as a bucket of water on a three-alarm fire.

Now, the truth of the matter is that the government has been wholly inactive, but the purchasers of commodities have not been inactive. They have been on the job. The Minister of Trade and Commerce makes that very clear. I must say that he was very fair in a lot of the things he said this afternoon, and I thought he was surprisingly frank.

Mr. Gillis: Will the hon. member permit a question?

Mr. Macdonnell (Greenwood): Yes, certainly.

Mr. Gillis: I believe the hon. member made a statement a moment ago which I should like clarified. I thought he said that the Bank of Canada and the Department of Finance controlled the issuance of currency and credit through the chartered banks of Canada.

Mr. Macdonnell (Greenwood): I did not say that. I said that the Bank of Canada and the Department of Finance could exercise over-all control over the credit of this country.

Mr. Abbott: How? I should like the hon. member's view as to how we could do it.

Mr. Macdonnell (Greenwood): I am not going to get involved in that. We have been told many times, and we all have evidence of it, as to the influence of the Bank of Canada. No knowledgeable person in this house doubts that, least of all the Minister of Finance.

Mr. Abbott: I did not know whether you thought the Bank of Canada might approve the bank loans?

Mr. Macdonnell (Greenwood): No, and I stick to what I have said without hesitation. The Bank of Canada and the Department of Finance can exercise a very great influence over the banks if they wish, and they constantly do. Everyone in this house knows that has been done.

Mr. Gillis: I should like an answer to that question, if I might interrupt.

Mr. Macdonnell (Greenwood): I have answered the question. Will you allow me to go on with my speech, please? I am not going to permit any more interruptions.

Mr. Gillis: That is quite satisfactory.

Mr. Macdonnell (Greenwood): You can come and give me a private audience afterwards.

I should like to quote again from the minister's speech. Comparing the situation today with the price ceiling in 1941 the minister said:

> At this time many people expect the reimposition of the same kind of controls and are governing themselves accordingly.

The minister did not leave us in any doubt as to what he meant by "governing themselves accordingly", because he added that they were "all set." I believe that phrase is unfortunate. I do not believe for a moment the minister intended to create the impression that these people were trying to profiteer from the rest of the community. I still think that is the impression which one was inclined to get. Furthermore the minister did talk throughout his speech more or less as if he were talking about the "economic man", and not about a lot of men and women of flesh and blood who are today suffering from the evils of high prices.

I want to go on to say that my guess is that when the Korean situation quieted down in September, October and November, the government thought they were pretty well out of the woods and took a bit of an "easy". Indeed it seems to me that they have rested on their oars.

I believe that the minister's next comment will give very cold comfort to those who are in trouble. He said:

> The upward pressure on prices both in Canada and abroad was much less severe in 1941 than it is now.

In other words, conditions are worse, so we do nothing. It seems to me that is implied in that statement. There is the implication too that, not only is the pressure high now, but it is certainly going to be higher.

Then the minister did give us one bit of comfort which I hope may prove to be substantial. He suggested that a good deal of the demand was what he called anticipatory, and I can hope and believe that may be true and that it may have its effect later.

The next thing the minister says is:

> I am not ruling out the possibility that sweeping price control measures will be needed, should the

developing situation make action necessary, but it may well be that these measures should be different in form from those that were applied during the last war. Alternative measures are now under active study by the government.

Mr. Speaker, I cannot imagine, and I do not believe anyone else can imagine, anything that is more likely to fan the flames than that statement by the minister, because it seems to me that the very motives which have been driving people to anticipate their requirements, to buy in a big way, will be stimulated further by what the minister said. As a matter of fact, it seems to me that the minister has almost opened the door and that, to use his own words, presumably the people will govern themselves accordingly.

The minister said one other thing to which I want to refer. He spoke about the United States and said:

We earnestly hope our American neighbours will succeed in attaining a reasonable measure of stability . . .

At a later stage he said:

I do not suggest for a moment that we can relax and let the United States solve our economic problems for us.

That, of course, I take for granted.

Then, as I sum up what the minister said this afternoon, it seems to me I can imagine the ordinary citizen saying that the speech delivered by the Minister of Trade and Commerce this afternoon is proof that this thing is going to continue, and indeed is going to get worse. It seemed to me that was the implication in it, unless he has some secret knowledge that none of the rest of us have, and which he does not feel he can divulge.

How long is the great mass of citizens going to stand by and be content with this? The ordinary citizen is not fully informed.

I have before me a speech delivered by Donald Gordon from which I should like to read one sentence. He said:

During the last war this country resorted to widespread controls over prices, wages and physical production and distribution, such as rationing and allocation of available supplies, et cetera. But the relative success of these measures in the midst of a total war for survival should not be taken as proof that the same results could be achieved in the quite different environment of today.

Even if the ordinary citizen reads that address of Mr. Gordon's and feels that since Mr. Gordon knows so much about this subject it is rather dubious that the same measures could be used again, and even if the citizens knew the caustic comment of Mr. Kenneth Taylor, for whom we all have the greatest respect, that price control was like "trying to cure a fever by fixing the thermometer", nevertheless they would find later in Mr. Gordon's speech the following:

Runaway inflation is so destructive that any method of stopping it, no matter how difficult and clumsy it may be, is surely the lesser evil.

I am afraid the ordinary citizen would be inclined to think that, from his point of view, inflation looks mighty like a runaway inflation. I am not saying it is runaway inflation, because I believe the good sense of Canadians, if properly led, would stop it. Still, I would not be surprised if a good many people would try to argue that it is. The minister himself, of course, speaks of the upward pressure of prices being less severe in 1941 than it is now. In other words, he leaves the impression of a great pressure. He leaves the impression of action still delayed, and to me it seems he gave no reason to suppose, except perhaps the one I mentioned of the excessive anticipated demand, that there would be a turning back.

One other remark the minister made was that alternative measures are now under study by the government. He refers further to a more comprehensive price control bill. Now, if this continues much longer it seems to me we will just be wasting our breath in asking the people to believe that the cure is more production and less spending, though I firmly believe in both. There is not much use in telling people who have not enough money to spend now that they must do less spending.

I also do not believe that controls stimulate production, except in very special and temporary circumstances. I am not telling the government what they shall do. But it seems to me that up to the present time, particularly since last September, they have certainly missed the bus and failed in what should have been done. The minister talks as if there was time to wait while fiscal control measures and, I presume, taxation policies and credit control have their effect. I wish that I could feel he is right, but his speech has definitely increased my concern. What I fear is that they have waited too long; and in the light of the minister's speech, I think every day makes it more difficult.

I believe in credit and fiscal remedies. I believe they are better because they are more pervasive, more economical, more democratic and because they do not need a whole army of controls. But unless some fortunate turn of events comes along, I feel that the demand for some other kind of measures will grow and become so strong that it cannot be resisted. Again I say that I am not telling the government what to do. I am pointing

out that what they have done has been destructive and not constructive. I hope that other remedies can be found, as the minister implied. But meanwhile I reiterate that at the moment I think the ordinary citizen will feel that he has asked for bread and has been given a stone.

Mr. Howe: May I ask my hon. friend one question? If he places such a high value on controls, why did he spend the years 1946, 1947 and 1948 demanding that they be done away with?

Mr. Knowles: Why did the government accede to that demand?

Mr. Macdonnell (Greenwood): If the minister had done me the honour of listening to me a little more carefully, he would have known that I have not demanded controls. I have said that I am afraid there will be an overwhelming pressure for them, unless other remedies, which the minister talked about and which I said in my closing words I hoped were still an alternative, could be made effective much more quickly. I made that clear; as least I tried to do so.

Mr. Howe: But you did not believe in controls at all.

Mr. Abbott: I could not tell what the hon. member was asking for.

Mr. Charles Cannon (Iles-de-la-Madeleine): Mr. Speaker, I wish to add my congratulations to the well-deserved compliments that have already been paid to the mover (Mr. McMillan) and the seconder (Mr. Breton) of the address in reply to the speech from the throne. I listened with interest to their remarks and I agree with those who have already said that they both are valuable additions to this house.

During this debate, which has dealt at length with foreign affairs, I have not heard any member of this house mention the magnificent effort in Korea of our great neighbour and ally, the United States of America. But I have read the remarks of the hon. member for Beauce (Mr. Poulin) on the subject of what he calls American imperialism. I wish to pay tribute to our gallant American ally who, singlehanded at first, went to the help of the republic of Korea. This admirable action may be compared to that of England and France going to assist Belgium in the first world war or to assist Poland in the second; but it is not the same kind of gesture from a historical point of view. It is the first time in the history of the world that a great nation has gone to war to implement its obligations under a collective international covenant to outlaw and punish aggression wherever it may take place in the world. I salute this great nation that, from idealistic and altruistic motives, has sent her sons to fight a cruel and difficult war; and I decry and deplore the accusations that have been made in this house that the United States' intervention in Korea is based on imperialism and selfish motives.

The hon. member for Beauce made his remarks in French the other day; and as I wish to answer them, I am going to read from the English translation of his remarks which appears in *Hansard* of February 6. This is what he said:

> The monstrous war budget of $87 billion introduced by the American government and Canada's defence plan calling for an expenditure of $5 billion lead us strongly to believe that a general war is in the offing. The fabulous expenditures, I will be told, are designed to prevent war. As was done last September, the old saying *si vis pacem, para bellum*, if you want peace, prepare for war, will be invoked. But history proves this saying to be false; conquerors have always used it as a sham to hide their infamous designs for conquest. History is repeating itself once more.

I may say that evidently the hon. member for Beauce had not learned anything from the experience of the free and democratic nations at the beginning of the second world war when they were caught unarmed and when it took them two to three years to get together the armaments needed to wage a victorious war. I am sure that hon. members of the house will agree with me when I say that the old saying is still true and that the government of our country is right in saying that if we wish to avoid war, we have to arm. The hon. member for Beauce goes on to say:

> Besides, we all know that this saying was coined by these same people, these same imperialists who preached a preventive war of conquest with these words: *delenda est Carthago*, Carthage must be destroyed.
>
> The Roman empire then wanted, in the name of peace, to cross the Mediterranean and destroy the very foundations of the African empire. Today the American empire is picking up the torch from the failing hands of the British empire and wants to cross not only the Mediterranean but the seven seas and use guns, tanks and flame throwers to make the Asiatic people benefit from the blessings of peace. And they want to drag Canada into the venture: We are already taking part in the undertaking as members of the Atlantic pact organization that has been set up.

To put it mildly, that is not according to the facts. To say that the United States of America has gone into this war from imperialistic motives or motives of conquest is to make a remark so far from the truth that I feel it should not be allowed to go unchallenged in this house. In the interests of the friendship and understanding that have always existed between our two great countries, I feel that we in this house should,

through my humble voice, express our disagreement with these remarks and our appreciation of the magnificent effort of our American allies in Korea. Again, to put it mildly, Mr. Speaker, these remarks to which I have referred are misleading.

It is the duty of the representatives of the people in this house not only to represent the people but to give leadership. In order to give leadership you have to tell the people the truth. With all due respect, I say to the hon. member for Beauce that in talking in the way he has, accusing the Americans of being imperialistic conquerors, he is using the communist line from Moscow. The best answer to the contention that the United States of America had those intentions is that they withdrew the last of their occupation troops from Korea just a few months before the attack on South Korea took place. If they had had any imperialistic or conquering designs on Korea, they would certainly not have withdrawn their troops just at the time they did.

Canada is taking its part in this action and we have been warned in the speech from the throne that we shall be asked to authorize Canadian participation in the European force to be organized under the north Atlantic pact. When I had the honour of proposing the address in reply to the speech from the throne at the last session of parliament I said, as reported at page 85 of *Hansard* of August 31, 1950:

> This is also the first time that Canada has been called upon to honour its signature to an agreement to give armed aid to another nation. Are we going to honour our signature? I say, yes. We are not going to fail this first test; and I am sure this house will also answer the question with a resounding yes, authorizing the government to send the special force to Korea or use it to fulfil any of our other obligations under the United Nations charter or the North Atlantic treaty.

The house at the last session gave to the government authorization to send fighting men to Korea, and I am sure that at this session it will authorize the sending to Europe of sailors, soldiers and airmen to fulfil our treaty obligations and to forestall war—because that is what we are doing. We are arming to forestall war and to preserve the peace.

I wish to congratulate the Prime Minister (Mr. St. Laurent) upon his courageous and straightforward statement on national selective service. As reported at page 28 of *Hansard*, he said:

> So far there has been brought to my attention nothing that would indicate that the institution of national selective service at this time would be beneficial. On the contrary, the information we have obtained is that it would hamper what is being done at this moment. Now, that does not mean that the situation cannot change, and it does not mean that if and when it does change there will not be changes in the manner in which our resources will be contributed to this pool of international strength.

[Mr. Cannon.]

I am of the opinion that universal conscription for military service would not be a good thing for this country. It it were applied it would not leave us enough men to reap full benefits from our agriculture and our industry upon which our friends and allies depend, as well as ourselves. But at the same time I deprecate the attitude of the hon. members for Beauce (Mr. Poulin) and Quebec-Montmorency (Mr. LaCroix) who said that they are against the sending of Canadian troops to Europe or Asia. It is now unanimously recognized that the first line of defence is in Europe. The United States themselves have promised to send several divisions over there, notwithstanding their commitments in Korea. I think that even the hon. member for Beauce will not accuse the United States of sending those divisions there to conquer Europe, as he has accused them of sending troops to Korea to conquer that country.

If the house and government were to listen to the hon. members who wish us to defend ourselves only at home, and not to arm the country as we wish to do, we would probably see this chain of events develop. If an enemy came to Canada, to my constituency of Magdalen Islands, or Halifax or Vancouver, these people would say, "It is none of our business; let us wait for them here. They are too far away. Let us wait until they come closer to home". If they came to Toronto it would be the same thing—they would wait until the enemy got to Quebec. And even when it got to Quebec city, if the enemy were in Lower Town and these people were in Upper Town, they would say, "Let us wait until it comes to Upper Town". This is a *reductio ad absurdum* of the theory of waiting for the enemy to attack us at home.

The North Atlantic treaty and our obligations under it are to defend us against communism. Let us not forget that. What are we doing to defend ourselves against communism at home? Although I have not yet expressed my views on that subject in the house, I am of the opinion that we have not done enough, so far. I welcome the reference in the speech from the throne to Canadian citizens who are not loyal to Canada. The reference is as follows:

> Appropriate amendments to the Canadian Citizenship Act will be introduced to prevent the retention of Canadian citizenship by persons who have renounced their allegiance or shown by their conduct that they are not loyal to Canada.

I believe that the enemy in our midst is even more dangerous than the enemy beyond our frontiers. I think that methods should

be taken to suppress the communist party and to ferret out and punish those members of it who are dedicated to the forcible overthrow of the government and to deprive us of our liberties and of our way of life.

Patrick Henry once said these immortal words: "Give me liberty or give me death". It is heroic to offer one's life to regain liberty once one has lost it, but it is more practical to take measures to protect it while we still have it. Those measures that should be taken are measures to outlaw and to suppress the communist party and communists in Canada. These measures, I say, are as important as those being taken to prepare our military defences.

The United States were founded on and dedicated to the principle of human and individual liberty; but they have taken steps against the communist party which we have not taken yet. With great respect for those who differ from me, I have never understood those who say that the communist party must not be outlawed because it would be driven underground. We can be sure that its plotting and its plans against our government and our way of life, and its nefarious deeds, are done underground anyway. They are not carried out in the open. I believe we should take steps to defend ourselves from this enemy who is in a position to gnaw at the very vitals of our country.

The speech from the throne also says:

> Proposals were laid before the provincial governments for new tax agreements, and for a contributory old age pensions program along the lines recommended by the joint committee at the last regular session.
>
> The provincial governments are at present giving consideration to these proposals and to proposals for constitutional amendments which may require to be submitted to you before the close of the present session.

As a member of the committee that studied old age pensions last year, I am very glad the government has made reference to them in the speech from the throne, and has indicated that steps are going to be taken to implement what was done. One opposition member has said that the government is delaying. I say it is far from delaying. It is taking the steps necessary to pass the required legislation at this session of parliament, if the provinces do their share in facilitating the necessary constitutional amendment.

I was very pleased to see in the newspapers today that the province of Quebec has declared that it is willing to do what is required to allow us to have old age pensions at sixty-five, and to implement the recommendations of the old age security committee. I think also we should underline the fact that the government is showing very great courage in bringing in that legislation, notwithstanding the enormous expenditures placed on our shoulders because of the war effort to which we are committed in view of present international circumstances.

May I add my voice once again to that of other hon. members who have asked for a pension for invalids who are unable to provide for themselves. They should be helped. They have as much right to our sympathy and our help as have those who are blind.

These are the few remarks I wished to make in the debate in reply to the speech from the throne. In terminating my remarks I wish to assure our great Prime Minister of the continued admiration and loyalty of the electors of the Magdalen Islands, and of their humble representative in the house.

Mr. J. S. Sinnott (Springfield): Mr. Speaker, it is with considerable reluctance that I, as a backbencher, have finally decided to take part in the debate. However, as the representative of the constituency of Springfield, which holds the key to all the industrial activity of Manitoba, and which supplies all the power to all of Manitoba, and as the member who in 1949 was re-elected with the greatest majority ever recorded in that constituency, I think it is my duty to place before the House of Commons the views of my constituents.

May I offer my congratulations to the mover and seconder of the address in reply. I also take great pleasure in the government's decision to appoint the hon. member for Edmonton West (Mr. Prudham) to the position of Minister of Mines and Technical Surveys. I am sure that his appointment will be most helpful to the government.

I find it gratifying, also, to note that the hon. member for Kenora-Rainy River (Mr. Benidickson) has been appointed parliamentary assistant to the Minister of Transport (Mr. Chevrier). I say this, not because his riding is next to mine but because his record in the House of Commons as a member has been one of great assistance. He served in another capacity in the second world war, and his record is unsurpassed. I am sure his added ability will be of great help to the government in these trying and troubled times.

I am sure it will also be proper to say that the appointment of the hon. member for Gaspe (Mr. Langlois) as parliamentary assistant to the Postmaster General (Mr. Rinfret) will be appreciated by the people of Canada as a whole, and particularly by the constituents of Gaspe. This hon. gentleman served a long and difficult period with

the navy during the last war and suffered many more hardships than most people realize.

Then I must not forget the hon. member for Montmagny-L'Islet (Mr. Lesage), who has been appointed parliamentary assistant to the Secretary of State for External Affairs (Mr. Pearson). He has shown a keen interest in former debates on foreign affairs and will prove of great value to our already famous minister.

It was also with great pleasure that I heard that the hon. member for Vancouver Centre (Mr. Campney) had been appointed parliamentary assistant to the Minister of National Defence (Mr. Claxton). Then we have our own prairie member, the hon. member for Regina City (Mr. McCusker), who has been appointed parliamentary assistant to the Minister of National Health and Welfare (Mr. Martin). I am sure that he will be of great help to the minister. The hon. member for Regina City is a "natural", as he served overseas as a medical doctor in both wars and has the record of having the personal ability to get things done.

I turn now to another field, something that is of great concern to us all, the question of national defence and all its ramifications. It is true that the amount of money required for our national defence forces and other Canadian commitments is of great importance, but it will be accepted by the Canadian people as a whole. At this point we must never forget nor neglect the magnificent and determined effort put forth by our navy in world war II. If it had not been for the determination of the navy to protect the soldiers and supplies which were crossing the many seas, the results might have proved to be different. I say to those inside the house and out that it would be well to review the official résumé of the battles of world war II in a publication entitled "The Far Distant Ships" by Schull. I know it will have the effect of bringing home the importance of the part played by the navy in the last war.

It is true also that Canadian airmen are known the world over as being super in courage and determination and have always had the reputation of having done their job well. I must say also that Canadian soldiers were always faithful and courageous in whatever part they played and are known the world over as real heroes.

I have said that all three services were important in the last war and each did a magnificent job, but there was also another group of men and women at home who did a large part in keeping the railroads and war plants going. Families worked long and tedious hours in order to keep the men at the front.

There are not many in this house who realize that a certain group of people called farmers sometimes find themselves to be not nearly sufficiently represented in the House of Commons. The number of farmer members is few in comparison to the other professions in Canada that are represented. When discussions on agriculture take place in the house few of the city members are interested enough to stay in their seats and listen to the debates and therefore they are at a loss to understand the problems faced by the farmer. I hope that in future more interest will be shown.

I come now to something that will have to be decided in the very near future, that is, the final payment on the four-year wheat agreement with Great Britain. It is the all-important "have regard" clause, a clause which was inserted in the contract at the request of the British government, which we are all concerned about, the farmers in the west in particular. The government in Britain never thought for a moment at that time that wheat would be near the price it is today five years after the war. The "have regard" clause would have given them the great advantage of cheaper wheat had world prices dropped. But their calculations were not carried out and there cannot be too much emphasis on the part of this government that the government of Great Britain carry out the "have regard" clause.

Great Britain has obtained from Canada wheat and bread supplies over a period of five years. Many million bushels of wheat were purchased at prices considerably lower than average world prices. I repeat that the government of Canada must impress on the government of Britain that the "have regard" clause must be carried out. The western farmers and wheat growers cannot and will not be satisfied until a final payment of at least 15 cents per bushel over the five-year period is paid. This is a must; it must be forthcoming if we are to do justice to the wheat growers of western Canada.

I come now to another subject and in this I am repeating the plea I made in the last session of parliament, that something be done for the crippled people of Canada. Many of these citizens are far more deserving of a pension or federal help than many of those already receiving a pension. As reeve of a municipality I am in position to understand the heavy drain on municipal funds or taxes made necessary by caring for this class of citizen. It is beyond the capacity of the municipality to stand this strain. In 1950 it cost the municipality which I represent almost $5,000, which came wholly out of the pockets of the taxpayers, for this purpose.

Therefore, I strongly recommend that consideration be given by the federal government to granting a pension at an early date to these people. There are pensions for the blind, there are pensions for the aged; why not pensions for the crippled who are unable to do anything for themselves?

There has been a great cry from our C.C.F. friends across the house who have advocated a reduction in the cost of living. In my opinion, the C.C.F. cater to one class only, the industrial workers. Mention has been made in the newspapers about the 800,000 cards that have been received by hon. members. There are 47,000 people in my riding and I received 66 cards. Those cards have been coming from the industrial and railroad workers. I have not received one from a farmer in my riding.

The hon. member for Winnipeg North Centre (Mr. Knowles) is always clamouring for higher wages, more pensions and shorter hours. If the government were to carry out his suggestions, there would be few people in Canada working at all. This kind of propaganda sounds good to many of the voters, but if put into practice would have a demoralizing effect on the country as a whole.

Why are prices rising? Why are young people leaving the farms? There is only one answer—they are finding employment in industrial plants where there are shorter hours, better living conditions and higher wages. If this continues across the length and breadth of Canada the spiral of prices will continue higher. Farm products will be in increasingly scarce supply with a continued shortage of farm labour. Something must be done to encourage young people to stay on the farm. Big business in this country should take note of this fact and their profits should compare favourably with the incomes of the producer and consumer.

(Translation):

Mr. Arthur Massé (Kamouraska): Mr. Speaker, it was not my intention to take part in the debate on the address in reply to the speech from the throne but, in view of its importance, I cannot shirk the obligation of freely expressing my opinion and that of my constituents.

In view of the tension in world affairs, I will make so bold as to draw certain comparisons between the present and the past.

May I be permitted to congratulate the mover (Mr. McMillan) and the seconder (Mr. Breton) of the address in reply to the speech from the throne. Their constituents must surely be happy to have chosen such representatives.

On looking at the international situation, the attitude of certain totalitarian countries comes not as a surprise but as a disappointment. On the other hand, the study of world history brings the realization that, at all times and in all eras, there have been conquerors who thought they could rule the world. I have in mind Victor Hugo's celebrated lines on Napoleon II, written when the latter thought himself to be master of the world's destiny.

What did all these conquerors gain from their conquests? A passing glory. And, more recently, what has followed in the wake of two world wars? Instead of looked-for happiness and prosperity, naught but misery, destruction, even the complete wiping out of certain countries. Even in this case, there is nothing new. After other devastating wars what became of once famous cities such as Babylon?

I must congratulate the government of my country for its sane attitude in seeking peaceful settlement of the conflict now plaguing the world. To my mind there are no better ways of relieving such tense situations than conciliation or negotiation.

However, without adequate defence preparations, it would be a mistake to leave the door open to negotiations. A strong defence acts as a check on those who crave for domination. The experience of the last war should make every Canadian realize that we should not wait till the last moment to make defence preparations.

I heartily endorse the stand taken by the Prime Minister of Canada (Mr. St. Laurent) in his statement in this house on the form of our war contribution. The immediate organization of our territorial defence and our civil defence seems to me very wise. Civil defence deserves special attention for, with modern transportation facilities, distance is no longer a consideration.

It is high time we prepared our civilian population to face any possible danger that may arise through no fault of our own but which we must expect all the same.

Our government's wish to share adequately in the Colombo plan pleases me very much, because if we give sympathy and hope to those distressed populations, communism will not appeal to them.

I am not one of those who think that the whole of Asia puts unlimited trust in the communist regime. I prefer to believe that the people of Asia accept that way of life

in the hope that it will lead them to greater happiness than they have had before. They look to it as a last hope which, until now, has been denied to them under their own governments.

In Canada the government has substantially contributed to the people's welfare by legislation providing for such benefits as family allowances and old age pensions. I trust that the government will also take the appropriate steps to give adequate aid to the needy.

Because of those welfare measures, the people of Canada are more confident. These measures are in keeping with the traditions of my district because my people who were left to themselves on the shores of the St. Lawrence river two centuries ago have been the custodians of our principles and our tradition of mutual aid and fellowship since the beginning of the colony.

As the representative of an agricultural and lumbering district located on the shores of the St. Lawrence and extending to the United States frontier, it is my duty to request the government to maintain the help it has so far given our farmers, particularly through the Agricultural Prices Support Act.

Agriculture is the very basis of our production; to realize this, one has but to read "Canada 1950," at page 109. Consequently, it is necessary that our farmers get all the help and assistance they are entitled to. I am convinced that the more we increase production the sooner agricultural prices will find their normal level while allowing the farmer to draw a reasonable income.

I wish to congratulate also the Minister of Agriculture (Mr. Gardiner) for the task he has undertaken of finding markets for our farm produce. Thus, we may be able to keep on the land our young people who may be tempted to quit it temporarily for prospects of easier income.

It is also my duty to thank and congratulate the Minister of Public Works (Mr. Fournier) for the building of a soil research laboratory at Ste. Anne de la Pocatière, that cultural centre in Kamouraska county. The laboratory will supplement the existing facilities at that experimental farm. This gesture shows how much the government has the interests of the farming people at heart. The future of the farming class is dependent upon research and it is the duty of the state to provide the means of undertaking the necessary research work; it is a well-known fact that the progress of agriculture has too often been left to the work of nature alone.

I stated a moment ago that Kamouraska was both a farming and a lumbering district. A glance at the statistics concerning my constituency reveals that 76 per cent of the area is covered with forests. Since the production of pulpwood in the province of Quebec increased from 2,119,183 tons in 1939 to 3,902,072 tons in 1948, according to "Canada 1950," page 142, it is high time to inform farmers or owners of forest land that they should adopt a suitable forestry program in order to increase the value of their property and draw a steady income.

In conclusion, Mr. Speaker, I express the wish that in this holy year the peoples of the world will trust in God, the true King of the universe, to spare us, who still have fresh in our minds a war which is barely over, the horrors of a new conflict that might be more destructive than the two previous ones.

Mr. Henri Courtemanche (Labelle): Mr. Speaker, in accordance with the custom which exists in the house, may I first congratulate the mover (Mr. McMillan) and the seconder (Mr. Breton) of the address in reply to the speech from the throne on the ease and clarity with which they dealt with their subject matter.

I also wish to congratulate the newly appointed parliamentary assistants. I am delighted that their talent has been recognized and that they now have the opportunity to turn it to account.

I had not intended to speak on the address in reply to the speech from the throne and I have no wish to spin out the discussion any longer than necessary but, because of the principle that is at stake, it is my duty to protest against the decision taken this afternoon by the Minister of Citizenship and Immigration, who has decided to deport Count Jacques de Bernonville to France.

In defiance of every custom and of the right of sanctuary recognized for centuries, we have just turned over to his communist enemies a man who has been accused of certain crimes, none of which have ever been proved, and who, in my opinion, is guilty only of being a Frenchman and a practising Roman Catholic.

There are other Frenchmen who sought asylum in this country at the same time as

Count Jacques de Bernonville. And yet they have never been the subject of discussion. We hear about other immigrants to whom permission has been granted to remain in Canada even though they entered the country under false passports. Why make it a crime for de Bernonville to have sought refuge in Quebec when not a single voice has been heard in that province to demand his deportation? Could it be that Quebec is not allowed the right to choose the type of immigrants she wants? We, in Quebec, know that the crimes of which Jacques de Bernonville stands charged are pure fabrications, the work of communists or fellow-travellers who have sworn to get him.

The communists know that the Catholic church is their implacable enemy and the violent struggle they are waging against the church in Hungary and Czechoslovakia is evidence enough.

We know that Count de Bernonville was convicted *in absentia* by a communist government in Toulouse, France, but we also know who de Bernonville is.

At the age of twenty he was created a knight of the Legion of Honour in recognition of his gallantry in the field. At twenty-three he became an officer of the Legion of Honour. He is the holder of several citations and was awarded the Croix de Guerre in 1918. He has been wounded several times; the scars of thirty wounds are proof of that. He was mentioned in dispatches and was awarded the Croix de Guerre in 1940. That citation was published in the French *Journal officiel*.

Those are the crimes on which the communist element of this country has based itself to force from the Minister of Citizenship and Immigration a decision he has been refusing for two years.

While testifying in his own defence before the courts in Montreal, in 1948, Count Jacques de Bernonville made a declaration under oath. It has never been denied and no one has been able to contradict that statement.

Far from having caused Canadians to be massacred, as is stated in the indictment proferred against him, he was, on the contrary, instrumental in helping Canadian prisoners of war to escape. Such was the evidence given by Captain Masson during the hearing of the Jacques de Bernonville case in Montreal. And, on February 24, 1949, Mr. Frédéric Dorion informed the house of this statement.

In view of the political persecution to which Jacques de Bernonville was subjected, he had the right to seek and secure asylum in another country. This asylum he sought in French Canada. Will Canada refuse to harbour this Frenchman who pays us the tribute of believing in Canadian liberty?

The laws of hospitality, the requirements of humanitarianism and those feelings which should come naturally to hearts still moved by appeals to compassion and honour, demand that political refugees should not be extradited. Modern Canada, more backward than eighteenth-century England, has just given in to bloodthirsty wolves who are after the head of this man whose only fault was to believe in a hospitality he is so shamefully refused.

History will pass a severe judgment upon those who were accessories to this deed. I dare hope that no Canadian will ever undergo such heart-rending tribulations as those which my country has deliberately inflicted upon a hero who could have expected more kindness from French Canada.

(Text):

Mr. W. J. Henderson (Kingston City): Mr. Speaker, it is a great honour for me to say a few words in this debate this evening. First, I wish to congratulate the mover (Mr. McMillan) and seconder (Mr. Breton) of the address in reply to the speech from the throne. In particular, I should like to say a few words about the mover. He is a graduate of Queen's university. I am pleased to see him here, and I hope that he will attain the height and the prestige in this house enjoyed by a former graduate of Queen's, the hon. Minister of National Revenue (Mr. McCann). It was an honour for me to accompany the member for Greenwood (Mr. Macdonnell) this fall to a special convocation at Queen's, and there to see an honorary degree conferred upon the Minister of National Revenue. I am sure that the university conferred this degree not only in recognition of his work as a minister in this house, but in recognition of his manner of assistance to others, of his services as a medical doctor in his community, and as a statesman of renown.

Tonight I wish to say a few words on a matter of less importance than the national emergency, but of importance to the preservation of the rights and independence of our citizens. I am pleased to see mention made in the speech from the throne of consideration of a measure respecting the abolition of the requirement of a fiat in cases of petition of right. I am sure that many of the members of the legal profession in Canada believe the time is long overdue for a complete re-examination of the crown's position in litigation, and also the special procedural immunities of the crown which should be regulated, cut down and possibly abolished.

It is my personal feeling, and I am sure it is the feeling in the constituency of Kingston City, that there is an extremely urgent need for the St. Lawrence seaway and power project in relation to the security and development of this continent. It is apparent that any step which this house can take whereby the government can promptly and effectively co-operate with the United States in initiating this construction would be welcome.

In the many speeches in this house members have dealt with the armed forces in terms of dollars and numbers, and have made other references to the armed forces of Canada. For a few moments I should like to deal briefly with the reserve forces from my own practical, personal knowledge both of the district which I represent, and from the point of view of the three services in that area. In my reference to these forces I shall not deal with numbers and dollars, but I shall deal with them in such a way that we can see what is actually being done. It is my belief that the reserve forces are playing an important role, and have developed to the point where they could become a trained nucleus of active forces if called upon. Their commanders, officers, N.C.O.'s and men are exceedingly well trained. For the most part, they are men who have won their spurs in Dieppe, Italy, and the attack on D-day. They are young men still, and will be able to pass on the lessons of their experience to the younger men, N.C.O.'s and recruits. I believe that this is being done.

Speaking of the reserve army training at Petawawa this past summer under General Vokes, it was remarkable to see how the commanders, officers, and N.C.O.'s fitted into their roles as in real battle. At this particular period of training new equipment and improved equipment was available for inspection and use. I might say that this was particularly true with respect to the Royal Canadian Corps of Signals. This unit, as you know, has it headquarters at Vimy barracks outside of Kingston. This summer the unit had a divisional signals set-up and was demonstrating the equipment and lessons which had been learned on Exercise Sweetbriar. At first we may not think it important, but they went so far as to demonstrate how they properly winterproofed their vehicles, and their special type of stove in the wireless van so that the operators could be warm and able to function efficiently. These displays and schemes, I suggest, cannot be disregarded. Training of this nature provides an opportunity for the active force to bring the reserve force up to date.

I am pleased that in Kingston and district there is a great feeling of comradeship amongst the R.C.A.F. veterans in their forming of the No. 416 wing, R.C.A.F. association. There are virtually hundreds of members, and they are associating themselves with the local air force cadet corps, No. 58 squadron. It is my belief, in common with the member for Vancouver-Burrard (Mr. MacDougall), that the greatest attention should be paid to the training of boys of high school age. They will be the pilots, gunners and navigators of tomorrow.

Turning to another branch of the service, may I say that the other night it was my privilege to pay a casual visit to H.M.C.S. *Cataraqui*, the reserve naval training ship at Kingston. It is under the able command of Commander Coleman. There I observed the training of sixty to seventy officers and cadets from Queen's university. This particular night was one of the nights of the week set aside for the university students, while the local corps is trained on the remaining nights. These officers and cadets were being directed in naval terms on the deck by officers who had gained their experience from active duty or in summer cruises, naval war games and manoeuvres. I might say that the instructors varied from highly technical instructors to those whom we called "frogmen". At one time the men were receiving instruction in close-armed combat, and at another they were receiving instruction in the operation of radar. I believe it is important for us to realize what these reserve units are doing today, and how fit these men will be if they are called upon to take their places in active duty. These officers and men would be available to assist in manning Canada's one hundred new naval vessels which were mentioned on Monday by the Minister of National Defence (Mr. Claxton). After observing them train and knowing that they are aggressive and ambitious, I am sure that they will give a good account of themselves. I understand that similar training is universally available to naval reserve units. Those responsible for training of this nature are to be complimented. I am sure it is not a waste of the taxpayers' money.

I should like to discuss briefly our present war effort which results from world conditions. We have listened to the statement by the Minister of National Defence. We have all concerned ourselves with and have read a great deal about the modern machines of war. I am sure that it must strike us that the inventive power of the scientists in the world today is the greatest in history. If we are to win this war against communism, I am sure that one of our most important aids will be the use of these modern machines of war. It must seem to the people that the

government was wise in not wasting the taxpayers' money on equipment which would now be obsolete, and which would not be in accord with that of our neighbour to the south. Now, through government planning and the purchase of modern equipment, we will avoid waste, and be one more spoke in the wheel in assuring the North Atlantic charter nations of victory with the least possible loss of life in the event of total war, and at the same time provide a great threat of strength to an aggressor. I am quite sure that those who have read the papers of recent date and have seen the pictures of the explosion of the new bombs will agree that they will be a deterrent factor to any aggressor.

As the subject of the exchange system of the training of officers has been mentioned in this house, I might say that it has been my privilege in my constituency in the outskirts of which is located the Royal Military College, as well as the defence college, the staff college, the signal corps, the R.C.E.M.E. corps and other units, to observe officers from all nations on friendly terms with us, who come to those schools and associate with our Canadian officers. By that association I am sure there is not only the exchange of good will and friendship but the fostering of better relations between nations in that we are bringing together our armies of the North Atlantic charter nations and moulding them into one, with the same idea. On the streets of our city you will see officers with uniforms quite different from our own going about observing our Canadian way of life and at the same time taking their training with our officers in Canada. There are some from India, some from France and others from Italy. They have done the clubs and citizens of Kingston the honour of appearing before them and giving speeches about their homelands. Through the facilities provided by the Department of National Defence in this country and the exchange system as outlined by the Minister of National Defence (Mr. Claxton), I feel that we now have a great and strong link with other nations, and I am sure that our nation is the better for it.

In conclusion, may I say it is my belief that we are wise in following a plan such as that outlined by the government, of not losing a war before we have a battle.

On motion of Mrs. Fairclough the debate was adjourned.

On motion of Mr. Fournier (Hull) the house adjourned at 10.55 p.m.

HOUSE OF COMMONS

Friday, February 9, 1951

The house met at three o'clock.

HONG KONG

POSITION OF CANADIAN CITIZENS—IMMIGRATION STAFF

Hon. W. E. Harris (Minister of Citizenship and Immigration): Yesterday the hon. member for Peterborough West (Mr. Fraser) inquired about the staff of the immigration office at Hong Kong. Up until September of 1949 we had only one officer there. We added one in that month. We added two in 1950. We added four clerks in 1950. Therefore we think the facilities are now reasonably adequate. The number of immigration visas granted in 1949 was 986, and we granted 2,068 during 1950.

I gathered from the tenor of the hon. member's preceding questions that he was more concerned about Canadians than immigrants. I want to assure him that the immigration staff is there for the assistance of Canadians as well, and we do assist in identifying them and getting their passage if they seek to come home.

Mr. G. K. Fraser (Peterborough West): Has the medical staff, for the purpose of checking medical fitness, been increased? That was the cause of the delay before.

Mr. Harris (Grey-Bruce): The medical staff is partly our own, but consists largely of roster doctors outside the offices, whom we employ.

NATIONAL HOUSING ACT

QUESTION AS TO RECONSIDERATION OF CHANGES IN LOAN PROVISIONS

On the orders of the day:

Mr. Gordon Graydon (Peel): I should like to have addressed my question to the Minister of Resources and Development (Mr. Winters), but he was unable to be here, and is not here today. I do not want to let the matter stand any longer; therefore I address the question to the Prime Minister for his consideration and that of the Minister of Resources and Development when he returns.

In view of the objections that have been raised in some quarters to the drastic policy announced by the Minister of Resources and Development on Monday last with respect to curtailment of housing loans under the National Housing Act, will the Prime Minister reconsider the stand taken by the government on that occasion and ease the severe provisions which may have the effect of a serious cutback in housing generally?

Right Hon. L. S. St. Laurent (Prime Minister): As I understand the statement of the Minister of Resources and Development, it was a promise to keep the matter of housing constantly under review, on the basis that, next to construction required for defence purposes, housing was to have the highest priority.

Mr. Graydon: I am very glad the door has not been closed.

IMMIGRATION

COUNT JACQUES DE BERNONVILLE—QUESTION AS TO DEPORTATION AND TRIAL IN FRANCE

On the orders of the day:

Mr. Bona Arsenault (Bonaventure): I should like to direct a question to the Minister of Citizenship and Immigration. Taking it for granted that Jacques de Bernonville is entitled to a new trial if he returns to France upon deportation, what information has the minister to the effect that the trial will be held in the appropriate court of normal jurisdiction, as stated in the minister's press release of yesterday, February 8?

Hon. W. E. Harris (Minister of Citizenship and Immigration): I will take the question as notice and table the text of the appropriate French decrees.

UNEMPLOYMENT INSURANCE

DISQUALIFICATION OF CERTAIN MARRIED WOMEN UNDER AMENDED REGULATIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I should like to ask the Minister of Labour a question with reference to the new section 5A of the unemployment insurance regulations. I refer to the section brought into force by order in council P.C. 5090, effective since November 15, 1950, and disqualifying certain married women from receiving benefits. Have protests been received against the new section? Is consideration being given to revising or dropping it?

Hon. Milton F. Gregg (Minister of Labour): The answer to the first question is yes. To the second question the answer is no.

Mr. Knowles: You will hear from me again.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Thursday, February 8, consideration of the motion of Mr. W. H. McMillan 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. Drew, and the amendment to the amendment of Mr. Herridge.

Mrs. Ellen L. Fairclough (Hamilton West): Mr. Speaker, in the past week the debate has been directed in the main to the state of this nation's defences, and to the high cost of living, both of which are vital subjects at any time, but particularly so just now. It is natural that the defence of this country should occupy a large share of the attention of the house, especially as it is to be expected that hon. members would base their deliberations on the reflection of the views of their respective constituents. May I suggest that adequate defence is not only a matter of weapons, equipment and men. It is also a matter of production and of national spirit. The morale of our people and of our fighting forces—and do not think for a minute they are not communicable one to the other—rides high on the list of defence weapons.

Therefore it was almost with consternation that I listened to the statement made in this house on Monday last by the Minister of Resources and Development (Mr. Winters), which has already been referred to by the acting leader of the opposition (Mr. Graydon), announcing reductions in loans made under the National Housing Act. I am amazed that this announcement should have occasioned so little comment on the part of members who must surely be aware of its consequences. In his address a couple of nights ago the hon. member for Quebec South (Mr. Power) referred to weighty matters of domestic concern. In my opinion this is a weighty matter. There are certain requisites to living which all will acknowledge—food, clothing, and a roof over one's head. Production cannot be achieved if the workman is not fed, clothed and sheltered. We can do without dance halls, bowling alleys and theatres. Surprisingly enough, we can even do without post offices if we have to, but we cannot do without houses.

In a city like Hamilton, a portion of which I represent in this house, we are vitally concerned with the state of housing. Perhaps I should explain to some hon. members who may not be familiar with the city of Hamilton that in about ten years we have increased in size from a population of approximately 150,000 to over 200,000. When you increase the size of any city, particularly an industrial one, by one-third, you do not have to look very far to find out that you are going to be in grave difficulties. You have to expand your boundaries. You have to provide essential services. In the new districts it is necessary to lay sewers, build roads, and construct sidewalks. All these things have to be done in a very short space of time.

In making his announcement, the minister, as the Minister of Trade and Commerce (Mr. Howe) did later, referred to the fact that at the end of last year some 66,000 houses were reported incomplete, a number which, it was said, was some 8,000 units greater than the figure reported for the preceding year. I do not know how these figures are arrived at; if the minister were here, probably he could tell me. I understand, however, that a house must be completely finished, even to the sidewalk leading from the door to the street, before it can be reported to the department as a finished unit. From personal experience in my own city I know many people are living in houses with no sidewalks, so I presume those houses would be reported as unfinished units. Nevertheless people are living in them. Perhaps the minister could tell us whether he has any information as to the number of these unfinished houses which are in fact inhabited. I think he would find a great many of them. Those of us who served on the council in Hamilton, and had the headaches connected with trying to lift some of these districts out of the mud and provide some means for the people to leave their homes for work and the children to get to school, know that people are living under circumstances not altogether admirable but still in nice, tight little homes, with good heating units. They are sheltered and happy, despite the inconveniences they suffer.

The down payment required for a prospective home owner today would have bought a house a few years ago. I do not believe that statement can be disputed, because I am sure most hon. members will recall that it was not so long ago that you could buy a very good little home for a modest amount. Even in those days the prospective owner rarely paid cash for his property. He made the smallest possible deposit—because that was probably all he had—and then gave a mortgage for the balance. It is practically an impossibility for working people nowadays to save enough for a down payment. For ten years heavy taxes have taken from the working people of this country in varying proportions of their earnings; but I venture to say that the aggregate

of those taxes on the average workingman over the past ten years, if placed in a savings account, would have provided the down payment for a house. I do not think anyone in Canada regrets having paid those taxes for the purposes for which they were required. Our people are loyal, and if they could not fight themselves I am sure every man and woman with red blood in his or her veins was glad to subscribe to the support of the forces which defended them. However, that does not alter the fact that they have no money left. It does not matter how worthy the cause you support may be; the net result is the same—you are broke.

I want to appeal to the Minister of Resources and Development (Mr. Winters), and in his absence to the Prime Minister (Mr. St. Laurent), as the hon. member for Peel (Mr. Graydon) has done already. In making this appeal I want to draw to their attention the fact that this action on the part of the government practically bars workers in the lower income groups from home ownership. Only a short time ago the government announced its intention to bring 150,000 people into this country. I am one of those who believe we have room in this country for plenty of new Canadians. We need them and the things they can bring here. I do not share the alarm some people seem to feel, or the fear that those who come in are going to take from those already here some portion of their livelihood. It has not worked out that way in the past. The more people we have, the more consumer demand there is; and the greater the consumer demand, the more work there is for everyone. But where are we going to put them? Where are the houses to shelter these people, if by this action the government withdraws from prospective purchasers the means with which to acquire homes? It is like handing a man an umbrella on a sunny day and snatching it away when it starts to rain.

Unfortunately this measure comes at a time when rental controls are likewise to be abandoned, and I submit that this threatens still further inflation. One need not have a very active imagination to see what is going to happen. If you cannot buy a new house, you buy an old house. If there is increased demand for old houses, the law of supply and demand comes into effect, and prices go up. The same thing happens in regard to rents. The more demand there is for rental property, the higher rents go. A report coming to me through the press of a meeting held in Hamilton early this week quotes a few examples which were submitted by the family service bureau of that city. I should like to refer to those for a moment, to give hon. members some idea of the conditions that exist. I do not contend that Hamilton is the only city in which you can find such conditions; I believe they prevail in any industrial city where there are many workers and where growth has been rapid in the last few years.

The first example is that of a man, his wife and his teen-age daughter living in one room twelve by twelve. Another family with three younger children live in one room. In another instance four families, comprising seven adults and eight children, live together in three rooms. The children range in age from fifteen years to six months. In still another case the parents live in one room, a baby is in the hospital, and the three children have to live with relatives. Another couple with one child who were living in three unheated rooms, one of which had been a pantry, had to separate to find accommodation.

These are not isolated cases, Mr. Speaker. These are probably the more urgent, but house after house in my city which was formerly a one-family dwelling now houses three or four families. These people are anxious to get out of these conditions. They know they cannot bring up their children in the manner in which they would like to rear them, and teach them the things they would like to teach them, as long as they live under conditions that are clearly not conducive even to compatibility.

I am sure that before the minister made this statement he must have considered alternatives. Possibly to him this appeared to be the better way. But without having the benefit of the information which must be in his department, I would think that there must be a half dozen other things that could be done. Surely the allocation of materials to builders for a specific number of housing units would have had the same effect, if the effect which is sought is merely to reduce the number of units being built. I beg of him, and of the government, to leave the door open to prospective home owners to acquire property. Do not slam it in their faces. None of these working people can raise that much money. There is no means by which they can.

One builder in Hamilton said, "We would rather see the government permit the one-sixth increase to continue, and cut building in half, so that many of the people in the lower income groups who need homes could still have them." Mr. Speaker, I have only one more word to say on this subject; in common with the hon. member for Peel I beg the minister to reconsider this action with a view to reinstituting the cancelled provisions for loans, and, if necessary, substitute therefor other forms of regulations which will not bar the wage earners from the acquisition of houses that may be available.

There is one other matter which I should like to mention at this time, and it has to do with the income of old age pensioners. As many members well know, the maximum income which is allowed old age pensioners is $600. This means that a pensioner may earn $120 a year without lowering the amount of his or her pension below $40 per month. Recently a woman who had made application for a pension came into my office. She had been a widow for many years, and had supported herself over those years by doing domestic work. Finally she became ill and required a major operation. Upon her release from hospital she had been told she must not do the heavy work which she had been doing in the past. However, there were several homes to which she had gone on a day to day basis doing housecleaning, and those people, being sympathetic to her, said, "Now, do not worry; you can continue here and we will give you lighter work."

Over the years this woman had saved a little money, which, when it was computed by the department on the basis of the yield if invested in a government pension, was calculated to yield $13.76 a year, or a little over a dollar a month. The next question the department asked her was, "How much are you going to earn?" In beautiful optimism she said, "Oh, I think about $8 a week." They put down as income $420, then added the $13.76, and when she finally heard about her pension it amounted to about $15 a month. This woman is all alone in the world. She has to rent a room and feed herself. Mr. Speaker, in all sincerity I ask hon. members, could you do it? Even where a person lives with relatives and is given free room and board, the value of that room and board is computed and deducted from the pension.

There are many of these people who are still in good health, and who can earn some money. Some of them are fortunate in that they earn it in ways that are not reported, so they put it in their pockets and get along very well. No one is any the wiser unless the investigator happens to call repeatedly and finds them out, and so becomes suspicious. However, if a person has steady employment anywhere, regardless of the meagre amount he or she may earn, it is deducted from the pension.

The other day I noticed a quotation from the *Christian Science Monitor*, not on the subject of old age pensions but concerning retirement at sixty-five. It reads as follows:

> The hundreds of thousands of men over sixty-five and of women above sixty who today continue at work contribute greatly to production. They are better off for their tasks, and so are their families and the community. Organized labour's developing stand against needless retirements deserves recognition by management as an expression of public sentiment. The mechanisms of pension plans need to be subordinated to the higher considerations of human welfare.

It is that last sentence, Mr. Speaker, that I wish to stress. While I realize that this article deals with industrial pensions, I submit that it is equally applicable to the regulations under which old age pensions in this country are administered. I hope that when this question of old age security finally comes before the house, this problem will disappear. There is bound, however, to be a time lag. These things are not accomplished overnight. My reason for mentioning this problem now is to ask the minister if he will give serious consideration to alleviating these conditions in a specific manner.

In order to explain why I feel this should be done, I should like to point out that on June 30, 1948, an amendment to the Income Tax Act allowed an additional tax exemption of $500 to all taxable persons over the age of sixty-five. These people have, in effect, had the old age pension added to their basic income for income tax purposes. I was curious as to what this meant to the revenue department, and I procured some information concerning it. Unfortunately I could not get the information for 1949, but I did get it for the year 1948, the first year this amendment was in effect.

I find that those persons over sixty-five years of age who paid income tax paid on $42,855,000 less income than that on which they would have paid income tax had this amendment not been put into effect. If this is divided by 500 we find that there were 85,710 people of sixty-five years or over who paid income tax and had the benefit of the original $500 exemption. These are the only figures available. They do not include, however, the people of sixty-five years and over who were pushed out of the income tax brackets altogether because of this additional exemption. There is no way of knowing exactly what this number is, but upon inquiry I did get an estimate from an official who told me he thought it would be about one-third of the 85,000, which would mean an additional 28,570 people. The total number of persons, therefore, who have benefited by this increased $500 exemption would be 114,280. I do not know whether the Minister of National Health and Welfare (Mr. Martin) would talk to the Minister of National Revenue (Mr. McCann) and come to some agreement, nor do I know whether that is necessary, Mr. Speaker. But I ask of the Minister of National Health and Welfare that the procedure which was put into effect to aid taxable persons over sixty-five years of

age be now put into effect to aid those persons who are the recipients of old age pensions, and that those pensioners should be allowed earned income—I am not now talking about investment income—of $1,000 in addition to the pension which they receive. Give them equal earning capacity with their more fortunate brethren. Since the exemption is $1,500 for single persons or $2,500 for married persons over sixty-five why not raise the allowable income to appropriate relative figures for old age pensioners?

Mr. Hector Dupuis (St. Mary): Mr. Speaker, being a newcomer to this house, I should like to ask the indulgence of my colleagues while I say a few words in the mother tongue of the majority of the members of this house. My vocabulary in English, Shakespeare's language, is extremely limited. My remarks in that language will therefore be brief.

First of all, Mr. Speaker, I wish to congratulate you upon using the French language as often as possible, thus showing your determination to respect the rights of both languages in our country. For this you deserve to be highly complimented.

I regret that, owing to illness, I was not in the house to hear the speeches of the mover (Mr. McMillan) and the seconder (Mr. Breton) of the address in reply to the speech from the throne. I have read their remarks carefully, however, and I wish to congratulate them both upon the excellence of their speeches and upon the recommendations and suggestions made in them.

Before I proceed in my mother tongue, Mr. Speaker, allow me to correct a certain impression created by the press—unintentionally, of course—by designating the hon. member for St. Mary as an Independent Liberal, or simply Independent. While I did not have the pleasure of being the official Liberal standard bearer in the election which took place on October 16 in the constituency of St. Mary, I would say that I have advocated the principles of the Liberal party—I hope my hon. friends on the other side of the house have no objection to that—and the policy of the present government, so well directed by the Prime Minister (Mr. St. Laurent), who will be known in history as the champion of national unity in this country. I hope the representatives of the press—I have known them for quite a long time, having been in public life for some time—will correct that impression by giving me my correct designation. I am a straight Liberal, even if some say I am not so straight.

Mr. Knowles: What other kinds are there?

Mr. Ferguson: There are several kinds.

Mr. Dupuis: My intentions are always good, in any event; and I am sure that by attending the sittings of this house I will go straighter and straighter.

Before concluding my remarks in English I should like to say that I will try to live up to the confidence placed in me by my constituents, and that to the best of my ability I will do my duty in protecting their interests and those of the nation. I wish to say also that all proposals or suggestions looking to the bettering of our living conditions and the welfare of our fellow citizens will be given my entire support, without prejudice to the rights of each one of them, irrespective of origin or creed, so long as they conduct themselves as real Canadians.

(Translation):

Mr. Speaker, as I said a while ago in your own tongue I wish first of all to extend to you my sincere congratulations for the use you make of the French language, thus confirming the rights of both languages in this country.

Before proceeding further with my remarks I wish to congratulate very sincerely the mover (Mr. McMillan) as well as the seconder of the address in reply to the speech from the throne. Unfortunately I was unable to listen to their speeches as I was detained at home by sickness, but I read their remarks with interest and noted their suggestions. They certainly deserve the hearty congratulations of the hon. members of this house.

I do not want to deal at length with this subject but I wish to say in French for the benefit of my French-speaking colleagues that the persons who referred to the fact that I am an independent Liberal or a plain independent did not do so unfairly but that, however, was the reason why I was given a seat in that portion of the chamber which is referred to as the "doghouse". During the election campaign I advocated and upheld the views of the Liberal party, led by the Prime Minister (Mr. St. Laurent) who will go down in history as the champion of national unity in Canada.

Hon. members, the various Liberal administrations we have had in the past have deserved, I am pleased to say, the support of the people. Of course, the actions of the government may not at all times have been perfect. Nevertheless, when it comes for the people to make a decision, at election time, their choice must be based on what is commonly known as the assets and liabilities of a party. Thus, when the assets of a party are greater than what we may call its liabilities,

the electors are in duty bound to support the party which has to its credit more good than poor or bad deeds.

The achievements of the present government and of previous Liberal administrations are numerous and I wish to draw the attention of hon. members to the large number of social measures which they have put into effect. The part played by the Liberal party in the progress of our country, of which we are so proud to be citizens, is unparalleled. I beg my English-speaking colleagues to believe that I am neither biased nor fanatical. They have before them a man who asserts his rights and who, no matter what party is in power, is only too happy to congratulate a government that respects the rights to which minorities are entitled, and to encourage it to maintain that policy. I must say that we are only too happy to note that French-Canadians seem to be treated more fairly than in the past as far as appointments to the civil service are concerned. In fact, I am confident that, in that field, we shall soon have the representation to which we are entitled.

I am not one of those who try to take anything away from others but I never miss an opportunity to press forward our rights in any field whatsoever.

I do not wish to take up the time of the house any longer. I feel, however, that it is the duty of a representative of the people, even though he is newly elected and impressed by the atmosphere of this chamber, to give his impressions and humble views on the current situation. With your permission, I shall try to frame a few suggestions which, I think, may improve conditions.

Beyond a shadow of doubt, the period through which we are now passing is one of unparalleled difficulties. However, as the Right Hon. the Prime Minister so aptly explained, there is no need to decide too hastily on the course we are to take. As necessity requires, we can adopt the measures required under the circumstances.

If the Right Hon. the Prime Minister is willing to accept, not this compliment, but this expression of appreciation, I am happy to say that I admire his middle-of-the-road policy which acts as a counterbalance between both extremes, that is, those who censure the government for going too fast and those who feel the government is not doing enough.

[Mr. Dupuis.]

This middle-of-the-road policy is characteristic of the party now in power. It must be congratulated on the wisdom with which it administers this country in these difficult times.

There has been talk of controls. I would like to give the opinion of the member for St. Mary on this matter. It is a foregone conclusion that very soon, if not in a few days at least in a few weeks, we will be forced into controlling prices in order to halt the ever-mounting cost of living.

I do not hold the government responsible for this state of affairs, but I do believe it is their duty to solve the problem. I am told preparations are being made to that end and that, quite soon, steps will be taken to stop this alarming rise in the cost of living.

There are some who talk of freezing wages. From an economic point of view it may be necessary to set a ceiling for both prices and wages, although I am not in favour of the control of wages, at least for the time being.

Should conditions compel us to take such a course, the government would be in duty bound to set no wage scale or rather no wage limits until the appropriate adjustment had been made.

It should not be forgotten that at the present time certain groups of people do not earn enough to provide their families, not with luxuries but with the bare necessities. As for myself I shall never agree to the freezing of wages unless the case of the low wage earners is adjusted properly.

Furthermore we must not forget that humble group of workers, the unskilled workers or, if you will, the day-labourers, as they are commonly called.

There is also the white-collar group. I do not believe too much has been done for the welfare of this group of workers who may be worse off than the day-labourers or unskilled workers.

Before wages are frozen, the poor, the needy, the white-collar workers and the low-income groups should definitely be protected.

The workers riding I represent is comparatively poor and, during my term of office, I propose to serve more particularly the interests of the needy, of the poor wage earners. Not that I shall neglect the interests of those who live more comfortably, although they are less in need of assistance because they are better able to get out of trouble.

Recently salary increases have been granted to civil servants and I commend the government for taking that step in the right direction. However, I wonder whether some salaries that are not yet high enough to meet the cost of living should not be revised.

I respectfully beg the government to inquire into the matter, in order to increase, if possible, the salary of certain classes of civil servants whose income is insufficient to cope with the cost of living.

The price of milk was recently increased, and even more recently the same thing happened to the price of bread. Yet both are essential. I wish to make a suggestion. Would it not be possible to pay some sort of subsidy on dairy products, so as to stabilize, once and for all, the price of essential foodstuffs like milk and bread?

We must understand the predicament of a mother who has to manage on a budget based on the cost of living. Overnight, everything is upset; prices still increase considerably while salaries remain unaltered.

When the time comes to control the prices of food and other goods and when we must freeze salaries, I shall, even though I am not in favour of this measure, be the first to press forward the rights of the working classes and to support those whose cause needs pleading, at least those whom I represent in my riding.

There is talk of controlling materials. Following the vast production program which the government intends to bring in, it will be necessary to control the price of materials. I notice, however, that we have, on the other hand, reduced the loans available for building purposes and that their number has also been limited.

However, I would draw the attention of the government, of whom I am a faithful supporter, to a matter of particular concern to me. You know, Mr. Speaker, that the acoustics of the house are not good. I do not know if it is because of the cold air masses circulating in here, but we do not hear very well. Last night, dealing with restrictions on the use of building materials for home building, the Minister of Trade and Commerce (Mr. Howe) stated, if I heard him right, that this time restrictions would be enforced by close supervision, in order to prevent a repetition of what occurred during the last war. At that time, materials were diverted from home builders to the builders of theatres, dance halls and grills.

I do not blame the government; they may not be responsible, and I am convinced they do all they can to prevent abuses. The experience gained during the last war will, I hope, enable them to exercise close supervision over these materials, so that there will be adequate supplies both for the production of weapons and for home building, and so that building materials are not used for other than strictly useful purposes.

These things must be done now. After all, we are in a period of emergency and things could happen any time whose effects we cannot foresee.

I wish to congratulate the Minister of Labour on having formed a national advisory council on manpower. I am myself a former chairman of a regional employment service committee. There were five such committees for as many districts. I am now told that on March 31 next there will be left only one national advisory committee to look after the whole job.

These regional committees were composed of a chairman—yours truly being chairman for Quebec province—of the president of the Board of Trade, of two representatives of labour unions, of representatives of the provincial department of agriculture, of the armed forces, of the Department of Veterans Affairs and of several other representatives of proven efficiency.

Perhaps it is no longer necessary to maintain five local committees as was done during the war. In those days, there was a committee for British Columbia, one for Alberta, Manitoba and Saskatchewan, one for Ontario, one for Quebec and another for the maritime provinces.

However, should the international situation get worse to the point of causing another war, I am of the opinion that these local committees should be set up again in order to decentralize the national committee because the information secured by the local officers is much more useful than the information coming from Ottawa. That is my suggestion. In my opinion it deserves to be taken into consideration in the light of the experience I acquired while I was a member of one of those committees.

I wish especially to congratulate the Minister of Labour for appointing Mr. Arthur MacNamara as a joint chairman of that

organization. As I do not know the other one, I cannot praise him.

Through my dealings with Mr. MacNamara, deputy minister of labour, I have been able to appreciate his competence, his worth, his broad-mindedness and his zeal. He is one of those civil servants we cannot do without. He is well qualified for the job and there isn't a shadow of a doubt that with him as a joint chairman of the national advisory council on manpower we can expect excellent results from the council.

I shall be brief since I shall have ample opportunity to speak in the house later. I wish, however, to express my views. It is the duty of every representative to do so and I beg my colleagues to favour me with their kind attention.

In closing, I wish to congratulate the Minister of National Health and Welfare (Mr. Martin) on the attention which his department is giving to national health by way of the many grants which are awarded in a non-partisan manner and are provided everywhere on an equal basis to such hospitals, clinics and other institutions that come under his jurisdiction which apply for them.

I am pleased to note that the minister is coming in just at this time. In the near future, I will draw his attention to a very special request concerning Notre Dame hospital, in my constituency. I do not know whether he has heard about it since I am not aware of all the information the minister receives, but may the humble representative from St. Mary be allowed to state the needs of Notre Dame hospital which is to be expanded very shortly. This hospital is located in a very poor district, which happens to be mine. I must say that, from the financial standpoint, the member for St. Mary is on the same footing as most of his constituents. This hospital needs to be subsidized. I have no doubt that the minister will be highly interested in the outline I shall give of this institution's requirements.

That hospital, now almost a hundred years old, has done a lot of good in the district I have the honour to represent.

There is a second request that I would like to make, particularly to the hon. Minister of Transport (Mr. Chevrier) with a view to abolishing tolls on Victoria and Jacques Cartier bridges. I am especially interested in Jacques Cartier bridge because it is located in my county. I wish to congratulate and thank the hon. member for Chambly-Rouville (Mr. Pinard) for putting on the order paper a motion requesting abolition of the toll system. I appeal to all my colleagues from and around Montreal for support in getting that motion through. It is not a vital question but it is important to the city of Montreal and the surrounding towns and villages. It will surely help bring more tourists into our district.

Taking into account the heavy expenditures which are justified in the present circumstances, I believe we might investigate the possibility of finding in those sums of money an amount sufficient for the removal of this toll. It is unfair to collect a toll at those two bridges, which are the only toll bridges in the country.

They are exceptions. The province of Quebec has done away with tolls on all its bridges. I do not see why the dominion government would not agree to treat the citizens of Montreal and the surrounding towns fairly. In any case, I thank the government for the attention it will give the request of the member for Chambly-Rouville, who has asked that tolls be eliminated on these bridges.

I am not in the habit of taking credit for what I am not wholly entitled to but I wish to assure the member for Chambly-Rouville of my full support when he presents his motion calling for the removal of tolls on Victoria and Jacques Cartier bridges.

Now, as I said earlier, I shall have the opportunity, in other debates, to express my views on various matters. I do not wish to detain my colleagues any longer. In my few remarks, I merely intended first of all to introduce myself, then to give voice to my political feelings and more especially to say that it is my intention to support the interests of those whom I represent, particularly the less fortunate, the little people.

(Text):

Mr. H. O. White (Middlesex East): Mr. Speaker, today, like many other members, I wish to convey my congratulations to the hon. member for Welland (Mr. McMillan) and the hon. member for Joliette-L'Assomption-Montcalm (Mr. Breton), the mover and

seconder respectively of the address in reply to the speech from the throne. I am sure also that all of us feel saddened today through the death of the wife of the hon. member for Lake Centre (Mr. Diefenbaker). Our hearts go out to him in his sorrow. I should also like to pay tribute to my former roommate, Mr. Park Manross, of London. Mr. Manross was very kind to me, and I appreciate the association I had with him over a period of four years.

As we meet for this session, probably the thing that is uppermost in everyone's mind is the shadow of war, be it cold or hot, and of necessity our deliberations will revolve around that theme. One need only have in mind the $5 billion defence appropriation forecast by the Minister of National Defence (Mr. Claxton) to realize the seriousness of the days in which we live. I do not suppose any other people on the face of the earth desire peace more than Canadians. Yet the course of world events, not only now but in two other wars, has drawn us into these conflicts. Because of our desire for peace, our enemies, by false fronts of one kind or another, are trying, through propaganda and other means, to cause us dismay, to mislead us and to do everything possible to impede our preparations to defend ourselves as best we can.

In the hands of the communists, peace is a weapon that appeals to every mother and father in the land. But above our desire for peace is our desire—and I think it is probably stronger in Canadians and Americans than in any other people in the world—for liberty and freedom. That is what brought our forefathers to this land in the first place—the desire to get away from tyranny of one kind or another in Europe and elsewhere. Without liberty and freedom, everything is but a mockery, and is ashes in our hands. Therefore let us do everything we can to maintain the freedom which we have preserved throughout two wars, and which now, with our backs to the wall, we are fighting for again. We have assumed very serious obligations to the United Nations and the North Atlantic treaty nations, and we also have an obligation to our own people; let us not forget that.

I mentioned that in some respects we meet here in an atmosphere of anxiety and unreality. The anxiety is with regard to three fronts. On the diplomatic front, are we being wise in our foreign policy? On the economic front we have the failure of the governmen to halt the rising cost of living, which is causing concern in every home in the land. That cost continues to rise, in spite of assurances and assertions that it can and will be stopped. Yesterday the Minister of Trade and Commerce (Mr. Howe) admitted that already it was too late, that business had jumped prices in anticipation of a price freeze. We are also anxious on the military front. Has the government talked us into commitments hither and yon, without the material or manpower to back them up, dispersing our forces in such a way that we shall not be able to fight effectively on any front?

We have a vast, sprawling, sparsely-settled half continent here at home, as yet practically undefended. I mentioned this last fall, and I am going to mention it again. Our hydroelectric installations are not guarded; nor are the chemical plants along the St. Clair river and in the province of Quebec, which were mentioned yesterday by the hon. member for Lambton West (Mr. Murphy). Our canals, the greatest inland waterway in the world; our steel and aluminum plants, so necessary to produce munitions of war—all these are as undefended as a ball park, with not an anti-aircraft battery or an interceptor or fighter squadron or detachment of soldiers to guard them. Some say it is the duty of the provinces to guard these hydroelectric installations, but they have no militia and no way to defend them from air attack.

Then apparently there are no plans to handle saboteurs. Today the saboteur is a traitor. Only recently we heard of attempts to disable the only aircraft carrier we possess. In some cases fires and wrecks in various parts of the country may be attributed to sabotage. Have the municipalities any record of the traitors in our midst? And what about civil defence against bacteriological, chemical or atomic warfare? Our civilians do not know the first fundamentals of how to protect themselves in case of attack. One great failure of the government, I think, is the failure to deal with our communists at home, failure to realize and declare that communists are traitors. Instead they are saying that traitors are communists; and I would like that to sink in.

On the military front, we have listened to optimistic reports by the Minister of National Defence (Mr. Claxton) for three sessions. He will go down in history, I think, as the great consoler, not counsellor. It is so easy to pass it off by saying everything is fine, but it is all on paper. Some of us had the opportunity to go to Cartierville the other day and see

the work being done there. We were glad of that opportunity, but I am afraid that it can be said today, as it was said in the last war: too little, too late. After all those assurances had been given to us during two sessions, came the dawn and Korea, and we had to recruit a special force. Then it was suggested that possibly the Korean incident was over, and there was some discussion as to whether it would be possible to send those troops to Europe. After all, if a man joins the army surely he knows what is expected of him. Let us get it out of our minds that a man joins only to go to Korea and cannot be sent anywhere else. If we are going into the army, let us be in the army and be done with it. Where did that sort of thing get us in the last war? As someone says, we have a phantom army. So far it has been ghostly, costly and ghastly, presaging tragedy in our time.

What about the Russian submarine threat? We have nothing to counteract that. I was interested in what the Minister of Agriculture (Mr. Gardiner) told the farmers in Chatham the other night, when he advised them to grow more soybeans and less sugar beets. Sugar is one of the things we import in large quantities, and if enemy submarines were cruising our waters we would find ourselves mighty short of sugar in a hurry. So I believe we should attempt to build up as self-sufficient an agriculture as possible. It is true that we are not able to produce certain things in this northern climate, but it is folly to produce an overabundance of wheat instead of devoting some of that land to sugar beets, when we may be very short of sugar. That is only one item; I could mention many others.

Mr. Gardiner: I should like to ask the hon. member where he got the idea I had advised a reduction in sugar beet acreage.

Mr. White (Middlesex East): Right here. This is taken from the London *Free Press* of January 30, 1951:

> Mr. Gardiner recalled that in 1937 the farmers in Kent had three chief worries which brought him to the area, sugar beets, tobacco and white beans. They couldn't sell any one of the three crops, he said . . . The chief trouble over sugar beets was that they couldn't be sold at a price to pay the producer for his work and expenses. He could get only $4.60 a ton and required $7.20 to make a profit.
>
> The minister wasn't hopeful that producers could do much better in the future. He reminded that Canada had to keep her trade with countries producing sugar at far less money and, therefore, able to undersell the Canadian producer.
>
> Last year's acreage of sugar beets was the same as before the war and farmers increased acreage in Kent by one-third. Mr. Gardiner warned the farmers they may not be able to sell the sugar at the price they have to get.
>
> Asked what would happen if the present Korean war extended to a wide area and prevented shipment of sugar, Mr. Gardiner said, "Well, of course, war would change the picture entirely."

That is where I got it.

Mr. Gardiner: May I read my hon. friend the newspaper report? That is not a report of the speech at all.

Mr. White (Middlesex East): Who is making this speech?

Mr. Gardiner: I am just asking for permission to make a correction. If the hon. member does not want it now, I can make it when he sits down.

Mr. Deputy Speaker: Order. The minister is asking for permission to make a correction. Does the hon. member give the minister that permission?

Mr. White (Middlesex East): No.

Mr. Deputy Speaker: The hon. member for Middlesex East has the floor.

Mr. White (Middlesex East): In another issue the London *Free Press* reported that Mr. Jewel the CFPL commentator had this to say:

> No man could be wrong oftener than Gardiner. The best thing to do would be to grow sugar beets in 1951.

Mr. Gardiner: That would still be following my advice.

Mr. White (Middlesex East): I should like to say something more about this runaway inflation. This inflation has been sparked by the government's hesitancy, and the hint that controls would be put on if and when necessary. This gave the impetus to those who were in a position to raise prices. The unfortunate ones who are living on fixed incomes, such as pensioners and white-collar workers, find themselves in a position where today their dollar is only worth about fifty-six cents. Labour has been trying to keep pace with this inflationary spiral through contracts with industry, but some have not been able to do that. Every housewife is wondering how she is going to balance the budget.

Returning for a moment to the question of the threat of a Russian submarine fleet, may I say that it was not many years ago that the newspapers on the Atlantic seaboard carried pictures of Canadian boats tied up and idle, their crews paid off. At that time we lost a large portion of our merchant navy. The excuse was that we could not afford to maintain those vessels. A year or two later we find we cannot afford to be without them.

Dealing with the economic front we come to food, clothing and shelter. When the member for Hamilton West (Mrs. Fairclough) mentioned these subjects, I wondered whether we had been comparing notes. These are the three essentials. What of food? I should like to review the food situation, because a lot of the pressure which is being brought to bear on the government today is being directed towards food. After all, the essential concern of the housewife is food. I should like to review for a moment Canada's declining food production. There has been a decline in bacon, cheese, eggs, butter, and many other commodities. Soon we shall have to make a decision as to whether we want to eat. It is just that serious.

I should like to point out what has happened in the last three or four years, and to do so I shall quote an article which appeared in the Toronto *Globe and Mail* on September 13, 1950. This article reviews another report by the Right Hon. Minister of Agriculture, and it says:

> Canada in 1941 had two million fewer people to feed than she has now, yet she had 400,000 more cattle, 580,000 more hogs and more than twice as many sheep as there were at the start of this year.

Later it says:

> The more than eight million hogs in 1943, the peak year, had shrunk to 4·6 million at the beginning of this year. In 1945, the last war year, poultry production was over 82 million birds. By last year it was almost halved at 42·5 million. During the war Canada supplied Great Britain with nearly 700 million pounds of bacon in a single year.

Yet today we can hardly produce more bacon than we need for our own use. If that trend continues for very long, we will certainly be in a serious position so far as food is concerned.

I have a reference here from the dominion bureau of statistics and the dominion Department of Labour concerning the quantities of food which could be purchased by one hour's wages, based on miners in Nova Scotia, carpenters in Toronto and machinists in Hamilton. I shall start to make the comparison at the year 1901, when an hour's wages brought 7·9 pounds of bread; 2·5 pounds of beef; 0·9 dozen eggs; 0·9 pounds of butter and 4·0 quarts of milk. The index for that is 100. Turning to 1920 we find that an hour's wages purchased 8·2 pounds of bread; 2·9 pounds of beef; 1 dozen eggs; 1 pound of butter and 4·6 quarts of milk. The index was 111. We go to 1939, when an hour's wages would buy 10·5 pounds of bread; 4·1 pounds of beef; 2 dozen eggs; 2·5 pounds of butter; 5·9 quarts of milk, and the index is 189. In 1948 an hour's wages would buy 13 pounds of bread; 2·3 pounds of beef; 1·6 dozen eggs; 1·6 pounds of butter; 6·6 quarts of milk, and the index was 155. I am sorry that I have not today's figures, but we know that an hour's wages today will buy slightly more than it would in 1948.

What does the dollar do so far as clothing is concerned? Yesterday I went to the library and looked at a copy of the London paper for July 2, 1923. I found that a man's suit, good and ready-made, was advertised at $19.50, and tailor-made for $27.50. Those were the days when a dollar was worth a dollar and not 50 cents. I shall just quote one example of today's prices and that is children's shoes at $7.50. It is almost a prohibitive price.

What about shelter? I believe probably the most ill-advised moves on the part of two ministers took place a while ago, one dealing with housing and the other with immigration. They certainly did not get their heads together when they announced their plan, because one is going to bring in 150,000 new people who will need homes and the other is going to reduce housing as rapidly as he can. Ever since the war ended, housing has been one of the problems of this country. At a time like this, to curtail housing, of all things, was I think an extremely ill-advised move. I am going to mention two subdivisions in my own constituency, namely the Hale-Trafalgar subdivision and the Byron Veterans Land Act development. The Byron V.L.A. development stood idle for several years while veterans put their names on the waiting list to get the Department of Veterans Affairs to O.K. it as a housing project. Late last year or early in this year the department finally came to a decision to open it up. Now when they are all set to go ahead the government decide that they will curtail housing. Most of the men have not more than the required down payment to start their building operations. This move is only going to aggravate the housing situation.

The immigration policy is just five years late. At the close of the war, when our housing shortage was must acute, we needed to bring in artisans of one kind and another who could engage in the building trade. But what did we do? We brought in some unskilled labour, put them on farms and in a sense froze them there—most of them have now drifted to the cities—and let the cream of the crop, shall I say, go to Australia, New Zealand and the United States. During that five-year period —and this is where the lack of continuity of effort comes in—we had five ministers responsible for immigration. I will mention their names. There were Mr. Crerar, Mr. Glen, Mr. MacKinnon, Mr. Gibson and Mr. Harris.

No wonder we have not any concrete immigration plans. Only with a war on our doorstep do we realize that we need more men.

There is another thing that bothers not only me but, I think, every citizen who reads it. I refer to a recent editorial commenting on the fact that 70,000 tons of rubber were sold in 1950 to U.S.S.R. and 30,000 tons to China as well as large quantities of tin and wool. Most of us can remember when we were shipping scrap iron to Japan, who tossed it back at us with interest. No wonder the young men are hesitating to go into the army when, on the one hand they see the willingness, nay, the keenness, to trade with the enemy and, on the other hand, the invitation to join the forces. We can easily find ourselves in the same position as the United States found themselves in at Pearl Harbor.

I now want to pick up a few of the loose ends. Who is getting the increased prices for foodstuffs? I think everybody would like to know. I refer you, Mr. Speaker, to the *Family Herald and Weekly Star* of Friday, October 13, 1950. The farmers' share is not as great as most consumers believe it to be. The Minister of Agriculture (Mr. Gardiner) and his department have failed to do a public relations job for agriculture. As I understand it, the government has almost 300 ghost writers and propagandists working for them. I would suggest that the Minister of Agriculture secure some of the good ones so that he can point out to Canadians generally the unfortunate position the farmers are finding themselves in with respect to the propaganda that the farmer is the fellow responsible for all these increases in prices. I am going to quote from this article in the *Family Herald and Weekly Star*:

> This climb of food prices to a record level raises the question as to who gets the benefit and as to how the consumer's dollar is divided between producers and distributors . . .
>
> The marketing charge on eggs has doubled, from 7·7 to 15·4 cents a dozen, on cheese has risen from 9 to 20 cents a pound and on beef from 7 to 17 cents a pound. On flour the price spread went up from 2·7 to 3·9 cents a pound, on white bread from 5 to 8·4 cents and on canned tomatoes from 9·3 to 16 cents per 28-ounce tin.

From that article I think it is fairly obvious that the farmer is not the one who is getting the cream. I do not wish to annoy the Minister of Agriculture again, but somewhere I believe he said something about not monkeying with the market for Canadian butter. If anyone monkeyed with the market for Canadian butter, surely it was the government that sits opposite. We heard that there was going to be importation of butter. Then we heard stories to the effect that it was going to be stopped. Then the cabinet reversed that decision and in it came. I wonder who was interested in that butter? Could it have been Canada Packers or other large food distributors? I imagine it could be. Then again —and I only know what I read in the newspapers—

Mr. Gardiner: That is not very much.

Mr. White (Middlesex East): The Minister of Agriculture said that Britain will take four times the amount of bacon she has asked for. Who would not when they are buying it for 32 cents a pound and it is worth 64 cents a pound here? I wish I could get some of it. I also want to say that it is about time we quit subsidizing socialism abroad.

I also want to point out to the government —and they have it in their hands—the brief presented by the Ontario Teachers' Federation with regard to federal aid to education. This matter was mentioned last session and I am not going to go into it in detail. But today the burden is bearing down too heavily on the people who own land. After all, we are not educating acres; we are educating people. The school taxes on some farm land have reached such a height that people are being forced to abandon them as farm lands. I say again that we must make up our minds whether we want to eat or not. Let us do what we can. I understand that federal aid has been extended to universities and to technical schools with regard to the Department of Veterans Affairs and veterans. Let us do what is right in this matter.

I also want to make reference to the announcement made by the Minister of Finance (Mr. Abbott) a year or so ago to the effect that municipalities would be given grants in lieu of taxes where there was a concentration of federal property in those municipalities. That announcement sounded good, but that is all there is to it. As to results, they are nil.

There is one other matter to which I wish to refer before I take my seat. I regret that the hon. member for London (Mr. Jeffery) is not in his seat. The other day I saw a news story in which he is reported to have said that the runways at Crumlin would be extended. I want to point out what I said, as reported in *Hansard* of March 14, 1950, at page 753:

> The runways at the London airport are not long enough to permit these North Stars to land. They have been able to go everywhere in the world but to London, Ontario. The newly acquired jet F-86 is not able to land at that airport, and so it will not be available to the student pilots who are being taught at the R.C.A.F. station there.

I am glad that the hon. member reads my speeches and receives some inspiration from them.

At the same time I also mentioned the need for emergency power there, because it was at that time that the Dow plane crashed and killed the pilot. I also hope that the anxiety of the hon. member for London (Mr. Jeffery) and his efforts towards increasing the length of the runways at London are more successful than his bid to get a grant from the minister for the arena at London.

Right Hon. J. G. Gardiner (Minister of Agriculture): I had not intended to join in the debate, particularly at this point, if at all; but there are one or two matters which have been referred to, and which have been a matter of discussion outside the house, and about which probably I should say something.

Since it has been necessary for me to rise to my feet I want first of all to congratulate the mover (Mr. McMillan) and the seconder (Mr. Breton) of the address in reply to the speech from the throne. I did not have the pleasure of being here to listen to them, but I have had the privilege of reading in *Hansard* what they had to say.

I want to join with the last speaker in referring to what I think has been a great loss not only to those on the other side of the house, but to all of us in the house, and more particularly to those who come from the west, and more particularly still to those who come from Saskatchewan. I have known Mr. and Mrs. Diefenbaker for many years, perhaps as long as any member of the house, and probably much longer. There is no one's presence here from ocean to ocean which I shall miss more than the presence of the late Mrs. Diefenbaker. She had a spirit in moving about the place which will remain here long after she has gone. Most of us will remember her kindly smile to all hon. members no matter on which side of the house we sat. The manner in which she accepted criticism made with regard to remarks of the hon. member for Lake Centre (Mr. Diefenbaker), and joined in discussion with the critic afterwards, was one which we ourselves find most difficult to assume when criticisms are made directly and more particularly of a personal nature. I cannot think of anything better to say at the moment—and the best is not too good—than to refer to the very close relationship that was always demonstrated as existing between Mr. and Mrs. Diefenbaker. I am sure that when he comes back here he will come back a lonesome man, and I trust that we can all convey to him the fact that we are sharing his loss with him.

There are one or two things I wanted to speak about, and this is as good an occasion as any to deal with them. One has to do with the matter of butter, which was spoken of a few moments ago by the hon. member for Middlesex East (Mr. White). A number of stories have been published in the press recently which are so far from the obvious facts that I can scarcely understand their being repeated. For example, it is suggested that some decision was made by the government while I was here on January 24, which was reversed at a meeting on January 27, after I left. Well, surely, anyone who took the trouble to look up the press will know that I was not here at any time after January 20. I left on the night of the 20th, went to Calgary, and I was not back here until February 5. Therefore, it is obvious that there is no basis in fact for the story which is told with regard to discussions and decisions in council.

Then the further fact should be obvious to every hon. member who follows what is going on. This whole question was discussed not on January 24, but on December 28, and the results of the discussions which took place on December 28 were made known, if not at the time, then two or three days after that time; and the whole question that had to do with the importation of butter into Canada from New Zealand was dealt with directly by calling in the four parties concerned, including the one organization that my hon. friend referred to. There is no secret about that. Canada Packers, and three other organizations, were called in to Ottawa and asked questions with regard to the purchase. When it was suggested that they had purchased 4½ million pounds, not 2½ million pounds as is suggested in some of the articles, but 4½ million pounds of butter, from New Zealand, we made inquiries as to whether they knew that it was necessary to have the consent of the government of Canada to the importation of butter from New Zealand.

They intimated that they did not know that. Well, it was suggested to them that that was the fact, and it was also suggested that in the opinion of the government there was sufficient butter in Canada to take care of the situation until the new butter comes on the market in the spring, provided that it was properly distributed.

They have their own means of gathering information, of course, and do not necessarily need to accept the opinions given by the officials of the Department of Agriculture, and they held a different view. They said they thought that 4½ million pounds of butter would be required to add to what we considered would be very close to 8 million pounds that would be in surplus to what would be required to carry us down to May 1. After all, one must admit that that is more or less a matter of opinion. We said that

we would likely have 8 million pounds surplus on May 1. Those who had arranged for the importation said that they thought we would just about break even and that we would need to have the 4½ million pounds at the end of the dairy year in order to carry over.

Well, we examined the figures, examined the records, and we finally agreed that if we were correct a year ago when we had discussions in this house with regard to butter, and when member after member on the other side of the house got up and accused this government of having too big a supply of butter, a surplus that was going to cause us trouble, then if that were correct and the figures we have now are correct and the figures the companies have now are correct, we were almost bound to have between 7 million and 8 million pounds of butter at the end of the year.

The next thing that was said by the companies was: We have the butter; we have purchased the butter and while it is not yet loaded, if it is going to be here toward the end of February or the middle of March, when it is expected it will be required, it will have to be loaded early in February. So they desired to have the consent of the government to have the butter brought in in view of the fact that it had been purchased.

We were not so much concerned about the amount of butter, because after all it was only 4,500,000 pounds or 4½ days' supply, as we were concerned about establishing the position with regard to butter coming to this country from New Zealand. Practically all the distributors of butter must come to the government for butter at this time of year. They have been distributing their own butter up until now. We purchased 34 million pounds of butter last summer and we began the distribution of it about the beginning of December. So in January the distributors must come to the government in order to secure their supplies of butter. All four of these concerns must get butter from us day by day from now until the time this shipment comes from New Zealand or they will have little or no butter to distribute.

We said to them: You are going to require butter; and they agreed with that statement. The arrangements which were finally made after the discussions were that for every pound of butter we supplied to these four companies between now and the time the butter arrives we will get back one pound when the butter does arrive. In other words, the pounds are delivered to the dairy board to be distributed to all those who require it from that time on and from one end of Canada to the other so that none will be dealt with any differently from the others. I should like to tell the hon. member who was making sneering remarks with regard to Canada Packers a few moments ago that Canada Packers were the first to consent to the arrangement. They stated they were anxious to co-operate in every possible way.

I think that will indicate that in so far as the butter coming here is concerned it is to be handled in a manner which will be in the interests, not only of the producer but of the consumer as well, in order to see to it that butter prices are not forced higher than they should be forced between now and the time the new butter comes.

The other question which was of greater importance than any of these matters, in the light of the fact that the amount involved is not very great, was the establishment of the position which existed here earlier with regard to butter. I shall not go back over the whole record which I have placed on *Hansard*. But the press from time to time have wanted to know why they did not know about certain things long ago. I suggest that if they had read *Hansard* they would have known all about this long ago.

The facts are these. Away back in 1931 the duty on butter was eight cents per pound under the British preferential, 12 cents per pound under the intermediate tariff, and 14 cents per pound under the general tariff. The duty remained at those levels until the time of the Geneva conference when the general rate was reduced from 14 cents to 12 cents. The duty is still 12 cents per pound on butter coming into this country from anywhere else but within the British empire.

The rate of duty on butter from New Zealand and Australia is three cents per pound lower than the British preferential rate which was put on back in 1931. It is five cents per pound and as a result of its being five cents per pound it was agreed by both New Zealand and Australia that the consent of Canada be obtained before shipment is made. My friends in the opposition should be claiming credit for this because it was done by Mr. Bennett, who had them agree that for thirty days he could place conditions on shipments of butter to this country from either New Zealand or Australia in order to have an understanding with regard to its distribution before it was landed in this country. His method of dealing with the situation in 1933 when butter was purchased, as this butter has been purchased, without the consent of the government and sent to this country, was to arrange when it was halfway across the ocean at the beginning of March that it would be placed in bond for thirty days when it arrived in Canada.

Immediately there was a communication from New Zealand asking to have the butter released and he suggested the conditions under which it was to be released. Those conditions were that he put on a heavy dumping duty which made it impossible for persons to make undue profits as a result of bringing butter here under that situation. That condition continued in just exactly that way to 1938. In 1938 when we were drawing up new agreements with New Zealand certain understandings were reached, one of which is referred to in a letter addressed to the Prime Minister (Mr. St. Laurent) on January 26, 1951, which accounts for what was done on January 27, 1951.

Early in the fall I had some discussions with Mr. Hislop, the High Commissioner for New Zealand. He came in to make his first call when he came from New Zealand and broached the subject of selling butter to Canada. I intimated to him that there was an understanding between New Zealand and Canada with regard to the importation of butter into this country, and that understanding would be carried out if it were suggested that any butter was to come. I said that so far as we could see at that time we did not think it advisable for them to be considering the sale of butter here as we did not think we would require it this year.

As is stated in this letter, I called him, I think on January 3, and let him know what had happened, namely, that a sale had been made. My understanding is that he did not know anything about this butter having been sold here up until the time that I discussed it with him. He inquired into the whole matter and finally wrote to the Prime Minister on January 26, and this is part of what he said in that letter:

> In July, 1938, during negotiations for the renewal of trade agreements between New Zealand and Canada, Canada agreed to remove the exchange dumping duty which was then being applied to New Zealand butter but asked for an assurance that if and when, in the opinion of the Canadian government, shipments of butter threatened the interests of Canadian producers, the New Zealand government would restrict shipments to reasonable and satisfactory proportions. New Zealand gave this assurance and there was an understanding that should any difficulty arise the matter would form the subject of consultations with a view to arriving at a mutually satisfactory agreement.

That is the agreement which has been on the records ever since 1938. It was still there, and since that was acknowledged by the representative of the government of New Zealand the Canadian government took action which removed any restrictions that might have been imposed so far as New Zealand butter was concerned until the question had been discussed with the prime minister, Mr. Holland, who was on the way to this country at that time. When he came, as has been reported in the press, he agreed that this understanding was still to continue. That is the only matter that we had in mind in carrying on the discussions and the negotiations until the records were made complete. The records having been made complete, the situation is that we have control of the butter, and New Zealand is not sending any more butter here if we object to its coming, or until such time as we have reached an understanding as to what butter should come.

Coming back to the stories that have been told with respect to the situation within the government itself, I stated at the beginning that the discussions took place on the 28th of December. It has been suggested in many of the statements that have been made, and suggested in questions asked on the floor of the house, that other senior members of the government were not here, certain things had been done, senior members of the government return, and certain other things are done. All the senior members of the government were here on the 28th of December when we reached an understanding with regard to the handling of the butter situation.

As every member of the house knows, I was acting prime minister from that time until about the 17th of January. During that period of course the question did come up for discussion, but no action was taken in any council meeting with regard to the matter while anyone was absent from Ottawa. The understandings were reached before other members of the government went away at the beginning of the year and when they came back were acted upon when I was not here myself. The order in council passed on the 24th day of January was passed when I was not here but it carried out the undertakings that were given on December 28, and carried them out in full. The government had decided that, while the other ministers were away, if it were necessary I could have the right to issue permits in order to prevent butter from coming to Canada, not from New Zealand because we have this other control on New Zealand, but from the Argentine or anywhere else. By the time it became necessary to discuss it later on the necessity for such permits, so far as the Argentine or any other country was concerned, had disappeared, and the fact is that the government withdrew the order in council.

What I should like to say to the house and to the country is that all that means is that the statement made at the beginning of the year after the meeting of December 28 has been proven correct by everything that has happened, namely, that if it is necessary at

any time to have the right to issue permits in order to avoid difficulties arising which should not arise then the government will see to it that that authority is there. But there is no reason for anything being done about butter between now and next December. Reason for a permit never does exist until December of any particular year, and the reason for its being in existence is completely gone by at least the middle of February, and practically altogether by the beginning of February. The reason for that is obvious. It takes more than a month for butter to come here from New Zealand. No one is going to ship butter to this country in the middle of February, without any previous knowledge with regard to it, if it is not going to be here until the middle or end of March. Shortly after the first of April our farmers are themselves producing butter as fast as we are eating it.

In other words, the time for control is only a period of about two and a half months at the outside, and the control that is needed only needs to exist for about two months in order to make it effective. We had that control for as long as we required it, and no doubt if there was any reason for having it at any other time we would have it again. That is the story in relation to butter.

I come now to sugar beets. I have in my hand the document which I had when I was at Chatham. I have here the figures which were produced at that time with regard to both soya beans and sugar beets. I think the report which appeared in the London *Free Press*, and from which my friend read, is a report of a press conference and not a report of my speech. Therefore the report of the two may not necessarily be the same, but nevertheless the facts in connection with the two occasions are the same. I am not going to attempt to correct the figures which were read from the report. I think the gentleman reporting must have been just listening and then afterwards made up the report as best he could, because at no time in that discussion did I make any reference whatsoever to the cost of sugar beet pulp being $7.20 or $7.80 in Ontario.

I recited something which probably the hon. member for Lethbridge (Mr. Blackmore) may remember. I said in the press conference—not in my speech—that I recalled my first experience with sugar beets. It had been in the office of the minister of finance, the Hon. C. A. Dunning, the first year that I was here. I said that one of the members making representations at the time was the hon. member for Lethbridge, and that he had used a figure which I said I was using from memory. I said that I might be a little out but I did not think I was very far wrong. I said that the figures given by him at that time were that the cost of producing sugar beets in the province of Ontario was somewhere between $4 and $5 a ton, the cost of producing in Alberta was something over $7 a ton, and that therefore certain things possibly would require to be done in connection with sugar beets in one section of the country that were not required in another section.

I just recite that here. It has no bearing on the question raised a few minutes ago except that those are the figures used in the London newspaper report. They were not used in my speech. They were not used in any other way but in that discussion, and had no relationship whatsoever to costs at present.

Coming back to the discussion, one of the reporters at that meeting was determined that he was not going to discuss with me sugar beets, soya beans or anything of that kind. First of all he wanted to discuss the question of selective service, and I said, "Well, that is not my responsibility. The house is going to meet tomorrow. The speech from the throne may say something about it. I do not think this is the proper place for me to say anything about it." Therefore I did not say anything. Then he said, "Haven't you any personal views on the matter?" I said, "Yes, I have, but I cannot think of any place where I would be less likely to express them than here."

Another matter he wanted to discuss was the control of prices, and I said that was not particularly my subject either at the moment. He excused himself, left the meeting, and we went on with the discussion about other matters later.

We were in the middle of this beet discussion when he left; and the question that had been asked me just before he left was in what cash crop I thought the farmers in that area ought to increase their production. My reply was soya beans. He asked if I would not add sugar, and I replied that I would not; that I would recommend soya beans. Then one or the other asked whether I would say they should reduce the acreage of sugar, and I replied, "No, I have not said that."

That was about all the discussion which took place at that time. When I was speaking to them after lunch I thought perhaps I had better deal with the subject, so I picked up this document, the current review of agricultural conditions in Canada, and turned to the subject of soya beans at page 100. There it says that the acreage in soya beans increased from 103,000 acres in 1949 to 142,000 acres in 1950, representing an increase of

36 per cent over 1949 and an acreage 196 per cent greater than the 1943-47 average. This increase resulted in part from the introduction of new varieties, which has extended production over wider areas.

At that point I took a great deal of credit to the department for having produced these varieties; I think you would expect that. However, if you wish to read a proper report of what was said, it appears in the Chatham newspaper, which I do not think is a supporter of this government. That report is very complete, without pretending to quote me word for word. In that report they say I gave Mr. Bennett credit for having converted me to the idea that soya beans ought to be produced in the southwestern part of Ontario. That was during my first session here. I am sure the hon. member for Peel (Mr. Graydon) will remember the speech by the late Lord Bennett, who had just been down through the United States and had looked into the possibilities of soya beans. I have never heard a better explanation of what can be done with soya beans than was given in this house on that occasion. I went directly from this chamber to my department and asked my officials about it. I asked what could be done to speed up research and find varieties of soya beans that would grow at least in the southwestern part of Ontario, and perhaps elsewhere in Canada. We have been trying it out in Brandon and other places as well since that time.

The night after I was in Chatham I was at the agricultural college in Michigan and when I mentioned to the officials there that we were growing soya beans across the lake they immediately said, "We must get in touch with your research men to find out what varieties they can grow there." In other words we have been doing a job on the soya bean. So I told these people they could increase their soya bean acreage, and I gave the reasons. I told them we only grew half the soya beans we used in Canada at the present time, even with the increase of 36 per cent last year, and that we were not using them for one-tenth of the purposes the late Lord Bennett told us they could be used for. We have been using them largely for feed, and a few other things; but with all the other uses to which they could be put there was practically no production limit to the amount of soya beans that could be marketed in this country.

That was what I told them. Then these people wanted to know if sugar beets would not be just as good. I turned up the records and pointed out that in 1950 we had 102,000 acres in sugar beets, an increase of 18,500 acres over 1949 and of 46,000 acres over 1948. There were increases in acreage in all producing provinces, the largest percentage increase being reported from Quebec. Then I went on to suggest that we were discussing commodities in an area organized on the basis of commodities; and may I say right here that in Kent county they have the best organization I have seen anywhere in Canada on the basis of commodities.

I went on to tell them that, as far as Ontario is concerned, most of the sugar beets are grown in that area. I told them they had 33,700 acres on an average between 1935 and 1939, which was during the first four years I was in this house. Then I told them that during the period 1943-47 they had cut down their acreage to 16,700, and in 1948 had brought it up only to 18,400, while in 1949 they had 34,200 acres which was only 500 acres more than the 1935-39 average. Then I went on to read what is contained in this report:

> Refining equipment in Manitoba and Quebec will be operating near capacity this season. A slight increase in acreage is needed to fully utilize the plant capacity in Ontario and Alberta.

After reading that I said I was not going to give them the same advice with regard to sugar beets that I had given with regard to soya beans, that they should go ahead and increase their acreage without limit. I said I was going to ask them to examine the records, not only in this country but elsewhere, in order to determine for themselves whether or not they should increase their acreage in sugar beets. I called to their attention the fact, which members from that section of Ontario will know, that for a period of time we had a very difficult time in connection with the marketing of three products, tobacco, white beans and sugar. The producers of tobacco solved their problem by having their own marketing board set up under an Ontario act. That board handles all the tobacco, and we have had no trouble in connection with tobacco since the early part of the war. I reminded them that their own board had asked them to reduce the acreage of burley tobacco, and that they had done so exactly in accordance with the request of that board. As a result their tobacco was being marketed and they were not finding it necessary to come to Ottawa for any help. So I suggested that they might find a way out in connection with sugar by doing the same thing; that their board would be able to examine conditions in the southern part of the United States, in Cuba and other

countries where sugar is produced from sugar cane, and compare conditions there with conditions here.

I did advise them, it is true, not to listen to the agitation which might be carried on by some interested parties to go on and greatly increase that acreage, until they had all the facts. I advised them to organize as the tobacco people had and then to follow the advice they might be given by their own board. At the same time I emphasized that they should increase their acreage until they got it up to the capacity of their plant, and that then they should make a careful check to determine whether there should be any further increase. If anyone in the house has a better suggestion as to what they should have been told, I should like to know what it is, because all we want to do is help them. So I was surprised in listening to the radio this morning to hear it said I had suggested that they should cut down on their acreage. I immediately sent this wire:

Mr. Eugene King,
Chairman, Ontario Beet Growers Association,
Royal York Hotel,
Toronto, Ontario.

I learned from the radio this morning that certain misinformed executives . . .

They had called me misinformed, so I thought I might return the compliment.

. . . stated to your meeting that I had suggested that "beet acreage should be reduced". I was discussing acreage in Ontario and particularly in Kent only at Chatham and at no time suggested that either there or elsewhere should beet acreage be reduced. I stated sugar beet acreage should be increased in Kent sufficiently to take up the capacity of the plant now there and that if any change is suggested the producers themselves should through their own producer organization check world conditions related to sugar before further increasing. I recited reductions in acreage in the past and recent increases but at no time stated anything which would justify anyone saying I suggested decreases.

I assume that telegram will be placed before the meeting.

While my hon. friend was speaking I started to read another report which appeared in the local press concerning the same thing, and which I think you will agree is not very far from what was stated here. This report appeared in the Chatham *Daily News* and is a running record which the reporter made. This is what he says I said:

"For a time beets declined in this district because farmers found that soybeans paid much better. It is just lately that the acreage has been big enough to run two plants, and already some farmers are beginning to question the wisdom of growing too many beets."

"We should always remember," he emphasized, "that this is not the natural country in which to produce sugar."

[Mr. Gardiner.]

I may say that I read in one of the other papers that I had said beet sugar. I did not say "beet sugar", I said "sugar" as this report states. The report continues:

"They can make it cheaper to the south and are able—whether because of slave labour or some other factor—to sell at cheaper prices."

"We need enough beets to keep the plants we have operating and the companies say they are running slightly below capacity—but it would be just as well not to be led into something which may involve a big risk."

That is just in accordance with what I have said. This report is just about as true a report as one can get of ten minutes of a speech summarized in a few sentences. The record is there for anyone who desires to read it. I find it difficult to understand why so many people are trying to create so much difficulty in connection with everything that is said and done these days.

On one of the occasions when I was speaking recently a very bright young fellow whom I had never seen before—I do not know to what political party he may belong—came to me with a copy of my speech in his hand. I had read it. He said "Would it be proper for me to infer when you said this you meant that?" I said, "You have a copy of the speech in your hand, why not print it; I read it." He said, "We are asked to get inference stories, and if you would not mind I should like you to give me one." I said, "I do mind; that is what I said, that is what I wanted to say, and that is what I want the public to know. If you will print it, I shall be very much pleased." If we could get that type of reporting on everything we say, no matter where we say it, it would be a lot better for everyone. I say that with regard to reports inside this house as well as outside of it. It is just as well to have a report of what you did say and let the people draw their own inferences if they wish to do so. We usually try to express ourselves clearly.

The hon. member said a lot of things to which I shall not attempt to reply. He just said them, and then went away and left them, so to speak. There was one remark, however, that I cannot leave unanswered. It had to do with the prices of food now as compared with the prices of food some time ago. The suggestion was made that there was a much wider margin somewhere, but the farmer did not get his share. Well, that may be true, but when the figures were quoted I am sure my friend will agree when I say that at the time I was first discussing this question in this house beef on the hoof was

worth six cents a pound. I should like you to look at what you would get for six cents now.

Mr. Ross (Souris): Yes, but the farmer is not getting his share.

Mr. Gardiner: My friend says the farmer is not getting his share. All I have to say to that is that he is getting a very much larger chunk than he ever got before, whether it is his share or not.

Mr. Graydon: It takes a larger chunk to pay for what he has to buy.

Mr. Gardiner: Yes, it takes a larger chunk to pay for what he has to buy. I do not know whether the member for Middlesex East (Mr. White) was trying to outdo my friends in that corner, but I find it a little difficult to follow them. I have sat in this house for fifteen years, and that takes me through seventeen sessions, listening to their representatives talk about low prices, not only for farm products but low prices for everything, which meant low wages. There was a lot of reference to the terrible times in the thirties because of the depression, and the fear that they have that we are going to return to that condition. Recently they started going up and down this country saying that we must have controls in order to cut prices down, and I have heard them say in order to put wages down, in spite of the fact that some people in the house have been accusing them of not including wages. Some of their leaders have included wages.

What I have said to them in reply when I have been outside of the house I want to say now inside the house. I have never known a time when people were prosperous when prices and wages were not going up. Prices and wages go down when we are going to have a depression. I find it difficult to understand why my friends spent all the years of their existence as a political party building up the idea that returns should be higher. I am sure my friends—Social Credit—a little further down will not agree with this reducing idea, because they have always said that we ought to have more of the medium of exchange to spend. You only get greater spending power by having higher prices and higher wages. Farmers get greater spending power by having higher prices. Fishermen get greater spending power by having higher prices. Labourers get greater spending power by having higher wages. I am quite satisfied if our friends get out of the way, and let the Liberal party take the course it has always taken throughout history of being the real leader and defender of labour and the farmers, the country will prosper, Mr. Speaker.

Mr. Ross (Souris): Mr. Speaker, would the minister give the date of the agriculture quarterly from which he quoted?

Mr. Gardiner: It is dated October, 1950, volume 2.

Mr. J. H. Ferguson (Simcoe North): Mr. Speaker, I wish to congratulate the mover (Mr. McMillan) and seconder (Mr. Breton) of the address in reply to the speech from the throne.

Having come from a legal family, I have always had impressed vividly on my mind the picture of justice in which she is blindfolded, holding a scale in one hand. This means that nothing will change the balance but a consideration of the facts.

I cannot help mentioning a recent occurrence. It involves a man who sought refuge in this country that is known as Canada, the home of the free. Count Jacques de Bernonville, apparently driven from his own country and finding it necessary to seek a place of refuge, sought freedom and protection here in the great land of the free, Canada. Apparently he had been tried or would have been tried in his own country by a court greatly tinged with the ideals of communism and dispensing justice as we know communist justice. That man came to this country and has lived here as a law-abiding citizen. Just recently our country has seen fit to inform the people of Canada that, according to our immigration laws, he is going to be forced to go back to his own country, to be tried by a court that we hope will be fair. But a man would have to stretch his imagination a great deal to believe that France is at the present time in a position to give that man an absolutely fair trial. I believe that Canada could have balanced the scales of justice more equally by giving that man protection for a little longer time, until there can be no semblance of doubt about the fairness of the trial he will receive, particularly when we have impressed on our minds every minute of the day the kind of fair trial that poor soul may expect to get in his homeland of France if the taint of communism is not entirely wiped out from the minds of the people who are trying him. I do not think this is the time for that man to be sent back to his own country.

The speech from the throne contained suggestions about things that might be done in Canada, that should be done and could have been done but that apparently have not been done. The speech was not enlightening

with regard to what the people, who are anxious to find out about various important matters, could expect from this government in the near future. For instance, in this house on many occasions there have been discussions about a pension of some kind for permanently bedridden or crippled Canadians, men, women and children; but to date I and the majority of the citizens of Canada have not the vaguest idea what this government intends to do to provide help for people who find themselves unable to help themselves or to provide the necessary wherewithal to live. I believe that is a question that deserves immediate attention on behalf of the people of Canada. As the representatives of the people of Canada this government should immediately do something about that situation. We have pensions for the blind and for the aged. I want hon. members to pause for a moment and say to themselves, "Have I not seen some person who is crippled through disease and who now finds himself in the position of being utterly unable to provide himself with a livelihood?" We feel that when people reach the age of seventy—and this is true of many people when they are less than seventy years of age—it is possible for a human being to find himself or herself in a position of being unable to provide the necessities of life. That is what the old age pension is for. Surely the same sympathetic and common-sense feeling should be displayed toward any person in Canada who is not as fortunate as are we members of the House of Commons and, thank goodness, the great majority of Canadians; I refer to the person who finds himself unable to provide for himself. We who enjoy health and the wherewithal with which to provide sustenance for ourselves should gladly provide adequate pensions not only for the aged and the blind but for those who are crippled and bedridden and cannot provide for themselves.

Another matter to which I wish to refer is that of civil servants' pensions. That item should be looked into by this government in an ordinary common-sense manner. When civil servants have retired on a pension agreed upon at the time of their service but, owing to the increased cost of living, the pension is not adequate to provide a decent, respectable living for people who have given years of diligent and valuable service to the people of Canada, surely that is another item that should be gone into thoroughly by this government without further procrastination. In doing so, I am sure they would have the approval of all decent-thinking Canadians.

The housing situation is now apparently taking a turn for the worse, owing to the actions of the government in recent weeks. We may find an increased shortage of houses which are greatly in demand and highly necessary, because of the fact that there is an increasing shortage of materials. Yet only a few weeks ago I read in a daily paper a report to the effect that a $100,000 bank building is to be erected in the city of Hull. I cannot conceive that there is an actual shortage of building materials when a restraint has not been put on such edifices as bank buildings. One bank alone in Canada owns approximately 600 branch banks. We have seen the banks mushroom up here and there, debating amongst themselves whether one bank would settle in this town and another settle in that one. Irrespective of price, they bought the finest properties in all the towns and villages throughout Canada. Surely we believe today that the banks in Canada have adequate storage space for the vast hoards of money which they are constantly garnering in. Surely they could sacrifice their interests, for a period of time, in favour of those who need homes, and could postpone the erection of what I believe are absolutely unnecessary new bank buildings. I believe that the erection of a bank building is worse than the erection of a moving picture theatre. I believe that people need entertainment but I believe that some curb should be put on the erection of such absolutely unnecessary buildings as bank buildings, when it is a matter of making a choice between them and homes for people.

Another most important matter which apparently seems to be coming to the fore is that of immigration. In this house over the past four or five years, I have repeatedly advocated that a stepping-up be given to this government's efforts on immigration. On one occasion I can remember the then prime minister giving the shipping situation as the excuse for not bringing immigrants to this country. We needed all the boats to bring our soldiers back from far-off battlefields. There was a shortage of shipping space. We could not bring in the immigrants we would like to.

I also recall, as has been mentioned today previously, there has been a continuous stream of ministers of immigration. It seems to be one department of the government that no person cared much about. They do not seem to desire to survive. They do not care whether they do or not.

I do not believe that all of the muddling of the present immigration situation in Canada is due to the present minister. I believe he took on his shoulders a situation that was worse than deplorable, owing to a lack of

government interest, and also to government mismanagement. Some things get down so low that there is little life in them. It is almost impossible for a man like the present minister to revive the department.

Only the day before yesterday the hon. member for Vancouver South (Mr. Laing) disclosed quite clearly that he has not been reading very much about the activities of that particular department, or he has not been paying much attention to the appeals from the opposition for immigrants. He said that apparently immigration these days was taking about the usual course that it had followed over the past fifty years. I should like to remind him that that is not so. Sir Clifford Sifton in 1902, 1903, 1904, 1905, 1906, and 1908 stimulated immigration for the Liberal party. At that time the Liberal party did just about the greatest job on immigration that has ever been done in Canada. From that period on they have held office in Canada as a government, I am sorry to say, and most Canadians will be sorry also, except for a few short periods. Since that time the Liberal government has never carried on or attempted to carry on the job that was carried on by Sir Clifford Sifton.

There are members in this House of Commons today, and others who hold high positions in Ottawa, who are the sons of immigrants brought out during that period. Their parents were of the right kind of stuff. They produced the right kind of children, and they have been a credit to Canada. They have set an example that could well be followed by many people who lived in this country prior to the 1900's.

In my part of Canada, Simcoe county, there are, it gives me a great deal of pleasure to say, tobacco farmers who have come from practically every part of Europe. They are diligent, hard-working, thrifty people, men who have produced wealth from the almost desert sands of that small section of Simcoe county. They have produced millions of dollars' worth of tobacco, the finest type and quality of tobacco produced almost anywhere in the world. The people who came there from Austria, Germany, Holland, France, Belgium and many other European countries are not afraid to bend their shoulders to the yoke and work with meagre, insufficient tools, and produce, by the sweat of their brow on lands that a few years ago produced nothing and were considered farms of no value, millions of dollars' worth of produce for the people of Canada. Not only that, but they set an example in the harmonious way in which they live. That harmonious way of living is appreciated not only in Canada but elsewhere, and is an example for the entire world.

Several months ago I was driving along the highway and I noticed that one of the tobacco kilns had commenced to burn. Somehow or other it had caught fire. Within a very few minutes trucks and automobiles were transporting practically every nationality in Europe to that one fire to help. Without any hesitation the tobacco producers, irrespective of religion, irrespective of the origin of the owner of the kiln, came there to help. That is the kind of spirit that spells unity. These are the kinds of people we want in this country to help build up the great Canada that my forefathers envisaged when they came to this country 130 or 140 years ago. They contributed their share in order to create a Canada that would be worth while and would be open to other people to migrate to and become good Canadians.

Mr. Stalin and our communist friends must get a great deal of solace out of the treatment we have handed to people in foreign lands. I refer to the way in which we have treated people in the past ten years who wanted to come to this country. On the one hand we called them friends. We have said: You belong to countries outside the iron curtain; we are your friends. And yet until recently we were at war with the Germans. We would not let them come to this country because we were at war with them. This government took the German soldiers who had been taken prisoners, who had paid the penalty for fighting for their own country, and sent them back to pacify Russia. We sent them back regardless of the fact that these men wanted to stay and do their share in building up this great country of ours. Now if they attempt to come to Canada they will pay through the nose. They will pay an amount for their passage which is almost prohibitive. Because of the amount they will have to pay for a passage it will be almost impossible for them to come here to seek employment in our factories and on our lands. Some effort should be made to reduce the cost to an immigrant of coming to this country.

We have been endeavouring to show the correct path to the Chinese, but any Chinese living in this country and who have families in their own land love their wives and children just as dearly as we love our wives and children. But if the Chinaman in my town of Collingwood wishes to bring his wife and two children to this land of liberty, the Dominion of Canada, it will cost him

approximately one thousand dollars. I suggest that some form of transportation be made available so that these people, if they wish to, can travel on a steamship not any better than but just as good as that which was good enough for our soldiers to travel overseas and good enough for them to return in. I am sure that if the cost of the passage and the transportation was reduced we would get more of these people to come here and be enlightened and thereby enjoy our freedom, and we would have a great improvement in our immigration numbers.

On motion of Mr. Ferguson the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Howe: I move that the house do now adjourn.

Motion agreed to, and the house adjourned at 6.02 p.m.

HOUSE OF COMMONS

February 12, 1951

The house met at three o'clock.

FEDERAL DISTRICT COMMISSION

ANNUAL REPORT FOR YEAR ENDED DECEMBER 31, 1950—AUDIT OF ACCOUNTS FOR YEAR ENDED MARCH 31, 1950

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I should like to lay on the table two copies, in English, of the annual report of the federal district commission for the year ended December 31, 1950. The French version is being prepared and will be brought down as soon as it is ready.

I should also like to table two copies of the report of the audit of the federal district commission's accounts for the fiscal year ended March 31, 1950.

THE REGULATIONS ACT

STATUTORY ORDERS AND REGULATIONS—INDEX AND TABLE OF AMENDMENTS

Right Hon. L. S. St. Laurent (Prime Minister): I should like to lay on the table two copies of the first consolidated index and table of amendments of statutory orders and regulations published since the Regulations Act came into effect. Perhaps it would be useful if I gave a short word of explanation of the consolidated index and table of amendments.

Hon. members will recall that the consolidation of the statutory orders and regulations is as of the 31st of December, 1949. This index is an alphabetical index of all orders and regulations passed during the year 1950, with an indication of the publication and the page at which they are to be found.

There is also an index in the form that has become traditional in our statutes, of the orders and regulations themselves, in alphabetical order, with an indication of the amendments thereto made during the year 1950. It is the intention to have the consolidated index and table of amendments kept up to date quarterly. Therefore each quarter there will be a new edition which will enable those who wish to consult these orders and regulations to have in convenient form an indication of what is in the five volumes of consolidation, and an indication of what has been done with respect to any order or regulation since that time.

Mr. Knowles: Does the index indicate as well the orders and regulations that have been cancelled?

Mr. St. Laurent: Yes; it is a report of what has happened to what is in the consolidation since it was published as of the 31st of December, 1949.

ROYAL COMMISSION ON TRANSPORTATION

STATEMENT AS TO PRESENTATION AND TABLING OF REPORT

Right Hon. L. S. St. Laurent (Prime Minister): I should like to inform the house that the royal commission on transportation handed its report to the Minister of Transport (Mr. Chevrier) late Friday night, that it was received in the privy council office Saturday morning, and that the usual minute with respect to it was adopted by council today transmitting it to His Excellency the Governor General. At the same time instructions were given to have it printed with all possible dispatch, and as soon as it is printed it will be tabled and published. It is a document of 693 typewritten pages. It is signed by the three commissioners, and includes an appendix of observations and reservations by Dr. H. F. Angus, and a memorandum on transportation by Dr. H. A. Innis.

STEEL

EXTENSION OF RESTRICTIONS TO ADDITIONAL CLASSES OF CONSTRUCTION

On the orders of the day:

Right Hon. C. D. Howe (Minister of Trade and Commerce): I wish to make a brief statement on the supply situation affecting steel.

In my remarks in the house last Thursday I indicated that further orders might be necessary to protect supplies of steel for essential construction projects. Order No. 3 was issued on Friday last. This order restricts the use of steel for a wide range of construction projects. Order No. 1, which was issued last December, remains in effect until March 1, when order No. 3 becomes effective in its place.

This extension of restrictions to additional classes of construction has been made necessary by the increasing requirements of steel for urgent projects which are essential to our

preparedness program. For instance, we must assure adequate supplies of steel for construction of radar stations, military barracks and other projects which are required for the armed services. Also, we must assure a supply of steel for the construction of factories for the immediate production of aircraft, radar equipment and other military items. Equally important for the long pull to our joint defence efforts with other members of the United Nations is the expansion of Canadian capacity to produce strategic raw materials and to provide transportation and other essential services for the defence program. It has become apparent during recent weeks that in order to proceed with these urgent defence projects, restrictions must be placed on less essential types of construction.

My order No. 1 restricted use of steel for a few classes of construction, such as places of amusement, entertainment or recreation; construction for the merchandising, storage, manufacturing or processing of liquors, spirits, beers or wines; construction for the manufacturing or processing of tobaccos, cigarettes, cigars, carbonated beverages or confectionery; as well as use of steel for outdoor advertising signs. Order No. 3 adds to this list a wide range of other construction, including office buildings, hotels, printing establishments, banks, construction for the purpose of furnishing personal services, construction for the purpose of storing, distributing or displaying consumer goods, and construction of storage warehousing for personal effects.

The administration of this order has been delegated to the recently-established steel division of the Department of Trade and Commerce. Because of the critical supply situation for steel for construction projects, it will not be our policy to authorize projects on the restricted list where actual construction has not yet begun. In those cases where actual construction has begun and is well under way, it may be possible to authorize completion of the jobs, but each case will have to be considered on its own merits. It should be noted particularly that even where permission is given to complete a project on the prohibited list, this authorization does not assure availability of steel for the job, and it does not constitute any priority whatsoever for supply of the steel. It is most important that there be no confusion on this point.

Another point that probably requires some clarification is that order No. 3 restricts the use of steel materials for construction of a building. It does not restrict the use of steel for the manufacture of products such as builders' hardware, doors, fixtures and mechanical equipment, even though such manufactured products may be incorporated in or installed in prohibited buildings. I understand that there has been a certain amount of misunderstanding on this point in connection with my order No. 1. The definitions in order No. 3 are intended to clarify this situation.

As I reported to the house last Thursday, a preliminary survey of investment intentions would indicate that private industry and government are aiming at a capital investment program in 1951 of $4,260 million, or thirteen per cent greater than in 1950. I might add that large projects are being announced almost every day, which will add to those figures. In my remarks I pointed out that it was unlikely that this objective could be attained, and that it would be necessary to restrict the use of steel and other strategic materials so that at least the more essential projects can be completed. Although order No. 3 certainly will help to assure supplies of steel for essential construction, it will not do the whole job. Further restrictions may be necessary, and I want to repeat my warning that those who contemplate construction projects, which do not relate closely to our defence effort but which are not yet on a prohibited list, should not commit themselves to building operations unless they know that they will be able to obtain the steel and other building materials needed to finish the project. It would be most unfortunate and a waste of valuable labour and materials for projects to be started and then have to be abandoned for lack of some vital material.

Because of the urgency of getting under way and completing projects that are essential to our defence preparedness program, it will be necessary to divert increasing amounts of steel and steel fabricating facilities to these top defence projects. We hope to accomplish this with a minimum disruption to less essential construction that is already under way, but it is unlikely that we can avoid altogether some hardships to those who badly need structures of the kind named in the prohibited list.

Mr. Macdonnell (Greenwood): The minister referred to orders 1 and 3. Is there anything significant or that we should know about in order No. 2?

Mr. Howe: Order No. 2 was issued last December. I have really forgotten its effect, but I think the only restrictive orders are orders 1 and 3.

KOREA

RECROSSING OF 38TH PARALLEL BY UNITED NATIONS TROOPS

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): I should like to address a question to the Prime Minister, in the absence of the Secretary of State for External Affairs. Were members of the United Nations consulted about the reported recrossing of the 38th parallel by United Nations troops? If so, did Canada express an opinion, and what was it?

Right Hon. L. S. St. Laurent (Prime Minister): As to the first question, whether members of the United Nations were consulted about the reported recrossing of the 38th parallel, the answer is, not to our knowledge. In view of that answer, no reply is required to the second question.

Mr. Coldwell: If I may ask a supplementary question, has Canada made any representations to the secretary general or to the United Nations concerning reconsideration of the implied permission which was granted to the troops last October?

Mr. St. Laurent: I would not like to give a positive answer, but I will take the question as notice and ask the Secretary of State for External Affairs to deal with it at an early date.

Mr. Graydon: What permission have the Chinese to be south of the 38th parallel?

LABOUR CONDITIONS

TRUCKERS STRIKE, VICTORIA, B.C.—LOSS OF UNEMPLOYMENT INSURANCE TO CARPENTERS AND LABOURERS

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to ask the Minister of Labour why some 500 or more Victoria, British Columbia, carpenters and labourers were refused unemployment insurance benefits when thrown out of work last April, through no fault of their own, but owing to a strike of truckers.

Hon. Milton F. Gregg (Minister of Labour): The commission was of the opinion that the men concerned lost their employment due to a labour dispute. That ruling was challenged; the case was appealed, and the umpire ratified the ruling of the commission. I shall be happy to send the hon. member a copy of the decision.

Mr. Fraser: I wish the minister would do so, but I should like to know if there is any further appeal open to these men.

Mr. Gregg: I believe that question will be answered when my hon. friend gets the copy of the decision.

HIDES

EMBARGO ON EXPORTS TO UNITED STATES

On the orders of the day:

Mr. J. A. Ross (Souris): Has Canada placed an embargo on the export of hides and skins from this country to the United States, and if so, why?

Right Hon. C. D. Howe (Minister of Trade and Commerce): A temporary embargo has been established. The officials concerned with price control in the United States have placed a temporary hold on the distribution of hides and skins in that country. When the hold order was announced, buyers from the United States came to Canada and not only bought all the hides offered in our market over a period of time, but paid a price very much above the United States ceiling price for those hides. It was felt, and it was agreed in Washington, that a temporary embargo by Canada that would protect the action taken in the United States would be in the interests of all concerned. It will at the same time protect the supplies of leather for boots and shoes that are being ordered in great quantity for the Canadian servicemen.

MANPOWER

NATIONAL ADVISORY COUNCIL—REPRESENTATION OF RURAL WOMEN OF CANADA

On the orders of the day:

Mr. A. Earl Catherwood (Haldimand): Mr. Speaker, has the Minister of Labour, in deciding upon the selection of one or two women to serve on the national advisory council set up by the Department of Labour given consideration to the appointment of a representative of the rural women of Canada?

Hon. Milton F. Gregg (Minister of Labour): I have given consideration to this question. As the hon. member knows, there are a great many women's organizations, both rural and urban. Those of us in the house who represent rural constituencies are well aware of the excellent work being done across the country by the women's institutes of Canada. These institutes come under a national organization known as the Federated Women's Institutes of Canada Inc., of which Mrs. E. E. Morton, of Vegreville, Alberta, is national president. In conversation with Mrs. Morton we have assured each other that in the immediate future it will be quite possible for the women's institutes across Canada to give expression to their ideas and aspirations

through the existing members of the council. I believe I can say the same regarding any other large rural women's organization in the country.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Friday, February 9, consideration of the motion of Mr. W. H. McMillan 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. Drew, and the amendment to the amendment of Mr. Herridge.

Mr. J. H. Ferguson (Simcoe North): Mr. Speaker, on Friday I was discussing one of the phases of the negligence of this government, having to do with immigration. I believe that this government's lack of an immigration policy is responsible for a great number of the shortages existing in this country today. Knowing the type and calibre of the persons who have come to Canada in the past, and their contribution towards the building of this country, I feel confident—as a matter of fact I am positive—that if this government had done a real job on immigration during the past five years we could have had a million willing and competent workers today for the farms and for all classes of industry. We need these people. Particularly do we need British immigrants, people who speak our language. There is no difficulty in telling a man from any part of the British isles the manner in which a certain job is to be done, especially if he is a trained artisan.

It costs the taxpayers of this country about $5,000 to educate a man or a woman. If we bring to this country people who have been educated by the European or British governments, we relieve our taxpayers of this burden, and, in most cases, receive the benefit of the presence among us of a competent person who contributes his share towards the building of this country. The people of Ontario remember with pride and admiration what was done in this regard by the then premier of the province, now the leader of the opposition in this house, when he brought to Canada ten thousand British immigrants. In checking the records showing the amounts of money which these people brought with them, I found that it totalled about $27 million. Under this plan, ten thousand British immigrants paid their way. The plan was formulated almost against the opposition of this government's department of immigration. As I have said, these people have contributed $27 million to the coffers of the Dominion of Canada.

Fortunately for the farmers of Ontario, again owing to the efforts of the present leader of the opposition, ten thousand Dutch farmers were brought to the province of Ontario. They have proven to be a godsend in the production of foodstuffs for Canada and the rest of the world. The department of immigration should be the focal point upon which this government concentrates its efforts. This government should put forth a superhuman effort in order to assure the people of Canada that this department will function as it should function, and put Canada, with its tremendous resources and its vast territory, in a position to fill the crying need for labour of the right calibre.

I shall turn now to the Minister of National Defence (Mr. Claxton). It is interesting to note that on June 12, 1942, this statement was made by the hon. gentleman who is now Minister of National Defence, as reported at page 3312 of *Hansard*:

> If, on the other hand, Canada fails by even a hairbreadth to discharge her full duty to the united nations, to humanity and to herself, she would be dishonoured . . .

This statement should be recalled when we look at the position in which the people of Canada find themselves today. In this morning's newspapers we read that that famous and gallant regiment, the Princess Patricia's light infantry, is about to enter the front line in Korea. Here is history repeating itself, just as surely as we are sitting in this House of Commons. If these men, who volunteered to uphold the honour of Canada, run into any fighting, it will be history repeating itself; they will be short of reinforcements from Canada. To realize the truth of this, one needs only to reflect on the first real battle in which the Canadian army engaged at Ypres in 1915, when approximately fifteen thousand fighting men were wiped out in about twenty-four hours.

There are no strings attached to soldiers in the fighting line. You cannot tell them to go forward and then pull them back by the strings if they are surrounded by the enemy. How dearly we would have loved to be able to pull back these men at Ypres, who were surrounded by the enemy because of the breaking of certain of our allies on our left. The Germans surrounded the Canadians and marched them off by companies, that is, those who survived the unseen gas attack. If these gallant men of the Princess Patricia's light infantry are the victims of such a slaughter, where are the reinforcements for them? The Conservative government of 1914-18 was lax in securing adequate reinforcements. Men had to serve two terms

in the front-line trenches, in water up to their knees. We who served in that war said that if there were ever another war we would see to it that these conditions were not repeated.

What did we find in 1939? We found—and you know it is true, for the facts were divulged by a gallant member of this House of Commons, Colonel Ralston—that there were no reinforcements for our men. This hon. member resigned from the ministry as a protest to the Liberal government against the lack of reinforcements for the fighting men in Italy. He knew the facts, because he had visited the scene. History did repeat itself. The same dilatory methods as those used by the Conservative government in 1914-18 were continued by this government. But this government had the example of the results of lack of reinforcements, and paid no attention to it. This government had the example of the heartfelt calls of the fighting soldiers for more reinforcements, for a bit of needed rest, during the war of 1939-45. So far their cries and their demands for preparation have been allowed to go unheeded. One does not need to be a military expert to realize what will happen in Korea if our poor soldiers do their part, as they will, and fight as all Canadian soldiers have always fought, with no thought of retreat when surrounded. They will carry on the traditions of Canadian fighting men. When what may be the remnants reassemble back of the line, and they are asked to go up into the fighting line again without adequate support, what will they think? They will think as we thought in the war of 1914-18, and as the boys thought in the war of 1939-45: "I suppose our parliament is doing the right thing." You and I know that this parliament did not do the right thing. The Tory parliament did not do the right thing. But let it not be said of this government that it did not do the right thing.

The hon. member for Fraser Valley (Mr. Cruickshank) stated in this house last week that we were proud of the efforts of Canadian soldiers in the last two wars. That is true. But we are not proud of the reinforcement effort put forward by either the Conservative government or the Liberal government in the past two wars. Our armies made history for themselves, and our factory workers made history for themselves, but with little semblance of guidance or encouragement by the present government.

We can easily remember the request which came from the British government for the opportunity to train British pilots in this country; and we can recall, with not a great deal of pride, the response that came to that request, and how late—but fortunately not too late—it was acceded to. We recall that those marvellous boys from the British isles came out to Canada and trained, returned to the British isles and flew aircraft in all parts of the world in order to crush the curse of Hitlerism. Let that situation not occur again. Every member of this House of Commons has a duty to perform, even those on the Liberal benches; and it is a duty that the people sent them here to perform. Irrespective of politics I suggest that hon. members go to their cabinet ministers and say: Please let us not have a repetition of the past. We are at war. Our men are going into battle today. We are still allowing certain factories to make non-essentials. We are still permitting a communist rally in Massey hall in Toronto, in spite of the fact that communist soldiers in Korea are murdering wounded men. We need no proof of that. We know the type and calibre of men we are dealing with so far as our enemy is concerned.

We are gradually pushing our men into the front line. Are we in Canada prepared for this situation? Do you feel in your hearts that it is the right thing to do to have these men in battle and at the same time to permit Tim Buck to eulogize the communists and their fellow-travellers, for them to cheer the remarks made by that man and for him to delude the minds of Canadians by the thousands when we are at war?

The backseat generals in the Dominion of Canada have been prone to criticize a great man, General MacArthur, who is carrying out a job with men who are not trained sufficiently to enter battle. He is carrying out a job against as ruthless an enemy as the world has ever known. General MacArthur should receive praise from the lips of every person this side of the iron curtain for the great show of generalship he has made on behalf of all the nations and peoples of the United Nations. General Eisenhower, a man of whom we are very proud, has now taken over the organizing of the defence of Europe. This city of Ottawa had the honour of having this great man visit it. I hope that when he delivered his secret messages to the cabinet, he impressed on their minds the seriousness of the situation in the world today, with the threat of the communist hordes. If they will only act as men capable of filling the positions they occupy, his visit was well worth while. The people of Canada are waiting patiently to see immediate steps taken, with no further procrastination, with respect to things that have to be done, that should be done, and that can be done. In my opinion this government will go down in history and be known

as the "do-nothing Liberal government". It is about the worst of its kind that we have ever known in Canada.

Mr. James Sinclair (Coast-Capilano): Mr. Speaker, my first words in this debate must be words of congratulation to both the mover (Mr. McMillan) and the seconder (Mr. Breton) of the address in reply to the speech from the throne. As they were speaking I felt very close to them. One reason was a physical one, in that I sat between them; and in the second place, eleven years ago I had the same pleasant task myself. I was not surprised at the excellence of the quality of their speeches, because men who could come here, one with as big a majority as that of the hon. member for Welland (Mr. McMillan), and the other by that most wonderful of all political accomplishments, a political acclamation, are obviously men who are held in high repute in their constituencies. What I admired about them, sitting as close to them as I do, was the coolness and calmness with which they presented their maiden messages to this house. I think they will have fine careers in this chamber.

No doubt one of the reasons why they were able to acquit themselves so well when for the first time they spoke in parliament in the presence of these veterans of so many political battles was the advice they had undoubtedly received from the more senior members in their areas. I myself can remember getting excellent advice when I was chosen for this task and sought the counsel of one who was then the senior member from British Columbia; I refer to the late Ian Mackenzie. He gave me excellent advice, although I did not follow it as well as I should have. Had I done so, my maiden speech might have been more successful. In any case he concluded by saying, "Jimmie, there will be another thing you will need for your speeches. You will need a small trunk and a big trunk". I said, "What for?" He said, "A small trunk in which to keep the speeches you actually make in the House of Commons, and a big trunk in which to put all the speeches that you prepared for delivery but which for one reason or another you did not make." Well, I didn't get those trunks; but if I had them today perhaps I should put the speech which I am now about to make in the bigger trunk, because it was prepared for an occasion which has not developed. I try to be a good parliamentary assistant, to earn the pay about which the hon. member for Fraser Valley (Mr. Cruickshank) talks so much, by following very closely in the House of Commons the speeches and activities of hon. members relating to our own Department of Finance. I also follow the speeches they make outside the house. There are some members who are as quiet as field mice when they are in the House of Commons surrounded by their equals, but when they get back in the bosom of their own ridings and with their political associates, they roar like lions. There are other members, however, who are vigorous in the House of Commons and equally vigorous outside the House of Commons. I watch their speeches outside with especial interest, because what they say just before a session is probably what they are going to say during the session.

It was with this attitude that I read with great surprise a Canadian Press account of a speech made by the leader of the opposition (Mr. Drew), who I am sorry to say is now absent. I sent him a note just a moment ago telling him that I was going to devote some time to him, and hoped he would stay. Perhaps I shall be forgiven if I seem to be attacking him in his absence. Probably he will come back.

An hon. Member: He will be back.

Mr. Sinclair: In a Canadian Press account of October 25 from Saskatoon, the following appears:

> Saskatoon, October 25 (CP)—George Drew, national leader of the Progressive Conservative party, said Tuesday night that the government can save $500 million a year by eliminating wasted spending. It would help combat the growing dangers of inflation.
>
> Mr. Drew said in an address that savings proportionate to those outlined for the United States government by the Hoover commission could be made by Ottawa. This could be accomplished without interfering with necessary services and defence expenditures.

Well, my first reaction to that was, this must be a typographical error. It appeared in the Vancouver *Sun*. I looked up some other papers to see if I could see this Canadian Press account. I looked up the Saskatchewan papers. Sure enough, it was not $5 million; it was not $50 million; it was $500 million—half a billion dollars.

My second reaction was: how unfair to parliament! We have heard those speeches by many of the Conservative members, especially addressed to my minister, the Minister of Finance (Mr. Abbott). We have heard expressions about contempt of parliament when he at one time had to go on the radio between sessions and tell, not his party followers but all the people of Canada, about the changes in taxation which would have to be effected.

The leader of the opposition is also paid a salary. He too has responsibilities to parliament, and surely if in that silver-thatched head of his he has knowledge of how to save half a billion dollars a year it should have been given to parliament during the last

session. It should have been given to the public accounts committee during the last session. It should not be given only to a group of his party followers out in Saskatoon, after the session is over.

My third reaction was: how unfair to the people of Canada; because, as he says, one of the best ways to combat inflation today is to curb all unnecessary government spending. The people of Canada are the ones who have suffered most if he could, as he said, have pruned $500 million from this year's estimates.

My fourth reaction was a personal one. How unfair it was to the hon. member for Greenwood (Mr. Macdonnell), the financial critic of the Tory party. On occasion during budget debates I may have been a little hard on the hon. member. I know the difficult position he is in. The minister presents his budget, and a week later the hon. member replies. In the interval between, the people of Canada have shown acceptance of the budget, and he has then the very difficult task of criticizing. If the leader of the opposition had only told his trusted colleague how he could make this $500 million saving, what a speech he could then have made last session! He could have told the Minister of Finance not just how to raise the $50 million deficit, but how to acquire a surplus of $450 million as well. Well, I was sure that one question the leader of the opposition would raise immediately parliament opened was this tremendously important domestic issue, the saving of $500 million on our present estimates. Therefore I decided to do some work. I have done quite a bit of work on it, much more work than is indicated in the documents I have in my hand.

If I had any doubts whether or not I should work on this, those doubts were certainly resolved by a very strong editorial in a great Conservative paper in my home town in British Columbia, the Vancouver *Daily Province,* of October 27, which reads as follows:

> Mr. Drew makes a serious charge.
>
> Mr. George Drew, leader of the Progressive Conservative party, speaking to a group of young workers of his party at Saskatoon this week, gave it as his opinion that the federal government could save $500 million a year by eliminating waste spending.
>
> If Mr. Drew was speaking soberly and responsibly, he will have some grounds for his charge that half a billion dollars a year is being wasted in Canada. He will be able to go into detail—to give chapter and verse. And the people of Canada, who have a practical interest in federal expenditures, because it affects their personal spending, will listen to the indictment and demand an answer.
>
> The charge that the Canadian government is wasting $500 million a year is a very serious charge indeed; for, besides being a charge of gross extravagance, it is a charge of incompetence in administration. Half a billion dollars is one-fifth of the Canadian budget. It is twenty cents on every dollar collected in taxes from the Canadian people, who though they are prosperous enough at the moment, have no such sums to waste.
>
> Extravagance in government is bad enough at any time, but at a time when prices are going up and dollars are going down in value, it is doubly serious. It accentuates the inflationary tendency. Since the war, the fund of purchasing power available in Canada has increased out of all proportion to the volume of goods available for purchase.
>
> That is the stuff that makes for inflation. That is what sends prices up. And here, if Mr. Drew is correct, is an extra, irresponsible fund of half a billion dollars, flying about uncontrolled like a loose cask on a ship's deck in a storm, and doing damage wherever it strikes. Unquestionably, something should be done about Mr. Drew's charge. Mr. Drew should see that something is done.

Well, I sat here during this debate on the motion for an address in reply to the speech from the throne. I heard the leader of the opposition speak very carefully. He actually read his speech at great length, but there was no mention at any time of this half a billion dollars. I thought perhaps I should put this speech in the big trunk, but then I thought, after all, because of the work he has put me to, I should at least give to the members of the House of Commons a synopsis of my work on this matter of government spending.

It is true that I have access to a lot of information through the Department of Finance, but I am not going to use it. I am going to use the documents which are available to any member of parliament, the estimates of Canada for this year. Let us look at these. First of all, what is the budget? The main estimates were $2,309 million. Adding the supplementary estimates we get the gross bill of $2,389,106,000. It is on these amounts that economies and savings must be effected.

The leader of the opposition was the premier of a province, so he knows that all of the formal budget is not at the disposal of any government to slash. There are many of these things called statutory appropriations, which are payable by law. There are great transfer payments from one government to another government, from the federal government to provincial governments or from the federal government to municipal governments, or to individuals as pensions and allowances and interest.

Then there are other things. There are some items which the Tory party has approved. As a matter of fact, they have said that some items were much too low. Let us take them one by one. First of all, there is the Department of Agriculture. There are many good services there, some of which the Tory farm members have asked to

be increased, but I will dismiss all them. I shall pick out only one or two statutory items. The first is freight assistance on feed grain. Conservative party farm members in the east have always voiced support of these. They amount to $5 million and are a straight transfer payment. If any Tory farm member in the east is opposed to that, let him speak up, and I will cut that out.

Mr. Fraser: You will cut that out? I thought it was the minister who did that

Mr. Sinclair: I mean that I will cut it out of the calculation I am making. I have a few words especially for the hon. member for Peterborough West, if he will contain himself.

I will pass over the rest of these very important agricultural services and say that perhaps there may be some ground for the leader of the opposition's charge that there are some savings to be made there.

I now come to the Auditor General's department, and the amount there is $579,000. Well, that is one department that the leader of the opposition has shown in the public accounts committee that he thoroughly agrees with. He holds it up as a model for all departments so I will take it off as an approved item.

We come next to the chief electoral officer's department. I will not touch that. Then we come to citizenship and immigration. I will not touch that, but leave these whole departments for the leaders half billion economies. Then, there is the civil service commission. I will leave that. In the absence of the hon. member for Peel (Mr. Graydon) we will pass over external affairs.

Then, finance: this is undoubtedly the most frugal and careful of all government departments.

Some hon. Members: Oh, oh.

Mr. Sinclair: In our list we have two or three things which most certainly are statutory. I will only include them. The first of these is the cost of financing the public debt of Canada, the sum of $433,045,000, a straight transfer payment. These are payments of interest paid to the holders of war bonds and the holders of other government bonds across this country. That is money going to the people of Canada, either directly as their own savings, or indirectly through the banks and the insurance companies or investing firms who invest their savings in these bonds. The only saving here could be made by repudiation.

I never heard the Tory party say they would repudiate that. Then, we have subsidy grants to provinces. The first are set by the British North America Act. The second are the tax rentals to the provinces, which are again straight transfer payments. Both the Conservative leader in British Columbia and the hon. member for Kamloops (Mr. Fulton) say these are too low. So we can include that.

Then there is the transitional grant to Newfoundland, another transfer payment. The hon. member for St. John's East (Mr. Higgins) has certainly complained about that being too low. All these provincial payments amount to $106 million.

Then we have grants to municipalities in lieu of taxes on crown property. That is a straight transfer payment of $1,665,000. There is no administration included in any of these transfer payments. If the hon. member for Carleton (Mr. Drew), for instance, will say that Ottawa is getting too much—which he has never said—then I will cut it out of my calculation. However, I do not think the hon. member for Carleton county will say that the municipalities—especially the city of Ottawa—are getting too much in lieu of taxes.

Then we can pass over the fisheries department. I will not take anything out of that, but leave it all for the economies of the leader of the opposition. Maybe too he thinks we can get along without the governor general and the lieutenant governors. So I will leave that item out. Next, the insurance item is $343,000, but we recover $285,000 of this in fees for services, which I will include in my total.

We then come to the Department of Justice. I will only include the statutory payments in that department. The payments in respect of judges' salaries and allowances add up, all told, to $3,088,000. We have heard criticism in the house from the Conservative lawyers to the effect that the judges are not paid enough. Since the hon. member for Wentworth objects I will cut it in half—I am very anxious to accommodate! We thought the considered opinion of all the lawyer members in the house has been that our judges are underpaid.

Then we come to labour—and this is found at page 25. The first of these transfer payments comes at page 24 and makes reference to the contribution by the government for workmen's compensation for its employees, payable to provincial workmen's compensation boards across the country. This amounts to $840,000, again a straight transfer payment separated from administration No one has suggested that the government should not protect its workers in the same way as industrial workers are protected.

We then come to unemployment insurance —again not the administration item, but the actual contribution of government funds, amounting to $23 million. The Conservatives in 1940 when the act was introduced were not

too anxious about unemployment insurance but they do not say that today, in public.

Mr. Fraser: I protested today. I think we have not enough. I referred to those five hundred men.

Mr. Sinclair: And the hon. member could not give me a better example. He now wants more money, not less, paid as unemployment insurance.

Mr. Fraser: I want these men to get what is coming to them. I want them to get a fair deal, and not to be squashed the way they are today.

Mr. Sinclair: Everybody else wants it. Then we come to unemployment relief for Newfoundland, amounting to $1,500,000, once attacked bitterly by the hon. member for St. John's East as inadequate.

Then we come to legislation—and we are getting right down to parliament now. I will not talk about administration costs. I will not discuss the cost of maintaining the House of Commons and the Senate, and will refer only to the statutory provisions for the salary of the leader of the opposition (Mr. Drew), the indemnities paid members of the House of Commons and the Senate, and the travelling allowances.

Mr. Ross (Souris): And don't forget parliamentary assistants.

Mr. Sinclair: No; I am away ahead of you on that. I am not including in my calculation either the $15,000 to the Prime Minister, the $10,000 to the cabinet ministers or the $4,000 to parliamentary assistants although no one thinks the Prime Minister or cabinet are overpaid. I know that the hon. member would be most anxious to make at least one saving in that respect. All right; let us say we parliamentary assistants are overpaid. All I am including is the $4,000, and the $2,000 allowance paid the hon. member for Souris for coming here to Ottawa. I doubt whether his leader would want that cut out.

Then I come along to the mines branch. Again I will leave out everything except statutory payments. If there is one thing that we have heard from the Conservatives from Bay street, it is that we should support a gold subsidy. This amount is $8 million, again a straight transfer payment. Certainly we have heard nothing from the leader of the opposition saying that he wants this item reduced or cut out.

Then we come to the Department of National Defence. We have heard a good deal from the opposition about the inadequacy of our preparations for defence, that we are not doing enough, so this item seems too little. In any case the leader of the opposition did exclude that. He said that his statement was exclusive of national defence, so I will add it in, $419,985,000.

Then we come along to national health.

Mr. Lennard: We could cut that down.

Mr. Sinclair: Possibly. First statutory payment is family allowances. This is not for administration, but just for payments to the mothers of Canada and they amount to $307 million. We have just heard the hon. member for Wentworth (Mr. Lennard) say that he would cut them out.

Mr. Lennard: No, I did not.

Mr. Sinclair: Yes.

Mr. Lennard: I said that the estimates for the Department of National Health and Welfare could be cut down. I did not refer to family allowances at all. And while I am on my feet I would refer to some of the stupid advertising that is being done by the Department of National Health and Welfare.

Mr. Sinclair: I have been reading all these things in which the hon. member would make a saving, and I would just refresh the memory of the leader of the opposition by referring to what he said when family allowances were first introduced. This was the opinion of the leader of the opposition when he was premier of Ontario, as quoted in the *Globe and Mail*, August 3, 1944:

> This bill is an outrageous bribe offered to the people of Quebec immediately before an election upon which Mr. King's last chance of political survival depends.

And then, speaking as the leader of a provincial government, he said on a C.B.C. broadcast, Aug. 9, 1944:

> But I assure you that the government of Ontario intends to do everything within its power to make sure that this iniquitous bill does not go into effect.

Well, if he will say, or if one of his colleagues will say, that they want this $307 million a year, which represents a redistribution of wealth to the children of the nation, cut out, then let them say so. Otherwise I will include it.

Then we get along to old age pensions. This is an amount of $103 million. Again this particular item has nothing at all to do with administration. It is actually a transfer payment of $103 million to the provinces. Through this amount we pay our three-quarters share of old age pensions. The only criticism we have heard from any quarter of the house has been that it is too low, not that it is too high, so I include it.

Then we come to the post office—and I am sorry the hon. member is not here, because the post office department was the one department for which he had a good word. On

August 30, 1950, as reported at page 27 of *Hansard*, he gave his thorough approval. So I believe we can include all this, with the exception of $1,750 which he thought was too much for the little posters he showed us at the last session, urging business in Canada to make better use of the mails to get their advertising program over. If there is one organization in Canada that should certainly use this service to get their program over it is the Conservative party. The amount for the post office department is $85,663,000.

Then we come to the Department of Resources and Development. The one statutory payment here is $20 million, for the trans-Canada highway. There were many Conservative members, of course, including the hon. member for Vancouver-Quadra (Mr. Green), who think it is not sufficient. No one has thought that too large.

Then we come to the R.C.M.P., and again I will take only the one statutory item, an amount of $1,188,000 for retirement pensions. We all think, I believe, that the pensions of the R.C.M.P. should not be lessened—unless of course, the Tories want to cut the scale of pensions. Unless they do, I will leave it at that.

In all the great Department of Trade and Commerce I will take just the one statutory item, dealing with coal subsidies and coal freight assistance, totalling $4,850,000. Will the hon. member for Cumberland (Mr. Black), the hon. member from Annapolis or any other Conservative member from any of the maritime provinces, perhaps the member for Royal, say that this is a waste of money? If he will, then I will cut it off from my figures.

For all the Department of Transport I will take just the statutory payment under the Maritime Freight Rates Act totalling $7,319,000. Does any maritimer want this cut out? And we find $500,000 in that department for the railway grade crossing fund. We spend that each year, and in view of the grade crossing fatalities, we should be spending more. And unless the hon. member for York West (Mr. Adamson) who has spoken so much on it wants to have it cut down, we will leave it as it is. Finally there is the Department of Veterans Affairs. If there is one thing we have heard in this house again and again and again, it is the Tory criticism that we are spending too little on every aspect of veterans affairs, that we have not been generous enough. Since they want no economies here I will include the $198,881,000. Now all these statutory payments and the things that the Tory party has said are sound, and on some of which we are criticized for not spending enough, add up in the main estimates to $1,734,655,000. Mind you, we have the supplementaries, and I added their total to the figure of gross expenditure I gave for the main estimates. Picking out in these supplementals the statutory items, and adding the cost of the Manitoba flood and the Rimouski and Cabano fires—and I do not think the Tories said that was wasteful—we find another $21,161,000 of statutory payments in the supplementals. Therefore this brings the whole area of controlled expenditure, controlled by statute, controlled by thorough approval of the Tory party, up to the sum of $1,745,816,000. If we subtract that from the gross of our main estimates and our supplementaries, the figure of $2,389,000,000 to which I referred, we get left $643,290,000 as the area for all government departments in which there are controllable expenditures of every sort, and on that the leader of the opposition says he can save $500 million—not 20 per cent but 80 per cent economies on all the many activities of government in the federal field.

Of course hon. members know how he is going to justify it. "Hoover commission" are going to be the great words. If we could only make a saving similar to the Hoover commission, he will say, all would be well. I have done quite a bit of work on the Hoover commission. I would not have done so unless the hon. member had made that speech, but I am glad I did. I learned a lot. First of all, is it a good basis of comparison to compare our type of government, our cost of government, with that of the United States? Very few political economists of repute have ever thought that was true. One of the great works is that of the late Lord Bryce, "Modern Democracy." It is an excellent analysis of the differences between England, the United States and ourselves.

The United Kingdom is a small, compact country with a well-established government, most of the public facilities long since built up and paid for, a unitary form of government, just one level and then the borough down below, and parliamentary control over expenditures. It is a naturally efficient way, an excellent way of government. As for ourselves, we are a comparatively new government on the federal system. We have a comparatively small population, spread over an enormous territory, which naturally makes for expense in administration; an expanding economy demanding every day new and better public facilities to serve our expanded agriculture and expanded industry. We have a good civil service. We are getting away as fast as we can from the old evils of political patronage. There are few political appointments today.

Mr. Ross (Souris): Since when?

Mr. Sinclair: Then we can point to the fact that we have the British parliamentary system of control, the treasury board, the Auditor General, the comptroller general, the committee of the whole house, and the public accounts committee if the opposition will make it work. In a system like ours there may be however more opportunity for overlapping than in the United Kingdom, and for more costly administration.

But when we turn to the United States we find a very large population in a large country. That in itself makes it tremendously difficult to have a compact efficient administration. It also is a federal and not a unitary system. There is separation of the legislative body from the executive, both with powers of political appointment, a weak civil service compared with ours or the British, no auditor general, and no government responsibility for initiating money legislation. Any congressman, any senator or the executive branch can initiate such money legislation. They take their politics much more seriously in a political way. There is a great change in ordinary civil service positions when there is a change of the party in power as the result of an election, all adding to the cost of government.

Finally—and I believe this was mentioned long ago by Lord Bryce—there is the American Tammany hall maxim, a maxim which is used a great deal, and which perhaps still influences United States politics too much, that for successful re-election you must never vote for a tax bill and you must never oppose a public expenditure. When you make that comparison, you will of course see that there will be more need for savings by improving the administration under the United States system than under our system, and probably more need under our system than under the British system. However, let us go ahead with the comparison despite the difference in position.

I have done a lot of work on the Hoover commission, and so far the most optimistic report I have been able to find is that published by the civil service assembly, the group most strongly in favour of the Hoover commission in volume 17, No. 1 of their journal for January, 1951. It points out that, counting everything they possibly can, taking credit for all savings, they have effected savings of $2 billion in a budget of roughly $40 billion, or five per cent. Our budget of course is $2,500 million, and if our economy were the same, which it is not, if our government were the same, the savings would be $125 million, not the $500 million of the leader of the opposition.

More than that, the government rate of spending in the United States is very much greater than ours. Last year they spent $266 a person, and we spent $164 a person. The leader of the opposition will say more will be saved when all the commission report is implemented. I find that this blind faith in commissions, which the leader of the opposition has so far as the Hoover commission is concerned, is not shared by all people. For example, I remember that he himself started the Hope commission three years ago when he was premier of Ontario. When the Hope commission brought down its report a little while ago Premier Frost, the Conservative premier of Ontario, had this to say on February 7:

> We are in no way bound to accept the recommendations of the commission.

The Conservative Ottawa *Journal* said in an editorial on February 9:

> Premier Frost is very wise in not adopting the major recommendations of the Hope commission. He is in no way bound to accept the commission's proposals. Royal commissions are set up to report and recommend, not to make laws.

If Democratic President Truman is going to pay no more attention to the report of Republican ex-President Hoover, than Conservative Premier Frost pays to Conservative Premier Drew's royal commission, I do not think the hon. leader of the opposition can expect much more in the way of economies.

I want to finish my comment on what the leader of the opposition has said with a challenge only to him. I challenge him to come into the house, to come into the public accounts committee, and, not speaking widely about the Hoover commission, not speaking vaguely of percentages but as the *Province* editorial said, chapter and verse, item by item, say what services can be dispensed with and what employees can be dismissed. Then I will total his figures, and I shall be pleased if he can make this saving of $500 million out of the $667 million which is controllable. The people of Canada will be pleased. The government will be pleased.

There is one other thing I should like to say about him before I leave him. I should like to give him a little advice. He is not here, but he will read it in *Hansard*. He would not take it anyway from me.

An hon. Member: Who would?

Mr. Sinclair: There is a wonderful series of essays by Thomas Carlyle on hero worship. Naturally the leader of the opposition's followers try to pattern their conduct on their leader, just as I probably try to pattern my conduct on that of the Minister of Finance, a good model, though I am not very successful. There is one young member in

particular in the opposition who is patterning himself very closely on his leader, the young and gallant member for Broadview (Mr. Hees). The leader of the opposition has the responsibility of making sure that the pattern this young member is following is a good one. I do not think it is such a good one right now, and we see evidence of that in the house.

As I pointed out, the leader of the opposition is careless with figures. His young follower, who came immediately after him in the debate, is also careless with figures. I say he is careless because in his speech, to be found at page 61 of *Hansard*, he compared our armed forces with those of Great Britain, and said that the armed forces of Great Britain totalled 1,023,000 men. Of course he may have authority, but I should like to refer to another authority, Prime Minister Attlee, speaking in the British House of Commons on January 29. His remarks are to be found in Canadian newspapers of that date, and in the airmail edition of the London *Times* which was available in the reading room on the 30th. Prime Minister Attlee said that in the last white paper strength of the armed forces, men in uniform, was 682,000 but that by April they hoped, by calling up many more reserves and extending compulsory training, to get it up to 800,000. The hon. member for Broadview is still not quite as reckless as his leader, but he is inclining that way when 800,000 next April is quoted as 1,023,000 today.

The second point is this matter of being careless in the basis of comparison. The leader of the opposition compares Canada with the United States. He says that our governments are the same, and the overlapping and inefficiency are the same. I say that is wrong. His young follower then compares Great Britain's manpower problem and our manpower problem and gives that as a reason why we are failing to put enough men in the army.

There are great differences on any basis, but let us look at Britain as far as manpower is concerned. They cannot feed themselves. The fifty thousand farmers who would be required to grow wheat in Britain, if they could grow wheat there, can be put in the army. We feed ourselves, and in addition we have to take fifty thousand men out of the manpower pool and put them on the prairies to grow wheat for Britain, plus all the men needed to service these farms and transport the wheat. Then we have seventeen thousand men up in Sudbury in nickel production, much of which goes to Britain. That takes men from our supply which Britain does not have to do. Ten per cent of our working force in British Columbia is employed producing timber for Britain today. The same thing is true of our base metals, oil, newsprint. These are things they cannot do for themselves, and of course that is why our scale of participation must be different from that of Britain. Of all the North Atlantic countries, Canada and the United States have the greatest resources; and in this cold war that is going on at the present time the production of equipment and the development of resources to get ready to defend ourselves are the overriding factors. We must divide our manpower between our resources and our armed forces for the best advantage of all our allies.

My hon. friend's leader skirted all around this manpower issue, both the conscription and compulsory service issue, as was pointed out by the hon. member for Fraser Valley (Mr. Cruickshank). So did the hon. member for Vancouver-Quadra (Mr. Green) and the hon. member for Nanaimo (Mr. Pearkes). Out on the west coast we heard different statements by all three Conservative members, trying to kid the Canadian Legion into believing that they were endorsing their program. Although there is not much need for me to do so, I believe this would be a good time to place my views on record in this respect. Hon. members will remember that last fall the leader of the opposition (Mr. Drew) very kindly and thoughtfully quoted from one of my old speeches, made in 1944, in which I gave my stand on conscription. I said I still believed every word of it, but of course he did not commit himself at that time. I was proud of the brave, straightforward statement the Prime Minister made at the start of the debate on manpower. I was ashamed of the scuttling and scurrying of the Conservative party on the same issue.

I believe with the Prime Minister the use of manpower for the development of our resources and industry to help build up the North Atlantic defences is the overriding need today; but I also believe, and I have told the Prime Minister, that while we may not, because of labour shortages, be able to drain off our eighteen and nineteen-year-olds for two years of compulsory service as do other countries, we can begin such training without losing manpower from industry. First compulsory service in the cadet corps of our high schools. I had that training, and I am sure it did me no great harm. Those going to our universities are indirectly in receipt of state assistance for at least half their tuition and they also should be asked to take compulsory training as their contribution in return. Then our young men who are all working today in industry, and who

should stay working, and who spend their evenings at hockey games or basketball matches, at the movies, at dances and in pool halls, should be called on for their duty and take time out from those activities and spend two or three nights a week during the winter and week ends during the summer training with the reserves, thus getting some training but not at the expense of our manpower requirements for industry.

I see my time is almost up; I have only six minutes left, and I still have a great deal of material. In these six minutes I will not have time to cover everything I had prepared, but I would like to suggest what members of parliament can do to help keep down the cost of government, because that is a tremendously important thing just now. I challenge the leader of the opposition (Mr. Drew); I do not challenge any other hon. member. The Minister of Finance (Mr. Abbott) asks the co-operation of every member of this house to cut down civilian expenditures in every possible way. Last year I gave the house examples when I told hon. members what the treasury board does in holding down government spending. We have all these very desirable expenditures, for public facilities and services suggested by hon. members or by communities in the country which they persuade the appropriate minister to include in his estimates. The ministers go before treasury board, and desirable though these projects may be they are not approved. Of course the Minister of Finance is the awful ogre who is blamed for stopping the member or the community from getting this very desirable service. Well, somebody has to do that job and the taxpayers of Canada should be grateful to the minister for holding the line. It is not a matter of getting rid of superfluous services in this country; there are so many desirable things which need to be done in this expanding nation but treasury board has to decide which of those things are most desirable in view of funds available.

How can members help? Well, I think the first way in which members can help is by using some restraint in their own demands upon ministers and the government for more facilities and services for their ridings. I remember last year, when the Minister of Finance placed restrictions on capital expenditures for new public buildings. Who were the first to bob up? They were the Conservative member for Queens (Mr. McLure) and the Conservative member for Winnipeg North Centre (Mr. Knowles)—

Some hon. Members: Oh, oh.

Mr. Knowles: I am sure the hon. member wants to put the record straight. I belong to the C.C.F.

Mr. Sinclair: I will certainly put the record straight, but those were the first members to bob up. They said, "Yes, we agree, but we hope that will not affect the post offices at Charlottetown and Winnipeg." Economies always begin in the ridings of other members. I have prepared something of an analysis of what hon. members have asked of parliament; and I am sorry the hon. member for Vancouver-Quadra is not here, because he was one of the best examples of an economy-minded Conservative. I went through *Hansard* for 1949; the index for 1950 is not ready yet so I could not search 1950 easily. I read all the speeches of the hon. member for Vancouver-Quadra in 1949, and in doing that I certainly earned my pay. I should like to read this summary of my findings, but I have not time. Here are thirty items, ranging all the way from a Pacific pact to a complete trans-Canada highway system of several roads including lighthouses on the Queen Charlotte islands, $50 at sixty-five for everybody, agricultural floor prices, bigger travel bureau, Alaskan railway and so on. With the pricing I have been able to give, on those items where he was specific enough to make a calculation in that one year the hon. member advocated projects which would require an extra expenditure of $800 million; and taking into account the many other things he advocated, such as the Pacific pact and a modern merchant marine, which are difficult to price exactly I would say conservatively—that is in the old sense, not the spendthrift Progressive-Conservative sense—he would have added $1,500 million to the budget of Canada that year if the government had adopted all his suggestions, not bad for one economy-minded Conservative. This list is quite open to any hon. member who would like to see it.

When I was reading through his speeches I was also looking for something else, for any suggestion of economies in other departments which might make funds available for his projects, and most important of all for any suggestions as to how taxes might be increased in order to pay for just one of these new projects. Nothing of the kind was mentioned anywhere. There was no mention at all of any other tax. On the contrary he and his party have always opposed every tax proposal brought in by the Minister of Finance. In this house there is no more devout believer than the hon. member for Vancouver-Quadra in that old Tammany hall precept I quoted earlier: never vote for a tax measure and never oppose a public expenditure. The hon. member goes a little further and suggests plenty of new expenditures.

That is not going to cut down the cost of government—that is not going to save $500 million out of the present budget.

Members of parliament can be of great help if, instead of fishing around the estimates in the House of Commons or in the public accounts committee, they would look around their own ridings. We do have these treasury board controls all through the departments looking for internal economies; but the people who can do a better job externally are the members back in their ridings and their constituents who are even better judges of where economies can be made without impairing needed service. These savings should be made where services are superfluous. Let them come here and tell the minister: "That service in my riding is no longer needed, we can do without it; these employees are no longer necessary" and they will be making a real contribution. If in that way they can effect any economy, not necessarily of half a billion dollars but of half a million dollars, half a thousand dollars, or even half a hundred dollars, the Minister of Finance will be grateful because it will lessen his burden; the government of Canada will certainly be grateful, and the people of Canada will be most grateful of all because then we members of parliament will be doing a real job in our own field in fighting inflation.

Mr. E. D. Fulton (Kamloops): In opening my remarks I want to associate myself briefly with those who have congratulated the mover (Mr. McMillan) and the seconder (Mr. Breton) of the address in reply to the speech from the throne. I am still close enough to the new-member stage and to my maiden speech to remember just how difficult it is; and if for no other reason I feel that I am qualified to congratulate them upon the extremely able speeches they made.

I want to deal immediately with one or two of the remarks made by the parliamentary assistant to the Minister of Finance (Mr. Sinclair) who just completed a rather odd speech. The hon. gentleman indicated that the government would be grateful if we would suggest concrete methods by which expenditures could be reduced. Unfortunately, that is not in keeping with the attitude of the government as revealed in this house last year. A simple suggestion, followed as I recall it by a motion which would have reduced an estimate for travelling expenses by only some $25,000, was immediately treated as a vote of want of confidence in the government. It was argued that we were upsetting the balance of ways and means, and that we were possibly cutting away at the most vital service of the Department of Transport—with only $25,000! We had taken the hon. member's suggestion and the suggestion of the Minister of Finance (Mr. Abbott) seriously. We made an honest effort to attempt to find some places where there might be reductions. We went so far as to make a motion, and it was treated as a motion of want of confidence in the government. This government, which is spending $2.5 billion of the people's money every year, says on the one hand that it desires suggestions for reductions, but on the other hand when we move a reduction of only $25,000 they call in all their one hundred and ninety-eight members to vote it down. That record speaks more eloquently than all the misguided eloquence of the member for Coast-Capilano (Mr. Sinclair). From it the country can see who is really making the effort to reduce expenditure.

According to his own statement the hon. member has done a great deal of work on today's speech. I am glad he has, but I regret that apparently most of it was misplaced. It must be admitted he has done a lot of work, and has brought out a lot of figures. As he was speaking, I could not help but feel that had he done as much and as diligent research into the reasons and methods of making reductions in government spending as he has into the reasons why we cannot make reductions, then it would have been of some help to the taxpayers of Canada.

I was struck by the tremendously wide powers and influence which the member attributed to the opposition. I include in the word "opposition" the members of the C.C.F. and Social Credit parties. Actually, we number approximately sixty members in the house altogether as against one hundred and ninety-eight on the government side. But what an influence we have, Mr. Speaker! According to the member for Coast-Capilano all we have to do is ask for an increase in expenditure, and it is immediately granted. According to the hon. member the opposition is entirely responsible for any increase in the amount of expenditures. We are responsible for the size of the government's budget. But when it comes to elections, Mr. Speaker, and the taking of credit for all the splendid things which the Liberal government says it has introduced such as family allowances, old age pensions and all these other things, who gets the credit? The opposition is not responsible for those, oh no, it is the Liberal government. That is the story we hear at election time.

One cannot help being struck, as I say, by the difference in the influence which the hon. member ascribes to the opposition in increasing as against decreasing expenditures. If all we have to do is to ask for an increase and it is granted—that is the impression he sought to leave—

Some hon. Members: No, no.

Mr. Fulton: —then let him give us some credit, let him give some weight to our requests when we ask for a reduction as we have, in concrete form, in the past two sessions. Let him tell his minister, and the other members of the cabinet, that when we make motions for reductions they should not be regarded as motions of want of confidence, but the minister should really look at the question on its merits. The motions we moved concerning advertising, travelling expenses and sundries is the answer to the point made by the parliamentary assistant.

After listening to the remarks of the parliamentary assistant this afternoon, Mr. Speaker, on the question of manpower I believe it is time the Prime Minister (Mr. St. Laurent) or some authority defined the status of a parliamentary assistant in this government and in this house.

Mr. Cruickshank: The hon. member will never be one.

Mr. Fulton: I would not want to be one under the present circumstances.

Mr. Abbott: Be careful, leave the back trail open.

Mr. Fulton: We used to have in this country a principle—I say "used to have" because it is certainly more honoured in the breach than in the observance today—a principle called cabinet solidarity. All indications are that it is completely gone now. I realize that parliamentary assistants are not, as such, members of the cabinet, but I believe it is time that their relationship with the government, and just how far they speak for the government, was defined. Just before coming to Ottawa for this session I recall reading in the Vancouver *Daily Province* that the member for Coast-Capilano said he supported the Legion brief entitled "Operation Preparedness". You will recall, Mr. Speaker, that that brief called for compulsory training for the reserve. The hon. member also stated, and repeated on a recent occasion, that he believed in conscription. Incidentally, he did not say here today, as I understood him, that he supported and advocated the immediate application of the Legion brief.

If in his view we should support the Legion brief, and I agree it should be applied now, I should like to ask him whether his view coincides with that of his minister, the Minister of Finance. The minister is in his seat, and I should like to ask whether he shares the view of his parliamentary assistant. These are matters of national policy. They are not matters unconnected with the various pressing affairs of the country today, but are matters of national policy. I suggest that no parliamentary assistant, no one associated so intimately with this government should go around the country expressing views on these matters of national policy unless those views are, in fact, the views of the government. I want to know whether the views expressed by the member for Coast-Capilano, I think it was at Powell River, are in fact the views of the Minister of Finance?

Mr. Abbott: My friend has no right to cross-examine me, but I shall answer him. My parliamentary assistant is entitled to voice the views he did, and I am quite entitled to voice mine. I may or may not agree with his views as he has expressed them, but he is perfectly free to express them and always has been.

Mr. Fulton: Now we have it. We thought cabinet solidarity as a principle was in danger in this country, but the Minister of Finance has just buried it.

Mr. Cruickshank: What is your opinion?

Mr. Abbott: Would my hon. friend tell me what he believes to be the principle of cabinet solidarity?

Mr. Fulton: When a member of the government speaks, he speaks for the whole government.

Mr. Abbott: Is my parliamentary assistant a member of the government?

Mr. Fulton: It is for that reason I have asked if we could be favoured with a definition of the status of parliamentary assistants.

Mr. Abbott: I can answer that.

Mr. Fulton: Just before you do, I take it that he was speaking for the government this afternoon.

Some hon. Members: Oh, no.

Mr. Fulton: He said "speaking for the Minister of Finance", and he repeated that.

Mr. Abbott: The first order in council appointing—I think I am right in this—parliamentary assistants was one appointing myself as parliamentary assistant to the then minister of finance, Mr. Ilsley. I believe I can recall the wording of the order in council fairly accurately, and it was to assist the minister, both within and without the house, in such manner as the minister may deem fit, or words to that effect. I believe that is the definition of the duties of a parliamentary assistant in the order in council.

Mr. Fulton: I wonder then, if the minister and his parliamentary assistant express divergent views, whether the parliamentary assistant is assisting the minister in such

manner as the minister may see fit? Or is the minister repudiating the statement of his assistant?

Mr. Abbott: I do not have to accept or repudiate his views. If my parliamentary assistant sees fit to speak to the house on matters relating to the Department of Finance, then I would expect him to voice my views, but if he sees fit to speak on any other matter of public interest he is free to voice his own views.

Mr. Fulton: As a statement of fact or policy of the present government with respect to the appointment of parliamentary assistants, I suppose we have to accept that.

Mr. Cruickshank: Will the hon. member permit a question?

Mr. Fulton: I have a number of other things to say, Mr. Speaker, and I should prefer it if I might be allowed to proceed. I should be glad to deal with questions at the end of my remarks.

I simply say that now we have that statement of policy outlining the status of parliamentary assistants, I think that we and the country should bear it carefully in mind when in future parliamentary assistants, either inside or outside of this house, purport to speak for the government, as they have in the past, and to express the views of the government.

Mr. Sinclair: Never.

Mr. Fulton: Oh yes, they have. I am not saying that this particular parliamentary assistant has done so outside, but others have made speeches outside, on agricultural matters, which the minister has had to, shall I say, correct if not repudiate.

Mr. Gardiner: I have never corrected reports of my assistant's speeches. I have enough trouble correcting reports of my own speeches.

Mr. Fulton: This is a serious matter, Mr. Speaker, opening as it does a breach in this principle of cabinet solidarity. I know that parliamentary assistants are not paid as much as our cabinet ministers, and I do not begrudge them their salaries in so far as they do the work and get an insight into the workings of the government; but for my own part I believe that when they accept that appointment as parliamentary assistant they should then see to it that, on all matters of national policy and matters which are issues of the moment, they take care not to go off at a tangent from the government. If they do so, and if that practice is persisted in and enlarged, as it undoubtedly would be, it would mean the end of the principle of cabinet solidarity. Having said that, perhaps we can leave the matter for the moment.

There is one other matter to which I wish to refer, and which arises out of the speech of the hon. member who has just concluded his remarks, before I turn to the subject I myself wish to discuss this afternoon. He referred to the statement of the hon. member for Broadview (Mr. Hees) and implied that he was careless with figures. I am informed by the hon. member for Broadview that the figures he used with respect to the strength of the British armed forces—and I point out that they were with respect to the armed forces, not just army—were given to him by the British information office in this city just shortly before he spoke.

The other matter was an attempt by the hon. member to suggest that the hon. member for Broadview had evaded the question of how the manpower for the armed forces should be raised. Once again I regret that the hon. member for Coast-Capilano (Mr. Sinclair) appears to have worked diligently but in a rather misplaced fashion; because if he had been more disposed really to study that speech in order to see if there were suggestions in it, he would have found that the hon. member for Broadview laid down a specific and clear-cut six-point program incorporating his suggestions as to how our armed forces should be raised.

This afternoon, Mr. Speaker, I want to say a word or two with respect to the program outlined so far by the government for the purpose of placing this country in a position to meet the crisis in international affairs with which we are now faced. I hope I will not be thought to be unduly critical when I say that what we have had so far are, in the main, broad generalizations—an indication of goals or objectives—but not much in the way of detail as to how we are to get them. The broad objectives are all very well and are of course an essential part of the information we must have in order to assess the merits or otherwise of the government's programs for this and succeeding years; but what I think we must concern ourselves with more than ever is the question of whether the plans are adequate even to meet the objectives which the government has laid down. In other words we must say to the government, "You have told us what you are going to do. You are going to raise so many men for national defence and spend so many billions of dollars—$5 billion in the next three years—on arming and equipping those forces. That is all very well, but now tell us how you propose to do it."

My own views with respect to the methods to be followed in the raising of our defence

forces are on the record both in and out of this house. Nothing that has occurred since has caused me in the slightest degree to modify or change those views; I still hold and advocate them as strongly as ever. But the Prime Minister (Mr. St. Laurent) has told us that the government does not propose to change its methods for the time being. While I do not in any way accept this answer as final or satisfactory, I do not propose at this moment to elaborate my own views but rather to deal with the government's program in the light of the present facts and within the limitations of the government's own policy. I believe that those facts show that the government's policy is inadequate and that its program will not work.

However, just before turning to an examination of this program, I should say that I support to the full the remarks made on Monday last by the hon. member for Nanaimo (Mr. Pearkes) to the effect that the urgency of the situation is such that the government should lose no time in putting itself in a position where other and more vigorous steps, actually in the contemplation of the Prime Minister himself, can be taken to place this country in a position of readiness. The words of the hon. member for Nanaimo were so significant and they put the whole position so clearly that I think I am justified in reading them into the record again. They are found at page 99 of *Hansard* of February 5 and are as follows:

> It would, however, seem to me only common prudence that the government should at this time set up the machinery which may be necessary to accelerate its method of enlistment, its method of assigning the manpower of the country to the various services and to industry, agriculture, transport and all the rest of it. If these steps are left to the eleventh hour I feel that it will not be possible to take full advantage of the resources of this country, both in manpower and in materials. Therefore I feel there is no time to be lost in carrying out a review both of our assets and of our deficiencies. I feel that that review should be carried out at once so that the government will be in a position to change its present method of providing for the expansion which has been indicated, should the methods that it proposes to follow immediately fail, or should the situation deteriorate to such an extent that other methods would have to be followed. There is no time to be lost in making the preparations and in setting up the machinery so that a more vigorous system of supplying the material and the personnel for expansion can be followed, and to set up this machinery there are many requirements.

The reasons why I feel that the urgency of the situation justifies those remarks appear quite clearly from the statements of the ministers themselves. The Prime Minister (Mr. St. Laurent) and the Secretary of State for External Affairs (Mr. Pearson) have both told us that the international situation was never more serious. Then the Minister of National Defence (Mr. Claxton) followed with an outline of what this government's program is to meet that situation. You will remember that he gave us fifteen points and in general outlined a program calling for expansion of our armed forces to 115,000 men and the expenditure of $5 billion. What this house and the country should now be told is when this program is to be completed and by what means. Is the government ready with its specific proposals now as to how the men, materials and money are to be found to fulfil that program?

Nothing said so far justifies the hope that they are ready. Personally I doubt it.

I hope the ministers are ready with their detailed proposals. I hope the estimates are ready so that as soon as this debate is over, which will probably be in a short time now, we can examine the details of how the defence department proposes to raise, equip and train the men, and how the Minister of Trade and Commerce (Mr. Howe) proposes to procure the raw materials on which so large a part of the $5 billion will be spent. Are the estimates of the defence production department ready? Is the government ready to set up that department immediately? I hope they are and I believe the people hope so too, so they will know the government is ready with action to meet this emergency and to fulfil the program which they themselves have outlined.

No one knows, Mr. Speaker, just how long we may have. We can talk about programs, but the Russians in Europe and the Chinese in Asia are calling the shots.

We may have a year or two years or three years, but we may only have as many months. What plans has the government to deal with the situation which will develop if it should turn out that we have only a month or two or three months? When he spoke on Thursday, the Minister of Trade and Commerce (Mr. Howe) certainly did not indicate that he would have any substantial part of his program in operation within six months.

I hope the Minister of Finance (Mr. Abbott) is ready with his budget and his other proposals as to how best to raise the money to make this tremendous effort. Is he ready particularly with his program and proposals as to how the present inflationary pressure is to be arrested? How does he propose to see to it that this $5 billion is pumped into our already tight-stretched economy without aggravating inflation to the extent referred to by Mr. Donald Gordon in his speech that has already been quoted in this house? This house and the country will want to know

what plans the minister and the government have for dealing with inflation if it should actually reach the point referred to by Mr. Gordon, when it becomes that most dreaded of all things—runaway inflation.

And incidentally, Mr. Speaker, how much further does the government feel that we have to go before that point is reached? I wonder whether the government appreciates to the full the dreadful squeeze which is being felt now by the consumers of this country—the ordinary men and women of Canada. The people of this country are in a position where they desperately need something to be done now to help them. Prices have already gone up enormously and the trend is being aggravated by every statement that the government makes threatening further and increasing shortages of both basic materials and consumer commodities. Of course prices are bound to go up when such statements are made and so much money is pumped into the stream of competitive buying, and no steps are taken to control the pressure. This house and the country, Mr. Speaker, will want something better than the statement of the Minister of Trade and Commerce on Thursday, which when you analyse it amounted to nothing much more than a lame plea that we cannot really do anything by locking the stable door after the horse has been stolen.

And incidentally, it is very noteworthy what a different and timorous attitude the government takes this time from its attitude previously with respect to measures to control inflation. We all remember how, particularly in the post-war years, when we thought we were back again to a peacetime economy and controls were being discussed, the government used to boast about the promptitude with which it had acted in 1941 to keep costs down by its anti-inflationary program. We all remember how they used to boast—and with, I think, justifiable pride—that when the Americans came to work out a program to check inflation and rising costs there they studied carefully the Canadian machinery and adopted much of it in great detail. In other words, Canada acted first and the government boasted about it in the last war, and has always taken credit previously for its own ability to control its own affairs with respect to rising costs in this country on that occasion. This time, however, what an unfortunate reversal of attitude! The government now says that Canada itself can do nothing to control inflation but that the whole situation here depends upon what is done south of the border, and that we must wait for them to do it first. This country is experiencing on every hand today the outward expression of the inward policy of do-nothing Liberalism. The Minister of Trade and Commerce confirmed this when he said on Thursday, as quoted on page 186 of *Hansard*:

> We earnestly hope our American neighbours will succeed in attaining a reasonable measure of stability; for only if that happens can we in Canada hope to avoid serious trouble.

Mr. Speaker, this sort of attitude and this sort of policy on the part of a government which is responsible to the Canadian people is not sufficient to satisfy this house and this country, which want to know what the government proposes to do to arrest the present inflationary pressures.

What plans have the ministers and the government for dealing with this situation if we should be faced with all-out war in one, two or three months instead of years? It is the responsibility of the government to prepare for this eventuality. So far the only thing we have heard of a concrete nature is that the Minister of National Defence (Mr. Claxton) expects to be ready at the end of three years—and there are grave doubts, on the basis of past records and performance, that he—or anyone else in this government—will be ready by then. So I hope the Minister of Finance and the other departments are ready with their detailed plans, proposals and answers; because, Mr. Speaker, my firm belief is that just as soon as this debate is over parliament must get down to a thorough scrutiny of the state of this nation's preparedness and of the government's plans to prepare the nation.

In particular we will want an assurance that the goods on which it is proposed to spend this five billion dollars are or will be available within the time required. What plans has the government to gear our industrial machine to the production of those specific goods and materials? Short of this assurance and outline to this house by the responsible ministers, the proposals referred to by the Minister of National Defence on Monday must be considered as paper plans.

This is no new situation that we face. This emergency has been in the contemplation of the western democracies for three years now —and we are not ready yet. I wish I could believe that the plans and programs hinted at are more than mere words; but in the light of past performance it is difficult to believe so. Let us look at the record.

In March of 1948, to go back no further, the deflnite possibility of immediate war

being thrust upon us was faced. The Winnipeg *Free Press* reported on March 10, 1948, three years ago next month:

> Washington, March 10 (BUP)—United States military authorities in Germany have given up their belief that the world is relatively safe from war for at least ten years.
>
> Informed senate sources said Tuesday this was a gist of a report made behind closed doors Monday to the senate armed services committee. It came from James Forrestal, defence secretary.
>
> These sources said the military authorities are not necessarily predicting war. But they feel, it was said, that recent events make it necessary to reconsider their earlier estimates. Among the military experts reportedly cited by Forrestal was Gen. Lucius Clay who as United States commander in Europe has to deal with Soviet occupation forces in Germany and Austria.

Then, Mr. Speaker, to show how serious this situation was in 1948, the report concludes with these words:

> Forrestal's testimony was credited with prompting the armed services committee to call immediate hearings on the controversial universal military training bill.

We are of course entitled to assume that our government was informed of that view and of the extreme gravity of the situation at that time. At that moment our armed forces were from 35 per cent to 37 per cent below their actual authorized strength and approximately 45 per cent below even the modest ceilings then set. Yet seven days later, on March 17, 1948, the Minister of National Defence assured this house that all was well and that good progress was being made.

The government did know at that time of the seriousness of the situation because the very next day, March 18, 1948, the prime minister, the late Mr. Mackenzie King—a man not given to strong statements—apparently told the Liberal party members in caucus that "the international situation had never, even in the days of Hitler, been more critical". This was three years ago next month at a time when we had only 33,000 men in our three services. Yet today after three years and the expenditure of billions of dollars we have only 62,000. The estimate for Russia and her satellites at that time was 5,032,000 men of which 4,000,000 were Russian, estimated to be fully trained and equipped. No one knows exactly how many more the Russians have now, but everyone knows, Mr. Speaker, that the Russians have not failed to make good use of the time. And yet two and a half years after the events to which I have referred, last June when a further move in the Red campaign of aggression was made in Korea, Canada was found with no army ready to send. We had had the Atlantic pact—we had had big words—we had spent much money on defence, but the strange and deplorable fact is that June of 1950 found us with no army ready to be sent into action in the defence of democracy. And when in September of 1950, reluctantly, the decision was taken to send some troops it was necessary to raise a special force which could not be ready as a force for a year anyway. And all three services were still far below their then authorized strength.

We are told we now have 62,000 men in the three services. It has taken us three years then to build up from 33,000 to 62,000; and now we are told that we have another three-year plan—and will then have 115,000 servicemen and 33,000 civilians, a total of 148,000 actually engaged in national defence. That, Mr. Speaker, is just one per cent of our present population: and three years to get there. And if we are still as far short then of our objective as we are now we will not have attained even that limited objective.

This house therefore will want definite answers from the Minister of National Defence (Mr. Claxton) on how he proposes to raise those numbers, and what are his plans for the possibility of hostilities in one, two or three months. Because time is short. He gave some figures which should arouse the greatest interest and concern. The increase for January in the three services was 2,500 men. That was the best month we have had and I understand that the department itself will be surprised if it is maintained, particularly when the competing claims of expanding defence industries are felt. But let us hope for even an average of 2,000 per month. Our objective calls for 53,000 further men for its realization: that will take twenty-six and a half more months at present rates.

So we will want to know: What are the minister's plans for an emergency? And even in the absence of an emergency, how does he propose to guide the men and women of this country, particularly the skilled tradesmen of whom there are great shortages in both the services and in industry right now? How does he propose to guide them in making their choice so that the rate of increase in the services will be maintained? It is a problem for which the government has as yet suggested no solution.

There are some other matters on which the country and the house will want information with respect to the defence program. It has been stated from time to time, in answer to criticism from this side of the house as to the rate of expansion of the services, that we are doing very well and that in any event we have not got the facilities either in equipment, which includes accommodation as well as

arms, or training personnel, to handle any more than are coming in now. The question which must be asked is: Whose responsibility is that? And the answer of course is that it is the government's responsibility. Then the question is: Why have they no greater facilities? It certainly cannot be because they are satisfied they have enough men. A look at the recruiting advertisements contradicts that at once.

The answer then must be that the government just failed to make provision for these facilities. This brings to mind the known fact that last year the defence estimates presented by the minister to his colleagues were cut by some two hundred million dollars before they ever reached this house, and it is equally certain that this had a very serious effect on the program of the three services. Why then did the government mutilate its own defence program? And especially why did it do so at a time when the international situation, in its own words, was never more serious?

Why was no provision made for accommodation to handle an increasing inflow of recruits? Why is it that the special brigade could not be trained in this country because there was no accommodation available, but had to be sent to Fort Lewis—in a foreign country—for its training? The answer is not that it was in order to enable them to train in co-operation with the American forces for service in Korea, because this is not the fact. Our troops there are training by themselves. The simple fact is that with the international situation as serious as it was, this government neglected altogether to make any provision to place our training facilities and accommodation in a state of readiness to meet a situation which was developing daily. The country will want to know the reason for this, will hold the government responsible for this, and will want to have facts to assure them that the lost ground is being made up and that our resources and our ability to handle a greater intake of personnel are actually being increased to a degree commensurate with the seriousness of the emergency.

Another matter on which the country will want information, and this house should have information immediately, is just what is behind the present policy which appears to be complete Americanization of Canada's armed services. I refer not so much to the adoption of American type weapons and equipment, although even here there are grave reservations—because it is by no means a foregone conclusion that American arms are superior in every detail to British type. Indeed, in a substantial number of cases the opposite can be shown. However, from the point of view of production and availability of resources there is much to be said for the standardization of equipment, but I do wish to point out here that standardization should be a two-way and not only a one-way stream, and that in those respects where the British type equipment is superior we might standardize on those types.

But what I have in mind particularly here is the now very definitely discernible trend towards Americanizing the formations and training and conditions of service of the Canadian forces. We have an example in the use by the minister of the term the other night, "air division" instead of "group," and also the American term "combat team," which might mean almost anything, as against our much more exact term "brigade group." We now see by the press that the brigade which is to go to Europe is to serve as part of the American forces and not, as might have been expected, in accordance with tradition and geography, in company with the British forces.

There would seem to be no great reason for this trend except as part of the definite although always subterranean government policy of prying Canada loose from her traditional ties with the commonwealth and empire and tying her up ever more tightly with the United States. Let me ask the minister this: Does the government really believe that the American tradition, the American organization and the American method of training are superior in every respect to our own and the British? If they do, on what examples from history and experience do they base their conclusions? If they do not, for what reason are they Americanizing the Canadian formations?

Mr. Claxton: There is no basis at all in fact for what the hon. member is saying.

Mr. Fulton: We will have more to say about it when the estimates are being considered. At that time perhaps the minister can explain in more detail than he has now the trend which we see in progress.

The results of this trend toward Americanization will I believe be most disastrous to the morale and fighting efficiency of Canada's army.

I will confine my remarks to that branch of the service with which I have some acquaintance and leave the others to speak for themselves. Speaking of the army, the minister himself has said that the basis of Canada's expanded army for participation in any actual war is the reserve force. The reserve force, and indeed our whole Canadian army, is built on the regimental tradition and I am convinced it is fair to state that much of the splendid record established by

the Canadian units and formations in two world wars has been due to the regimental spirit which has been built up.

Mr. Claxton: Hear, hear.

Mr. Fulton: In this we model ourselves entirely on the British tradition.

Adoption of the American system means not only the complete re-organization of our supply, medical and other services but also the abandonment of this regimental system. The units will completely disappear, those splendid units from coast to coast of this country, the Canadian Scottish in Victoria, the Seaforth in Vancouver, the Loyal Edmonton Regiment, the Royal Winnipeg Rifles, the Queen's Own and the 48th Highlanders of Toronto, the Black Watch, the Carleton and York, the Nova Scotia Regiment and a score of others, to say nothing of the five named units of the permanent force—all with a tradition and history which are the very backbone of Canada's military tradition —will be swept into oblivion by necessity if we adopt the American method.

Mr. Claxton: Not at all.

Mr. Fulton: The effect on the morale of the reserve army will be immediate and disastrous. The minister has just interjected "not at all". If we adopt the United States method our formation will be based on numbers of various regiments and you will not have named units.

Mr. Claxton: There is no such intention whatever.

Mr. Fulton: I am glad to hear the minister say that. I hope he will give us some proof of it and be able to explain the trends that we see going on when we come to his estimates. I repeat that the house and the country, and particularly those officers and men who have been struggling so gallantly to keep the reserve army alive, with so little effective assistance and support from the government, will want to know the reason behind the policy of Americanization, will want to know how far it has gone and will, I believe, insist that the trend be first stopped and then reversed.

Mr. Cruickshank: Will you answer a question now?

Mr. Fulton: Yes.

Mr. Cruickshank: Are you in favour of compulsory service in the reserve army?

Mr. Fulton: I have made my views about the method—

Mr. Cruickshank: Are you or are you not?

Mr. Fulton: —of raising, training and equipping Canada's defence forces clear. They are on the record and speak for themselves.

Mr. Cruickshank: Are you in favour of conscription now?

An hon. Member: Are you?

Mr. Cruickshank: I declared myself. I am.

Mr. Fulton: I might point out to the hon. member that I have also declared myself, and did so before he did, and received no support from him.

Mr. Cruickshank: Then say it now. Get your instructions in caucus.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, I have listened for a couple of weeks to this debate, and I hesitated about taking part in it. A lot of discussion has taken place on many matters, and it was all useful. As a rule I take the debate on the address in reply to the speech from the throne as an opportunity to air problems and grievances close to home, but at this particular time I am going to deal with what I think are the most important and serious questions confronting the parliament of Canada and the Canadian people. I am going to deal with the questions of manpower and defence, because they are so closely related.

In December of last year I was hopeful that war was a long way off and could be prevented. I pinned my hope on what had taken place at the conference of prime ministers in Great Britain. Since the end of the last war an attempt has been made by Russia largely to divide the world into two camps, communism and capitalism, and the United States foolishly fell into the trap. We all know that the bible written by Stalin is merely the bringing up to date of Leninism, and definitely tells the Russian people, and everyone within the orbit of totalitarianism today, that war between capitalism and communism is inevitable, that it has to come, that we cannot live side by side in the same world, that either the totalitarian system must go forward and conquer the world or the world will inevitably go back to the old capitalist, imperialist regime.

That seemed to be the trend in the United Nations. The trend there was to go headlong into that kind of war. In listening to broadcasts and reading the deliberations at the prime ministers' conference, I was pleased to note that the commonwealth countries and the Scandinavian countries were getting together. I thought that they were going to be able to exert sufficient influence in the United Nations to modify United States policy and perhaps prevent for a long time—possibly for all time—a head-on clash between Russia and the United States. I was very much disappointed in what happened, and I have revised my opinion that war is a long way off. We may have a year; we may have two

years; we may not have a month. It depends on the timing of Uncle Joe. If he thinks the time is right he will strike, and they always do what you do not expect them to do.

I have revised my opinion as to whether war is a long way off because of the vote of the United Nations declaring China an aggressor. Last December I was very hopeful. Since the vote was taken I am not so hopeful. It was played up in the press and over the air that a large percentage of the members of the United Nations voted to declare China an aggressor. However, if you look at the figures you will see that there were 44 in favour, seven against and nine abstentions. The seven who opposed the resolution were members of the Soviet bloc representing the governments of 300 million people, and India and Burma with more than 300 million people, a total of 600 million. To that must be added the population of communist China of more than 400 million people. Therefore the seven against the resolution represented more than a billion people. The forty-four countries that voted for the resolution—and it seemed such a huge majority—have not a billion people. Therefore when you analyse the vote of the United Nations declaring China an aggressor the population of the countries that voted against the resolution or abstained is larger than that of the forty-four countries that supported it. Do not forget that practically all of the billion people opposing the resolution are within the communist orbit or can be absorbed very easily.

Mr. Browne (St. John's West): Does the hon. member really believe that the billion people he says were represented by the seven were in favour of what the Soviet government wanted?

Mr. Gillis: They voted against declaring China an aggressor.

Mr. Browne (St. John's West): Those seven representatives are not representatives at all.

Mr. Gillis: That may be your opinion but the facts are on the record.

Mr. Browne (St. John's West): Do you think they are?

Mr. Gillis: Yes, I do. They represent their governments.

Mr. Browne (St. John's West): They represent their people?

Mr. Gillis: Yes, or they would not be there. That is how the vote is summed up. When you declare a country an aggressor, under the United Nations machinery you have got to do something about it. Otherwise you are just making a fool of that organization. That is what leads me to believe that we should not complacently proceed in this house or throughout the country on the assumption that we have a year, two years or three years to prepare. I hope we have got ten years but we should take the facts as they are. As I was suggesting a moment ago, the enemies that we may have to fight are countries that do not play the game as we do. They have no ethics and no morals. There is no particular line that can be followed by the old-time generals. They hit fast; there is no declaration of war. They fight a war on the basis of winning at all costs. Manpower means nothing to them; and if war comes it will be a fast one. We do not want to go along in this house or in the country on the assumption that we have the same set-up we had in 1939-40. We have not. In 1939 we had a million people unemployed in this country from whom we could draw. We had a very small national income. We had all kinds of room for industrial expansion, and we had the manpower on which we could do a fast job; and I think we did an excellent job.

Today the situation is different. The manpower position is very tight. If you had to do a fast job today I do not know where you would get the manpower. Look at the last statistical survey on the labour force in Canada issued by the Department of Labour. You will find very few spots where you can siphon off people who may be non-essential to the economy. We have a working force of approximately five million, and they are all in industries essential if the economy is to be kept moving, or industries which would have to be converted for war purposes; and if you convert them for war purposes you are increasing your manpower problem. You may get a few from those employed in trade, such as in retail stores and that sort of thing, where some 331,000 are now employed. You may get a few from the 72,000 in finance and insurance, though they would not be very good soldiers; they are not tough enough. I am sure the Minister of Finance (Mr. Abbott) would not want to don a uniform and slug it out again. In general services across the country you have another 451,000 employees. So looking at that statistical survey we find that we have approximately 818,000 people to draw from. How many of those are fit and how many are unfit; how many would be any good for combat service and that sort of thing, I do not know, but that is about the only force in Canada on which you could draw today.

In the meantime the Minister of Trade and Commerce (Mr. Howe) plans a large industrial expansion. He has to expand steel, and I say that is a must; that has to be done. But if he is going to expand steel he will need a great many more people in the steel industry, and I do not know where he is going

to get them except from the group I have mentioned. So there is a great difference between our manpower problem in Canada today and the problem in 1939-40; and we must start doing some serious thinking about it.

On the other hand there are some spots we may draw from, and I have a few suggestions to make. First I would refer to the Canadian Legion's preparedness program. I must say I think it was badly timed. That program of compulsory training in the reserve forces could not be implemented in this country for some considerable time because we do not have the facilities for training soldiers. Take a look at your reserve army set-up from Vancouver clean down to Cape Breton, and what do you see? You do not have to leave Ottawa. The barracks in this city leave much to be desired; that is about as kind as I can be. The facilities are terrible. So I think we will have to undertake a vast building program to provide barracks for reserve army training in this country, because I believe the reserve army must be the base of our army for the future. That is where the training will have to take place. I quite agree with the program of the Legion, except that I believe it was badly timed and could not be put into operation for some considerable time.

Then there is the type of training the reserve army is getting. Most of it belongs to the Boer war. They get a little bit of foot drill in the evenings. In many sections of the country you call a parade for two hours in the evening, and you will have perhaps six officers and four men turn up. Well, four men do not want to be shouted at by six officers, and the officers are in the position that they just have not the facilities; and no one is pushing the thing very hard. I believe someone will have to take a look at the whole reserve army set-up and see that it is provided with facilities so that a proper type of training may be carried on. Even the types of weapons used in the last war are obsolete today. If the reserve army is to be properly trained it should have up-to-date weapons and be taught how to use them, together with all the modern techniques. I believe training for two weeks in the summer is too short. The first week you are in camp you are busy getting the tents up and getting settled, so nothing is done. It takes three days of the second week to tear the tents down again, so they figure why bother with the remaining three days, and go have a beer. As a result not much training is done. I believe that training should be extended to at least a month.

Then I do not believe industry in this country, or even the civil service, gave proper co-operation in permitting men to go to camp. For example, I know one industry that has a contract with its employees. If you are off a certain number of days in a month or a year you may be declared an habitual absentee and are liable to lose your employment. Men actually have lost their employment for this reason. I know some boys who went to camp last year for eight days. When they came back they were given slips notifying them that they had violated their contract and were considered habitual absentees. There is no incentive in that kind of treatment for a young fellow to take training. Worse than that, this industry pays a bonus at the end of the year. I know some young fellows who went as instructors and spent thirty days in camp. When they came back they were notified that they were absentees, so they lost 50 per cent of their yearly bonus. Someone in the government will have to check on employers of that kind. That is quite a large organization, too. I do not want to name it. That sort of thing must be corrected, however, because I believe the reserve army has to be built up as the base of our army for the future.

Then I do not want to see manpower made available in the ways I think are developing. For example, on Saturday I noticed in the press that 3,500 employees of General Motors at Oshawa had been laid off. If that kind of economic conscription is going to take place for military purposes, I think it is bad and should be clarified. No one can tell me that a shortage of materials developed so quickly that it necessitated laying off that number of men in that short time. I hope it is not a matter now of just rooting them out of what you may term non-essential industries in order to pressure them into the service. That is the worst kind of conscription, and I think the government should say this is not government policy and they are not in favour of it.

Another thing I did not like was the cut-back in housing; and I see the Minister of Resources and Development (Mr. Winters) is in his seat. I think that cut-back was one of the worst things that could have happened. We are going to need more and more housing. If anything serious develops which necessitates Canada making an all-out effort we are going to have to augment our manpower supply through immigration, both for military and industrial purposes, because with the manpower situation today I do not see how we can expand our economy very much and have any left to go into the services. So we may need wholesale immigration and we may need it fast. I think the cabinet did the minister a disservice when they ordered him

to cut housing in this country, because I know he would not do it himself. I believe that program should have been stepped up in order to prepare for what may be an eventuality.

In my opinion this is not a situation that is going to be cleared up by tomorrow. It is a situation that is going to keep the Canadian people, and the people of this continent, on their toes for the rest of our lifetime. While we are not a military nation we have to face up to the threat from the people outside. If we let our bars down and show any signs of weakness, these people will take advantage of it. Our only chance to keep peace in the world for any length of time is to show the other fellow we are ready to fight if he wants to fight. We are not looking for a fight, but it is being forced on us whether we like it or not. I should like the Minister of Resources and Development (Mr. Winters) to take another look at the housing problem and see whether the government will permit him to go ahead with a better housing program than he had before. I am sure that if he is short of lumber the member for Kootenay West (Mr. Herridge) and several others can tell him where to get plenty of lumber. British Columbia is full of it.

There is another way in which we could perhaps augment our labour force. There are hundreds of men in this country on pensions who are still productive, but the means test in the old age pension and war veterans allowance prevents them from taking employment. I believe the abolition of that means test in the war veterans allowance and old age pension would return to service many men who are still capable of doing some work. If the average boy drawing war veterans allowance takes a job and earns over a small amount, then his allowance is cut off. He has to go through all the red tape in order to have it restored. Most of them will just sit there. There are hundreds of men in this category who could be used, not in the heavy industries, but for replacing men who are doing light work who are capable of doing other types of work that are more essential.

For the benefit of the Minister of National Defence (Mr. Claxton) I might say that there are hundreds of able-bodied men doing clerical work in the defence department who could be replaced by women. I believe the minister should take a look at that. The Minister of Finance (Mr. Abbott) enters this picture, too. Women are not going to go into industry unless there is some tax incentive given to them. If the average woman goes out and earns a few hundred dollars, her husband is declared a single man for tax purposes and has to pay at that rate. I believe that in order to augment our labour force the women should be utilized, and some compensation should be given to them if they do go to work. I believe it is necessary for everyone to get in and pitch.

On the point mentioned by the member for Kamloops (Mr. Fulton), the standardization of arms, I think our men in Korea are in a spot. The United States has established and is maintaining the supply lines to Korea. If something happens to a Canadian mortar and a part is needed, they have to send to Canada for it. There is nothing in Korea. While depots have been established by the United States, our fellows cannot use American ammunition because they have different types of weapons. It is an awkward position. I do not need to tell the Minister of Finance how awkward that is. He recalls how, during the first war, we had to wait until some poor Tommy was killed in order to get his rifle because that big long pole which we had, the Ross rifle, was no good. Until we were furnished with English arms we just gathered up English equipment, and I believe that is pretty much the situation in Korea.

In my opinion the standardization of arms program should be speeded up. With all due respect for the opinions expressed by the member for Kamloops, I do not believe it is possible for us to stick to British type weapons today. The British have already agreed upon standardization with the United States. These forces are no longer the forces of any particular nation. They are the United Nations' forces. We are all in one pool. The United States has the machinery for production. They can turn it out faster than anyone else. We are all fighting together anyway, and it is just as well to have one type of equipment throughout. I believe standardization should have taken place a long time ago.

I should like to say one word on this matter of civil defence. I am not going to enlarge upon it at all because another member of this group is going to do so. Civil defence in Canada is in a pretty bad way. I believe that it is in better shape in Nova Scotia than it is in the rest of Canada. We have a very good fire marshal in the provincial government who has been working on this problem for the past two years. I believe we have pretty complete standardization of equipment in that province today, and that has to happen straight across the country. The thought I should like to leave with the minister responsible for that particular arm of defence is that, as soon as possible, civil defence should be divorced from military control. It should be organized on a local level. Villages and towns could co-ordinate in areas where they can work together. It should not be

centralized in Ottawa, and it should not be under the military arm at all. There should be a department of civil defence. During the last war in Britain it was handled almost exclusively, and very effectively, by the local authorities in the towns and villages. I believe that is the way it should be done here.

Since the Minister of Trade and Commerce (Mr. Howe) is in his seat and has announced plans for expanding the steel industry, I should like to direct a remark to him. When I came to this house I was rather surprised that there was a shortage of steel. From discussions in this house I was under the impression right along, of course, that there was a shortage, but I read a statement made by the head of one of the large corporations in December. It was made to a yacht club, and was to the effect that there was no shortage of steel in this country. He said they could not market all the steel they were producing. It might not be a bad idea to get together with that fellow. He may be hoarding steel somewhere. If there is to be an expansion of the steel industry, as I have suggested many times in this house, the logical place for that expansion is at Sydney, Nova Scotia. There is iron ore and a supply of men at that point. You have all the facilities, coal and everything bundled together. It is a good spot for expansion. I believe the company has some plans for it, but it might not do any harm to prod them a bit.

Mr. Howe: I was doing that this afternoon.

Mr. Gillis: I hope the plate mill down there has not been forgotten. The shipbuilding industry will be reopening and that mill could be used. It should be done as soon as possible.

Mr. Speaker, I should like to conclude by saying that I associate myself with the remarks made by the member for Saint John-Albert (Mr. Riley) a few days ago. He made an excellent speech for the maritime provinces, and pleaded for the decentralization of industry as well as a greater recognition of the economy of those maritime provinces. I do not want to repeat anything he said, and because he said it so well I am not going to say anything about it this afternoon.

Mr. J. L. Gibson (Comox-Alberni): Mr. Speaker, first of all I should like to join with those who have taken part in congratulating the mover (Mr. McMillan) and seconder (Mr. Breton) on the excellent speeches which they made. I believe they should be congratulated on another score, for having won their by-elections. Since I came here in 1945 the history of the Liberal party in by-elections has been very bad. I believe they must have been good men to win by the majority that they did.

I have been rather surprised that there has not been more support for this excellent brief prepared by the Canadian Legion, "Operation Preparedness". It seems to me that their suggestion that we have a national registration now is one that should be given careful consideration by the government. I realize that there are many problems and difficulties which would arise with regard to superimposing a national registration on a census, but it does not seem to me that those problems should be insuperable. It seems to me that we could use the same organization that we set up for the census in order to take this national registration. I am sure the government is giving consideration at the present time to this national registration and I sincerely trust that they will try to avoid the mistakes that were undoubtedly made the last time we had one, which was in 1941. I would presume that the government this time would be prepared to tie in our national registration with rationing.

Then there is another suggestion that also might be considered by the government, namely that it might be a wise thing if they were to consider having a fingerprint put on these national registration cards this time. We are in an entirely different type of warfare this time, and we do not want any phony registration cards running around. I would think that fingerprinting might be of great use in case there were any sabotage in the future. Certainly there are some people in this country who will object strenuously to that procedure, but my own experience has been that anyone who is an honest citizen has no hesitation about having himself positively identified under any circumstances.

The second request of the Canadian Legion is for modernization of defence resources and defence production. I believe that this brief was drawn up some time ago and that at that time there was probably some validity for the Canadian Legion's request. But after having listened to the Minister of National Defence (Mr. Claxton) and the Minister of Trade and Commerce (Mr. Howe), having seen the figures they have given us—80,000 contracts have been let for defence supplies and materials—and having had the ministers tell us what their program is to be, I believe that the Canadian Legion and all members of the House of Commons will be reasonably well satisfied that our government is proceeding vigorously with this particular phase of our preparedness.

I now come to the third request, and many speakers have already given their views on it. I am quite sure that the Minister of National Defence is not particularly happy with the results he has obtained so far in response to his request that people should join the reserve forces. The problem is this: What is he to do about it and what assistance can we, as members of the House of Commons, be in helping the government to obtain reasonable enlistments in the reserve forces? The Canadian Legion suggests that we should have compulsory service. I realize that there are great problems in putting into effect any program for compulsory service. Immediately one brings in compulsion, one has to think about means of enforcing that policy. There is also the consideration that in large cities we have facilities such as those mentioned by the hon. member for Cape Breton South (Mr. Gillis); we have armouries and the necessary facilities there. In the small communities, of course, we cannot have those. I should like to see the government make some move to give the Canadian people an appreciation of the fact that we intend to try to do something about the education of our people in some form of national defence. I do not think it particularly necessary that men should go out, put up a machine gun and take it down and have ack-ack battery practice. That in itself is only one phase of our national defence. It would seem to me that in any reserve force services we could well allow first-aid instruction, fire drill instruction, decontamination instruction—and there are many other things of that kind that would serve just as well—to give our young men in this country some useful knowledge in case they are called upon to use it.

I want to congratulate warmly the hon. member for Quebec South (Mr. Power) on what I thought was a particularly constructive speech. Whenever I hear the hon. member speak, the thought crosses my mind that he too seldom gives us the benefit of his great experience and the true wisdom that he has always displayed in this House of Commons. It seems to me that his suggestion that Canada might make her maximum contribution by concentrating more on air power than on other phases of our national defence is one that should be given great consideration by the government. From the statement made by the Minister of National Defence I can see that that is to be done.

There is another phase of national defence in which Canadians have shown particular ability, namely in our navy. I think that the contribution made by our navy in the escort service during the last war is one that contributed greatly to the allied victory. I am sure that next time, with Russia having concentrated a great deal on submarines, Canada's defence effort could be well served if we had a competent navy such as we had in the last struggle.

I am glad to note that we had from the Minister of Labour (Mr. Gregg) the announcement that he was setting up a national advisory council on manpower. Knowing the minister as I do, I am quite convinced that he has no particular intention of using this body as a place to which to pass hot potatoes or anything of that kind but that he really thinks that something worth while can be done by it. The great task of this council, of course, is to try to see just how we can divert our manpower into phases that will produce greater productivity in Canada. I think the suggestion made by the hon. member for Lambton West (Mr. Murphy) was worth while. He suggested that possibly we could approach our labour leaders in Canada and suggest to them that they might be willing to increase the work week in this country of men working forty hours a week and that they might be willing, as part of their contribution to Canadian defence, to allow their men to work forty-four hours a week. The resulting increase in productivity would be valuable to the nation. I am also sure that the extra take-home pay these men would have would help in solving many of their financial problems.

I think that the suggestion made by the hon. member for Hamilton West (Mrs. Fairclough), coupled today with that of the hon. member for Cape Breton South, was a good one, namely that we should allow increased income for our pensioners and for those who are drawing war veterans' allowance. If we also allowed them to contribute to our production in Canada I think they would make a worth-while contribution because there are many skills available to us in that segment of our Canadian citizenship.

We have another source of manpower which I know the government is counting on, namely the 150,000 immigrants whom the Minister of Citizenship and Immigration (Mr. Harris) has said he hoped to get into Canada this year. I sincerely trust that conditions develop which make it possible for those people to come here. After we get to that point, where do we look for the other manpower that is going to be necessary to take care of the increase we need in our production? I was going to suggest to the minister that he might consider our gold-mining industry. It has been suggested that we need gold in this country like we need a third leg in a pair of pants, and I am somewhat inclined to believe that is possibly true. We have 23,000 skilled men working

in the industry coupled with, I should say, another 50,000 men who are probably providing them with goods and services, together with all the materials that go into the production of gold. I am quite sure that our communist friends must get quite a chuckle out of it when we have our minister of defence production get up here and tell us that he is short of critical minerals and then tell us that our greatest mining labour force in Canada is digging out gold that we take over to the border, for which we take a few American pieces of paper, and which they take and put back down in the ground in Kentucky. I am quite sure that nobody, other than on economic grounds, could suggest that that procedure even made any sense at all. It certainly does not make any contribution in Canada.

Mr. Murray (Cariboo): What would you use in place of it?

Mr. Gibson: I am sure that Mr. Hitler fought quite a substantial war without having any at all. I am not sure that our Russian friends are taking any of their manpower and putting them into the production of gold, because I have never heard of Russia's gold production. We see very little of it in this country. They seem to be doing very well without it. After all, if the gold is in the mines we know it is there, and I would be quite prepared, if the gold was blocked out in the ore bodies, to support the Minister of Finance (Mr. Abbott) if he decided to issue a certain amount of currency against the gold in the ground. It might as well be in the ground in Canada as in a cave in Kentucky.

I realize that some of our gold-mining friends in these communities which are dependent upon gold production will feel that is a very harsh suggestion to make. I am very sympathetic toward the gold mining industry. It is the one industry that has not increased the selling price of its production. Everything else has doubled and trebled in value. I would suggest that under normal circumstances we should probably revalue the price of gold and put it up to $50 an ounce. It seems to me that that amount would be much more in keeping with its true value than what it is worth at its present price, namely, $36.50 an ounce. Such a course however would be too inflationary at this time.

I was disappointed to read in the speech from the throne that the government intends to extend assistance to the gold-mining industry. I see the Minister of Mines and Technical Surveys (Mr. Prudham) in his seat. He looks a little unhappy about the suggestion of mine. I certainly hate to hand a lemon like that to a young man who has just gone into the cabinet and is trying very hard to do a first-class job, and which I am sure he will do. However, there is one thing I would say. I am sure he would make a greater contribution to Canada's war effort if he took the manpower now engaged in gold mining and put it into the mining of strategic minerals, because I am sure there are all kinds of them in Canada that could be got out and used for national defence purposes.

There is another suggestion I should like to make but I hardly think that the government will adopt it. Any time we ever talk about anything which affects the press the government usually heads for a foxhole. The same thing is true of the opposition. It is very unpopular to do anything in this country that our friends from the newspapers do not like. I have said before that we lose millions of dollars in the Post Office Department by carrying newspapers containing the exploits of little Orphan Annie back and forth across this country at the taxpayers' expense. I do not think that it makes much of a contribution to our national welfare; but at any time that particular saving is brought up in this house everybody ducks for cover. Therefore, when I suggest that probably we are producing a little too much newsprint in Canada I wonder whether the government will go along with that suggestion either. It would seem to me that a great many of the logs that are being chewed up for newsprint could very well be turned to the production of lumber. I think probably we could get along with about half the production of newsprint in Canada that we have at the present time. Where are we sending it all? Ninety per cent of it goes down to the United States which is used of course to advertise and create a great demand for consumer goods which the United States government is trying to control. That is government policy down there. Another thing, they use it of course to produce funny papers or to glorify the Kentucky colonel, Colonel McCormick. I do not believe any of these things are essential to the prosecution of a war effort in any democratic country. If it did not mean such a tremendous waste of our great national resources and of manpower one would not object to it so much. Then there is the fact that Europe is desperately short of newsprint.

We have a story to tell in Europe. I am not too sure that some of the members of the Atlantic pact are so much sold on democracy as we should like to believe. When you come to Europe and to Great Britain you find that they have little two, three or four-page newspapers. They need more Canadian newsprint to tell a story. I do not think it is fair. I would think that

the minister of defence production or this government could enter into some kind of arrangement with the United States to cut down our shipment of newsprint to that country. Just recently I noticed an editorial in the Ottawa *Journal* in which it was said that one copy of a paper down in the United States had three and a quarter pounds of newsprint in it. Some of the papers in that country have a circulation of half a million. It just occurred to me that half a million of these newspapers, each weighing three and a quarter pounds, represent a million feet of timber, enough timber to build a hundred houses.

I realize that the United States must have newsprint, but at the same time it seems to me they could use it in moderation. Our government should do something about bringing it to their attention, and not let them be as wasteful as they would sometimes like to be.

There is another thing that I should like to call to the attention of the Minister of Trade and Commerce (Mr. Howe). I personally was disappointed, and it was a disappointment to many people in British Columbia, when the Alberta natural resources conservation board refused a permit for the piping of gas to British Columbia. It seems to me that this is one time when selfish provincial interests should not be allowed to stand in the way of our greater national interest. I would like to feel that my good friend, the hon. member for Peace River (Mr. Low), would discuss the matter with some of his colleagues in Alberta. After all, we might point out to them that British Columbia and Ontario also have certain natural resources. Ontario happens to have all the nickel. Ontario, therefore, might easily say, we do not want any nickel to go to Alberta. They do not need it there; we need it all here in Ontario. British Columbia has a lot of fir timber. Maybe we have not enough to spare any to Alberta. If we are to go ahead with the policy of Balkanizing Canada it will lead to disastrous results. I would certainly hope that the Alberta government—half the province out there will burn anyway in one form or another, oil, coal and gas—would show some evidence of real statesmanship, some evidence of their real concern for the welfare of Canada and try to get that gas piped out to the Pacific coast. The hon. member for Fraser Valley (Mr. Cruickshank) of course is very insistent that it go through a certain pass, and I still hope that it will go that way. But before we get into any trouble I would like to have that Alberta gas in Vancouver and in the Pacific northwest.

I am glad that the Minister of Trade and Commerce is now taking on added duties. He is going to be minister of defence production, along with his other jobs. It certainly seems to me that the old adage works in the House of Commons the way it works elsewhere. You always pile a little more on the willing horse. I am certainly glad to give a man of his training and capacity the opportunity to take care of that job for us. I hope that the Prime Minister (Mr. St. Laurent) will look around that galaxy of talent that he has—all these young fellows and the older men who are willing to do so much more than they are allowed to do today. If they were to create another minister or two over there I do not think that even our financial critics would object too much to it. I hope that we do not work the senior men of the cabinet too hard; because if we should get into trouble we want their experience and advice.

The Minister of Trade and Commerce has probably heard something about the steel industry we have been trying to promote in British Columbia for a long time. I trust that he will give the matter his usual careful attention. I hope the time will come when we shall have a steel industry there. The hon. member for Cape Breton South (Mr. Gillis) suggested that we could increase steel production in Cape Breton South. Probably we can increase our steel production in British Columbia also.

I would point out that in Comox-Alberni we have substantial deposits of high-grade magnetite ore.

Mr. Sinclair: No gold?

Mr. Gibson: We have a little gold out there. We will leave that in the ground for a while. We have great deposits of magnetite iron ore on Vancouver island close to tidewater. The minister does not need much coaching from me—he does very well without that—but I would certainly hope that he will see if we can get some of it into production. I do not think he will have to contribute any of Canada's money to it either, because I believe private enterprise will do it. I should like to see him facilitate in every way the use of the iron ore on the Pacific coast. I have an idea we may get some of that steel back into Canada and thus assist in relieving some of the shortages which are bound to develop.

This was not a bad speech from the throne, despite the fact that some people have said there was nothing in it. I was gratified to see that the government had come to realize the plight of pensioners in Canada. I was

quite sure that, once the government had recognized the justice of the demand made by civil servants for increased wages to take care of the increased cost of living, it would do something for the pensioners. It must be a source of great satisfaction to those pensioners, as well as to all members in the house, that this move is foreshadowed in the speech from the throne.

The government must never forget one thing, namely the great difficulty faced by people on fixed incomes. It is good to see that those people are recognized in His Excellency's speech.

The Minister of Resources and Development (Mr. Winters) is not in the house at the moment. From various quarters of the house I have heard him criticized for having made announcements that building loans under the National Housing Act are to be cut. I do not know what measure of justification there was for his announcement, nor do I know how wise it was from a psychological standpoint. However, if one may judge from the figures placed on *Hansard* the other day by the Minister of Trade and Commerce (Mr. Howe), in view of the situation with respect to bathroom fixtures and soil pipe, and builder's hardware, it does not appear necessary to discourage the starting of more housing units.

However, I do not go along with what was said by the hon. and gracious member for Hamilton West (Mrs. Fairclough). She seemed to feel that because the city of Hamilton was short of houses, and because its population had increased from 150,000 to 200,000, the federal government should be primarily concerned. I think sometimes the people of Canada are inclined to believe that the government's excursion into the mortgage and building field has been such that we are now required to use reasonable prudence and businesslike judgment in how we handle matters connected with housing.

I have an idea that lending values in Canada have gone up to a pretty high point. It was made comparatively easy in this country to become a home owner. Only a small down payment was required, with the result that many people assumed mortgages far beyond their means.

I would suggest to the hon. member for Hamilton West that at least a minor part of the housing problem could be met by the Steel Company of Canada, or the Studebaker Corporation or the International Harvester Company, or any other large company in that city. After all, if any one of them brings in a hundred new trucks as part of its operating equipment, it would have to build garages so as to keep them out of the snow. But if they bring in 20,000 extra employees, they immediately turn to the Minister of Resources and Development and ask for houses. It seems to me that we have reached the time in this country when employers might take a little more interest in their employees' houses, and give them some assistance in that respect. I believe those companies could probably bring about some savings which private enterprise can effect much better than any form of government bureaucracy I have ever seen, or anyone else.

A number of industrial units in the logging business in my constituency have looked over the National Housing Act. They have been offered money under its provisions; but they have said, "Nothing doing. We cannot afford such a luxury, with all that red tape and regulations." I know of one outfit in my own riding that has built two hundred houses for its employees in the last four years. It was offered a government loan to the extent of $175,000 for the first one hundred units, but after looking over that offer the company decided there was too much red tape. They said that if they built the houses according to government specifications they would have to rent them for $40 a month, and that they did not believe their employees wanted to pay that much.

Instead of accepting the government money they went ahead and built their own houses. They have about two hundred of them at the present time which rent for $21 a month. The employees of that concern are ahead of the game to the extent of $19 or $20 a month. The houses are just as good as would have been built under the National Housing Act.

Mr. Graydon: Not all people work for big companies.

Mr. Gibson: The small company could build three or four houses. However, I accept the hon. member's point. On the other hand most men work for some company, or work for themselves. I am not asking that the National Housing Act be discontinued, but I still think it would be an excellent idea, if, instead of shifting the problem to the municipal, provincial and federal authorities, some of the employers in the country got up and scratched for themselves, and did something for themselves once in a while, without coming here all the time asking for help.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Gibson: When the house rose at six o'clock I had almost finished my remarks, but there has been so much discussion about

inflation that I think I should take a crack at that subject also. I believe anybody who really knows the situation must recognize of course that the present level of inflation in Canada and the present purchasing value of our dollar merely reflect the amount of water that the government saw fit to pump into our currency in order to win the last war. I do not think anyone in the house would blame them for the action they took at that time. After all, it was a universal method that was adopted to try to finance that great struggle.

Mr. Macdonnell (Greenwood): And nothing since then.

Mr. Gibson: Of course it is always fashionable to look for a goat at a time like this, but I think we all must recognize what the government has done. Possibly I have been giving them a little too much praise. Once in a while they may need a little dusting-down. On the other hand, in order to be fair I think we have to recognize the fact that they have done a pretty good job since 1946 in producing balanced budgets, and indeed budgets that had substantial surpluses. Every time that those surpluses were announced there was a great deal of criticism in the house and throughout the country that the government was taking money unduly and robbing the taxpayers. I believe the very fact they did that has kept our price level within the reasonable bounds we have now.

Unfortunately our great and good neighbour to the south of us did not see fit to operate under the same kind of budgets and the effect of the good work done by the Minister of Finance (Mr. Abbott) and the government has been nullified almost completely by the action of the United States government in running into huge deficits at the same time. Unfortunately we in Canada cannot have a price level different from that prevailing in the United States, certainly not one which is substantially different.

It is very important that the government should address itself with real vigour and imagination to the very real problem faced by pensioners and others on low fixed incomes. I sincerely hope they will bend every effort in that direction. In due course when the Minister of Finance brings in the budget I expect that he will introduce substantial taxes on luxury goods. I think that is one way he should raise money. It is one way by which to try to discourage expenditures on non-essential items by the Canadian people. Despite the inflation everybody is talking and roaring about, I think no member of the house can stand up and say that the people of his riding are not better housed, fed and clothed, and have more economic security today than at any other time in the history of Canada.

I believe that if war is thrust upon us it will be necessary for the government to institute very definite controls in every sphere of our economic activity. When I say that I mean wage controls, rationing and the whole line-up of controls that we had in the last war. I hope the plans of the government are prepared so that they can be put into effect very rapidly if necessary. I do not want to see Canada with a menagerie of controls such as they had in the United States, rolling back prices and then rolling them up again, putting controls on and taking them off. When the government starts in to do a job of that kind I sincerely hope that they will have made up their minds and will be prepared to go ahead and make a real job of it. Until the situation develops further, I am certainly glad that we have a Prime Minister (Mr. St. Laurent) and men in his cabinet of the calibre referred to by our old friend, the great Kipling, when he says to the youth whom he is supposed to be addressing in the poem:

> If you can keep your head when all about you
> Are losing theirs and blaming it on you . . .

Mr. A. Earl Catherwood (Haldimand): Mr. Speaker, it is a very great privilege for us ordinary members of the house to have the opportunity of speaking in our free parliament and expressing ourselves on problems that we feel are closely associated with our particular ridings and with the country in general. I am very glad the hon. member for Welland (Mr. McMillan) is in the house. His riding adjoins mine, and I should like to commend him highly, together with the hon. member for Joliette-L'Assomption-Montcalm (Mr. Breton) for the excellent job they did in moving and seconding the address in reply to the speech from the throne. While they were very optimistic concerning what the throne speech contained, perhaps a little more so than those of us on this side of the house, I commend them on their initial efforts.

I should like to say a word about my predecessor in office, Mr. Mark Senn, who represented the riding of Haldimand, as you know, for some twenty-eight years. I was most pleased that the hon. member for Danforth (Mr. Harris) paid tribute to him. It was naturally not my privilege to have served in the House of Commons with Mr. Senn but it was my privilege to have lived in the riding which he represented so ably and well for a period of twenty-eight years. I can perhaps best describe the feelings of the people of the riding by telling you what a very fine old lady said when she heard Mr. Senn was going to retire from public life. She said, "Well, I guess I can go back to the party I was associated with some twenty-eight years ago."

His funeral service was attended by thousands of people from every walk of life rich

and poor, young and old, people who had come from far and near. One could not help but feel that we were writing the closing chapter in a book of a life of service to this country. Canada has lost a great citizen and we in Haldimand county have lost a true friend.

As I mentioned at the outset, in this debate we have the opportunity of speaking on a number of topics, and I should first of all like to say a word or two about defence. I do not expect to occupy more than twenty minutes of the time of the house this evening. According to the Minister of National Defence (Mr. Claxton), Canada has offered to increase her air training plan for Atlantic pact allies and has invited them to train in this country. The minister has never been specific about the type of training to be provided. He has never been very specific about many other matters pertaining to national defence concerning which we would like to have information. However, he took the house into his confidence the other evening up to a certain point when he told us we were going to train 3,000 airmen in this country per year instead of the original 1,000 concerning which we previously had information. If this is to be Canada's offer, I still feel it cannot be regarded as particularly impressive. In the war of 1939 to 1945 under the commonwealth air training plan Canada trained 132,000 air crew. Among those, of course, were several thousand of our own Canadian boys. This was a remarkable achievement, and was perhaps a greater contribution to the common victory in that war than any other factor. President Roosevelt, whom we all know and recognize to have been an outstanding statesman, referred to Canada as the airdrome of democracy. Looking at our defence effort and the contributions we can make to it, it seems to me there could be no greater contribution to the cause of freedom than for Canada to offer to train air crew by the thousands, as we did in 1940-45, for the free nations joined together not only in the Atlantic pact but in the United Nations as well. The experience and knowledge gained in the commonwealth air training plan, together with the fact that many of the 154 air and ground schools are more or less intact and could be converted for training purposes, would enable Canada again to be properly called the airdrome of democracy, and to become a bulwark for the protection of free peoples against possible Soviet aggression.

Those of us who availed ourselves of the privilege of visiting the Canadair plant at Cartierville, Quebec, last week witnessed an amazing exhibition by jet fighter aircraft. We saw the F-86 Sabre travel faster than the speed of sound, between 600 and 700 miles an hour, and give a demonstration of manoeuvrability beyond what we had thought possible. If there is another opportunity I strongly recommend that hon. members visit this plant and see what this marvellous plane can do.

I believe it is the opinion of most hon. members of this house that if a shooting war does develop air power will play a leading part, and I am entirely in accord with the view of the hon. member for Quebec South (Mr. Power) and others who have given support to the need for greatly expanded air power.

It is very necessary, also, to inform our people of the great dangers with which they are faced. In a statement made some two years ago the Prime Minister (Mr. St. Laurent) said:

> Recent events have brought home to us all the increasing threat to our democratic national existence of the rising tide of totalitarian communism. We know that Canada's boundaries against such a threat extend far beyond her physical frontiers. We know there can be no neutrality in this conflict.

But only last August the Secretary of State for External Affairs (Mr. Pearson) made this statement:

> The furnishing to the United Nations on short notice of expeditionary forces capable of quick deployment in distant areas wherever acts of aggression might take place had not, I admit, entered into our planning.

There is a real danger, I think, in making serious estimates of the menace of aggression and then not implementing corresponding and commensurate measures of defence. If this practice continues the conviction will gradually form in Canada that our defences, meagre though they may be, nevertheless will be sufficient to protect us and our way of life. In April 1948 the Prime Minister, speaking on foreign affairs to a Senate committee, said we were not doing enough to inform the Canadian people of what is going on. Let us implement this statement; let us frankly and truly inform the people of Canada not only of the gravity of the situation, but let it be known in plain terms what the consequences could be. That is what they want to know.

It is most encouraging to note in the speech from the throne the announcement that a department of defence production will be established to act as a procurement agency for the armed forces of our allies and ourselves. This is a department of government that I think is very necessary, and I am very glad to see it being set up. It will be openly welcomed by business generally throughout Canada. Most large industrial firms which have been working on civilian orders are ready to co-operate in industrial mobilization,

and can be depended upon to utilize their immense resources to this end when needed. Many small firms throughout the country are finding their business practically coming to an end, owing to the shortage of steel; and I believe that if the Minister of Trade and Commerce (Mr. Howe) would clarify the steel situation these smaller firms might be able to stay in business.

The speech from the throne also stated we would be asked to consider measures respecting federal grants in lieu of taxation on crown properties. I am very glad the Minister of Finance (Mr. Abbott) has recognized the need for legislation of this kind and plans to bring in a measure dealing with this specific matter. I do hope serious consideration will be given the possibility of giving the municipalities power to assess all government properties within their boundaries on the same basis as other properties. I believe government property, regardless of where situated, from the largest and most extensive buildings to the very smallest, should be the responsibility of the owners, the Dominion of Canada. As the British North America Act now stands it is not possible to tax property owned by the crown. I believe this act should be revised to make this possible. However, if the government cannot see their way clear to do so, I suggest that they consider legislation under which federal grants may be paid in lieu of taxes on all crown property. The announcement made by the Minister of Finance on November 14, 1949, in which he gave a detailed explanation of the proposed method for making grants to municipalities, was most welcome, but I think most hon. members were greatly disappointed when they learned the final details. However, now that this plan has been in operation for fourteen months I am sure the minister has learned a great deal about it, and I hope the government is now prepared to recognize the need for legislation such as I have suggested.

The speech from the throne also states that we are resolved to aid in constructive endeavours to improve the standards of human welfare in underprivileged countries. This, I believe, presents an opportunity for Canada to demonstrate to the Asiatic countries not under the Soviet heel the sincerity of our desire to aid them, by providing quantities of food and other materials. If we could see our way clear to send shipments of wheat and flour to India, Burma and other countries which would alleviate to even a small degree the hunger that prevails in those lands, I am sure we would be well repaid in the good will that would be established. I also believe that if we in the western world had recognized the famine conditions which have existed in China during the past four or five years and had sent some of our surplus supplies to that country, communism would not have been the force there it is today. We cannot ignore the fact, which has been brought home to us so forcibly, that the most fertile ground for communism is in the hearts of starved and hungry peoples.

Let us hope also that at this session the Minister of National Health and Welfare (Mr. Martin) will bring in legislation which will carry a ray of sunshine to our crippled and disabled citizens who, because of their afflictions, are unable to provide for themselves. I believe such legislation is just as necessary as that providing for aid to our blind and our old age pensioners, and just as necessary as the family allowance. Every member of this house knows of such people who are very much in need, and I feel that it is our responsibility to provide for them just as we provide pensions for our older citizens.

Along with this, on the domestic side there are no great problems requiring the attention of this house except the implementation of the social security recommendations brought before parliament at the end of the second session. It is admitted everywhere that the present old age pension plan is completely inadequate; and, since the government has expressed a willingness to act provided the provinces will co-operate by endorsing the necessary constitutional amendments, I strongly urge that the government take action on this question during this session of parliament. It is to be hoped that the government will not allow the international situation, serious though it may be, to interfere with this very necessary domestic reform. Relief for our elderly people is long past due, particularly since the inflation of the past few years has cut deeply into the purchasing power of their meagre funds. How some of these people are able to exist is beyond my imagination. I think the Minister of Finance might make use of their advice in his department.

The hon. member for Hamilton West (Mrs. Fairclough) made an eloquent plea to the Minister of Resources and Development (Mr. Winters) the other evening with respect to the housing program. I certainly cannot agree with the hon. member for Comox-Alberni (Mr. Gibson) when he says this plan should not be brought forward at this time. I do feel that the hon. member's idea in regard to firms building homes for their employees is sound. I also feel, regardless of how many homes are built by firms, by individuals and by everyone who can possibly build, that we will still be far from having enough to supply

the demand for homes in this country, especially if we are going to continue the great immigration program that has been suggested by the government. I am heartily in accord with that program, and I believe every effort should be made to continue to expand home building in this country.

I had hoped, sir, that instead of this announcement by the minister, which cannot fail to have a depressing effect on building, a statement would have been issued to the effect that part IV of the housing act would be proclaimed, allowing for loans on home improvements. The genial Minister of Resources and Development (Mr. Winters) can win friends and influence people by influencing the government to realize the need for reconsideration of this matter.

I should like now to say a word about controls. In September of last year the government asked for and secured powers for controls. We had hoped that the Minister of Trade and Commerce (Mr. Howe) would have made a statement concerning this matter in his speech on February 8. The very least that should be done is for the government to state its intention as to whether or not controls will be introduced. As has been stated by many hon. members in this house since this session began, numerous cases have come to light in which there have been unwarranted mark-ups in the prices of a number of products by some manufacturers who anticipated government action. This increase has been and will continue to be a hedging operation against future contingencies. There can be no doubt about that. I feel that these operations will continue until some measure of controls is put into effect. The simple fact remains that uncontrolled inflation will bring disastrous results to tens of thousands of Canadian people who have practised thrift to provide for their security, and who will find that their dollar is worth approximately half of what it should be. I feel that an immediate statement from the government concerning what it intends to do about controls is necessary.

Some people have asked me what the farmers think of controls and this inflationary spiral. I can say that the position of agriculture today is affected equally by the decreased purchasing value of the dollar as are our urban friends. Dr. E. C. Hope, perhaps one of the outstanding economists in Canada, outlined the situation in an address to the Canadian Federation of Agriculture in Calgary, when he stated that the net income of the farmer reached its peak in 1944 and has since declined despite continued high prices for farm products, until today it is sixteen per cent less than in 1944. He stated, and I am entirely in accord with the main point in his address, that the responsibility and primary function of government is to protect the value of our currency. Inflation, as Dr. Hope clearly pointed out, is the last thing the farmers want. I feel, sir, that an immediate statement from the government is necessary concerning its intention with regard to controls.

Mr. L. T. Stick (Trinity-Conception): Mr. Speaker, since our last session here last fall you had the honour of representing this house at the opening of the new parliament at Westminster. That you did so, sir, with honour and with dignity is a matter of satisfaction to all of us. I should like to offer you my congratulations. I should like also to join with the others who have preceded me in congratulating the mover (Mr. McMillan) and seconder (Mr. Breton) of this address in reply to the speech from the throne.

Hitherto in this house I have refrained from speaking of things provincial or things pertaining to my riding. I did so for the very good reason that I did not want my presence here to be misunderstood. The entry of my province into union was inclined to be misunderstood, and if I were to bring up provincial matters or matters pertaining to my riding, perhaps I would be misunderstood by the press of this country just as they misunderstood our entry into the union. I believe we have been here long enough now for the people of Canada to understand, so I can now revert to form and in this speech refer to matters pertaining to my province and to my riding.

The hon. member for St. John's West (Mr. Browne) has laid before this house the condition of the people in the fishing industry in Newfoundland. He did so in a very matter of fact way, and I have nothing to say in rebuttal. But I do want to say to this house that this is no new thing in the history of the fishing industry in Newfoundland. Our fishing industry, in common with all the other industries in this country, has its ups and downs. Last year we found we had a surplus of fish on our hands. When we began to market our new catch we found that this surplus brought down prices in foreign markets. That is trade as we know it in the world today. Unfortunately, the position in which we found ourselves was not kept to ourselves, but was broadcast to the four corners of the world. This did not help the industry, and it did not help us to maintain higher prices.

The fishing industry in Newfoundland is vital to the economy of the province. Hundreds of thousands of our people depend upon

it for their livelihood. I make no apology for bringing this matter to the attention of this house, because unless we can give our fishermen the wherewithal to make a decent living this industry will decline. It will disappear from Newfoundland. Neither my province nor this country can afford to allow the fishing industry to decline in that way.

We have in Newfoundland what is known as NAFEL, which is a marketing organization that markets all of our fish. We have also a salt-cod fishing industry, and there is the federal Department of Fisheries which is represented by the fisheries board of Newfoundland. These organizations and representatives from the fishermen meet yearly, sometimes twice a year, to set the prices which the fishermen get for their catch. It is not mandatory on the purchaser to pay those prices, but I can say here that in the main the recommendations coming from those organizations are carried out. The member for St. John's West said that some of the purchasers paid too little for the fish last year. I believe that to be correct. But I would also like to say that on other occasions they paid more than the price recommended by these organizations.

Mr. Browne (St. John's West): May I ask a question? Is it not a fact that this year the joint committee to which you referred did not set the price for fish?

Mr. Stick: They did not this year, but they have in the past. The situation in Newfoundland is something we have had for many, many years. It cannot be cured overnight, and it did not come overnight. I suggest to this house that instead of blaming the purchaser or blaming NAFEL or other organizations in Newfoundland, all these organizations should get together in a spirit of good will to ascertain what is wrong with the industry and devise ways and means whereby this industry could be put on its feet. I believe that is a reasonable and sensible way of going about it. I believe a solution of our problem could be found in that manner.

You may be inclined to ask, who are these people about whom I am speaking? Are they worthy of assistance? Let me tell you in all sincerity that these people in Newfoundland who get their daily bread by toiling on the sea, and who face the Atlantic in its calm moods and in its stormy periods, are producing some of the things which you eat here. It is necessary for the economy of this country that we keep the fisheries going just as much as it is necessary to keep the farming industry going. Those men are brave. They face the dangers of the sea day and night. They know what it is to be on the Atlantic when storms are raging, and when the wives and the children at home are praying that they may return safely. Those are the men that helped to keep the Atlantic sea lanes open so that your commerce could travel to and from Europe during the first world war. Those are the men who beat the U-boat menace on the Atlantic during the last war. Those are the men who are today enlisting in the Royal Canadian Navy in such large numbers. They are the men that Churchill called for during the second world war when he wanted men to man the small boats of the Royal Navy. He sent out a special call for them, and he named them the greatest small-boat men in the world. If we get into a shooting war they will respond again as they have in the past. They are willing. I speak on their behalf tonight, and I make no apology for doing so.

For fifteen years in Newfoundland we had a form of government that we called a little dictatorship. You may call it bureaucratic, if you like. We know what we suffered under that regime. In my riding we know how the wharves, the navigation aids and public works generally deteriorated. They were not kept up and they withered as grapes on the vine. I have made recommendations here in all honesty and in all sincerity, which were designed to assist the people about whom I am speaking tonight. I ask for special consideration on behalf of those people. Since I have come here, particularly lately, I have found a certain amount of the bureaucratic business that we had in Newfoundland years ago. We now find that all requests going in are answered with one word "no", that defence comes first, and that we must economize. I would say that there is such a thing as false economy. When those requests are taken into consideration, I hope that those people who live hundreds and thousands of miles from the sea will realize how the people for whom these requests are made earn their daily bread. It requires no brains to say "no". You can teach a parrot to say that. In bringing this matter before the house on behalf of those people I ask, in all sincerity, that they be given the consideration which they deserve.

There is one other matter, Mr. Speaker, which I should like to bring to the attention of the house at this time; perhaps I should say there are two matters, but one is interwoven with the other. Recently we have heard of the huge iron ore deposits in Labrador. It is necessary for the economy not only of Canada but of the whole North American continent that that iron ore be placed in the hands of the steel makers so that we may have the requirements of steel

to meet our needs. That development will take place in two or three years. In two or three years that ore will be coming up and going through the steel furnaces in the middle west and other parts of Canada. I want to make a plea here tonight for the deep water canal on the St. Lawrence seaway.

Mr. Graydon: We are right with you on that.

Mr. Stick: When the fathers of this nation looked out upon this country they saw vast tracts of land inhabited by people who were scattered. They conceived the idea of welding this country into one nation and they did it by building railroads. We have advanced from that stage, and last year we had in this house legislation respecting what is known as the trans-Canada highway. That is to further the process of cementing this country into one nation. I submit that today the St. Lawrence seaway is vital not only to the defence of this country but to its economy. Far too long have we waited for our friends and neighbours to the south of us while this project was kicked around as a political football. The time has come when we must act and, if necessary, do so alone. I am informed that this project will cost from $700 million to $800 million and that it will take some four to five years to complete it. In spite of what has been said here in this house this afternoon by the parliamentary assistant to the Minister of Finance (Mr. Sinclair), I am convinced that it is within the capacity of this country to carry out that project, if necessary, alone. I am further convinced that the time to begin it is now. We will welcome our friends in the United States if they come in with us but I say here definitely tonight that we cannot wait longer than 1951 and that we must be ready to begin this project in 1952 even if we have to go it alone.

Last year some of us paid a visit to Windsor and Detroit. We saw the huge industries in that area. Those of us who like the sea and who have the sea in our blood were naturally interested in the water. We saw the huge amount of shipping passing to and fro on that strip of water between Windsor and Detroit, and we were told that that stretch of water has on it the greatest amount of sea traffic in the world, that the amount of shipping passing up and down that river is far greater than that passing through the Suez canal or the Panama canal. From looking at it at the time, I can well believe that statement. I myself have been through the Suez canal on four or five occasions. I have been on defence for two or three months on the Suez canal and I know what traffic goes through it. I ask the house to visualize what will happen when we get that deep water canal on the St. Lawrence. I say that the traffic passing between Detroit and Windsor can be duplicated on the St. Lawrence and that this seaway will knit this country as it has never been knit before. It will allow the resources of the east to flow to the west and the resources of the west to flow to the east. It will be one other link binding this country together.

We have at this time the spectacle of the shortage of steel. Almost every day in this house we receive new orders with respect to the curtailment of the use of steel. We have the iron ore in Labrador; we have the coal in the maritime provinces, and we have the limestone. Why have we not the steel industry today capable of supplying our needs? I ask this house to have vision and faith. It has been said that as goes the family, so goes the nation. Carved in letters of stone in the peace tower, at the western end, are these words: Where there is no vision, the people perish. This chamber here represents the family of Canada. Our forefathers supplied the faith and the vision to make this country great. Is it too much to ask of us here now that we supply the vision necessary to make those projects I have mentioned come to fruition? Inasmuch as our forefathers by their vision made Canada great, is it too much to ask of each one of us here tonight that we carry on in our day and generation the example they set and that we make Canada greater?

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, before I proceed with my other remarks, may I say I understand that some remarks were made this afternoon which were intended for my particular attention. All hon. members are well aware of the sad event which kept me away from this house on Thursday and Friday. For that reason it was necessary for me to take some time this afternoon to examine *Hansard* so that I might know what had been said during my absence. I regret that I did not have the opportunity to hear the remarks to which I have referred. I trust that those remarks were a serious attempt to examine the grave problems now before us.

We are now discussing the amendment moved by the opposition and the subamendment which was moved to that amendment, and which adopted the wording of the amendment, making the additions now under consideration. I think I might read into the record at this point the words of the amendment and the subamendment so that we shall have before us exactly what it is that we are

considering in this debate at this very important time. This is the amendment:

We regret that Your Excellency's advisers have failed

(1) to give this nation leadership in the face of the present grave danger; and

(2) to bring into being forces necessary to enable Canada to defend itself and discharge its international obligations; and

(3) to take effective measures to combat inflation and the rapidly rising cost of living.

A subamendment was moved to that which reads as follows:

That the following words be added to the amendment, immediately after the words "rising cost of living" in the last line thereof:

"such as the immediate reimposition of price controls, and the payment of subsidies where necessary, so as to protect the health and living standards of the Canadian people.

That is what we have under consideration; and the vote that will be taken at the time it is called will be upon that amendment, accepted in the subamendment, with the additional words that I have just read.

Before I come to the subamendment I should like to deal with the first two subjects mentioned in the amendment which I moved in the early stages of this debate. It covers three subjects. First, the failure of the government to give leadership in these critical days. Second, the failure of the government to bring into being the defence forces required to fulfil our tasks at this particular time; and third, the failure of the government to deal with the high cost of living and inflation.

First of all, let me deal with the question of leadership or lack of leadership given by the government at this time. After all, on an occasion when we are told that we face as grave dangers as ever confronted western civilization, it is most certainly imperative that the government give leadership to the people of this country as to the nature of the tasks that they must undertake, and as to the way in which they can best contribute to the common effort to be made by all our people.

If there had been any question in the opening stages of this debate about the complete absence of leadership by this government that doubt must have been removed during the course of this debate from anyone who is prepared to examine carefully exactly what the government has put before us during the past two weeks.

First of all, we had a statement by the Prime Minister (Mr. St. Laurent) which indicated what might be done if, as and when the government thought there was any reason to act. Then we had a statement by the Minister of National Defence (Mr. Claxton) in regard to the money to be spent; and we had placed before us, in a cumulative form, an estimated total of the amount which might be spent over a period of three years. I would remind hon. members that our obligation, our duty and our only right is to deal with the things that will be dealt with in the coming year, although I agree that it is wise to plan for the time ahead.

We knew in advance of the statement by the Minister of National Defence that approximately $1,600 million was to be spent on defence during this current year. What was told us then was not new. It is only a question of simple arithmetic to reach the conclusion that carried forward over a period of three years it would approximate $5 billion. There is not a single member in this house, including the Minister of National Defence, or the Minister of Finance (Mr. Abbott), or the Prime Minister, who has the slightest idea of what the expenditure may be that this country will be called upon to meet if events during this current year should take the course that presented us with graver dangers than those we now face. The whole presentation of this subject was placed before us as though we were in a period of relatively stable preparation for defence, in spite of the fact that we have been told by the government that the next few months may be the most critical in the history of the western world.

Again, the announcements that were made indicated an approach on a long-term basis to the provision of manpower and of weapons, and of the things that are required for the defence of this country. Money is very necessary in preparing for military defence. This parliament and the people of this country have learned that it takes a great deal of money in a free nation to bear the burden of defence. But the actual burden of defence itself is not the dollars that are put forward. Defence rests upon trained men with weapons with which they can defend our freedom.

What we need to know, if the crisis is in the nature of the crisis that has been described to us, is how many men fully trained and equipped and armed this country is going to have on April 1, on May 1, on June 1, on July 1, on August 1, on September 1, during the most critical months that the western world will face for many years. There is nothing in what has yet been placed before us that gives us any real indication of what measures of defence this country actually has, or will have, during these most critical days.

There was one speech from the government benches which approached this subject in an atmosphere of reality—and only one. That was the speech of the hon. member for Quebec South (Mr. Power). In that speech a man

who had accepted the responsibility of one of the defence ministries during the years of war pointed out the obligation that there is on every member of the House of Commons to know what we actually have to defend this country.

He himself, not unnaturally, indicated his own interest and his own faith in that branch of the service with which he was associated during the years of war. He presented to us reasons why he thought this country should place the utmost emphasis upon the Royal Canadian Air Force and upon the training and equipping of air units. He suggested that members of the house should express their opinions as to the balance of emphasis which should be placed upon one branch of the service and another.

I for one wish to subscribe to the views he expressed, that there are reasons that Canada is peculiarly fitted and qualified to train large numbers of airmen, and that our greatest emphasis should be upon that branch of defence. For at least two years to my recollection the hon. member for Nanaimo (Mr. Pearkes) has been urging that greater emphasis be placed upon air defence; and I am very happy to see that an increasing measure of emphasis is placed upon this service.

I think our geographical position suggests reasons why we can best contribute both to the defence of Canada and any collective effort that may be made, either in Europe or any other part of the world, by those military craft that can move so fast into any area of danger.

There is another reason—and I should like to indicate that this is no new conviction of mine, but rather one I have held for many years. Like the hon. member for Quebec South, I have sought for some time to emphasize the special qualifications possessed by Canadians in this great branch of the military service. In 1930 in a book I wrote under the title "Canada's Fighting Airmen" I had this to say about the particular qualifications of Canadians in this field:

> Canada's share individually and collectively was out of all proportion to her population. Not long after Canadians really took up flying in earnest it became apparent that they were at least the equals of any of the airmen in the war. It is interesting to speculate why they displayed such an undoubted superiority in this new service. There must be some explanation for the fact that Canada, with about one-tenth of the white population of the empire, should have supplied one-third of the pilots in action with the Royal Air Force at the end of the war, and there must also be some explanation for the individual dominance of Canadians among the British fighting pilots. Perhaps the wide horizons of life in Canada, the atmosphere of optimism, the confidence of individual opportunity, and the general adaptability to unexpected tasks born of life in a rapidly developing country all contributed to the qualities which so peculiarly fitted Canadians for success in this new and incalculable adventure. Whatever the reasons may have been, the simple fact remains that, without any qualification as to population or otherwise, Canadians proved themselves the greatest air fighters on the side of the allies. Their exploits should be an inspiration to young Canadians for all time, because at the height of their glory these men were mere boys, and what Canadian boys did then forever avoids the necessity of seeking beyond the borders of Canada for examples of the highest bravery, devotion to duty and self-sacrifice.

Those same qualities were shown during the second world war. Those same qualities are possessed by young Canadians today, and I think there are good reasons why the utmost emphasis should be placed upon this service. There are also reasons why emphasis should be placed upon the equipping and training of airborne troops. There are also reasons why emphasis should be placed upon the equipping and training of fast armoured units which can train in the great spaces of this country and be moved rapidly into any threatened area. There are also reasons why, with our great coast lines, and the fact that there is good reason to believe that the danger spots where trouble might arise may be some distance from our own shores, we should build ships of a type which would make it possible for those young men and women who have shown such great adaptability for naval service to continue that service wherever Canadians may be required to assume the collective responsibilities they have accepted.

Then we come to the land forces. In that we still depend to a very considerable extent upon the reserve army, which can be organized here in Canada and can be brought into a position to defend this country during a period when any threat might present itself.

No one should underestimate the importance in the Canadian defence plan of the reserve army. One of the things that have not been answered in the debate, but which should be answered, is the statement by the senior officers of all the associations representing the different branches of the land forces, that any suggestion that the number of men we have in the reserve is an effective force for the defence of this country is a travesty of the facts. These men who made that statement are the men who know best of all what the state of training of the reserve units really is. They know better than the Minister of National Defence (Mr. Claxton). They know better than the general staff. They know better than anyone else because they are the ones who are actually assuming responsibility for that training. They have made the bald statement that we are not getting full value for our money in reserve

training, and that any statement that we have 40,000 effectives, which has been made over and over again, is a travesty of the facts.

This is not a time for us to be given any statements which do not clearly and accurately represent the situation with which we are confronted. Examine the speech of the Minister of National Defence. It tells us how much money the government may spend. It tells us what units may be raised with the money to be spent, assuming that it is still dollars of the same kind. It tells us also some of the general plans, but it does not tell the members of the house what the defence forces are that we have today, what the state of our defences actually is, how ready we are to meet any threat that might confront us, or how ready we are to accept our share in any collective responsibility that we have assumed.

The hon. member for Quebec South (Mr. Power) raised an extremely important point when he said that one of the great problems confronting us now, when so much power of necessity is assumed by this and other free governments in the face of threats of this kind, is to find a method by which members of parliament can be fully informed and assume the responsibility which it is their duty to assume before they pass the votes of money which they are called upon to pass. The hon. member for Quebec South supported the idea of a committee to examine defence so that members might be informed. He pointed out that such a committee should not be permitted to deal with questions of policy. I agree with that. At no time have I suggested that a committee should deal with questions of policy. Policy must be the exclusive responsibility of the government. What I have urged is that there be a committee which can examine the facts so that in turn the committee may report to the house and the house may know what the state of the defences of this country really is in these most critical days.

In the various things that have been said, suggestions have been made that staff officers be called before that committee, and if in any of those statements the government has interpreted the argument as an argument that such a committee be permitted to deal with questions of policy, may I remove any suggestion of that kind. The suggestion has been made, and my argument now is, that such a committee is essential if members of the house are to have the facts in regard to defence which they should have if they are in fact going to perform their duty and their responsibility as representatives of the people of Canada at this time. Short of that we have no adequate information. Short of that we are passing over this great subject with a statement as to the amount of money to be spent. What do members of this house know about the state of our active force? I have sought to ascertain what the state of our active force is, that almost forgotten force which was by-passed when it came to the acceptance of responsibilities under the United Nations, that magnificent well-trained force.

Do not let members of this house be asked to accept the explanation that the airborne brigade was kept in Canada to defend Canada in the event of attack. The aircraft which could have carried the airborne brigade into action were sent outside of Canada, and they cancelled their training last autumn because of that fact. Today we have land forces of at least three different types. We have the special force; we have the active force, which seems to be particularly for the defence of Canada; and we have the reserve force, as well as such other forces as might be brought into existence. Surely members of the house have a right to hear a discussion of this subject and opinions expressed as to the organization of military forces which will most effectively deal with the tasks before us.

That is not a question of government policy. It is a question of the presentation of facts upon which members of the house can then make their arguments as a result of which the government in turn would decide policy, which is its responsibility. Most certainly the thing that is creating an atmosphere of uncertainty and confusion in Canada today is the absence in the house or outside of that detailed information which is so essential if we are going to assume our responsibilities. For that very reason I once again repeat my earnest request to the Prime Minister (Mr. St. Laurent) that the government agree to set up a committee to examine the whole subject of national defence, recognizing that there will be subjects that must be kept behind the veil of secrecy but recognizing also that this house is always ready to accept any reasonable explanation in that respect, and has never sought to violate the secrecy essential in cases where real secrecy is needed.

When it is suggested that this would be taking over the responsibility of government, may I once again point out that surely external affairs are just as much in the realm of secrecy as national defence, that a committee is set up to deal with that subject, and that it has never been suggested at any time that the external affairs committee is usurping the authority of parliament. There is plenty of evidence of what has been accomplished by committees in other countries. I have been told by those in a position to know—and I am sure other members of the house have

received the same information—that one of the reasons that little Finland was able to make such a magnificent stand against Russia in 1939 was because a committee of their parliament had been set up to examine national defence, and that committee made recommendations which led to a reorganization of the defence forces of Finland as a result of which we had that sublime act of courage when that little nation stood against the full force of communist slavery. We would reap the same benefits. We would receive information to which we are entitled, and I hope that, at this stage of the session, when it is so important that we proceed with knowledge of the subject we are discussing, a committee of that kind will be set up.

Then let us examine the information placed before us by the Minister of Trade and Commerce (Mr. Howe). Surely there was a complete absence of leadership there. If any member of this house knows definitely any more than he did before that speech, he has been able to find in it something I could not find. That speech was simply a statement that certain things may be done some time; that some things are under serious consideration. This is a time for serious consideration, Mr. Speaker, but it is also a time for action; and the time for action is long past in regard to some of the subjects that were discussed by the minister.

One of the most remarkable things to have been presented during this debate, either inside or outside the house, is the suggestion that it is not necessary for us to tackle some of these problems because the people of the United States are also tackling them and this may be adequate for our requirements. Surely the sovereignty of this country, the sovereignty of this parliament, suggest that no member of the Canadian government should stand in this house and say he expects that the things done by some other nation are going to be adequate to deal with the problems we are called upon to face. This parliament has the responsibility of dealing with its own problems. Today as we prepare for defence, as the enormous sums of money that will be called for will be spent, we know that the inflationary pressures in the country will be infinitely greater than they are at present. We know we have not yet even felt some of the inflationary pressure already created. We know some raw materials are going into industrial production which cannot be replaced at the same price. We know that when those raw materials must be replaced the prices will go still higher, simply from the evidence of what those raw materials cost today. We have seen what has been happening in connection with inflation. We know how it has been increasing, and we also know the whole tendency will be for it to increase still further unless effective steps are taken to bring it under some measure of restraint.

It is not necessary to remind some members of this house of what has happened; nevertheless it is important that we all bear in mind what has been taking place during the past few months. In 1949 the cost of living index had risen to 160·8 and people were getting seriously concerned about it. For the last month of 1950 it had climbed to 171·1. During the twelve months of 1950, the cost of living climbed 11·5 points, or practically one point a month. Some of the statements being made on behalf of the government gave us every reason to hope that this tendency had been checked, but the latest bulletin issued on February 2 of this year shows that the general cost of living index is now 172·5. The government has given some indication that it may deal with this subject by controls, but it is not yet prepared to say exactly what it is going to do or what form the steps it has under serious consideration may actually take.

Today, Mr. Speaker, we are not dealing simply with a cost of living index as such. We are dealing with a situation that is threatening the people of this country with a measure of insecurity they have not known for many years, a measure of insecurity in no way related to the apparently high income our people are earning at the present time. One of the things that must be borne in mind in all these discussions is that it is no use talking about the high national product in terms of dollars unless we talk about that national product in terms of what those dollars will buy, and what kind of dollars they really are. After all, the national product of France today in francs is many times what it was in 1914; the national product of Italy is many times what it was in 1914, in lira; but it is a very different figure when you examine those units in terms of money value today, and in what they will buy. What has been happening in Canada in the past few months should be an indication and a warning that here, as in other countries, that same dangerous course may be run unless with all the vigour, all the ingenuity and all the initiative we possess we deal with the emergency that is actually upon us in regard to the cost of living.

There is no one here who does not know from his own personal contacts the desperate position in which many people are living today. A man earning $120 a month may be called upon to pay $50 or $60 for rent if he has a family. He may be called upon to buy fuel in addition to that, and then food. Where

the money is to come from for clothes and all the other incidentals is hard for anyone to imagine. Yet that is the reality with which we are actually confronted at this time. This government, through its lack of leadership, is primarily responsible for the inflation we see in Canada today. The Prime Minister (Mr. St. Laurent) laughs. This is not a laughing matter. Certainly it is not a laughing matter to the people who are trying to find out how to make their dollars go around at this time. It is not a laughing matter for the people to have invested money in insurance for their own protection, and who know that the dollars they get from that insurance are worth only a little more than fifty cents as compared with the dollars they put in.

Mr. St. Laurent: On a matter of privilege, Mr. Speaker, I cannot permit the leader of the opposition (Mr. Drew) to suggest that I was laughing at the predicament in which we all find ourselves because of inflation. I was laughing at my hon. friend's assertion that the government was responsible for the inflation that has taken place.

Mr. Drew: This is not a laughing matter for those who have put their money in the banks in the form of deposits, in order to protect themselves. Nor is this a laughing matter for those who have put their money in government bonds which they have been told was the safest form of investment into which they could put their money. The Prime Minister (Mr. St. Laurent) says that he is laughing at the suggestion that the government was responsible. The government is responsible. The government has not taken one single step, since the pressures were placed upon the economy of this country, to check inflation by any of the several measures they could have taken to deal with this subject.

Mr. Speaker, I know that those people of Canada who are concerned about the value of money today will be interested to know that this is such a humorous subject to some of the members on the government side. This government had it in its power to do a number of things that would have greatly helped to meet this situation. Those things were pointed out many times. One step that was suggested was that the government cut down on non-defence spending. Those members who have an interest in the affairs of parliament, and who follow the debates in parliament, will know that it was in this parliament that the suggestion was made that, if savings were effected here comparable to those indicated in the United States by a similar commission, they could amount to $500 million a year in Canada.

Mr. Cavers: Explain fully.

[Mr. Drew.]

Mr. Cruickshank: Can we laugh now?

Mr. Drew: Mr. Speaker, there are certain members in this house who know nothing better than to laugh, and who have made no better contribution.

Those members who have followed the debates in this house will also recall that at the time that proposal was made it was pointed out that the way that this could be done would be by an examination, in exactly the same way that any big business would deal with its own problems. It was pointed out that if that were done the members of this house could offer many suggestions as to the way savings could be made. This is not something that is confined to Canada alone. This is something that affects every one of the free nations today, and in every one of the free nations the emphasis is being placed upon the need for cutting non-defence spending. As yet we have no evidence of any real attempt by this government to cut the non-defence spending which has been built up.

I recall another occasion when the Prime Minister, with good humour—

Mr. Sinclair: As always.

Mr. Drew: —indicated that he felt that the reference to bureaucrats and bureaucracy was a rather amusing subject. For that reason it must have been interesting to many of the members on the government side of the house, as well as the other side of the house, to hear the Minister of Trade and Commerce (Mr. Howe) referring to the immense bureaucracy which this government had been called upon to build up, and which it did build up. We have not yet seen any substantial cutting down of what the minister describes as an immense bureaucracy.

Mr. Speaker, this country today is faced not only with the problem that every housewife must try to solve, of making those dollars go around with the rapidly rising cost of food, but also there are other problems that in themselves are inflationary and which at this moment are very serious for the future of Canada. Up until about two months ago it was possible for people who are called upon to buy supplies for various types of jobs to enter into firm contracts several months ahead. Today it is almost impossible to get anyone to give a firm quotation on any commodity or any supply that may be needed, because of the inflationary pressures that are now felt. The very fact that this government is still leaving the whole subject in an air of uncertainty, increased still further just a few days ago, is in itself forcing these people to hesitate to commit themselves because of the knowledge that the things that, in turn,

they must sell may be at a very much higher price before the time comes when they would be called upon to deliver them.

Now, that has an effect upon every one of us at a time when we are told that this country must produce more than ever before. In his statement to this house the other day the Minister of Trade and Commerce gave what constituted an admission of abject failure on the part of this government to deal with the question of inflation. The minister said that the reason that controls had been effective on an earlier occasion was that they caught everybody by surprise. But this time, he went on to say, the people had governed themselves accordingly. Then he added words which I am informed were said, and which were referred to by another speaker although they do not appear in the minister's speech; he used an aside which was heard by members in this house when he said "They are all set." That is exactly what he meant. What he meant was, because of the uncertainty created by this government, those who might have been affected by controls had governed themselves accordingly with the thought that this government was going to impose controls, and that they were now set to meet the situation.

Mr. Speaker, in relation to those words which do not appear, I think it is time that some understanding was reached in this house as to those words which can be deleted from *Hansard*. There are certain words which may be used ungrammatically, which may be an obvious transposition of words, or an obviously inaccurate word may be used, and no one would suggest that there should not be proper corrections made; or as we have seen on other occasions a statement that should have been made in the first place, as happened to one of the ministers today. But the fact remains that there are other statements which have a definite meaning and a definite bearing on the debate. The statement by the Minister of Trade and Commerce (Mr. Howe) that those who might have been primarily affected by those controls are "all set" had a meaning and a significance which should not have disappeared from *Hansard*. There have been too many occasions on which *Hansard* has been deprived of statements which had a definite meaning, such as the one when the statement was made that our troops had been kicked out of Germany but which never got into *Hansard*; and there were other statements of the kind which never got into *Hansard*. I suggest, Mr. Speaker, that there be a clear understanding that while appropriate amendments may be made in order to correct the context, statements which have a real bearing on the debate itself will remain in the context of the speech in which they appear.

I now wish to come to some of the things that have been said by those who spoke in support of the subamendment. The subamendment adopts the amendment which I introduced in the early stages of this debate. The subamendment, having adopted that amendment, adds words which are intended to amplify the original resolution and which must be read along with that resolution. Those words say that this house regrets that steps have not been taken to deal with the rising cost of living and inflation, such as the immediate reimposition of price controls, and the payment of subsidies where necessary so as to protect the health and living standards of the Canadian people.

On examining some of the statements that have been made in support of that subamendment, Mr. Speaker, it is clear that those who introduced it have more in mind than simply an explanation of the amendment itself and that there is a return to the doctrinaire belief in over-all controls as part of our general economy and not something simply to meet an emergency, and a very real one, such as that with which we are confronted today. This point of view is one which I certainly do not accept. I most certainly believe that part of the struggle in which we are engaged today is to keep within our economy the greatest measure of freedom which can possibly be preserved throughout these difficult years. Freedom is not divisible. Freedom means economic freedom as well as freedom of speech, freedom of association and freedom of worship. Having said that, Mr. Speaker, the fact remains that in support of this subamendment arguments have been presented which in themselves are arguments with which I cannot agree, although I am satisfied that they are sincerely put forward by those who believe in the over-all effectiveness of state intervention in our daily affairs. Nevertheless, we must examine those words as they really are and the subjects to which they refer. If we do that, I think there can be little difficulty in seeing that, divorced from any doctrinaire explanation, these words refer to subjects that were in the mind of the Minister of Trade and Commerce (Mr. Howe), that are in the minds of most of the members of this house, and that definitely are in the minds of the people of Canada at this time.

I believe in a free economy; and I believe that one of the great issues before us in the years ahead will be whether we can preserve that free economy in the face of the threat

with which this and every other free nation is now confronted. But, Mr. Speaker, it is only an attempt to be doctrinaire from another point of view to suggest that there is a free economy in which the movement of prices, on a competitive basis, offers protection to the public when any large part of the basic commodities, supplies or production of any kind is bought by the government for special purposes with the money appropriated by this house, and that much of that production or of those commodities is removed from the ordinary free competition within this country. The moment that any substantial part of any commodity or of any type of production is bought directly or indirectly by the government, then the free economy is no longer operating in relation to the balance of those supplies. Any failure to take effective steps to deal with the balance of those supplies is simply playing into the hands of the speculators and those who will be able to make money at the expense of the general public. I believe that our free economy may be gravely threatened, and soon, unless this runaway inflation is brought under control. I for one believe that it is essential that, to meet this immediate emergency, there be price controls which will protect the public from the abuses that are arising at this time.

By all means let us have the highest measure of freedom within this economy of ours, but let us face the simple reality that the water is running over the dam so fast that unless flood gates are provided right away this flood may carry away the savings of our people and that free economy which is being asserted as the reason for not doing anything at this time. After all, communism can win this struggle in more ways than by force of arms. That has been said in this house before. Communism has already extended its dreadful slavery to large parts of the world without moving a single armed man across the borders where communist dictatorships have been set up. There are other ways that communism can be spread; and one of the ways that the communists have said they would seek to spread their dreadful disease is by undermining the economy of the free nations so that the destruction of that economy would open the door to this dreadful form of slavery that they are trying to impose upon the whole world.

People did not believe Hitler when he wrote in "Mein Kampf" exactly what he intended to do, namely, to enslave Europe and the rest of the world, and too late the world came to realize that he meant exactly what he said, and that he intended to carry out that plan. Stalin has told us in just as clear terms what he and the Russian dictatorship intend to do. They plan to extend their control over the whole world; not so much by force of arms as by the threat of force against countries where the economy has been undermined through the many activities that they carry out.

Every point that our cost of living goes up is something that will bring satisfaction in the Kremlin. I would not be surprised if on the walls of the Kremlin, probably opposite the walls where they have all the maps of free nations they have absorbed in other ways, are charts showing the dangerous trend in the free nations and the threat that there is to the free economies which they are seeking to destroy. It is just as important in this country today to protect our dollar, the dollar which our people need for their daily lives, for their savings and for their security, as it is to build the bulwarks of freedom of other kinds. Neither can be neglected. Both these great efforts should go on side by side and simultaneously, and the time to deal with the threat to our economy is now long overdue.

In so far as our amendment is concerned, Mr. Speaker, it was intended to cover the field of inflation. We express regret that the government had failed to take effective measures to combat inflation and the rapidly rising cost of living. These are inclusive terms. Certainly these terms include price controls where price controls are necessary. Certainly, these words include subsidies where subsidies are necessary. But they include several other things as well. To any of those who may find some measure of amusement in an assertion of that kind, may I point out that I had the responsibility—and I accepted it—of introducing certain subsidies in the province of Ontario at a time when the dominion Minister of Agriculture was failing to protect certain of our important crops that faced a very dangerous situation indeed.

For instance, in Ontario we found it necessary to provide a subsidy for sugar beets, a subject of which the Minister of Agriculture has had some recent experience. This of course was on an earlier occasion. There was a serious shortage of sugar in this country at that time and the production of sugar beets was seriously threatened. I have no apologies for accepting the responsibility of introducing a subsidy to continue the production of that crop, while at the same time I disbelieve in the general principles of subsidies except where they are actually needed to meet an emergency of this kind. We introduced subsidies to assist hog production, to assist cheese production and to assist production of other kinds.

I have had experience in this before, and I know there are occasions where the nature of the emergency demands that we deal with these things in terms of reality and meet the situation head-on, and do the things that are needed to be done to deal with the problem that is before us.

In this subamendment there are the governing words, "if necessary". And that is exactly the meaning that I take from these words. But if it had been intended to amplify the words in our motion we would have amplified them a great deal more than this. The fact that we have not, however, does not make the reference to these objectionable; because quite contrary to what some hon. members have suggested, this subamendment does not leave the whole question of inflation upon these two subjects alone. It says: "such as price controls and subsidies where necessary".

Much has been made of the words, "reimposition of price controls". I grant you that I do not like the word "reimpose"; but what is it that we are talking about? We are talking about price controls, but not necessarily price controls of the same kind that we had before. No; Canadians have got too much initiative, too much ingenuity, too much intelligence not to have gained a great deal from the experience of the last war. And in dealing with the problems now before us under different circumstances, and meeting a long-term situation, I am perfectly certain that the price controls that would be devised to meet the emergency with which we are now confronted would be a different type of price control from those that were imposed before. But I am not going to engage in an exchange of dialectics and argument about whether some inference can be drawn from the word "reimpose".

This refers to price controls; this refers to subsidies. It leaves it open to deal with any other things than can be done to stem inflation in this country. I am going to point out some of the other things that are covered under these general terms that were used in our amendment. First of all is the reduction of non-defence spending by this government, and a substantial reduction of non-defence spending. Second is increased production in every line of production which will not only meet our military requirements, but which will meet the daily needs of our people and by that very fact ease the strains and pressures of inflation itself. And third, we should encourage immigration on a scale which will bring to our country people with skill and stamina who believe in our methods, so that we may spread the burden we have assumed over a larger population within this vast land of ours. And fourth, we should most certainly remove anything that will discourage the people from building houses at a time when we are also encouraging immigrants to come into this country.

Anything more badly conceived than the plans of the government to reduce demand by creating the necessity for a higher down payment would be difficult to imagine. We have no lack of raw materials in this country. We have no lack of resources. We have resources in this country beyond the dream of most nations in the world today. What we need at this time is for this government not to place restrictions upon the building of houses at the very time that we are trying to convince the people that our way of life is the best of all, but to encourage them to build houses where you create the whole foundation of your society.

Then again another point is that this house should insist upon every step being taken which will assure that we get full value for every dollar spent on defence. This house should insist upon every step being taken which will assure that we get full value for every dollar spent on defence. We know we are not getting it today.

Then we should also demand, with the hope that this demand would not be confined to one side of the house, that the government use the very wide powers it has to deal with the credit of this country. After all the Bank of Canada was set up with its very first declared purpose being the supervision of the credit and economy of the country to the best advantage of the people of Canada. The government, through the agencies it has created, has it within its powers to do several things that will help to prevent this runaway inflation that is now before us.

Then again we come to the question of controls. Most certainly we urge that, to meet this emergency with which we are now confronted, there be controls, where those controls are needed, to bring the dollar into some real relationship to a proper value, and to create a measure of stability which will restore the confidence of the people of this country in their bank savings, in their insurance, in their bonds, and in other things which are so necessary if we are going to carry forward a free economy.

Surely the government should be very conscious of the danger there would be in putting out a bond issue by the government to meet our defence requirements, unless there was some measure of assurance that the people who put up their money are going to have reason to believe that it will be at least a somewhat similar dollar they will get back when those bonds mature.

That is not suggesting that the people of our country are going to reduce their patriotism to dollars. But at a time when the government is urging the people to put money into those bonds as the safest investment in the country, then the government has the responsibility to make them the safest investment. The fact is that they have not been the safest investment, and that during these past few years—during this past year particularly—there has been a real threat to investment in those bonds, which is now a subject which should cause serious concern to the government and to the people of Canada.

In passing I shall refer to another subject not unrelated to investments. The stock markets of Canada serve an important and useful purpose. In a free economy those stock markets provide the opportunity to buy and sell securities which finance the great developments under our economy. There are still people who express some measure of surprise that at a time when events are undoubtedly serious the stock markets should be rising, rising, rising, to a point where it is strangely reminiscent of the days of 1929. Why is that? Is it because the people of Canada are confident that these stocks are worth more every day? Some of them, yes. But the real reason that there has been this constant and rapid rise is the concern of many people as to the continuing value of the dollar; and they are putting their money into what may be regarded as equity securities which bear a proportionate relationship to some fixed assets which change with the changing value of the dollar. And yet part of the increase in the value of securities in this country has been an increase that has been related to a flight from the dollar itself—

Mr. Abbott: Nonsense.

Mr. Drew: And I hear the Minister of Finance (Mr. Abbott) say "nonsense." If any word could demonstrate how unfitted he is to be Minister of Finance, it is that word. The Minister of Finance obviously does not read the financial papers which are subscribed to by the people employed in his own department to give expert advice. The minister is disregarding what is being said by those who have been observing this phenomenon for some time; and the minister knows perfectly well that in other years, as well as this year, when there is inflation in this country or in other countries, there is a corresponding increase in stock values related to the fact that inflation itself carries those values up. In that, of course, I am referring to common stocks, because it is the common stock which has the equity value in the assets of any company.

It is time that, in addition to urging there be some effective measure of control over those things which are threatening our economy, the people of this country should also come to realize that there is no easy way to wealth, that real wealth is earned only by hard work, by initiative and by ingenuity. And it will be a healthy thing in this country if some measure of caution is displayed by the people at this time, and that they should not believe that the stock markets in Canada or in any other country always go one way. Because, while it would be certainly very unwise that anyone should ever sell Canada short, it would also be unwise that the people of this country should come to regard stock exchanges as gambling casinos where they are simply tossing money down for chips of one kind or another which they buy and put on some gambling device. That is not what stock markets are. Stock markets provide a very real and important function in our economy. Their place will best be held and the service they can offer will best be performed when everyone recognizes that the value of those exchanges should be related to the actual value of a security itself, and related to the production of any particular company.

I come now to the question of how these things can be done. If the government does adopt a stabilization policy, if the government does make a real effort to stabilize the dollar, controls alone will not do the job. Controls alone might only aggravate the situation and create new problems in years ahead. The whole problem must be tackled, along with imposing those restraints and controls made necessary by the action of the government itself. And the government should also take these other steps which can be taken for the benefit of all the people of this country.

I spoke about the necessity for increasing production. Taxes imposed should be taxes which will encourage savings. Taxes imposed should be taxes which will in every way possible not stifle the productive capacity and productive effort of this nation. There are taxes which can be borne by the people of this country without placing any shackles upon the great productive capacity of Canada. There are other taxes which would greatly reduce our ability to meet the demands ahead. The mainspring of a free economy—and it is a free economy in which I believe and a free economy which I hope we will preserve—is the hope of getting more in the form of money or goods or other things for the efforts that are being made, and of being able to create security, comfort and happiness for your family by saving from what you earn. If the

safety of bank deposits, insurance, government bonds and other investments of our people is threatened, then in doing so the very mainspring of our economy is threatened as well. In imposing the taxes that will be imposed upon the people of this country to meet the heavy demands ahead, every single thing should be done to see that they are imposed in a way that will make it possible for production to meet the demands of our people while at the same time meeting defence requirements.

For that very reason it is to be hoped that the government will give an opportunity to the house at the earliest possible date to deal with the estimates, to examine them and to see what actually can be done, by suggestion and otherwise, to improve the situation. I have directed criticism to what I believe the government has failed to do. But to the extent that the government really meets its responsibilities, to the extent that this government really shows a determined effort to stem the tide of inflation, I am sure they will get the support of every member of the house no matter what criticism may have been directed to what has taken place in the past.

For the reasons I have mentioned it is my intention to support the amendment to the amendment. In doing so I have indicated that the subjects discussed are subjects to which we have referred. If I had drafted the subamendment I might have changed the wording of it, and would; but what I point out is that the one way in which members of the house have an opportunity to protest against the inaction of the government is to vote on a subject of this kind without too much attempt to get down to the last possible meaning of every word in the amendment to the amendment now before us. I hope that it will not only be members on the opposition side of the house who will indicate to the government that they want some action, because I know, and every member of the house knows, that there are members on the government side as well who believe that conditions in this country today are such that they demand immediate and vigorous action, and that the urgency which has been suggested is not only an urgency related to defence preparation but also is a great urgency related to the preservation of our free economy and the welfare of our people.

Hon. Douglas Abbott (Minister of Finance): Mr. Speaker, it would seem appropriate at this point that I should say something on the third point in the amendment moved by the leader of the opposition (Mr. Drew). The amendment reads in part:

> We regret that Your Excellency's advisers have failed . . .
>
> (3) To take effective measures to combat inflation and the rapidly rising cost of living.

At the same time it will afford me the opportunity of accepting a suggestion that was made in my absence the other evening by the hon. member for Vancouver-Quadra (Mr. Green). At page 165 of *Hansard* he said:

> I also believe that it would be most opportune if the Minister of Finance were to make a full and frank statement in this debate on ways to prevent inflation. I realize that price controls are not a cure-all, but I believe it is the duty of the Minister of Finance to tell the house, and through us the Canadian people, everything that can be done. There is little understanding throughout the country of the underlying causes of inflation or of the best remedies. We hear, for example, such recommendations as these: that individuals should increase their personal savings, that the government should cut out every unnecessary expenditure, that there should be heavier taxation, that there should be restriction of credit, that there should be an allocation of scarce materials, that interest rates should be raised so that persons having savings accounts, for example, would receive a higher rate of interest and thus would be encouraged to save rather than spend; we hear that there should be increased individual production.

In the course of his remarks the leader of the opposition has said that he considers that the government is primarily responsible for the inflationary situation which admittedly exists today. He went on to say that the government had not taken one single step by using measures open to it to check this inflation. Then he proceeded to enlarge at various times on what he considered to be the cure for this condition. I must confess that I am in complete agreement with a number of the suggestions that he made, but in the course of his remarks he contradicted himself so many times that I am really not just sure what he would do if he had the responsibility of directing government policy.

I am very happy to accept the suggestion of the hon. member for Vancouver-Quadra and discuss what I conceive to be and what I think are generally recognized as the fundamental causes of inflation, and what are the best ways of meeting it. Before I do that, however, lest anyone may be under any misapprehension that the Minister of Finance is not just as much concerned in doing what it may be possible to do to check inflationary tendencies, let me hasten to disabuse his mind on that point. I do not want to introduce a personal note into these things but speaking as an individual, in common with perhaps a number of others in this house, I have the greater portion of my savings in the form of life insurance, and I am just as much interested in maintaining the integrity and the stability of the Canadian dollar as any other member of the house or any other

person in Canada. Therefore do not let anyone think that this matter is being taken lightly by myself or by the government.

As I had occasion to say at the special session last September, the root cause of any sustained inflation is an excess of spendable income as against the available supply of goods at current prices to meet it. Consequently the fundamental cure for an inflationary situation is increased production and, if necessary, draining off such excess of spending power as may exist; in other words, maximize production, minimize waste and reduce competitive expenditures such as government expenditures. I think those principles are recognized by all students of this sort of thing. That is the fundamental attack on inflation, and any other collateral remedies, such as controls, which I shall deal with a little later, are useless—they are only auxiliary—unless the fundamental fiscal and monetary policy which attacks inflation at its root is followed through and followed through vigorously.

My hon. friend said that the government had done nothing to check these inflationary forces. Before I touch on that perhaps I might say that I agree in large measure with the enumeration made by the hon. member for Vancouver-Quadra of the various steps which should be taken to attack inflation at its source: increased production; all fiscal and monetary measures such as reduced government expenditures; heavier taxation; budgetary surplus; increase in the interest rate; decrease of credit; reduced personal consumption; higher personal savings; reduced capital expenditures by business; direct controls; the allocation of scarce materials, and so on. With that enumeration I agree; those are various methods by which inflation can be attacked at its source.

Let me point out briefly to the house what has been done as a result of government policy since early last summer, when the admittedly strong inflationary forces which exist today first began to make themselves apparent. I said this in September, and I repeat it today. Early last spring it appeared that the strong post-war inflationary forces had run their course and that prices had pretty well levelled off. Then, of course, came Korea, and since the end of June or early July world conditions have made for the creation of strong inflationary forces not only in Canada but throughout the whole civilized world.

First, what are the fundamental cures for inflation? Increased production. A good deal can be done in that field by increasing efficiency, by getting more elderly people into the working force, by employing more women, by all of us working a bit harder and if necessary a bit longer. As has been said before in this house, we are in an economy which is working pretty well at capacity. I think there is room for increased production by some of the means I have suggested; by improved efficiency, by harder work, by bringing in older groups, and so on. But the extent to which we can carry our greatly increased defence effort by increased production is limited, as I have said before. The weight of defence superimposed upon an economy already operating at a high level will mean inevitably that it must be at the expense of some of the goods and services we now enjoy as civilians. In other words the people of this country as a whole must expect a reduction in their present standard of living.

So much, then, for the effort to increase production. That is something in which the government as such can exercise little direct influence. I have used such powers of exhortation as I possess to urge all Canadians, individuals and employers and others, to endeavour to increase efficiency and production; and, Canadians being what they are, I am confident they will do so.

The second point is the use of the fiscal and monetary weapons. The hon. member for Greenwood (Mr. Macdonnell) made a speech the other evening to which I listened with great attention and interest. He seemed to imply that we had done nothing in this field. I could not make out, any more than I could from what the leader of the opposition (Mr. Drew) said, just exactly what he thought the government should do, but I gathered that somehow or other we had failed to exercise some controls over the banks, as to the type of loans they should make. Let me enumerate briefly some of the things the government has done in the fiscal and monetary field. First I come to the reduction of government expenditures; and my hon. friend the leader of the opposition has strongly urged that we should effect a reduction in government expenditure on civilian account. I agree that we should effect every dollar of reduction we possibly can, because the demands of the government are competing with other demands, and consequently to the extent those demands can be cut down it helps reduce the inflationary pressure.

As soon as the added responsibilities which were to fall upon us as the result of the outbreak of the Korean war became apparent, we inaugurated a detailed review of government expenditure. I requested all departments to review their programs for the current year and postpone or eliminate any expenditures which could properly be postponed or eliminated. The house will appreciate that where

works are under way or contracts are let, it is not easy to do that quickly; but I am happy to say we have achieved substantial results in that regard. The expenditures for the first nine months of this year, up to the end of December, are below those of last year in most departments. They are substantially below the estimates presented to and voted by this house; and I venture to say that when we close our books at the end of this fiscal year a very creditable result in the way of a reduction in controllable civilian expenditures will have been achieved. In both my budget speeches last year I made appeals to provincial and municipal governments to cut down as far as possible on their non-essential expenditures, and I have directed similar appeals to corporations and private individuals.

In the next place, by way of fundamental attack on the inflationary problem, we have not only been following a full pay-as-you-go policy, but today we are running a substantial surplus, which means that we are taking out of the spending stream more than we are putting back in the shape of the goods and services we are buying from the people of Canada. I never like to compare ours with other administrations, but the United States administration has been appealing for just that sort of thing. We have done it both rigorously and effectively, and in fact the budgetary surplus of Canadian federal government expenditures for the calendar year 1950 would run very close to $450 million. That surplus is still running high in these last few critical months, and that has been so for two reasons. The first is because our actual expenditures are running substantially below the estimates which were approved by this house, and in the second place because our revenues have been running substantially ahead of the revenues I estimated both last March and last September. Still we have been making very effective use of the budgetary weapon by not only fully balancing our budget but by actually attaining a substantial surplus.

In addition to that we have been making, in my judgment, full use of all practical monetary policies. As the house well knows, the Bank of Canada raised its rediscount rate last October. While the rediscount rate has perhaps ceased to have the significance it had a few years ago, interest rates have been allowed to rise; and the changes in those rates, particularly in the short-term rates, have been quite significant. But perhaps most significant of all in this use of the monetary weapon to attack the inflationary forces was the action we took last summer to offset the inflow of capital from the United States prior to releasing the exchange rate of the Canadian dollar. The house, of course, is aware of that huge inflow; I have referred to it before. The increase in our reserves in the third quarter of 1950 exceeded $536 million, and for the year as a whole amounted to the tremendous total of $625 million.

Mr. Macdonnell (Greenwood): Caused by your unsound policies.

Mr. Abbott: My hon. friend says it was caused by something or other—

Mr. Ferguson: By your unsound policies, in case you did not hear it.

Mr. Abbott: That may be, but others do not share that opinion. In the circumstances of this huge inflow of capital, which as anyone who knows anything about these things appreciates was bound to have a highly inflationary effect upon our economy unless measures were taken to offset it, we were very fortunate that we did have a large cash surplus in our government accounts which enabled us to finance an important part of that increase without recourse to borrowing.

It is true, as was pointed out by the member for Greenwood (Mr. Macdonnell), we did have to have recourse to additional borrowing to the extent of $200 million of the $625 million. But in addition to the use of that large cash surplus, the Bank of Canada had to take, and did take, aggressive action to hold down the cash reserves of the chartered banks. A study of its weekly and monthly statements will show that during those few critical weeks to which I have referred the bank sold several hundred million dollars of government securities out of its portfolios in the open market.

In his remarks the other night the member for Greenwood (Mr. Macdonnell) seemed to me—perhaps I am doing him a bit of an injustice—to flounder around a bit in discussing the central bank's capacity to control loans by the chartered banks. I must confess that I was not sure what he had in his mind, and I do not know whether he was quite clear in his own mind. He certainly did not make it clear to me.

Mr. Macdonnell (Greenwood): Would the hon. member permit a question?

Mr. Abbott: Yes.

Mr. Macdonnell (Greenwood): Would the hon. member be surprised to know that the governor of the Bank of Canada, when giving evidence before the House of Commons committee on prices in 1948, said precisely what I said the other night? If the minister would be interested, I could read briefly from the committee report.

Mr. Abbott: The hon. member did not give him credit for it in his speech.

Mr. Macdonnell (Greenwood): I complained the other night that the power had not been exercised. If I understood the minister correctly, he took me to task for suggesting there was any such power or influence. I now read briefly from what the governor of the Bank of Canada said in 1948, with the minister's permission:

> There is one point I should like to mention in connection with the activities of the central bank and that is the extent to which we maintain touch with and have consultations with the commercial banks;

Then, later he says:

> Later on, in February, 1948, . . . we did express the view of the banks that under existing conditions, when the rate of capital investment is pressing on relatively scarce supplies of manpower and materials, it was undesirable to finance capital expenditures through the expansion of bank credit.

That was the point I brought up the other night, when I pointed out that current loans had gone up by hundreds of millions and which I understood the minister questioned as being within the power.

Mr. Abbott: I thank my hon. friend for the explanation. I understand now what he was driving at. At the time I thought he was suggesting that the central bank should exercise some sort of supervision over the granting of loans by the chartered bank. We all know, of course, that the function of a central bank, such as the Bank of Canada or any other central bank, is to consult from time to time with the commercial banks and to express to them such views as may seem appropriate as to credit policy. I think probably we can take it for granted that that course of action has been followed by the Bank of Canada. I am glad to know that my hon. friend did not suggest that the Bank of Canada should go over the loan portfolios of the banks, and attempt to indicate the loans they should make, and for what purposes.

Mr. Macdonnell (Greenwood): The minister brought up that clever point himself.

Mr. Abbott: I thank my hon. friend for the compliment.

I do not mean to suggest that the policies which I have been outlining, budgetary policies, monetary policies, fiscal policies and so on, can operate perfectly under all conditions. For instance, with the soundest fundamental anti-inflationary policy in the world, a completely balanced budget, a full use of the interest rate, and so on, if people will not accept the inevitable consequences of the draining off of supplies as a result of the war effort, and insist on wage increases in order to compensate for the increased costs of war, or if they insist on utilizing past savings to maintain their present level of consumption, then of course the pressure on available supplies will not, for the time being, be significantly lessened by the operation of these fiscal measures.

Some member, I forget who it was although it may have been the member from Greenwood, referred to the freeing of the Canadian dollar in September. As anyone who knows about these things will appreciate, that was, in itself, an anti-inflationary move.

Mr. Macdonnell (Greenwood): Somewhat delayed.

Mr. Abbott: Here I should repeat that we are continuing our efforts, I am continuing my efforts, to push aggressively all appropriate means to encourage the people to increase their personal savings. I deprecate more than I can say, Mr. Speaker, the words of the leader of the opposition (Mr. Drew) tonight, when he purported to cast doubt on the stability and strength of the Canadian dollar. If responsible public men stand up in this house and attempt to convey an impression to the public that the Canadian government bond is not worthy of confidence —well, I would hate to take the responsibility involved in making a statement of that kind.

Mr. Drew: I would hate to take the responsibility of doing nothing to protect it.

Mr. Abbott: My hon. friend contented himself in his speech with making assertions, and I have been outlining some positive measures which have been taken to protect it.

On the question of direct controls, one of the few positive things he said in his speech was that he was for price control. He did not say whether it was over-all price control. He carefully skated around the inevitable corollary of wage controls, but he did say he was in favour of some measure of price controls. The government has had some considerable experience in the administration of price controls, both on a selective and over-all basis. If I may say so with proper modesty, I have personally had a considerable measure of experience in that field, because I pretty well lived with it from 1943 on when I was first appointed parliamentary assistant to my predecessor, Mr. Ilsley.

As my friend the member for Vancouver-Quadra (Mr. Green) pointed out the other night, we all know that controls as such do not cure anything. Under certain conditions and certain circumstances, they may be a necessary adjunct to the proper fiscal and monetary policies. This is what I said about

that last September, after speaking about direct controls, and this is found on page 420 of *Hansard*:

> At best direct controls can do little more than contain for a time the pressure of demand; they do not reduce those pressures, nor do they go to the root of the matter. Their proper role is to support and buttress or, if you like, to protect the flanks of fiscal and monetary policy when we have reached the point of the practical limits of taxation.

Let me hasten to say at once, Mr. Speaker—and I am sure I am not revealing any budgetary secrets—that I do not think we have yet reached the practical limits of taxation. As I have had occasion to say in other circumstances, in a full-out war economy you come to a point where it is both administratively and practically impossible to devise a tax scheme which will raise the full amount of your war expenditures as you go along. Human nature being what it is, the effect of such an attempt is that you destroy incentive and reduce the productivity upon which the real fight against inflation depends. We have not reached that point yet.

I am now in the middle of a detailed consideration of the estimates, which I hope will be completed in the fairly near future. As has been suggested, I shall have them before the house for consideration at the earliest possible date. When that task is completed, I shall be in a position to give detailed consideration to the budgetary recommendations which I intend to put before my colleagues and the house. I will say this, and I have said it before: I intend to budget this year for a fully balanced budget, and that in itself is I think one of the fundamental attacks on this problem of inflation.

Up to the present time I think it is fair to say that a substantial degree, certainly by far the greater degree, of the inflationary price rise which we have experienced in this country has been due to forces operating abroad, either prices in countries from which we have to import such a substantial portion of our raw materials or the export prices of our products determined by the prices available in those markets. As I say, we know the value of controls. We know their limitations. We believe we know when they can be made most effective. We have taken powers to exercise selective controls and we are exercising them now. On the order paper there is a resolution, upon which a bill will be founded, asking for wider powers of control. I think it is fair to say that the government will not hesitate to recommend and to bring into force such control measures—whether they are price control measures, wage control measures or otherwise—as it deems necessary in order to protect the Canadian economy; and it will bring them in at the time it believes they are necessary and can be made effective.

In a consideration of this problem of inflation I think we must realize that we are heavily dependent upon forces which are completely outside our own control. I do not want to oversimplify these things. I think it is perhaps fair to say that we cannot expect to experience a much less degree of inflation in Canada than is experienced in the United States. If we do not keep our own house in order, if we do not do the things that we need to do in order to take care of our domestic problems, we can of course sustain a much greater degree of inflation. But inflation is not entirely a matter of formulas or arithmetical computations. It depends upon personal behaviour and upon psychology. In addition to the measures I have been outlining for this fundamental attack on inflation at its roots, if each individual Canadian will make up his mind that he is going to work perhaps a little bit harder and not try to get a bit of an edge on the other fellow because he is afraid that the other fellow may get an edge on him, and if we all put our backs into this task, I am not in any way pessimistic as to what the end result will be.

I believe that essentially Canadians are a common-sense people. I think common sense is one of our outstanding characteristics. I do not think that Canadians are a people who work on the principle, "I'll look out for myself and the devil take the hindmost." The government will do what it can do and what it should do to check inflationary forces. But make no mistake about it, Mr. Speaker, this is not one of the things you can cure by passing a law. Too many people believe in the philosophy: This is a bad thing; there ought to be a law against it. This is not one of those forces which can be cured by passing any law. It can be contained, having regard to our domestic economy, by following sound policies along the lines which I have been outlining. In order to be successful it will require the co-operation and the participation of the Canadian people; and I believe that that co-operation and that assistance will be forthcoming.

I do not believe that a system of over-all price or wage controls would be either desirable or effective at this time. Make no mistake about it; one cannot go into this thing for any length of time in a piecemeal manner.

Controls on any wide scale will mean control of prices, of wages, of allocations, rationing and all the rest. I do not believe that, as yet, the proportion of our national production which is to be devoted to the purposes of war is such as to make a course of that kind necessary, desirable or effective. I conclude on the note I sounded a moment ago. We know how controls work; we know what their limitations are; and we will use them to the extent that we believe they may be necessary.

Mr. M. J. Coldwell (Rosetown-Biggar): First of all, Mr. Speaker, let me say to the minister, who has outlined what he contends the government has done to protect the Canadian people from the rising cost of living, that the proof of the pudding is in the eating. Prices have continued to rise. I recall that a couple of years ago the minister, not in this house but at a press conference, said that he hoped that prices would level off—he did not say that they would; I want to be fair to him—at an index figure of somewhere, and I am speaking from memory, between 140 and 145.

Mr. Abbott: I said about 145.

Mr. Coldwell: Yes, about 145. Last summer, at the time that the Korean war began, our cost of living index had already exceeded 165 points and at the present moment the cost of living index in this country has reached 172.5, the highest point in our history. The minister has outlined what the government has done and I say that the government's policy, if it was intended to assist the Canadian people in this period of the rising cost of living, has failed in its objective. On the other hand, during the war we find that by means of controls and subsidies the cost of living was stabilized.

We are not proposing the subamendment to this house on any doctrinaire principle. We are proposing it because we have believed and now believe that had we continued to exercise not entire control of the economy, as has been suggested, but some control of the economy in these post-war years, the cost of living in this country would not have inflicted on the Canadian people the hardship it has inflicted ever since 1945. In this house in 1946 there was a sentiment for the continuance of subsidies on certain primary necessities of life for the Canadian people. I remember how, in August of 1946 upon a motion moved by one of my colleagues in this group, this house voted for the continuance of the subsidy on milk in order to assist both the producer and the consumer. The house voted in favour of our motion. Yet within six weeks of that vote the government discontinued that subsidy and in effect flouted the will of the elected representatives of the people. Since then step by step we have seen the removal of subsidies, the removal of controls, the rise in prices and the unprecedented heights to which rents have gone in this country.

Tonight the minister has defended what the government has done, and I am saying that the government has failed. We welcome the leader of the opposition's support for the subamendment, but again let me remind the house that when we were fighting for a continuance of intelligent controls and beneficial subsidies my hon. friends of the Progressive Conservative party joined with the government of Canada in voting against the continuance of those controls and subsidies. To the leader of the opposition and to the Progressive Conservative party may I say that my hon. friend who moved this motion (Mr. Herridge) made it perfectly clear that this was not being done from any doctrinaire standpoint so far as we were concerned. In moving this subamendment, as reported at page 156 of *Hansard* of February 7, he said:

> For the sake of my good friends to my right and my friends immediately opposite, who are listening to me with considerable interest, I should like to make this point clear. Price controls, and the necessary subsidies, do not constitute socialism. They are an attempt, under capitalism, consciously to regulate the system so that it will work for the greater advantage of the greater number. There is nothing very frightening about that, and nothing radical about it. It is just an attempt to bring order out of chaos and to bring stability to our financial and economic system, so that the people of this country will have a cost of living that is reasonably stable, and so that we shall have a wage structure that is necessarily more stable because of that price structure.

The leader of the opposition said that he could picture the Politburo in Moscow with a chart watching the inflation in our countries. I can picture them also, and so can a very influential and prominent Conservative in Great Britain. The fact is that is the very thing he warned about in his most recent article in *Maclean's* magazine. I refer of course to Mr. Beverley Baxter. Incidentally, I have not always quoted him with approval, but on this occasion I think he drives home the point that the leader of the opposition makes, and the point which is very much in my mind as I see this rising cost of living.

I say to the house now, as I have said before, that if you want to increase the support for communism in this country, or anywhere else, you make it impossible for the ordinary man to live decently. At that point you will find that communist propaganda

becomes very effective, and the best propagandists for communism are not the members of the Labour-Progressive party in this country. They are the people who today are taking advantage of the inflationary factors in our economy, who are shooting up in an unwarranted way the price structure, and who are trying to reap undue profits out of the present difficult situation in the country.

In discussing the tremendous expenditures proposed in Europe and elsewhere for rearmament Mr. Baxter says this:

> There will be threatening incidents in Europe which will cause the western world to increase its mounting expenditure on rearmament and take more and more men from industry into the armed forces while, with the cunning of the Oriental and the patience of the Slav, Stalin will try to crash the western world economically through inflation caused by rearmament. Obviously, if communism is ever to become a force in the western world, the best way is to force up prices until the poor and the lowest-paid workers find life almost unendurable.

I say that I agree with that statement in *Maclean's* magazine made by Mr. Beverley Baxter. The government has not taken the steps to meet this situation. Indeed the very speech of the minister tonight and the speech of the Minister of Trade and Commerce (Mr. Howe) the other night, in which they both intimated that perhaps sometime in the future controls would be put into effect, is an invitation to certain types of businessmen—and they are not all alike; please do not misunderstand me—to push prices up and take all the traffic will bear in the hope that if they get them high enough, and the price level is stabilized at that point, they will continue to reap undue profits.

Mr. Knowles: They will be set.

Mr. Coldwell: In other words, they will be all set. As a matter of fact, you have only to go into the stores in this city to know how prices have been pushed up over the last few weeks. On Saturday I had a letter from a man in Swift Current, and he asked me if I could explain to him why three boxes of matches, which a few weeks ago were selling at 23 cents, were that day in the store in the city where he lived 33 cents. Or can anybody explain to me why, for example, if I may speak personally as the minister did, a collar which I bought a week ago, an Arrow collar, which I could buy in New York in November for 29 cents, plus one cent tax, 30 cents in all—and I bought them there—cost me 65 cents in a local store? When I asked the reason I was told, "Oh, well you see, the price has gone up during the last two or three weeks." Clothing, particularly shirts as well as all the articles that comprise a child's clothes, boots and shoes and so on, are being shot up to a level so that if the prices are controlled they will be controlled at the very highest price.

I say to the Minister of Finance when he brings down his budget I hope he will not neglect to deal with this kind of thing by clapping on an excess profits tax to drain back this kind of money which has been taken out of the Canadian people. I would like to see him do something else as well. The leader of the opposition mentioned speculation. Over the last number of years we have seen people take profits out of common stocks, out of property such as housing, and so on, without turning a hand.

Years ago, during the first war, I suggested a capital gains tax. I think that one of the most fruitful sources of revenue that we could find would be a capital gains tax, a tax on unearned increment, on all sorts of things, including the stocks that the speculator deals with. He toils not, neither does he spin, but he has all the wealth of Solomon, lacking perhaps his wisdom. He has his wealth, and if I may carry the metaphor just a little further, he sometimes lives as Solomon did in other respects. I suggest a capital gains tax to catch the speculator who has been taking the cream off the economy.

Bear this in mind. We are making large governmental expenditures. I remember the tribute that was paid to the price controls system that was put into effect during the war. Let me read it. The Right Hon. J. L. Ilsley who was minister of finance during the war, in dealing with the emergency powers under which we exercised control, had this to say. When he was dealing with this bill of course he was no longer minister of finance. He was minister of justice. This is what he said, as reported at page 1926 of *Hansard* of April 1, 1947:

> It is estimated that government expenditures averaged $4 billion a year between 1942 and 1946. Without price control this cost might have been at the very least twenty-five per cent higher. I think that twenty-five per cent is based upon the other figures which I have given with regard to the additional percentage which the consumers would have been obliged to pay; and the stabilization program has thus meant a saving of another billion dollars a year. From these estimates it is possible to see that the cost of the control program was under $200 million a year, while the savings to the consumer purchasers and government as a buyer were on this hypothesis possibly $2½ billion a year. The figures are tentative but do give some idea of the relative magnitude of the cost of and the savings effected by the government price control program.

If you divide $2½ billion by $200 million which it cost, you find that for every dollar we spent on these controls we saved for the

consumers and the country, and after all consumers also make up the population of the country, $12.50.

The argument was made, of course, that we could not do this kind of thing in peacetime. Very well; we thought that we could. But in any event we are now in what is virtually a war economy, or so close to a war economy, that it is very difficult to make any distinction between this economy and a wartime economy.

When the Minister of National Defence (Mr. Claxton) comes before the house and tells us we are going to spend $1,600 million on defence preparation in the next year, and that we are going to spend $5 billion in the next three years, then we are embarking upon a spending program on behalf of the people of Canada, apart altogether from the people of the country as individuals, which does approach the wartime economy when controls and subsidies proved to be so beneficial. When I say "approached" I am not pretending that they are expenditures right up to wartime; but at least they are approaching wartime figures.

The minister shakes his head. What are peacetime budgets? Well, I was here before the war. I was here before we had wartime budgets and post-war budgets. I remember that in the pre-war years we thought a budget of $550 million for this country was a very substantial one. I can remember how in June of 1939, when my hon. friends of the Social Credit party wanted to move for an issue of $200 million worth of currency by the Bank of Canada, it was opposed. At that time I suggested a compromise, that we ask for $100 million which, to me, seemed reasonable. We were told by the then minister of finance, the Hon. Charles Dunning, that we had accepted a budget of over $500 million: Where did we think we could get another $100 million? Those were peacetime budgets. Budgets we have had since the outbreak of the second world war were either wartime budgets or post-war budgets made necessary because of the conditions arising out of the war. They were wartime budgets in that sense. And when we see that this year we are going to spend an additional billion dollars and more on defence over what we have been used to spending in the last few years, one can see that this is bound to have an inflationary effect, unless we exercise some measures of control.

I agree with the minister that an answer, of course, is increased productivity. He said tonight that we had no pool of unemployed in the sense that we had a pool of unemployed in 1939, that we have no idle machines, that every available resource we can produce is being utilized by industry in one way or another.

Of course I believe we could improve our productivity to some extent by improving our industrial organization, by improving our machinery and so on. But I think all we could do in that respect would not be sufficient to increase production to the extent that would be necessary to keep down the present inflation.

So we have to do something else. We suggest that other measures should be taken. The leader of the opposition (Mr. Drew) is quite right; we give these two, price controls and subsidies, as two of the things which should be done. And, incidentally, we believe that they should be done. May I add that when I mention price controls I am also thinking of rent controls. I do not in my own mind differentiate between one sort of price and another sort of price, the prices of commodities and the price paid for a place in which a man and his family shall live.

An hon. Member: What about wages?

Mr. Coldwell: Someone says, "What about wages?" I will not dodge that question. We have today a very substantial measure of wage controls. We have a substantial measure of the control of farm prices. The farmer who produces wheat in the prairie provinces today in large part—not wholly—is controlled by the world wheat agreement. As the hon. member for Kootenay East (Mr. Byrne) knows well, organizations with which he is connected make agreements for a year in advance. Some wage agreements are for two years in advance, and those wages are controlled.

Let me add immediately that if we have the proper kind of controls in effect in this country—price, rent and other controls—and the leaders of the unions and workers are brought into conference, I am convinced agreements can be worked out that would stabilize wages. That could be done, if prices were controlled. Because, remember, wages have been chasing prices—not prices chasing wages, as is so often said.

So that today we are in an economy which is virtually, in the sense in which I now use the term, a wartime economy. Higher productivity—yes. But higher productivity will not meet the needs of the current situation. So I say that in my opinion the government should not wait until clothing, furniture and a hundred and one other commodities which enter into the daily living of the people of Canada have been pushed up to the top level, and then stabilize the

price level. I think attempts should be made, indeed, to roll back those prices, so that many people in this country could have some hope.

I understood what the leader of the opposition said when he spoke about the depreciation of the Canadian dollar. I do not think he said what the Minister of Finance interpreted him as saying. What he said was an actual fact, of course, that the dollars of the people invested in insurance, victory bonds and other savings, would buy when the investment was made almost twice as much as they will buy today. To that extent the purchasing power of a dollar in a bond has certainly depreciated.

I think it is the duty of the government to see to it that those savings of the people are protected, and that there is also protection for the standard of living of those who have suffered, those who are living on savings and pensions—old age and veterans, industrial and otherwise. In our opinion that can be done only by doing far more than the government has already done. Some of the things that should be done are the putting into effect immediately of price controls and the paying of subsidies to primary producers so that consumer goods will cost less; and that a real attempt should be made to roll back prices and to organize our economy so that we shall have some economic stability and essential unity among our people in the great national effort we are being called upon to undertake.

Mr. Speaker, I believe it is eleven o'clock.

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

HOUSE OF COMMONS

Tuesday, February 13, 1951

The house met at three o'clock.

DEFENCE PRODUCTION ACT

CREATION OF NEW DEPARTMENT—MOBILIZATION OF ECONOMIC AND INDUSTRIAL FACILITIES

Right Hon. L. S. St. Laurent (Prime Minister) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a bill (a) to constitute a department of defence production, to be presided over by a minister, with appropriate provision for the employment of officers, clerks and employees; (b) to provide that the minister shall take steps to mobilize, conserve, and co-ordinate all economic and industrial facilities in respect of defence supplies and defence projects, and in connection therewith, to buy or otherwise acquire defence supplies and to construct defence projects, and for these purposes to confer appropriate powers on the minister and to provide for the establishment of a defence production board revolving fund; and (c) to provide further that the governor in council may do and authorize such acts and things, and make from time to time such orders and regulations as he deems necessary to control and regulate the production, processing, distribution, acquisition, disposition, or use of materials, or the supply or use of services deemed essential for defence purposes.

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.

NATIONAL PARKS

INQUIRY AS TO ESTABLISHMENT OF PARK IN NEWFOUNDLAND

On the orders of the day:

Mr. W. J. Browne (St. John's West): Would the Minister of Resources and Development be good enough to tell us what progress has been made in connection with the establishment of a national park in Newfoundland?

Hon. Robert H. Winters (Minister of Resources and Development): That is a matter which has received a good deal of consideration. It is still under consideration, but I am not able to report any definite progress at this time.

HOUSING

WINNIPEG—LOW RENTAL HOUSING FOR VETERANS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): What consideration is the Minister of Resources and Development giving to the request of the Winnipeg branch of the Canadian Legion that some way be found to retain wartime houses in Winnipeg on a rental basis for veterans in dire need of low rental housing accommodation?

Hon. Robert H. Winters (Minister of Resources and Development): I thank the hon. member for giving me notice of this question, which I received just prior to coming into the chamber.

The Winnipeg branch of the Legion has been in contact with me and with Central Mortgage and Housing Corporation about the sales program of veterans housing. When the agreements were drawn up, they contemplated the sale of the houses. The agreements provided that there would be a $400 lot fee payable to the city in the event of sale within the first five years, and that thereafter the lot fee would be $200. In response to requests from many veterans, the government decided to sell these houses to veterans when the $200 arrangement came into effect. That program has been instituted and is going very well throughout the country. So far about 300 houses in Winnipeg have been put up for sale, and the remaining 1,300 will be made available for sale when the $200 lot fee arrangement applies.

Mr. Knowles: Does that mean that no consideration is being given to the Legion's request that this program be suspended?

KOREA

INQUIRY AS TO REINFORCEMENTS FOR CANADIAN FORCES

On the orders of the day:

Mr. G. R. Pearkes (Nanaimo): Would the Minister of National Defence inform the house whether there are today in Korea the ten per cent first-line reinforcements for the Princess Patricias which it is customary to send with all field forces into a theatre of war?

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, the rate of reinforcements provided to meet conditions in Korea—according to the best of my recollection because I had no notice of this question—is eighty-five officers and men per month. This seems to have been found adequate in the experience of the other forces fighting there. The men necessary to supply these reinforcements indefinitely, of course, are at Fort Lewis

in the third battalion of the Princess Patricias and the other formations there. En route to Korea are enough to look after the first month's requirements after the Princess Patricias go into action. Whether or not they are actually in Korea with the unit or somewhere between Japan and Korea, I cannot say. It is a matter of hours, one way or the other.

RECROSSING OF 38TH PARALLEL BY UNITED NATIONS TROOPS

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Yesterday I directed a question to the Secretary of State for External Affairs. In his absence, it was answered by the Prime Minister (Mr. St. Laurent). It is found on page 253 of *Hansard* and reads as follows:

> Were members of the United Nations consulted about the reported recrossing of the 38th parallel by United Nations troops? If so, did Canada express an opinion, and what was it?

The Prime Minister answered, and I asked a supplementary question to which I am most anxious to secure an answer. It reads:

> Has Canada made any representations to the secretary general or to the United Nations concerning reconsideration of the implied permission which was granted to the troops last October?

Hon. L. B. Pearson (Secretary of State for External Affairs): The Prime Minister has directed my attention to these questions and has asked me to reply to them, which I am glad to do.

There is some doubt as to the exact details about the reported crossing of the 38th parallel by a South Korean detachment. Apparently it was a purely tactical movement and on a small scale, and does not indicate that any decision has been taken for a major crossing of the line, even if military conditions make that possible.

In reply to the second question, Mr. Speaker, Canada has not made any representations to the secretary general or to the United Nations concerning the question of the recrossing of the 38th parallel by United Nations forces. However, representatives of governments with forces participating in Korean operations have had informal discussions recently with the United States representatives in regard to this and other matters arising out of the Korean campaign. These discussions have included a Canadian representative. As a result of these discussions, I think I can state that the political significance of any new move across the parallel deep into North Korean territory is fully appreciated. At this moment I would not like to add anything to this observation beyond repeating my view that any decision taken in this matter should be a collective one, including particularly those governments who are participating in United Nations-Korean operations, of which the most important is the United States of America.

IMMIGRATION

COUNT JACQUES DE BERNONVILLE—QUESTION AS TO TABLING OF FRENCH DECREES

On the orders of the day:

Mr. Bona Arsenault (Bonaventure): I should like to direct a question to the Minister of Citizenship and Immigration; I am sorry that it was impossible for me to give him notice. When does the minister expect to table the text of the French government's decrees mentioned in his reply to my question on February 9?

Hon. W. E. Harris (Minister of Citizenship and Immigration): The texts in English and in French will be tabled at the earliest possible moment.

TORONTO SUBWAY

QUESTION AS TO AVAILABILITY OF MATERIAL TO COMPLETE CONSTRUCTION

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I ask the Minister of Trade and Commerce whether the Toronto Transportation Commission can be reasonably assured of enough material to finish its badly needed rapid transit subway?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The Toronto Transportation Commission seems to be getting on very well without any help from the Minister of Trade and Commerce; at least it has asked for none. I know of nothing to prevent the commission from carrying on with the work.

INQUIRY OF THE MINISTRY

REFERENCE TO STATEMENTS OF DR. ENDICOTT AND ASSOCIATES IN OTTAWA

On the orders of the day:

Mr. J. H. Ferguson (Simcoe North): I should like to direct a question to the Minister of Justice. How much longer is this country going to tolerate—

Some hon. Members: Order paper.

Mr. Ferguson:—termites like Dr. Endicott and his associates voicing their communistic opinions in the capital of Canada?

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Monday, February 12, consideration of the motion of Mr.

W. H. McMillan 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. Drew, and the amendment to the amendment of Mr. Herridge.

Mr. J. J. Smith (Moose Mountain): Mr. Speaker, in rising to take part in this debate I wish to congratulate the mover (Mr. McMillan) and the seconder (Mr. Breton) of the address in reply to the speech from the throne. I join with the hon. member for Vancouver South (Mr. Laing) in his expression of the opinion they were good Liberal addresses. This afternoon it is my intention to make a good Liberal address. Everyone may not agree that it will be a good Liberal address. However, I can assure you it will not be a Social Credit address, nor will it be a C.C.F. address, nor a Tory address; therefore, it will be a Liberal address, good or bad.

I am going to deal first, Mr. Speaker, with controls. I should have liked to deal with the previous C.C.F. subamendment. In my opinion it was a Red subamendment, but since it has been discarded I suppose I am not at liberty to deal with it. However, this control subamendment which is now before the house is a better one. Of course, that is the way the C.C.F. generally operates. I know about the C.C.F. party because I was brought up among them in Saskatchewan. They wave a flag, and if the people will follow it, fine and dandy; if not, then they drop that flag and pick up another one and wave it. In my opinion they have a flag this time which more people will follow. Already it appears as though they have support for this subamendment from the other two opposition groups. I believe the amendment calls upon members of parliament for a vote of nonconfidence in the government for not imposing controls.

I represent, sir, a constituency composed of farmers and many labouring men in and around the Estevan area. I have had many little cards sent to me, as have most of the members of this house. On checking these cards I find that the ones I have received, and I have hundreds of them, came from the labour group in my constituency. This card says that controls should be applied immediately to protect the living standards of our families. I am not opposed to controls, Mr. Speaker, in principle. I am going to answer, through the record, the people of my constituency who sent me these cards, because I have far too many to answer personally. I am going to say to them that in my opinion a large majority are sincere in asking for controls. They ask me for my support. Had they also requested control of wages, I assure them that they would have obtained my support. However, I have neither read nor heard anything from union leaders suggesting that wages should be controlled. I would say, therefore, that at the moment they are barking up the wrong tree. They should ask their union leaders to come out and say they are willing to accept controls across the board.

I am going to deal with the farmers in a moment, but on this same card it says that rent controls should be maintained, and it urges me to support this legislation. As to rent control, again I say that in principle I am not opposed to it. But I think rent control is a provincial responsibility. I definitely think that the matter should be handled provincially, because it could be handled more efficiently in that way than by the federal government. For instance, I do not think anyone would suggest that the premier of his province and his government and the city councils could not sit down and work out a rent control scheme for that province better than could the federal government.

I will now speak for a moment about the farmers in my constituency, and I think what I say about them is applicable to the farmers in many parts of Canada. I have not read or heard anything to the effect that the farmers have said they want to be controlled across the board. I do not think farmers on the whole are opposed to controls; but at the moment I cannot see what a farmer has to gain by being controlled. The things that he has to sell, with the exception of beef, in recent months have gone down in price, and the things that he has to buy have gone up. I cannot see where he would benefit from controls at the moment. However, if the farmers want to come out, through their leaders and through the farmers' union, of which I am a member, and say that they want controls across the board, they will definitely get my support. At the moment, however, they have not said so, and I do not think the Canadian Federation of Agriculture has said so either.

I think the Minister of Finance (Mr. Abbott), in the special session last fall, said that in his opinion one of the reasons why the government was not putting on controls, was that the people of Canada were not yet ready for them. I am quite satisfied that the farmers and labour in my constituency have not definitely stated that they want controls. I join to some extent with the official opposition, speaking through their leader, who intimated in the first part of his speech that he was in favour of controls and then before he finished said that we should support the C.C.F. amendment just on principle, even if

we did not agree with it. At one time he is in favour of controls, and at another time he is not in favour of controls. I join with him and take the same position, because I do not know whether that would help the situation.

Some good comments have been made with regard to the speech from the throne. The opposition has given the house some food for thought. However, I have been less impressed by the criticism this time than I was in previous sessions when I was a new member, and, I admit, one who was very green and still is. They are now criticizing the government for not doing anything to head off inflation. When I came here first I sat in this chair and heard the members of the opposition say that prior to the session the government had hidden a depression. They said that we had a depression in Canada and that for election reasons the government had kept it out of sight; that we had lost our markets and that prices were going down. Representing the constituency which I have the honour to represent, Mr. Speaker, I sat in my chair and shivered. I thought that possibly what they were saying was true. However, it did not turn out to be the case. It is well to recall that the predictions which the opposition make do not seem to turn out; I do not know why.

Last spring, when it was said that we had an unemployment situation in Canada, the official opposition—and I think the other two oppositions joined with them—again called upon this government to bring in a public works program, or to start a building program across this country, so that it would take care of this unemployment and head off this so-called depression and tendency towards lower prices. Again I have to confess that I more or less agreed with them. I thought that was the situation, but it turned out not to be so. Some hon. members might say that the Korean war was the cause of that. But if the government of the day had gone into a program of public works, it would have laid itself wide open to criticism today, because the public works program is going to have to be cut down. I am not too critical of the opposition, Mr. Speaker, because it must be maddening to sit in the opposition and make statement after statement, only to find out that none of them turns out to be in accordance with the facts. They complain about the government not giving them any information. Under the circumstances I suggest that the government should give them some more information, so that when they make these assertions they will know what they are talking about.

I want to say a word about inflation. There is a great deal of talk about the man in the street and what a hard time he is having. I can recall the time, in the thirties, when I started to farm in Saskatchewan. I had a hard time. It is true that the dollar is inflated today. Some people say that it takes two dollars now to buy what one would buy a few years ago. But I do not think it makes much difference to the average Joe, including the average farmer, whether the dollar goes only half as far as it used to, provided that he now has two or three instead of one. I think that is the picture throughout Canada today. I have not travelled over a great deal of Canada, but I have been around a little bit, and when I visit the towns and cities I do not go to the high-priced hotels. I visit my friends and relations who happen to live in the poorer parts of the city and quite close to the slums, if there are any. I find that today there is less difference between the poor man and the rich man than there has been at any previous time in the history of this country.

We have another group that are complaining about inflation. We have a certain number of people in this country who have bought insurance and government bonds and who have money in the bank. They are complaining because they thought at one time that the interest on those savings would keep them. They are in a bad way. I suggest to them that if they have not the standard of living they think they should have, they should spend a little of their principal in these days. If the principal will not keep them going, they have one consolation, Mr. Speaker. I am hopeful that we shall have the old age pension at seventy without a means test, and at sixty-five with a means test. If by that time they have not anything left, they can do as many of the rest of us may have to do, namely, live on the pension. If they will not be sixty-five at that time, then they can get out and work for a living as most of us Canadians do.

I am now going to turn to my final subject, and I wish to read a little poem I have here. I do not think the author was Shakespeare or Bobbie Burns or anyone of that calibre; he may have been one of my colleagues from the province of Ontario. It reads:

> To the winging bird the only word is
> Tweet, tweet, tweet;
> To the maid in spring the word she loves is
> Sweet, sweet, sweet;
> But the damndest word I ever heard is
> Wheat, wheat, wheat.

I realize that to many hon. members wheat is not an interesting subject. I must confess that when hon. members are speaking about fish—and properly so, although I listen—I am not greatly interested. Since I represent a wheat-growing constituency, I am going to talk about wheat for a few minutes. Today in

Canada, as most people know, wheat is handled through the Canadian wheat board. I hope, Mr. Speaker, that the time will never come when I shall have to market my wheat in any other way. I want to make it very plain where I stand.

Some people argue that if we had an open market we would have received much higher prices for our wheat. That I question. I am going to use flax as an example, to show the house what happens on the open market. I think an open market is a crazy set-up. I harvested flax this fall, and therefore I am talking about something with which I am familiar. That is why I did not deal with external affairs. At the conclusion of the special session last fall I went home and got out the combine, and I threshed a fairly good crop of flax. As I said, I am using flax as an illustration to show the difference between the operations of the open market and those of the wheat board. I repeat that I am not in favour of the open market set-up. The law of supply and demand will definitely set what you are to get for a thing in the end, but I am not in favour of that method of marketing.

Coming back to flax, last fall while harvesting my flax I drew one load to the elevator. That was in October. I do not recall the date, but I sold it for $3.34 a bushel. It was the first grade of flax. The elevator man tested it for moisture, and it just got by. He said to me: "If it is tough tomorrow" —that was in the evening—"don't draw any in". The next day the sun did not come out, and I figured it might be tough, so I did not take it in. I put it in the granary and sold it in December before coming down here, and I received $4.70 a bushel for that flax. It was the same flax that I had sold for $3.34 a short time before. It has gone up since, and within recent days it has gone down. It dropped a matter of thirty cents a bushel in two days, fifteen cents a bushel a day. That is the same set-up as we had under the open-market scheme for wheat.

There are some hon. members who have made the statement—I do not know whether the hon. member for Souris (Mr. Ross) is one of them but I know definitely that the hon. member for Assiniboia (Mr. Argue) is one of them—that the farmers had lost thirty-five cents a bushel under the wheat board set-up this fall. The price set by the board was $1.40. I do not think we lost thirty-five cents, because since then we have received twenty cents. The premier of our province has been running around the country and speaking over the radio, telling the western farmers that in Saskatchewan they have lost $100 million. If what he said was correct, then we have already received $56 million of that. That is what twenty cents a bushel is going to amount to; and I am informed on very good authority that we can expect another twenty cents. Therefore we in the province of Saskatchewan are going to have under that scheme $12 million more than we lost.

I hear voices, Mr. Speaker, but I am not sure just where they are coming from.

In conclusion I wish to say that many of the farmers in western Canada are a little disappointed that the government has not seen fit to make an announcement on the five-year pool. It is true we have been told that negotiations are going on with the United Kingdom government.

Mr. Ross (Souris): Not according to the Prime Minister.

Mr. Smith (Moose Mountain): Well, discussion, if that suits the hon. member better. I do not care whether it is discussion or negotiation. I was going to say that I was getting sick and tired, but I am going to leave out the word "sick"; I am not sick yet but I may be a little tired. I am not blaming the government at the moment for not making the announcement. But I urge the government to crack the whip and get going on this negotiation or discussion with the United Kingdom government and let us have a decision on what is going to happen in respect to the five-year pool payments.

Many figures have been given as to what we should get. The other day the hon. member for Souris said that we should receive fifty cents a bushel as a final payment on the five-year pool, but that we were willing to take twenty-five cents. That is charitable. We are willing to take half of what we think we should get. If I may say so, I think that thirty cents a bushel would be closer to the mark, and I agree with him that we are willing to take half, which in that case would be fifteen cents. Of course that is only my own opinion. If we were to demand the last cent from the United Kingdom government that we calculate we have lost under the agreement—

Mr. Ross (Souris): How about the Canadian government?

Mr. Smith (Moose Mountain): The hon. member had better get after them; I am talking about the other contract. If we were to demand the last cent from the United Kingdom government that we think we have lost, I think we would be a very mean people, particularly when we remember the battle of

Britain. We all know what Britain went through; but at the same time I do not think we should be expected to accept anything less than something in the neighbourhood of fifteen cents a bushel as a final payment. I would urge the government to do something before seeding time rolls around again or before Easter, about bringing this matter to a conclusion. I shall be going home at Easter, or at the end of the session. I have been following the session very closely, Mr. Speaker, and the policies of the government. I am prepared to go home and explain the policies of the government to my constituents. Unless we get something for this wheat I am not prepared to explain that; nor do I intend to make excuses.

We have a good strong government, and we are ready to support it. Once again I say we should have a settlement on this matter. However, I shall be speaking on this again, and if we get a settlement I think it should be in the neighbourhood of fifteen cents a bushel. I am prepared to make one of two addresses. If we get a fair payment, it will be a very pleasant and juicy address, but if there is nothing done, I can assure you, sir, that it will be sour and bitter.

I suppose that my colleagues and members of the opposition groups and some of the people in my constituency will say that I should not have said the things I have said; but I am quite sure that if they realize the consolation I get out of saying what I think, they will excuse me.

Mr. A. J. Brooks (Royal): Mr. Speaker, I am sure the hon. member for Moose Mountain (Mr. Smith) will pardon me if I did not follow his remarks very carefully. Unfortunately I could not hear the first part of his address. The second part of it had to do with wheat, which is not a matter of great interest to most members in the house, particularly those from the maritime provinces. I believe that in the sixteen years I have been here, practically fifty per cent of the time in debate has been taken up in the discussion of wheat.

For a few moments I should like to refer to the matter of controls. Two important matters have been before the house: first, our Canadian defence program, and second, controls and inflation. I shall not take much time in discussing inflation, because it was thoroughly covered by my leader yesterday. I will simply say that I agree one hundred per cent with the very practical ideas he expressed on the subject.

Contrary to what the hon. member who has just taken his seat may think, the people of Canada are greatly exercised about controls and inflation. I believe that today it is the chief problem facing the people of this country, and certainly it is the problem which the people feel the government should deal with immediately. There is a feeling of impatience with the soaring of living costs throughout the country. Not only are the people impatient, but they have a genuine fear in their hearts about this condition.

Last night I listened to the hon. member for Rosetown-Biggar (Mr. Coldwell), and I must say that to a great extent I agree with his remarks. To illustrate a point he made, he mentioned his having paid sixty cents for a collar which only a short time before could have been bought for thirty cents. Let me tell the house about an experience of my own in that regard. I went to a shoe store to buy a pair of shoes. The clerk told me that only the day before, the price of that particular type of shoe had increased by $2.50. While I was in the store a man who worked in a factory in our town came in, in company with his two boys, with the intention of buying shoes. He asked the price, and when he was told that the price of shoes for his boys had increased by more than $2, he said that he felt he could not buy at that time. Knowing that I was coming to Ottawa to attend the session, he turned to me and said, "You people up there will have to do something about this matter. It is becoming impossible for me to clothe and feed my family and to pay my rent, because of the way in which prices are soaring".

I am sure the experience of this man is that of all heads of families throughout the country. The hon. member for Moose Mountain said, "Oh, these people can use up their principal." The people I am speaking about —and there are tens of thousands of them across the country—have no principal to use up. The hon. member went on to say that the rich and the poor are in much the same position. That is not correct. The poor man today has not sufficient money with which to buy the necessities of life. This is one reason why I feel that the government must do something now to halt price increases. It is being done in the United States.

The hon. member for Moose Mountain says that the C.C.F., Social Credit and Progressive Conservative parties are backing controls. I would point out to him that in the United States today it is felt that a measure of controls is necessary. In Canada we are proud to follow the United States in many things. I believe that in this matter as well we would be wise to do so.

In the situation that is developing I am sure some controls have become necessary. I do not think over-all control is required,

but certainly controls are necessary to some extent. I believe that public support would be behind a measure of controls at this time —and we must have public support; otherwise enforcement would not be possible. Some measure of control would curb the extra momentum gained by inflation at every step.

The other day the Minister of Trade and Commerce (Mr. Howe) told us there were many interests which are opposed to controls. We know this to be true. We know, for instance, that the producer may be opposed to controls, and that many consumers are opposed to controls. This is always true in an economy where the supply of goods is reduced in relation to the supply of dollars. That is what is happening in Canada today, when civilian goods are being turned to military uses, with the resulting scarcity which is causing inflation. In view of the height to which prices have climbed, it seems clear that some measure of control should have been put on two or three months ago. For instance, we read only yesterday in the evening papers that coal had been increased in price by $1.75 a ton. Pick up a paper any day and you will find that prices are going up, not just a few cents, but in many instances by much larger amounts.

It is not my intention to discuss this matter further at the moment. All the evidence we have points to the fact that some measure of control must be exercised in Canada. I agree with the Minister of Finance that one way to help to stop inflation is to have heavy taxation. Unless we tax the people heavily, there can be no question that inflation will do so. These two might work together. I agree with the Minister of Finance that we must balance our budget. These things go hand in hand with controls, and if immediate action is taken it will be well for the people of this country.

The other question which is exercising the minds of our people is that of security and the part we should play in world events. Canadians are a proud people, and I am satisfied that they wish us to carry our full share of such defence measures as may be necessary to preserve the liberties we cherish. Speaking yesterday, one hon. member compared what was being done by Canada and by Great Britain. It was pointed out that while Great Britain had from 600,000 to a million men under arms—and he accepted the lower figure—Canada has only 60,000, showing a ratio of ten to one. This means that Great Britain, with a population slightly more than three times that of Canada, and with natural resources far inferior to those we have, has armed forces ten times as great as those of Canada.

There is the same ratio also in the United States. Much praise has been given the United States for the splendid work which is being done in Korea. We are all proud of our neighbours to the south for the action they have taken in that country. We feel that the United Nations took the only action that was possible. But it must be remembered that the United States was the only nation that had troops in that vicinity, and therefore she has had to bear a great burden there.

It must be remembered that while Great Britain has only one brigade in Korea, she has many thousands of troops in Malaya and a large army at Hong Kong. This is all part of the picture in the east. It should be pointed out also that France has a large army in Indo-China, which is part of the picture in the east. When we give great credit to the United States, as we should, for what she is doing in Korea, we must not forget the part that is being played by Great Britain and France in their respective areas.

Canada is going to spend $5,000 million in the next few years on defence. This is an enormous sum and should permit the raising and equipping of whatever troops are necessary. We should be able to produce the munitions that may be required. All sections of Canada are anxious to bear their fair and adequate share of the responsibility, both as to taxes and as to manpower. There is no question that every part of Canada will bear its share of taxes, because taxes are levied on the same basis all across the country.

If war should come and it is necessary for Canada to raise large forces, I think the people would wish that the raising of manpower be done in a way that will be fair to all sections of the country. Everybody knows that in time of war some men must fight, while others serve in other ways; and soldier and civilian morale will be much better if the selection for service is defined in the most understandable terms possible. I think the people of Canada wish and desire that that be done.

All sections of Canada—the maritimes, central Canada and the west—should have some share in the production of munitions and supplies. The minister has made much of the fact that equipment has been sent to Belgium and the Netherlands; that was a good thing and we approve of it. It was the logical and sensible thing to do. I am satisfied that since Canada is taking equipment from the United States we could not do less than send equipment to those people in Europe who will be fighting, if necessary, the battles of freedom.

I think also that the people of Canada approve of the defence of Europe. I have

heard very little talk of isolationism here in Canada, although there has been a good deal in the United States. I am thankful that we in Canada have not taken the same attitude as a great many people in the United States have taken, although it seems to be dying out. Everyone realizes that if the western hemisphere is to be defended, Europe also must be defended. One minister has said that if we should lose Europe to Russia in the next war we would lose one of the greatest manufacturing potentials in the world. We would lose all the steel and manufacturing centres to Russia. There is no reason in the world why Canadians should not approve the defence of Europe.

The question of arming Germany has come up. This is a difficult problem for the United Nations or others concerned to deal with. There is no doubt that eastern Germany is armed today. Russia has 50,000 east Germans under arms at the present time. They are equipped with tanks, guns and aeroplanes. If the other half of Germany is not armed, we may have the same situation as we had in Korea. The Russians armed the North Koreans while the United States left the South Koreans unarmed. Then they went away and the North Koreans moved into South Korea, and we all know the great difficulty our people have been having in trying to drive them back and to retain that country. So I think these matters, or most of them, have the approval of the Canadian people.

My main object in speaking this afternoon was not to touch on the matter of controls and the manpower problems that will arise should another war come, but to deal with another matter which is referred to in the speech from the throne, in the following words:

> The urgent need of the St. Lawrence seaway and power project in relation to the security of this continent is becoming increasingly apparent. It is the view of my ministers that the Canadian authorities should be kept in a position to co-operate promptly in undertaking construction of the project once affirmative action has been taken by the appropriate United States authorities.

Anyone who has read the press of Canada and the United States during the last few weeks knows that the St. Lawrence seaway is a burning question in the United States. A bill has been introduced in congress by F. D. Roosevelt, Jr., a son of the late president, providing for the construction of the seaway and power project. In introducing the bill Mr. Roosevelt said:

> The St. Lawrence seaway and power project will provide the least expensive means of providing necessary transportation of iron ore and other critical materials and the least costly way of providing additional power—so badly needed in New York, New England and eastern Canada.

President Truman has said that it is necessary to construct this seaway for the national security of the United States and Canada. As one from the maritimes it is my opinion that the St. Lawrence seaway will be of absolutely no benefit to the people of the maritime provinces. However, I do not mean that the people of the maritime provinces will object to the construction of the St. Lawrence seaway. When our government and the government of the United States decide that the seaway is necessary for the defence of this continent we shall have no choice in the matter but to support it. Nevertheless, as I have said, as a peacetime project it would be of practically no benefit to the people of the maritimes. As a matter of fact it would be a hindrance, because there is no doubt that the main reason for constructing the St. Lawrence waterway would be to provide a great deal of additional electrical power to Ontario and Quebec; and the more power they have, the more industry will be concentrated in those provinces, to the detriment of the maritimes and the west. However, on the basis on which it probably will be constructed, as I said a moment ago we in the maritimes do not feel that we can raise any great objection.

In fairness to the people of our province, however, there is another project I should like to mention. It is also an international project, of interest both to the United States and to Canada. I refer to the development of hydroelectric power in Passamaquoddy bay and the bay of Fundy. This is not new; it has been advocated for a great many years, and has been investigated at different times. I remember that some twenty years ago the matter was discussed in the New Brunswick house when I was a member there; and while the Americans of that day were more or less in favour of it, we in Canada were opposed. The chief opposition at that time came from the fishermen of that area, who said it would ruin their industry. That idea now has been exploded, and engineers have reported very favourably on the feasibility of the project. Mr. Truman also favours it. As far back as last April an Associated Press dispatch from Washington said:

> Mr. Truman was described today as favouring revival of the Passamaquoddy-Maine tidal power project.

Senator Brewster and Senator Smith of Maine and many other statesmen of the New England states also favour this project. What it would mean to the people of the maritime provinces, and particularly to the people of

New Brunswick, cannot be overestimated. At the outset it would mean a million horsepower divided between the New England states and the maritime provinces. It would mean that our province would be placed on an equal footing with other sections of Canada so far as hydro power is concerned. If, therefore, the government of Canada feels that it must go through with the St. Lawrence seaway, in justice to the people of the maritime provinces, who in years past have contributed many millions toward the cost of projects in other parts of Canada and who would have to pay their share of the cost of constructing the St. Lawrence seaway, I think it is only fair that consideration be given the development of this international power project in Passamaquoddy bay, which would mean so much to our people.

Mr. Riley: Or the Chignecto canal.

Mr. Brooks: Yes; but one thing at a time. I should like to quote what the maritime board of trade has to say about this project, as contained in a report appearing in the Moncton *Times* a few months ago:

Low Cost Power is New Brunswick's Need

In the lengthy and important agenda which the maritime board of trade went through in executive session here, that regarding the projected harnessing of the tides of Passamaquoddy bay transcended all other features in so far as the future development of New Brunswick is concerned.

This is a prodigious scheme, greater than any other power project ever undertaken in the maritimes, and, if given the green light by United States congress and the Canadian parliament as a joint enterprise of the two neighbour nations, would mean an illimitable surge in the industrial and commercial expansion of New Brunswick and also a very large section of Prince Edward Island. Both these provinces have been greatly retarded in economic progress, because the natural resources in New Brunswick, capable of producing more than a sufficiency of electrical energy in continuous supply for an inestimable time and at low cost, have never been capitalized upon.

Then the last paragraph:

It is indeed encouraging that a favourable report is in prospect—

That report is not only in prospect; it has been submitted.

—as ensuing from the recent investigations conducted by the international joint commission into the projected development of electric power from 'Quoddy tides, and that consequent upon such a report there exists the strong possibility of future joint Canadian-American action to implement it. The completion of this scheme would surely witness the ushering in of an era that New Brunswick has long looked forward to as being a hive of industry and the scene of busy commercial enterprises of various types.

That pretty well expresses the opinion of the people of the maritime provinces. I want to congratulate the hon. member for Saint John-Albert (Mr. Riley) on his excellent speech of a few days ago. He mentioned something which I am sure he would not claim to be new, because it has been mentioned in this house by myself and other maritime members on many occasions. I refer to the decentralization of industry in this dominion. During the last war I brought this matter to the attention of the government, and at that time the minister told me the main reason we could not have industry in the maritime provinces was that we did not have the hydroelectric power. Since that time we have developed new sources of power in the maritimes, and today are in a position to take on these small industries which were mentioned a few days ago by the hon. member for Saint John-Albert. If the government would carry out this extensive power development in Passamaquoddy bay, however, we could not only take on small industries; we could take on extensive industries as well.

We have been the neglected section of Canada. This is an old story, and I suppose many hon. members are tired of listening to it. But we have been sadly neglected. In the last war only one-half of one per cent of our war industry came to my province of New Brunswick. It was an absolute disgrace. Only two per cent came to the whole of the maritime provinces. Now we are threatened with another great war. Whether or not that war comes—and I sincerely hope it does not—billions of dollars are to be spent in the production of munitions and other military supplies, and surely it is time that we in the maritimes, who have always done our full share in supplying manpower for the defence and development of Canada, should receive more consideration from this government and the country in general.

My hon. friend spoke about manpower. We have the manpower in the maritime provinces, but unfortunately it does not stay there. Just this morning the hon. member for Victoria-Carleton (Mr. Hatfield) was telling me about seventeen young men who left the small village of Centreville in Carleton county in one day, to come to Ontario to look for work. I know that young men are leaving my own town daily, and I am sure the hon. member for Saint John-Albert knows of the hundreds who are leaving his city to come to Ontario and Quebec to find employment. A few days ago we had the great privilege of visiting the Canadair factory at Cartierville on the island of Montreal. I enjoyed that trip. There we saw thousands of young men. It was a regular hive of industry. We were told that there were 5,300 men working in that one factory.

I venture to say, Mr. Speaker, that there are more men working in that one factory in the city of Montreal on government work than there are in the whole of the three maritime provinces. I do not think it is necessary to argue this point any further, but I do hope this government will realize that we in these provinces are deserving of more consideration.

During the last war we trained many men in the maritimes. There was a splendid camp at my home town of Sussex, New Brunswick; another one at Debert, one at Aldershot and one at Utopia. I was amazed, as was the hon. member for Nanaimo (Mr. Pearkes), to learn that all our men are now being sent to Fort Lewis in Washington for training. That might have been necessary when those men were being trained as a brigade, but why is it necessary now when we have all the space that we have in Canada to train our own soldiers? I recall that before the last war Great Britain wanted to train some airmen in Canada, and that move was opposed in this house because some members were afraid that Canada would lose her sovereignty if she allowed the troops of another country to come here to train. I have not heard of the United States losing her sovereignty because we sent a few thousand troops over there to train.

However, Mr. Speaker, that is beside the point. The point I wish to make is that since the maritimes have been so badly neglected in other matters, I see no reason why, when we shall be training a good many soldiers for some years to come, the camps at Sussex, Aldershot and other places should not be rebuilt. There is a good nucleus there for a start, and the men could be trained there.

I was amazed to hear that the men who were training at Fort Lewis received an extra $20 per month, and that the officers received an extra $40 per month, because they were training outside of our country. These extra payments amount to something like $200,000 a month for 8,000 men training in this area. The minister is not in his seat, but I should like to know just how much we are paying the United States authorities for the privilege of training our men in Washington. I venture to say that it runs into a tidy sum. I venture to say that the government could rebuild these camps in Sussex and other parts of the maritime provinces for the amount of money they are paying and will pay for having these men trained in the United States.

I listened with attention and interest to the speech delivered yesterday by the member for Comox-Alberni (Mr. Gibson), because he mentioned a matter which is very close to us in the province of New Brunswick, and that is the question of the conversion of our forests into pulpwood, one of the chief industries in New Brunswick. The price of pulp this winter has been so high, and the United States newsprint people have been so anxious to buy it, that almost every standing tree is being cut down for pulp. I feel that we are using up a heritage that belongs to the people who come after us. When the hon. member for Comox-Alberni mentioned the fact that each copy of a recent issue of a United States newspaper weighed three and three-quarter pounds, we were given some idea of the terrible waste. Trees that could be cut down later to make lumber are now going to the United States to be used for this purpose. It is about time something was done about it. I believe it would be preferable to send this pulp to Great Britain or some of the European countries where the newspapers contain only three or four pages. I would rather have a British paper of three or four pages, so far as real news is concerned, than some of these bulky twenty-five and thirty-page editions from the United States which contain a lot of trash. It is a shameful waste of pulp and of the forests of Canada.

I have some other notes here, Mr. Speaker, but I feel that I have spoken long enough. I wish to thank you for your kind attention.

Mr. John Decore (Vegreville): Mr. Speaker, may I first of all join with those hon. members who have congratulated the mover (Mr. McMillan) and the seconder (Mr. Breton) of the address in reply to the speech from the throne. The manner in which these two hon. members acquitted themselves has brought honour not only to them but also to the constituencies which they represent. I also want to join with the member for Athabaska (Mr. Dechene) in the high words of praise which he had for the newly appointed minister from Alberta, the Minister of Mines and Technical Surveys (Mr. Prudham). Those of us who know the minister have been struck by his sincerity of purpose, his business ability, and above all his honesty. Some of us who know him quite well often refer to him as "honest George."

The speech from the throne has been significant in that it has conveyed to the people of Canada the fact that an emergency situation now exists in view of the further deterioration in the international field. The policy of our government, and the desire of the Canadian people, is to prevent war and maintain peace. However, the international tension today has been caused by communist imperialism in its determination to dominate the world by force or by the fear of force. We in Canada, and the people of the

free world, are compelled to take such steps in our national defence as may be adequate to safeguard our security.

The Minister of National Defence (Mr. Claxton) pointed out to us a few days ago what the government's national defence policy will mean to the Canadian taxpayer in dollars and cents. The Minister of Trade and Commerce (Mr. Howe) has indicated some of the sacrifices which will be expected of the Canadian people. The same thing may be said of the Minister of Resources and Development (Mr. Winters) with regard to housing.

It is my intention in this debate to deal exclusively with the international situation. I might as well warn hon. members in this house, as well as the Secretary of State for External Affairs (Mr. Pearson), that some of the views which I shall express are probably different from some which have been expressed on this topic in this chamber. At the outset I feel that the difficult position in which we find ourselves today is, to a considerable extent, our own fault. When I say "our own fault", I mean the fault of the democratic countries towards whom the world looks for leadership and guidance in international affairs. It is true that when we fought the last war we defeated Hitlerism; but it would appear that we did not lay the foundations of a lasting peace. I think that the blame falls on the democratic world in that we failed to assess international communism and that at the same time we allowed another dictator to obtain tremendous powers, the like of which have never before been witnessed in the history of mankind. If we assess communism, we find that Marxist communism is a militant philosophy based on struggle. Because of the nature of its inspiring promises, it creates fanatics within its ranks. It is a philosophy that will not tolerate any criticism or stand for any opposition and therefore it cannot be appeased. Marxist communism is based on the teaching of the German philosopher Hegel who said that when you have two conflicting views or two opposing ideologies as between states, such differences can only be settled by war.

Let us face the facts. The world today is divided into two camps, with two opposing ideologies; our western world with our way of life and the communistic world which is being headed by the Kremlin. We can therefore ask ourselves this question. If my appraisal of the communist philosophy is correct, are we to expect that the communist leaders throughout the world, including Stalin and the fanatics in his ranks, will change their methods and mend their ways even if we match them plane for plane and soldier for soldier? The question is: Can a leopard change its spots?

Let me point out that it is not so much international communism with which we are obliged to contend as it is in effect with Russian imperialism. It is evident to all of us that international communism is merely being used by Stalin as a tool or instrument to further his own imperialistic designs. I repeat that it was a failure of the free world to assess communism in its true light and in allowing Stalin to obtain vast powers, many of them through default, that makes our position now most difficult. However, this is now water under the bridge.

The Korean incident, although regrettable in that it has caused great sacrifices especially on the part of our good neighbour to the south, has nevertheless awakened the free world to the danger of international communism and Russian imperialism. The pattern of Stalin's operations should be clear to all of us by now. Although there may be a cease-fire in Korea, we must be prepared to face similar difficulties in other parts of the world. Only yesterday, I believe, Anthony Eden, in making a statement at Westminster, warned the world of grave possibilities in Yugoslavia in the near future.

Analogies are trick bases for argument, but the fact is that communism has many heads; and it is necessary to recognize the difficulties of the problem of destroying it. In Greek mythology many of us have heard of the hydra-headed monster which Hercules was given the task of destroying. I recall reading in the New York *Times* an editorial which appealed to me—incidentally it is dated October 25, 1950—and which reads in part as follows:

> This simultaneous activity at opposite poles of the earth is a reminder of the hydra-headed character of international communism. It might be well for us to remember, too, that the heads of the mythical snake grew back again as fast as Hercules cut them off. He had to root out its body and destroy the one immortal head (shall we say the Kremlin?) before the monster was defeated.

Let us not forget that communism or communist imperialism is centred today in Moscow. Let us therefore, now that we realize the menace of communism and of Russian imperialism, be prepared to deal with our potential enemy effectively. Let us not underestimate his strength; but above all let us not overlook his weakness.

When I say that we must not underestimate the enemy's strength, I mean that certainly we must not underestimate the strength of the Red army, the strategic position of the

soviet bloc and the aggressive leadership of international communism throughout the world. Certainly tanks, guns and planes are necessary and vital in our defence preparations. Should we be forced into it, there is no easy way to fight Soviet Russia, but I think Hitler has shown us the hard way of doing so. Let us not fall into that fallacy which lay at the root of Hitler's stupidity when he thought that Soviet Russia could be beaten by military means alone. Probably I should modify that statement and say that perhaps Soviet Russia can be beaten by military means alone but at a terrible price.

When the nazis launched their attack on Soviet Russia, they met with such huge successes at first that it was almost unbelievable. Hundreds of thousands of men laid down their arms and surrendered to the Germans. The population welcomed the Germans, not because they had any love for the nazis but because they looked upon them as liberators from the Kremlin oppressors. It was only after Hitler treated these people in the same brutal fashion as he treated the Jews that the population turned against him, with the results that were indicated in the battle of Stalingrad.

What is this weakness in Soviet Russia's empire today which we must not overlook and which we must be prepared to capitalize on? Many people in Canada and throughout the free world do not fully appreciate the fact that within the borders of Soviet Russia there are about one hundred ethnic groups, the most numerous being the Russians themselves. The Russians, however, comprise less than half of the total population in the U.S.S.R.; and during the time of the czars and during the time of Stalin they have been the motivating or driving force of the nation. Their dominance over the smaller minorities, however, has been made possible because of their superiority in numbers; but it has always been resented by those smaller minorities.

May I say that the apparent unity which exists in the Soviet union today has been made possible through slave camps, liquidations and mass extermination of racial, ethnical and religious groups as such. We can feel quite certain that the rulers in the Kremlin, in order to maintain further unity within their borders or that so-called unity within the Soviet union, must resort to further mass exilings, slave camps and liquidations. The national problems of the Soviet are one of their most vulnerable spots. We can, I think, rely on these suppressed people to be the most certain allies of democracy against the Red tyranny.

[Mr. Decore.]

Let us also bear in mind the fact that today there are millions of political prisoners in concentration camps and under slave labour conditions. There are today throughout the Soviet union hundreds of thousands of families, one or more of whose members have either been liquidated or sent to slave camps for political reasons.

The fact is that in spite of nearly two generations of indoctrination, despite the mass exilings and mass liquidations, despite the slave camps and the dread secret police to crush all opposition, there is a bitter resentment against Stalin's regime. That, Mr. Speaker, is where is to be found the enemy's weakest spot—in that smouldering opposition of the population against its oppressors in the Kremlin, which once aroused can become a weapon in our favour much more effective than the atom bomb itself.

And what about the satellite states such as Poland, Hungary, Bulgaria, Roumania and Czechoslovakia? Apart from Titoism, which is prevalent within the communist ranks itself, there is evidence of a strong but latent underground, an opposition which is smouldering but waiting for an opportunity.

The menace of the Soviets to freedom is realized by the democratic world but it is also important that the Soviet's weakness should receive attention. It is already receiving attention from prominent men throughout the world and among them is Harold E. Stassen, president of the university of Pennsylvania, and a prominent Republican, who in a radio address over the national network made this statement. Incidentally his observations were based on a trip that he made around the world. He said, as reported in the New York *Times* of January 16, 1951:

> First of all I received information all around the outside of the vast communist empire of the discontent and unrest within the Soviet union and within the iron curtain countries. This includes the red army itself.

According to the New York *Times* he urged the United States to rearm and called for solid support of General Dwight D. Eisenhower. He also urged a revision of the United States foreign policy, and sought certain goals. I quote further from the New York *Times*:

> The establishment of separate national sovereignty and true independence of the Ukraine, Estonia, Latvia, Lithuania, Poland, Czechoslovakia, Roumania, Bulgaria and Hungary.
>
> The release of all of the millions of political prisoners now in concentration camps and under forced labour in the Soviet union.
>
> The granting of the Russian lands to the Russian peasants for their own farming.

The granting of the right of genuine labour unions to organize and bargain collectively everywhere in the world. The winning of the right of all the people to worship God as they choose.

That, Mr. Speaker, is a very inspiring message to those millions of people behind the iron curtain. It gives them new hope and new encouragement. It hits at the very heart of Stalin's brutal tyranny. How much more effective this message would be if it was the official policy of the United States, of Canada and of the free world?

Canada of course does not decide the United States foreign policy nor that of the United Kingdom. But it is one of the member states of the North Atlantic treaty. From the observations I made while being associated with the recent Canadian delegation to the United Nations assembly, I realized the tremendous role that Canada does play in international affairs, and realized also the weight exerted and the ability recognized by delegates to the United Nations from throughout the world of our own Secretary of State for External Affairs (Mr. Pearson).

Someone would say that this type of policy which I call "political warfare" if adopted, shall we say by Canada and the western democracies, would offend Mr. Stalin. No doubt it will offend Mr. Stalin. It is a weak spot in his armour, but let us not forget that he has left no stone unturned through the use of the communist international organization, the cominform, to rouse and whip up fifth columnists and traitors in Canada and other countries; to create fear and unrest. One of his most effective weapons against the world in creating fear and distrust has been the use by him of this so-called political warfare.

Let us turn the tables on him and give him back some of his own medicine. Let us offer new hope and new encouragement to those millions behind the iron curtain who are our potential allies, by supporting them in what we believe in and what is the very foundation of democracy, namely, freedom.

Mr. H. R. Argue (Assiniboia): In rising to take part in this debate, along with previous speakers, I wish to congratulate both the mover (Mr. McMillan) and the seconder (Mr. Breton) of the address in reply to the speech from the throne. I am sure each did credit to himself and to the constituents whom he represents.

The point at issue in the debate at the moment is the C.C.F amendment which has been moved by the hon member for Kootenay West (Mr. Herridge), asking the immediate reimposition of price controls and the payment of subsidies where necessary so as to protect the health and living standards of the Canadian people.

I listened with great attention to the speech of the hon. member for Moose Mountain (Mr. Smith). He said that he would support our amendment had we included in it the provision that wages should also be controlled. I believe, Mr. Speaker, that the provision for the control of wages is already part of the amendment, as it has been moved. It says:

. . . the immediate reimposition of price controls . . . so as to project the health and living standards of the Canadian people.

To my mind price controls mean prices of all commodities, including wages. We ask that controls shall be implemented in such a way as to protect the health and living standards of the Canadian people We suggest therefore by those words that any control of wages or any control of farm prices that would stem from the adoption of this amendment shall be control in a fair and equitable manner.

Then the hon. member for Moose Mountain went on to say that he was a member of the farmers' union. I took down his words. He said: "If the farmers' union will support controls I too will support controls." I should like to read to him a resolution which was passed at the most recent annual convention of the Saskatchewan Farmers' Union held in Saskatoon between the dates of December 12 and December 15. The resolution reads as follows:

Whereas we, the members of the farmers' union, view with alarm the general economic trend wherein prices in general are sure to be increased, and are convinced that security lies in price control,

Therefore be it resolved that we demand that the federal government put price controls in effect at a point comparable with farm prices.

This resolution proves beyond doubt that the farmers' union are solidly behind price control. I suggest to the hon. member for Moose Mountain that we shall welcome now his support of our amendment asking for price controls, since the Saskatchewan Farmers' Union, of which he is a member, is supporting price controls at this time.

Last night I listened with attention to the Minister of Finance (Mr. Abbott) elaborate upon and enumerate the various fiscal and monetary measures the government had already taken to deal with inflation. He suggested that those measures were getting at the root cause of inflation, and suggested further that this was no time to implement over-all price controls.

The best way for one to judge whether those monetary and fiscal measures have been and are effective is to look over the price increases in the last twelve months and compare those increases with the increase in the cost of living index in the twelve months immediately

preceding the imposition of price controls in 1941. In looking over that index one finds that while it increased by 8·1 points between September 1940 and September 1941, and while the government following that increase felt it was necessary to have over-all price controls, the increase in the price index between January 1950 and January 1951 has been, not 8·1 points but 11·5 points. In other words, if there was any reason to impose price controls in 1941—and there was—then there is even greater reason today.

The degree of inflation rampant in the Canadian economy today and for the past twelve months is even greater than the degree of inflation which prevailed prior to the government's imposing over-all price controls in the fall of 1941.

Last night the minister seemed to take great exception to the suggestion put forth by the leader of the opposition (Mr. Drew) that because of inflation our government bonds were no longer the same safe and secure investment they had once been. It seems to me that, with the runaway inflation as we have it today, many Canadians will consider seriously cashing their bonds and discontinuing the purchase of bonds as a method of saving.

One has but to look at what has happened in the last five years to the value of the dollars Canadians have invested in government bonds to see that there are many investments which have been much more secure. In January 1946 the cost of living index was 119·9; five years later, in January 1951, it had increased to 172·5. The purchasing power of a $100 bond bought in January 1946, according to the government's cost of living index, is today only $69.52, on the basis of 1946 prices.

So that anyone who bought a $100 bond in January, 1946, and cashed it in January of 1951 would find that instead of getting $100 in value, the $100 they would obtain would buy goods to the value of only $69.52, on the basis of 1946 prices. In other words, anyone who invested $100 in government bonds in January, 1946, has in the last five years lost $31.48 in purchasing power. If the bond had been a Canada savings bond, always worth one hundred cents on the dollar as a monetary value, the interest in those five years would have amounted to $13.75. Therefore anyone who purchased a bond five years ago and cashes it today finds his net loss, after deducting interest, amounts to $17.73, in relation to purchasing power.

I make the statement that any time the value of the Canadian dollar goes down faster than the rate of interest on our bonds, then at that point our bonds cease to be a safe, secure, sound and attractive investment. The minister said that during the session last fall, and since that time, the government has been getting at the root causes of inflation by drawing in some of the excess purchasing power.

One of the measures I presume the minister would advance in support of his contention that there has been an effort to reduce the supply of money in the country would be the small, the almost insignificant, increase in the corporation tax, amounting to an additional 5 per cent. That in itself, as events have proven, is not, I am afraid, an anti-inflationary measure of any real strength. At the session last fall the government failed to take one of the most important fiscal measures that I believe—and I said it at that time—they should have taken. That is, there should have been not increases in the sales tax on soft drinks, chocolate bars and chewing gum, but a substantial increase in the income tax as it affects the people in the higher income brackets.

If any tax can be considered fair, and based upon ability to pay, then surely it must be a properly graduated income tax. But the government did nothing last fall to draw off the excess purchasing power in the hands of the well-to-do people in Canada. At the same time it did not hesitate to ask for and to implement the authority it was given to curtail instalment buying. It has not hesitated at this session to increase the amount of the down payment to build a house under the National Housing Act.

I am opposed to any legislation similar to the increase in down payments on instalment buying or the increase in down payments under the National Housing Act, when such provisions are drafted in such a way that they merely prevent the lowest income groups from making necessary purchases. I say the type of legislation we have for the curtailment of instalment buying, and the announcement with respect to down payments under the National Housing Act, taken in the light of the fact that as yet there has been no increase in the income tax levied against the well-to-do, is nothing short of class legislation.

I have here an editorial appearing in the *Co-operative Consumer*, the official publication of the various consumer co-operatives throughout Saskatchewan. Those associations are composed of tens of thousands of members throughout the western provinces, most of whom are farmers. The editorial says this:

The imposition of credit controls is intended to reduce the demand for certain classes of consumer

goods among the Canadian people. It is expected that this decreased demand will tend to halt the present trend toward inflation but those who favour the credit restrictions fail to see that these restrictions do not limit purchases by persons of wealth. Indeed, such credit restrictions are a subtle type of economic class privilege since only the poor people may be unable to make the necessary down payments and unable to complete payment for major items in the limited term allowed for such payment. Rich men and rich women can still buy at their pleasure. The wife of the poorly paid labourer, teacher, pastor or other worker, may have to forget her dreams of a new refrigerator or a new washing machine. The struggling young couples with their young families see their only chance to secure many of those things which make life worthwhile vanish with the introduction of anti-poor credit controls. The regrettable feature of the whole credit control situation lies in the fact that these credit controls establish the principle of economic class legislation—

I agree wholeheartedly with the sentiments expressed in that editorial. The editorial goes on to suggest certain methods that might have been used in place of this so aptly termed class legislation. The editor states that if the government had desired to cut down the purchase of new automobiles in a fair and equitable manner it might have established a permit system which would not allow anyone driving an automobile of a model say later than 1945 to purchase a new car. Or it might have required permits for the purchase of refrigerators, washing machines and so on, which would make them available only to mothers of families. I think that type of allocation of scarce consumer goods would be more in the interests of the Canadian people and the cause for which we are raising such a large army, navy and air force than legislation which has the effect of pushing even lower the standard of living of thousands of people who cannot afford to pay 20 per cent down when they purchase a new refrigerator or make a down payment twice as large as that previously required under the National Housing Act.

I want now to discuss the effects of price controls on farmers and their attitude toward price controls. If I can interpret their resolutions correctly the farmers of Canada do not want an over-all price freeze on every single item of goods the farmer sells or goods the farmer produces at current prices, but they are asking for price controls which will mean parity prices for the farmer, parity prices for the worker and will permit—

Mr. Smith (Moose Mountain): Go ahead, hang yourself.

Mr. Argue: —the average Canadian to maintain himself and his family on a decent standard of living. I notice the hon. member for Moose Mountain (Mr. Smith) interrupts to say that I should not hang myself. I am sure that if I hang myself by this speech I shall only be following the example he has already set.

Mr. Smith (Moose Mountain): That is what you think.

Mr. Argue: I come now to the question of how much the government should pay as a final payment on the five-year pool. I notice the hon. member for Moose Mountain, the hon. member for Springfield (Mr. Sinnott) and the hon. member for Kindersley (Mr. Larson) have advocated a payment in the neighbourhood of 15 cents per bushel. I should like to refer the hon. member for Moose Mountain to another resolution passed by the Saskatchewan Farmers Union of which he says he is a member—since he says he will support their demands for price controls. I should not hesitate to support their demands in connection with a final payment on the five-year pool demanding a settlement on the basis of not less than $2 per bushel, basis No. 1, Fort William. If that resolution were implemented it would have the effect of providing a final payment of 25 cents per bushel on the five-year pool.

Lest there be any misunderstanding in any quarter of this house or of the country, let me say that I support foursquare the demands of the Saskatchewan Farmers Union, the Alberta Farmers Union, the Saskatchewan association of rural municipalities, the Alberta wheat pool, other farm organizations and individual farmers who have written to me all demanding a payment of 25 cents per bushel. To date I have received no resolution passed by any group of farmers saying that they would be satisfied with a payment of 15 cents per bushel. Rather I have had many resolutions from farm organizations and from local groups of farmers saying that, if anything less than 25 cents per bushel is paid, farmer delegations will be in Ottawa shortly afterward demanding a further payment until the total payment is at least 25 cents per bushel.

On August first there was a drop in the initial price of 35 cents per bushel, followed by a lack of box cars and a lack of marketing facilities. All these things taken together have resulted in my opinion in reducing support for the policies the government has directed the wheat board to follow.

Farm organizations and the vast majority of farmers support the wheat board and ask that its powers be extended to cover the handling of oats, barley, flax and rye.

When the government is considering the final payment they should take a number of factors into account. Last fall the initial price dropped 35 cents per bushel. Our crop

was severely frosted and the spreads were increased to the point where the price of feed wheat at the local elevator point was 80 cents odd per bushel. And when the farmer tried to market his wheat he was told there was a shortage of box cars, that most of our box cars were in the United States. The government, the board of transport commissioners and the railroad companies all taken together could not get enough box cars to handle the shipment of last fall's crop.

We used to have a quota system which worked very well. That was followed conscientiously by the wheat board and supported by farmers. But this fall the quota system seemed to literally break down. An eight-bushel quota was first established at most points. At a great many local delivery points, long before the eight-bushel quota was filled the quota was lifted. At my neighbouring elevator point of Dahinda the elevators plugged up on the Thursday before Thanksgiving day. At that time farmers had delivered only approximately half the eight-bushel quota; yet the following morning the elevator agents received wires from the wheat board lifting the quota. The farmers were disappointed and angry. At that time many had not sold a single bushel of the 1950 crop, and even today in that area I know a number of farmers who have not sold any of their 1950 crop.

I believe in the quota system but I think it should be applied fairly, and should be maintained at our local elevator points until almost every farmer has delivered his full quota. I do not know the reason for the situation which prevailed at Moose Jaw this fall, but I know that situation provoked a great deal of criticism in an area of perhaps a hundred miles around that city. I was told Moose Jaw had a quota of twenty bushels per acre; I have been told since that it had no quota at all. If there was a quota at Moose Jaw, certainly it was a large one. At the same time early last fall all the towns on the Soo line, the towns on the C.N.R. line south of Moose Jaw and the towns along the C.P.R. line west of Weyburn, had small quotas and very few box cars. So farmers trucked their wheat to Moose Jaw from up to seventy-five miles away because their local elevators could not handle the grain. We had the spectacle of farmers hiring truckers and paying twelve to fifteen cents a bushel to have their grain hauled to elevators seventy-five miles away because the elevators within two or three miles were full and could not handle their crops. I believe the distribution of box cars should have been handled in such a way as to give the farmers adjacent to each delivery point a chance to market at least a reasonable proportion of their 1950 crop.

We are asking for a final payment of 25 cents a bushel under the five-year pool. That will amount to a great deal of money. Some of those who have taken part in this debate have agreed with the hon. member for Moose Mountain (Mr. Smith), who spoke this afternoon, and have said the Canadian government should crack the whip over the British government and make them come through with a further payment. The right hon. Minister of Trade and Commerce (Mr. Howe) was in London last year, and when he came back he had something to say about the negotiation in which he had participated concerning the "have regard to" clause. This is what he said at page 3221 of *Hansard* for June 5, 1950:

> We asked the United Kingdom what further settlement it is to make on account of the "have regard to" clause. The United Kingdom government took a very strong position that they had filled all obligations under that clause, and so far as the United Kingdom was concerned. We agreed on behalf of Canada that considering all the circumstances that was the case.

From that quotation we see that according to our own minister, in June of last year the British government had fulfilled the "have regard to" clause of the wheat agreement. The farmers of western Canada took exception to that statement. They are not demanding that the British government only shall make the payment of 25 cents per bushel. They are saying to the government of Canada, "As our agents for the marketing of our wheat over a five-year period, we think you should see that the "have regard to" clause is fulfilled. If in your wisdom you think the British government has fulfilled that clause, then we believe you should make up the difference between the final surplus in the wheat pool account and the 25 cent payment we are asking—if necessary out of the national treasury". So I say to the government that the farmers of Manitoba, Saskatchewan and Alberta are asking a final payment of 25 cents a bushel; and they are asking this government to take whatever steps are necessary to see that this final payment is forthcoming.

I believe certain changes should be made in the wheat board act and in the policy which has been followed by the wheat board. I welcome the 20 cent increase in the initial prices for wheat and barley and the increase of 10 cents in the initial price for oats; but when that announcement was made I believe a statement should have been issued showing the present financial position

of the wheat board so the farmers would have a reasonable idea what the final payment at the end of the year would be after the crop had been marketed. Further, I believe the annual report of the wheat board should be made public within three months of the end of the crop year, again in order that the farmers of the west may know the financial position of the wheat board and the amount of money they may expect to receive in further payments.

In asking for a final payment of 25 cents per bushel the farmers are calling upon the federal government to make up part of that amount out of the national treasury, because throughout the five-year pool the Canadian consumer obtained wheat at a price lower than was received for class II wheat on the world market. Farmers know that the cheap flour and bread policy of the government was not paid for in the main out of the national treasury, but was paid for by a few thousand prairie farmers. Today the farmers of western Canada are still subsidizing the Canadian consumer. For wheat sold in Canada and going into the production of flour the millers of this country are paying at present about $1.90 a bushel, basis No. 1 northern, Fort William, which is the ceiling under the international wheat agreement. At the same time class II wheat is being sold in world markets at $2.12 per bushel. So on every bushel of Canadian wheat going into Canadian consumption the farmers of the west are subsidizing the Canadian consumer to the extent of 22 cents. I object to a policy of that kind. I do not object to wheat being sold at $1.90 per bushel or less; but if the Canadian consumer is to get cheap wheat let it be at the expense of all the people of Canada, not at the expense of one section of our population, in this case our wheat farmers.

In conclusion, Mr. Speaker, once again I urge upon the government the necessity of making a final payment of 25 cents a bushel under the five-year pool, and making that payment immediately.

Mr. G. F. Higgins (St. John's East): Mr. Speaker, I wish to join with all previous speakers in congratulating the mover (Mr. McMillan) and seconder (Mr. Breton) of the address in reply to the speech from the throne on their excellent speeches. I was particularly struck with the remarks of the hon. member for Welland (Mr. McMillan) in referring to the contributory health plan to meet the cost of major accidents and sicknesses. I feel sure all members of this house are in accord with that idea, and I trust that the hon. member will keep on putting his plan forward until the government sees fit to adopt it.

The accent so far in this debate has been on external affairs. I trust that I will be pardoned if I refer to Newfoundland matters for a short time. I do so because some of them have a bearing on the international situation. In that connection I refer to Gander airport, about which you have heard so much as the crossroads of the world, and the extension of the runways that is now contemplated. I wish to thank the Minister of Transport (Mr. Chevrier) and the Minister of National Defence (Mr. Claxton) for finally acceding to the request for the extension of these runways. I have a number of questions on the order paper one of which concerns the materials to be used in the new construction. However, at this time I should like to draw the attention of the Minister of Transport to the fact that the runways are macadam now, and from the experience of those operating the planes at Gander it would appear necessary that the new construction, indeed, the whole of the runways, should be of concrete.

Recently one of the managers told me that in landing heavy aircraft such as the Boeing Stratospheres at certain times, the runways give the impression of being composed of snow. The planes would weave around. As I have said during other sessions, if Gander is going to be forced again into the position of being vital to the defence of the free world, then we have to have these runways in such condition that they will be able to carry the heavy war planes that will be put in use.

When speaking of Gander I should like also to draw the attention of the minister concerned to the condition of Goose airport. As hon. members will realize, Goose is probably the most strategic airport for the defence of the western world. I am not in a position to give any description of the condition or length of the runways of this airport, but I trust that those concerned will see to it that if extensions or repairs are required they will be undertaken before the need becomes too urgent.

There is one other factor in connection with Gander that I wish to bring to the attention of the Minister of Transport, and that concerns an organization in Newfoundland that is known as NONIA, Newfoundland Outport Nursing and Industrial Organization. This is a philanthropic body that has been in operation for some twenty-five years, and which is today primarily concerned with the weaving and knitting of wearable goods of high quality. The materials are distributed to various people throughout the province who make some little extra money in their spare time by knitting or weaving these woollen goods. One of the main places NONIA had for the sale of these goods was

at Gander airport, where a display counter was maintained and a considerable amount of goods sold. Since the Department of Transport took over the airport, NONIA has been completely removed from Gander.

The other day the NONIA committee for this year issued a report in which there is a paragraph reading as follows:

> It is with regret we report a complete "shut-out" for our goods at the Gander terminal. Last year, while the booth was under government supervision, we sold $3,000 worth but now that the concession has been given to a private firm, we are completely overlooked. It is to be deplored that such high-class goods, handiwork of Newfoundlanders, are banned from this important selling centre, where wide publicity could be given.

In that connection I may say that within the past year the government of Newfoundland had Mr. Leo Dolan, who is chief of the Canadian travel bureau, make a survey of Newfoundland tourist requirements. In Mr. Dolan's recently released report there appears this paragraph:

> I saw, to my amazement, some of the handicraft progress already made in your island. The merchandising of these handicrafts should become a very profitable business. You have a handicraft industry that has a remarkable potentiality. I recommend that steps be taken to make the airport the show window of Newfoundland. I think all Newfoundland handicrafts ought to be on display.

Mr. Speaker, as you are aware Newfoundland is again trying to develop its tourist industry. One of the important phases of that tourist industry is naturally the display and sale of Newfoundland goods. As I have said, one of the chief outlets has been lost. It is easy to see why it would be the chief outlet because there are 1,400 passengers daily passing through Gander from all over the world. It is one of the greatest show windows we have for these goods, and it is closed. I would urge the Minister of Transport that immediate steps be taken whereby NONIA will be permitted to display and sell these goods at the airport.

I have another "thank you" to make, and this time it is to the Minister of Trade and Commerce (Mr. Howe), for his interest in promoting the increased sale of Bell island iron ore. As the minister is aware, we have had a number of questions back and forth in the house during past sessions about this matter, and I feel he has taken an active part in the recent sales increases. The operating company, Dosco, has announced its intention of making improvements in the handling and mining facilities which will cost about $6 million. It is said that the greatest labouring force in Bell island's history will be working there within a short time.

In thanking the minister for that, I am sure that he will appreciate that when the Greeks bear gifts they look for something else. I am not asking the Minister of Trade and Commerce this time, but I am asking the Minister of Public Works (Mr. Fournier) if he will recall my request to him some time ago concerning the condition of the wharf at Portugal Cove. With the greatly increased production, and the increased number of people going to live and work on Bell island, that pier becomes all the more important. At one time last session the minister, I presume through a misunderstanding, said he was going to have that pier repaired. At a later date he said he was not going to have it repaired. As I understand it, the reason now given is that, because it is a pier for a ferry, his department is not able to do it. With the increased importance of Bell island, particularly in view of the possible war ahead, I submit that these little difficulties such as the question of whether it is or is not a ferry pier, should be overlooked and that a proper and suitable pier should be provided for the people of Bell island to use. Outside of St. John's, it is the most congested part of the whole of Newfoundland. I submit to the minister that it is a great hardship for the people of that island if they are not going to be provided with proper facilities.

The other matter that I have to thank you for, sir—as my colleague the hon. member for St. John's West (Mr. Browne) has done—is the freight rates decision. But I am not so certain that there should be any great thanks for that. After all, it was a matter that was clearly laid down in the terms of union and the decision was merely implementing what should have been done without any recourse to any board or any other form of tribunal. Actually, Newfoundland was put to quite considerable expense in having to go to the various tribunals; so as a *quid pro quo* for what should have been done, I think it is a fair and reasonable proposition to ask for compliance with the request of the Newfoundland board of trade that proper accommodation on the newly-constructed ferry from Port aux Basques be provided for freight cars. With the dimensions of that ferry as announced by the Minister of Transport (Mr. Chevrier) some time ago, it would be possible to carry twenty or thirty freight cars on it. If that accommodation was provided, not only would there be avoided a great deal of damage to goods resulting from the way they are at present carried but there would be a considerable reduction in the cost of goods going into the island. I would endorse my hon. friend's request in that connection, and I trust that the minister will bear it in mind.

There is one other matter to which I should also like to direct attention. It is paragraph 45 in the terms of confederation. The provision in subparagraph (1) is as follows:

> Should the government of the province of Newfoundland institute an economic survey of the province of Newfoundland with a view to determining what resources may profitably be developed and what new industries may be established or existing industries expanded, the government of Canada will make available the services of its technical employees and agencies to assist in the work.

I do not know what the position is with regard to that particular clause in the terms of confederation, but I know that a number of outside organizations have been brought into Newfoundland, at considerable cost to the taxpayers of that province, in order to do exactly what that particular clause envisioned. I know that at the present time there are two firms engaged in making surveys. One is engaged in making a survey of power and the other is engaged in making a general economic survey. I do not know the full name of the latter firm but the short name of it is Ibec. It is an American corporation somewhat loosely associated with the Rockefellers. The other corporation is the Power Corporation of Canada which is making a survey of water powers. As I said before, I do not know whether application has been made by the province of Newfoundland for the assistance envisioned in that clause. If not, I should like to know why it was not done; and if such a request has been made, I should like to know why it was not acceded to.

There are just a couple of other Newfoundland matters to which I wish to refer. One is in connection with defence expenditures. Here I must re-echo the remarks made by the hon. member for Saint John-Albert (Mr. Riley) and by the hon. member for Royal (Mr. Brooks). I hope that, in allocating these expenditures, the powers-that-be will remember that for all practical purposes Newfoundland is part of Canada. It would be a great help indeed if some of that money could be funnelled into that province. During the past war there were a number of naval installations there that were of great importance in the winning of the war. I see no reason at all why those naval installations could not be brought back into active service again. At the present time they are merely lying up. They will rust out quicker than they will wear out. If I had the euphonious tones of the hon. member for Saint John-Albert, I might go further into this matter. But if he and the hon. member for Royal will take it as understood that I endorse everything they said, and if the ministers opposite will do the same, I shall not trespass further with regard to that particular point.

As hon. members are aware, Newfoundland is the only province of Canada that has United States bases. As I intimated on previous occasions, we are not by any means unhappy about this fact; but I think it is about time that we again had a clear-cut statement, under the present circumstances, as to who is to take over the defence of Newfoundland in the event of war. The Minister of National Defence (Mr. Claxton) visited us last summer and I believe he conferred with the United States military authorities. I feel that it would be in order to ask him to make a statement, when he has the opportunity to do so, with respect to the defence of Newfoundland.

Another matter that I should like to bring to the attention of the genial Minister of Fisheries (Mr. Mayhew) is the question of the Industrial Development Bank. I understand that by the charter of this bank it is impossible to obtain loans for fisheries. I think this is a matter which should be remedied. I think it is equally important that not only the fisheries of Newfoundland but the fisheries of Canada generally should be in a position to apply to the Industrial Development Bank for assistance. This brings me to the question of fish.

The hon. member who preceded me spent considerable time on wheat. Wheat is extremely important to him and to his constituents. To us fish is the most important thing in the country. Some 50 per cent of the people of Newfoundland live directly out of the fishery. Because of that fact, it can be easily realized what an important factor fish is in the economy of the country. Associated with fish is the question of being able to sell it. The bulk of our salt fish is sold to countries that have great difficulties in converting their money. I would ask the minister to be prepared to make convertibility of sterling possible at the time this new year's catch is to be sold. Last year, as a result of delay, it was impossible for a considerable quantity of fish to be sold. I would also ask that serious consideration be given by the Minister of Fisheries (Mr. Mayhew) to the idea of a guaranteed price for shore fish. Last year there was a guaranteed price for Labrador fish. I know from the people in my own area that unless something of the same nature is given for shore fish, we shall not have people going fishing this year. This is therefore an important matter and I would ask the minister to take it into consideration. I am not in a position to endorse as strongly as I should like to the remarks made by the hon. member for St. John's West; but if the situation that he spoke about exists, then definitely a serious investigation with respect to the fisheries is required. Personally I can

hardly realize it is quite as bad as he stated; but he has made a study of it and probably is aware of what he speaks.

In that connection, last night I listened to the remarks of the hon. member for Trinity-Conception (Mr. Stick) who endorsed the remarks of my colleague. I was particularly taken with a portion of the remarks of the hon. member. At page 283 of *Hansard* he is reported as having said:

> Hitherto in this house I have refrained from speaking of things provincial or things pertaining to my riding. I did so for the very good reason that I did not want my presence here to be misunderstood.

He continued:

> I believe we have been here long enough now for the people of Canada to understand, so I can now revert to form and in this speech refer to matters pertaining to my province and to my riding.

I hope that the hon. members associated with the hon. member for Trinity-Conception will also have the same feeling, because it is very important that Canada should understand the position of Newfoundland and all her troubles. I would ask the hon. members, two of whom I see opposite me this afternoon, whether they will join with the hon. member for Trinity-Conception. Let us have a united front. We might even form a maritime bloc here.

In another part of his speech the hon. member for Trinity-Conception said, as reported at page 284:

> For fifteen years in Newfoundland we had a form of government that we called a little dictatorship. You may call it bureaucratic, if you like.

Later on he said:

> Since I have come here, particularly lately, I have found a certain amount of the bureaucratic business that we had in Newfoundland years ago.

Surely, the hon. member does not mean to imply that this government is a little dictatorship in any way. That would be a terrible thing.

Mr. Fleming: It is a big one.

Mr. Higgins: We all know that is the wrong name. It is not a little dictatorship; it is quite a big one by the look of hon. members opposite. I must confess it came to me as a complete surprise to hear the hon. member say this:

> We now find that all requests going in are answered with one word "no," that defence comes first, and that we must economize. I would say that there is such a thing as false economy.

He continues:

> It requires no brains to say "no." You can teach a parrot to say that.

Surely he does not mean that hon. members on the other side of the house have been taught to say "no" to Liberal requests. I would understand it, frankly, having had the experience with requests from hon. members on this side of the house; but it is certainly new for a request by a Liberal member to be turned down. There must be something rotten in the state of Canada or in the Liberal party. What is it? At all events, it is very pleasant to hear him speaking out. I trust that other Newfoundland members will have the same spirit and will speak out in the same way. That is about all I have to say on Newfoundland affairs.

The remainder of my time I am going to devote to a few comments on outside matters. I must confess that I was taken with the reply of the Prime Minister (Mr. St. Laurent) last week to the conscription issue. As far as I am concerned it is only fair to say that he adopted a frank and manly attitude, and he is to be complimented on it. In making that statement as he did he had the advice of the Secretary of State for External Affairs (Mr. Pearson). He had the advice of the various ministers of the commonwealth whom he met in London. He had the advice of General Eisenhower and General Mark Clark, both of whom he met, and he had the advice of most of the western powers. Therefore, the statement that he made would be the generally accepted statement of the government. It does not do much good to try to make any suggestions contrary to that. But before we came up to Ottawa some four of us had a meeting with the members of the Canadian Legion. My colleague, the hon. member for St. John's West (Mr. Browne), the hon. member for Trinity-Conception (Mr. Stick) and the hon. member for Burin-Burgeo (Mr. Carter) and myself met with the members of the Canadian Legion and the whole matter was discussed. The matter of the brief that was submitted to the government was discussed. One remark that struck me very forcibly, as I am sure it did the other hon. members at that time, was this. We were talking with one of the officers in command of the reserves. There are three reserve regiments in Newfoundland. This commander had recently been up here. He said that in talking with his colleagues of the reserve regiments he was told by them that the Newfoundland reserve regiments were the best in Canada. The comment that he made, Mr. Speaker, was this. It struck me so forcibly at the time. He said: "If we are the best, well, God help the rest of Canada". I am not pursuing that subject any further.

In connection with the defence committee, I must confess that the remarks of the hon. member for Quebec South (Mr. Power) were very interesting, because they corroborated exactly what the leader of the opposition

(Mr. Drew) had been asking for, for some time past. Coming from a former minister for air, from an hon. member who has had such opportunities as the hon. member has had, his remarks were indeed worthy of note. I know that my adding a request would not make any difference one way or the other.

We are all supposed to be cogs in this machine of parliament. If we are cogs in that machine we should at least be able to make an intelligent survey of what goes on. Frankly, so far as I am concerned in this defence expenditure picture, I do not feel I am any better than a piece of dust in one of the cog wheels. I believe that will be the feeling of most of us. I am merely going to say we should have that defence committee.

With regard to price controls, I am entirely in accord with the stand of my leader. Yesterday I listened carefully to the leader of the C.C.F. party (Mr. Coldwell), and I believe that his explanation was not too far away from the remarks of the leader of the opposition. With price control we must inevitably have wage control. As the leader of the C.C.F. party said, labour leaders are prepared to get around the board at any time and discuss wage control, provided that price control measures are taken. After all, we have to remember that in these days the labouring man is not the hewer of wood and the drawer of water that he used to be. He is equally well able to form judgments as any hon. member in this house. He knows the facts quite as well as we do, and if he finds it necessary to cut back his wages, then he will do so, provided always that he is getting a fair deal under price control.

With regard to the St. Lawrence seaway proposition, I must confess that I have two views on the matter. I am definitely in agreement with the need for it. As I recall it, the Minister of Transport (Mr. Chevrier) said that it should be done by Canada alone, if necessary. I am entirely in accord with the idea that the seaway project should go through, with this provision, that Newfoundland and the maritime provinces generally should get some *quid pro quo* for it. After all, it is the ore that is coming out of Labrador that is going to go up that seaway. What are we in Newfoundland and the maritime provinces going to get for it? So far it looks only like skim milk, with the royalties and the work being provided. I do not in any way wish to condemn the possibility of the building of that seaway, but I do feel proper precautions should be taken whereby the province that has within its boundaries the greater portion of the ore will be reimbursed for the taking away of that ore. We must remember it is not a crop: once the ore is extracted, it is gone. As I said, I have two views in the matter; I should like to see the seaway go through, but at the same time I cannot help feeling that in our part of the country we are being robbed to make a big iron industry in Canada and the United States.

The other matter upon which I wish to speak briefly concerns the statement of the Secretary of State for External Affairs (Mr. Pearson). With respect to him also I must confess that I was deeply impressed by the frank and free statement he made. Like some other members of the house I had the opportunity this year of being present at the United Nations, more in the capacity of an observer. While there I was extremely impressed by the minister's work. Like the hon. member for Vegreville (Mr. Decore) I feel the minister played an extremely important part in the consideration of decisions of the United Nations. Certainly it was most apparent that he was highly regarded by all those present at the meetings. My own observation was that all who were associated with the minister, particularly those who served in the capacity of delegates and alternate delegates, did an excellent job for Canada in every way. In that I include members of the House of Commons.

May I add further that the permanent staff from the Department of External Affairs who served at Lake Success are extremely capable in every way. The permanent head of the delegation, Mr. R. G. Riddell, is indeed doing a good job for Canada, and Canadians may be justly proud of the work of the department in that connection. This afternoon, replying to a question by the hon. member for Rosetown-Biggar (Mr. Coldwell), the Secretary of State for External Affairs commented upon the crossing of the 38th parallel. As I took down his words he said that Canada has not made any representations to the secretary general as a result of the British statement. He said further that the political significance of any new move is fully appreciated, and that any decision should be collective, including those countries participating.

The English view appears definitely to be that the 38th parallel should not be crossed at the present time. I must confess that is my view, and I trust that, having secured agreement in the cabinet, the Secretary of State for External Affairs may consider making active recommendations to the secretary general that the 38th parallel be not now crossed, until further negotiations are proceeded with.

I remember when the matter was discussed, at Lake Success in October, the minister was far from happy in having to support

the decision to cross the 38th parallel. I do hope we will feel he can make the recommendation which has been suggested at this time. I feel that voting to declare communist China an aggressor was the only course that could have been pursued, and I entirely agree with him in that respect.

There is one point in that connection to which I should like to refer. The chief advocate at that time for non-crossing and for not declaring China an aggressor was Sir Benegal Rau. Those who read the editorial which appeared in yesterday's issue of the Ottawa *Journal* must have been struck by the pertinent comments of the editor. It is headed "Strange Happenings in Korea—And in India", and states in part:

When UN, on February 1, was about to proclaim Red China an aggressor, India's Sir Benegal Rau, was instructed by Prime Minister Nehru to declare:

"I feel bound to mention that my government has been informed on the highest authority that once there is a condemnatory resolution there is no hope for a peaceful settlement." Sir Benegal Rau, in sepulchral tones, closed with a warning of "disaster."

What had India heard from Red China? According to a despatch from the correspondent of *Newsweek* in New Delhi, India had heard nothing to warrant Sir Benegal Rau's despair. He writes:

"A state department investigation in New Delhi and elsewhere failed to disclose any basis for these dire warnings. The inquiry discovered that the Chinese, in their messages to India, had been careful not to close the door to negotiations. They had not refused, as the Indians charged, to negotiate a cease-fire while the UN resolution was pending."

And then the editorial comment continues:

During UN's debates on the U.S. resolution much was heard of Panikkar, India's ambassador to Red China; he was the man supposedly keeping Nehru —and others—informed of what Mao Tse-Tung was thinking. Interesting to note, therefore, that (according to *Newsweek's* New Delhi correspondent) ambassador Panikkar's daughter, Miss Devaki Panikkar, was advertised recently in an Indian newspaper as "giving the lie to western slanderers of New China." Writing on New China's glories, apparently with the ambassador's approval, she said:

"I could not help thinking how much some of our ministers would profit by a course of intense training in the Marxist-Leninist theory."

Reading this, noting its source, some may wonder. Wonder if by some chance there may have been more than appeared on the surface in the notes which, during the debates at UN, came from Mr. Nehru's ambassador at Peiping—and more than appeared on the surface in Sir Benegal Rau's efforts to stop Red China being called an aggressor.

I think that we might very well have comments from the Secretary of State for External Affairs respecting that editorial; it is one which strikes me as very important.

The last matter to which I should like to refer is the suggestion contained in some news dispatches, and particularly a *United Press* dispatch of yesterday headed, "Soviet Stand Towards West May Soften; Opening of Door to Discussions Indicated." The suggestion I presume is that at the forthcoming meeting of the foreign ministers of the big powers Russia is going to try again to produce some kind of peace movement.

The main item on the agenda is the rearming of western Germany. The discussion of this item is at the insistence of Russia. I trust that our minister of external affairs will use whatever influence he has to see to it that the Russian attitude is not allowed to eat too much into the vitals of the decisions that must be made by the foreign ministers. I listened carefully to the exposé of communism by the hon. member for Vegreville (Mr. Decore). As hon. members know, Lenin is the interpreter of the Marxian doctrines and is quoted frequently and reverently by Stalin. It was Lenin who disposed for all time of there being any question of friendly and lasting collaboration in a statement in the following words:

We are living not only in a state, but in a system of states, and the existence of the Soviet republic side by side with imperialist states for a long time is unthinkable. One or the other must triumph in the end. And before that end comes, a series of clashes between the Soviet republic and the bourgeois states is inevitable.

In commenting on diplomatic statements, Stalin made the following statement:

Words must have no relation to actions—otherwise what kind of diplomacy is it? Words are one thing, actions another. Good words are a mask for concealment of bad deeds. Sincere diplomacy is no more possible than dry water or wooden iron.

That is the man we have to depend upon to keep the peace of the world. As I see it, there is only one way in which the peace of the world can be kept, and this is in contradistinction to the hon. member for Quebec South (Mr. Power). I still believe the United Nations has a part to play in keeping the peace of the world. If there is going to be a just and lasting peace the only way we can have it is by a true parliament of man, as the United Nations has been planned. In that parliament Canada must play her part.

There is only one way in which to meet the communists of the world, and that is with a big stick. It is to have that big stick ready that we in Canada are united today. No matter on what side of the house we sit or to what party we belong, I am sure that whatever sacrifices the government deem to be necessary will have the full support of everyone. All we want is to know what we are spending the money for and to see that it is properly spent. Once we have that, you can be certain that we as representatives of the people will speak with their voice when

we say, "All right, go right ahead, you have the highball. Carry on down the track."

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. A. F. Macdonald (Edmonton East): Mr. Speaker, I trust you will permit me to add my congratulations to those already extended to the mover (Mr. McMillan) and seconder (Mr. Breton) of the address in reply to the speech from the throne, on their apt presentation. Then may I say it affords me great pleasure to be associated in this house with my friend and colleague from Edmonton West (Mr. Prudham), who is to be congratulated upon his elevation to the portfolio of mines and technical surveys. His appointment is a compliment to his constituents and to the province of Alberta.

Today, Mr. Speaker, there is a feeling of urgency in our thoughts and in our affairs. It may well be that the requirements of national security rightfully deny us the opportunity of learning full details of the plans of the government. I feel, however, that this is a time for outspoken leadership, for a clear declaration of policy and a reaffirmation of our faith in democracy. Above all it is a time for an expression of confidence in the future of our Canadian brotherhood. Our people have been given a description of the duties and sacrifices of citizenship. We need not have the slightest fear that Canadians will not respond; our most recent history is proof of that. But it is of the essence of our way of life that the people must be kept fully informed. When our people know the need they will answer the call.

Over the years great social benefits have been obtained for our people, and these must not be endangered. We must provide full opportunity for individual self-expression. We must provide safeguards for the legitimate interests of each segment of our society. We must strive to guarantee our citizens a share of the national wealth so that at least minimum requirements and necessities of life will be secured to all, for herein are contained the fundamental tenets of Liberalism and the philosophy of the Liberal party. Canada has achieved an envied position in the eyes of many of the world's peoples. It is recognized for its constructive, deliberate and fair-minded search for social justice for the disabled, the underprivileged and the aged; for its emphasis on health, welfare and education, equal opportunity for all, and a steady approach toward the goal of full employment; and for the productive capacity of its citizens. These are fine aims, which to a very considerable extent have been realized. To go further and attain a full measure of security will be difficult, the more so under our defence economy.

We plan to spend in the next few years in this country some $5 billion on national defence. We are all agreed on this stern necessity. We will seek by every means to assure that this money will be expended in such a way as to give us the maximum possible protection. When we consider what $5 billion would do for the aged, the ill-housed and the undernourished in our country, perhaps a truer measure of the cost of this great effort can be visualized. While this vast amount must be spent on preparedness, which is basically a non-productive purpose, I submit that we must yet continue to assure our people the goods, services and rights which are theirs by virtue of their citizenship and as a return for individual effort in the national interest.

Today we should be concentrating our energies on increasing our output of vital materials. Whatever restrictions may become necessary on the output of certain types of consumer goods, or on price and wage levels, these should go hand in hand with an urgent emphasis on the production of food, clothing and in fact all the necessities of life, and the full exploitation of our immense industrial potential. We are associated with many other countries in an effort to assure national security. In our own interests, as well as in accordance with high moral principles, we have undertaken to assist underprivileged nations elsewhere in the world. Increased production will not only help improve our own living standards but will help us meet those international commitments.

Increased production alone is not enough. There must be a proper distribution of the goods we produce. With this attained our people will be prepared for the physical and spiritual part they must play in the world today. To this end the social security measures instituted by our government can make a powerful contribution. In effect our unemployment insurance provisions are a means whereby a better distribution of purchasing power is afforded wage earners between periods of gainful employment. Family allowances are also a method of redistributing the national wealth between periods of lesser and greater family responsibility. Furthermore, the recommendations of the joint committee on old age security when implemented will go a long way toward bringing about a more equal distribution, and will tend to distribute the burden on the shoulders of all. With respect to the whole field of social

security in this country I cannot do better than quote the words of the Prime Minister (Mr. St. Laurent) as set forth by the Minister of National Health and Welfare (Mr. Martin) in his submission on old age security on March 10, 1950, as they appear at page 643 of *Hansard*:

> One of our main domestic concerns is the provision of social security for all Canadians. The funds distributed under old age pensions, family allowances, pensions to the blind, health grants and other measures have also, in addition to the direct benefit received by the direct recipients of those amounts, added a strong upward influence in maintaining levels of employment. Our social security program is, as you know, by no means complete. We still have a good way to go before provision of social security in Canada reaches the level which will satisfy . . .

In actual fact all incapacity resulting from sickness and all disability due to age are a burden upon the national wealth, irrespective of the administering authority. It would be far better if these problems were made a governmental responsibility, though not necessarily of the federal administration. A sounder, more satisfied society would result from a proper allocation of expenditure in this regard. Both locally and nationally, through municipal, provincial and federal agencies, and through the devoted efforts of many fine service and charitable organizations, we have achieved a creditable record in the field of social service. Until such time as the world situation permits us to go forward with courage and with confidence towards the bringing into being of full security for all, we must participate to the full in any other means available.

There is, however, one factor which continues to be a sore spot and that is housing. Should we not be laying ever greater emphasis upon the provision of low-cost housing, and in fact of housing generally, to meet the still well-nigh insurmountable demand for living accommodation? Until the people of this country are adequately housed, there will be bad influences which will continue to wreak havoc with family life, and the economic pressure of sustained high rentals will continue its damaging effect on the standard of living. Rent is one expense which more frequently than not bears hardest on those least able to pay. The benefit of the fairest and best thought out plans for social security will continue to fall short of even the minimum standards for which they are designed, so long as we are short of adequate housing at a price people can pay.

I have previously made reference to the work of voluntary organizations in connection with social welfare. To my mind, it is a question as to whether we are considering the objectives and methods of these organizations as fully as we might to assist them in obtaining a greater degree of effectiveness in their objectives. After all, no one will deny that the greater the degree of voluntary social betterment the easier will be the task of the official government organizations in this field, and the more in keeping with our principles of self-determination in a free society. We have, I would think, gone a considerable way along the path of recognition of the importance of voluntary aid and organization in social service, as witness our association with the national physical fitness campaign, our national health grants, vocational training and many other projects. Much of the evidence considered by the committee on old age security consisted of submissions by voluntary social service organizations interested in this field. The incidence and development of mutual aid, friendly societies and charitable trusts is an outgrowth of many centuries of the democratic way of life, particularly in the English-speaking world. For my part I would like to feel that a comprehensive study would be made with a view to determining, in the light of present-day conditions, their full significance and value in helping to bring about the kind of social organization we in this country would like to see established.

At the present time a large measure of protection is afforded groups of employees against sickness, including hospital and medical expenses, through commercial insurance bodies. One example of this is the medical benefit plan recently instituted through the efforts of organized representatives of federal civil service associations. Moreover, in addition to the many plans sponsored by industrial concerns, whether instituted by management or by management co-operating with labour, there are large numbers of mutual benefit societies which are purely associations of employees, fraternal organizations, or social groups in which the economic factor is only part of their attraction.

There are, of course, a number of societies, some of them religious, many of them participants in the community chest, which do magnificent work in social aid and welfare. Special consideration with regard to taxation for purely charitable organizations is embodied in our legislation, though I am not familiar with the provisions concerning the related voluntary service organizations.

We all know the value of the labour-management production committees set up in industry under government auspices during

the war which had as their object increasing production and the ironing out of difficulties at the source. Might they not serve as the basis for the promotion of thrift, saving and co-dependency among employee groups not otherwise taken care of by collective bargaining agreements.

In the field of co-operative saving as distinct from the object of insurance, we have the phenomenal growth of the credit union movement. The most significant development has been in the province of Quebec where the caisses populaires have had their widest growth. However, in 1948, for all Canada, there were some 850 thousand Credit Union members with assets of more than $253 million.

The history of co-operative marketing in Canada would require a volume to unfold. Perhaps the western Canadian wheat pool enterprises are among the best known of this type, and their value to the western farmer, and in the long run to the general economy, has been magnificent.

At this time when we are concerned with reducing easy credit and the building up of our financial reserves to meet an emergency, I feel we should promote the development of these and similar organizations from the point of view of encouraging saving as a bulwark against temporary insecurity and unforeseen expenditure.

This country, Mr. Speaker, has been more fortunate than many in this modern world. It is due, in a great measure, to the comprehensive policies of this government that the war and its aftermath caused as little real dislocation and hardship as has been the case. The true value of these policies during the period of consolidation and restoration from the ravages of war will be seen when we face up to the difficulties that lie ahead.

We are fortunate, too, that in this country our people continue to exhibit those pioneering qualities which have brought about our present high degree of development. This process of development, particularly in its industrial aspects, is greater, actually and comparably, than at any previous time in our history. The requirements of modern living, and of the maintenance of a high standard of living in our complex society, demand far-reaching policies and methods to permit society to function freely. We realize the problem is complicated. It is a problem which is not personal or local or even national. Our problems are international.

We are fortunate in having such a highly regarded and brilliant Canadian as our Secretary of State for External Affairs (Mr. Pearson). We of this party hold no brief for the socialized state with its accent on regulation—nay, regimentation. We continue to adhere to the concept of a free society where individual initiative and energy shall have full play; where faith in the essential goodness of the individual is maintained, but where nonetheless realistic understanding of human nature, and of the influence of economic and social pressures, forces the adoption of some degree of regulation of individual activity in the general interest.

We have faith in the direction of a government which carried us successfully through the second world war and the return to a peacetime economy. It will not fail us now in preparing and concerting those measures which will give us, we trust, the wherewithal to meet the future with confidence unshaken.

Nevertheless, I would like to see the expression of our faith in our country clearly asserted, forcibly set forth at this time. Perhaps, in that war weariness that seems to possess all peace-loving nations after conflict, we fail to apprehend the need for that eloquence which can personify the spiritual values in our civilization; to realize the need for clarity of expression akin to those outpourings of the human spirit which have heretofore inspired nations to heroic effort and endurance. In such fashion in our time the genius of Winston Churchill, of Franklin Roosevelt, glowed through their exhortations to their peoples. This quality was possessed in more humble, plainer-spoken fashion by the late great leader of the Liberal party, Right Hon. William Lyon Mackenzie King, as it is by his successor, our revered Prime Minister (Mr. St. Laurent).

There is, I maintain, no scruple, no objection or no law which denies us the right to have confidence in ourselves and in our cause, nor yet the right to express the same in forthright fashion. Let there be, however, no delay. Let us act while we speak.

Mr. J. H. Dickey (Halifax): In rising to take part in this debate, Mr. Speaker, I wish to join with all of those who have preceded me in congratulating most warmly the mover (Mr. McMillan) and the seconder (Mr. Breton) of the address in reply to the speech from the throne. All of us realize the exacting nature of the task they had before them, particularly those of us who have had the privilege of a similar honour at the opening of previous sessions of this house. These two gentlemen certainly carried out their duties in a most creditable fashion, and they deserve the words of commendation which have been addressed to them by those who have taken part in this debate.

I also wish to join with the others who have expressed the appreciation that the members of this house feel of the manner in which you, Mr. Speaker, represented this house and this parliament at the opening of the new House of Commons in London. I am sure that the members of the mother of parliaments were pleased to know that this house, this spiritual offspring of that mother of parliaments, could send a man of such obvious dignity and distinction to represent us on such an occasion.

It has been made obvious, during the course of this debate, that the members of this house recognize full well the seriousness of the situation with which this country and the nations of the western world are now faced. I find it a little bit difficult to agree with the point of view expressed by some hon. members opposite, when they have said that one of the great needs is for this house to convince the people of Canada of the great seriousness of the present situation. I cannot speak for the whole country but in Nova Scotia generally and in Halifax in particular I feel that there is a full and deep realization of the problems with which we are faced and the serious nature of those that can be foreseen in the immediate future.

The people with whom I have spoken—and I have made it a point to speak with as many as possible—have shown an awareness of what the future may hold in store and a realization that Canada and her allies must do all in their power, first of all, to avoid war and, second, to make all necessary preparations for war if war must come. Because of my belief that there is this realization by the people of Canada of the realities of the present situation, I feel that the government and this parliament can trust the instinctive good sense and the courage of the Canadian people, and that we can feel assured that if we do the things we consider necessary to maintain peace and at the same time to prepare for whatever eventualities may be before us, we can proceed with confidence that the nation will respond to whatever demands have to be made upon it.

It is true, Mr. Speaker, that this country for a number of years past has been extremely fortunate. We have never experienced the real ravages of war. It is true that the price we had to pay in blood and treasure in two wars was bitter enough; but a kind Providence has always protected us from the actual onslaught of the enemy. Since the end of the second world war we have faced some difficulties, and we have had reason to complain of a number of inconveniences and troubles. But by and large, I think that our good fortune has continued. This morning I was greatly impressed by a phrase that I read in a pamphlet put out by the Department of Agriculture. In discussing the question of the food situation in the world this pamphlet said that the per capita food supplies in most countries are still below the 1935-39 level. What a picture, Mr. Speaker, that draws for us in Canada, a country which has for some years past, I understand, enjoyed a per capita consumption of all the essential foodstuffs, and many that are not essential, that has been the highest in our history. I would direct attention to the fact that this is per capita consumption, not per capita supply. In spite of increases in prices which have been significant and serious enough, and have been one of our major causes for complaint over the last two or three years, the vast majority of Canadians have been in a position to increase their consumption of such a fundamental thing as food while other countries have been facing an actual deficit situation with regard to supplies. I think also of the significance of the phrase "most countries." That does not just include the countries we have always regarded as being in a normal deficit position. It includes the majority if not all of the countries of western Europe which is the very cradle and birthplace of our civilization. It is not unreasonable to suppose that this good fortune to which we have become accustomed might have created a sense of complacency in the Canadian people; and this is probably the basis for the statements which have been made by hon. members opposite, and to which I referred. I may be wrong, but I am personally convinced that such is not the case. I am sure that no feeling of complacency exists among the Canadian people. In my humble estimation Canadian public opinion is alive to the dangers of the present situation, and the Canadian people are prepared for forthright action and leadership. Leadership by the government and by men in public life will find a ready and loyal response from a vast majority of all the Canadian people.

Our most important and essential activity at the present time is our struggle to keep the peace. This struggle to keep the peace is after all, by every possible means of comparison, our best and first line of defence. If the outbreak of a new war, which appears to loom more imminent day by day upon the horizon, can be prevented, the saving to humanity will be incalculable. We might just ask ourselves: can any price be too high to pay to ward off this terrible catastrophe of human suffering, waste and futility? I think the answer is that no price can be too high which leaves our honour unsullied and maintains our essential freedoms. The scene of this battle for peace is the difficult and complicated field of international relations.

During the recess of the special session I was one of the members who had the privilege of having a glimpse of this all-important side of Canadian policy during the fifth session of the general assembly of the United Nations. I hope that on another occasion it may be possible and appropriate for me to deal at greater length with the experiences which we all shared there. However, what I want to say tonight is that the Secretary of State for External Affairs (Mr. Pearson) is making at a cost of prodigious labour and at the expense of tremendous energy a truly magnificent contribution to the strengthening of our vital first line of defence.

I have been particularly pleased to note, Mr. Speaker, the almost universal approval and esteem in which the Secretary of State for External Affairs is held by the people of this country. This is a second instance to which we can point in which public opinion in Canada is at the present time particularly sound and firm. However, I should like to point out to both his friends and his enemies, if he has any enemies, that behind the Secretary of State for External Affairs in all his actions and in the stands which he has so courageously taken in the name of his country is the solid backing of his colleagues in the cabinet, and particularly our great Prime Minister (Mr. St. Laurent).

The activity of second importance which we have before us in these days is that of our preparations for collective defence. Defence is such an essential matter that it is almost impossible to describe it as secondary to anything else. It is perhaps a paradox of our age that the only thing we can possibly regard as more important than the building up of the armies and armaments of ourselves and our allies is our equally strong and tenacious efforts to ensure that these arms and armaments will never be put to their intended use. However that may be, the Minister of National Defence (Mr. Claxton) has outlined to the house the government's program calling for expenditures of $1,600 million this year as part of a $5 billion three-year program. I am sure that the announcement of this program in the house gave us all a very solemn thrill.

In his criticism of the defence program the leader of the opposition (Mr. Drew) saw fit to point out that under the rules and procedures of the house we are limited to the commitment by the government of $1,600 million. He appeared to set quite some store by that. Then, shortly afterwards, he turned around and admitted that it was perhaps very wise for the Minister of National Defence to disclose the whole program. It was particularly wise because I am quite sure that if he had not done so it would have been seized upon as another excuse for claiming that no information has been given on defence matters. I believe that this kind of criticism is, Mr. Speaker, a very clear indication to the house and to the country of a complete inability to discover any valid basis for criticism, and of satisfaction with the small kind of carping criticism that I have outlined.

My judgment of the temper of the Canadian people is that they are not inclined to question the amount or the size of our defence program; but they are—and I hope they will always be—very much inclined to question how the money is to be spent, and to make sure that it is spent in the best and the most economical way. With this in mind I am sure that a very vast majority of the people of Canada are greatly satisfied to know that by and large the members of the opposition have indicated their support not only for the broad basis, the broad lines of defence policy as outlined by the minister, but also for most of the details. This is a very reassuring situation from several points of view, as my colleagues will agree. I am sure, Mr. Speaker, there will be other opportunities for discussing very fully the details of the defence program and spending. I do not propose to make any more extended remarks on that subject this evening.

Last evening the debate in the house turned to the consideration largely of economic and financial policies. This, under present circumstances, is of course inseparably linked with our problems of defence and of meeting the costs of defence. I am sure that all hon. members and the public generally were very appreciative of the frank and able speech made by the Minister of Finance (Mr. Abbott). I think this house was expecting a clear statement from the minister on the steps being taken by the government to curb inflation, and, particularly in view of the widespread public interest in the question of controls, of the government's view on that very important matter. It is true that the cost of living is only a symptom of inflation; but it is a very painful symptom, one which touches every person in Canada and bears particularly heavily upon those least able to bear the burden. The C.C.F. subamendment to the address in reply deals with one of the suggested means—and in my view a very partial means—of meeting one of the problems relating to inflation. As I understood him, the leader of the opposition (Mr. Drew) in his remarks last night supported, on behalf of his group, the C.C.F. subamendment. In fact, I understood him to say affirmatively that the C.C.F. subamendment was included in the amendment and that it was really only stating in words what was actually there in any event.

To me this conjures up a most interesting picture, an inviting picture I may say, that is quite apart from the obvious public interest in a statement of that kind. The picture I see is that of a student of political science a few years hence looking up the records of parliament—*Hansard* for the twentieth parliament—and reading the debates of the sessions from 1945 to 1949. He would read there the resounding speeches which one can almost hear still echoing in this hall, speeches of the then leader of the opposition, speeches of the then hon. member for Muskoka-Ontario, the present member for Greenwood (Mr. Macdonnell); speeches of the hon. member for Eglinton (Mr. Fleming); speeches of the hon. member for Dufferin-Simcoe (Mr. Rowe); speeches of the then member for Broadview, of the hon. member for York West (Mr. Adamson), of the hon. member who then represented the constituency of Rosedale—to name only a few of them.

What was the burden of all those resounding speeches? It was the absolute and imperative necessity to get rid of each and every control that had been placed upon the Canadian economy during the war.

Mr. Noseworthy: And the Liberals fell for it.

Mr. Dickey: My hon. friends are great people for diagnosing real troubles but never being able to do anything about them.

Mr. Knowles: Have you read what Graham Towers said?

Mr. Dickey: Then our student of political science turns to the records of the twenty-first parliament, and reading the debates of the session of 1951 he comes across the speech delivered last night by the leader of the opposition, and speeches of ten or twelve other hon. members opposite. What does he conclude from those? I am sure the only conclusion to which he could come would be that of confusion thrice confounded. I am quite sure there are very few members in the house, either on this side or in the ranks of the official opposition, who are quite sure whether or not the official opposition is supporting the C.C.F. subamendment because it is for a system of over-all controls, including wage controls, or whether they are supporting it because it is a system of selective controls specifically excluding wage controls.

I would say also to my hon. friends of the C.C.F. party that I think it would be well for them to outline pretty carefully the way in which they want the various opposing groups to interpret their subamendment, because the support of the Social Credit party has been offered to them on the distinct understanding that the C.C.F. subamendment means that wage controls must be part of the program; and there is some suggestion of that kind in the speech delivered this afternoon by the hon. member for St. John's East (Mr. Higgins), and those of some others.

Mr. Knowles: Wages are controlled already.

An hon. Member: Rubbish.

Mr. Knowles: This parliament passed a wage control bill last August.

An hon. Member: Nonsense.

Mr. Dickey: Perhaps we could deal with that particular bit of ice-skating at some other time.

I turn now to some other aspects of the impact of our defence program on the Canadian economy. I should like to dwell with particular emphasis upon the necessity of the greatest possible attention being given to a decentralization of the new industry it will be found necessary to set up. I should like to place certain considerations before the government, and I do so most sincerely indeed.

I hope as the situation develops it will be found possible to take action along lines currently being suggested. It is quite obvious Canada is going to undertake a great industrial effort, and I think that the Canadian people are most anxious that that industrial effort be carried forward with the greatest possible effect and to the greatest possible extent.

This is the second time in a generation that Canada has embarked upon a program of this kind. We are going to try to do our bit, as one of the great arsenals of democracy; and the extreme ends of the country, east and west, are clamouring for an opportunity to play their proper part in this great effort. I wish to join with other voices raised in the house and in the other place—and may I say this is a regular broadside at the government, and we should not forget there is another place—outlining to the government the necessity for making some long-range plans for decentralization.

The hon. member for Saint John-Albert (Mr. Riley), the hon. member for Royal (Mr. Brooks) and a number of others speaking in the debate have brought this subject to the attention of the house. I venture to mention it again this evening because this matter has been the subject of very serious study and discussion by a number of groups of members for some months past. It is our intention to bring our views before the government as strongly as possible.

Hon. members will recall the situation that faced us in 1939. With very little warning

we were involved in an all-out war with a very serious opponent; and for some considerable time we, as part of the commonwealth, fought almost alone. It was therefore a situation where speed was of the essence in our industrial mobilization. Because of the economic difficulties which immediately preceded the outbreak of war, there was a pool of labour available in the industrialized portions of the country, and that pool of labour was a skilled pool. I think there were very good reasons why those advantages had to be taken into consideration and used. The result was a serious concentration of industrial development in the central part of the country. Perhaps it is unnecessary for me to say that I was not a member of this house at the time, but I well remember the representations that were made repeatedly to the government by maritime and other members early in the war and throughout the war pointing out the situation which was growing up and which eventually became a *fait accompli*.

The situation is now quite different. Canada is enjoying a very buoyant economy, a situation which is described as full employment. To say that there is full employment reminds me a little of something said in "Animal Farm". It was discovered that there was a saying among animals that all were created equal, but some of the animals were more equal than others. Canada is enjoying full employment, but some parts of Canada are enjoying fuller employment than others.

One place where there is a ready pool of labour is in the maritimes and eastern Canada. There exists there a pool of workmen possessing great ability and great adaptability ready for recruitment. They are not all by any means unemployed; many of them are employed but in positions which do not give full scope to their abilities. A great deal could be accomplished by a reallocation of labour. We have there great resources in the way of steel, coal and other raw materials. We have also a great advantage in our geographic position. We have immediate access to tidewater twelve months in the year, and that is of great advantage in the present situation. I submit to the government that these are compelling reasons for giving consideration to these factors when industrial expansion is being carried out.

The Minister of National Defence (Mr. Claxton) has warned the house and the country that a danger of direct attack exists. That was not so in the last war except for some danger from shelling from the sea. The situation in Canada today indicates that consideration should be given to the dispersal of industry in order to avoid the possibility of our industry being completely hampered by one or a series of aerial raids.

Another consideration which should not be lost sight of is the advantages which accrue to the economy of an area in which industrial mobilization takes place. I think we all recognize the importance of ensuring as much as possible the equal development of all sections of the country. It is impossible for one section of the country to enjoy great prosperity if other sections are not in a similarly favoured position. The advantages to the economy are of two kinds. First is the direct advantage of the employment created in an area by war production. Second is the much more important advantage derived from the availability of the plants which have been created for defence needs when those needs have passed. This availability was the basis of the great peacetime expansion of industry which occurred in central Canada during the five post-war years. This has been the experience in the past and I am sure that in the future when the need for defence industries will have passed as we hope it will, the stage will be set for a further industrial expansion for peacetime purposes. I submit that it would be of inestimable value to Canada if a large proportion of that peacetime expansion were to take place in the maritimes and the western parts of Canada.

I should like to attempt to drive home my points, and to do this I should like to cite one example which I think will show exactly what I have been trying to point out. During the last war an aircraft repair plant was constructed at Eastern Passage with government assistance. That plant was operated during the war by the Clarke-Ruse Aircraft Company. After its usefulness for that purpose had passed, the plant became vacant and remained so for some time. Through the co-operation of the provincial and federal governments the Fairey Aviation Company of England acquired the plant about two and a half years ago and this establishment is now a thriving industry which is literally bursting at the seams. It is making an indispensable contribution to the economy of that particular section of Nova Scotia. In addition this plant is carrying out repair and conversion work on naval aircraft with an efficiency and economy that I know is a source of considerable satisfaction to the officers of the Department of National Defence.

That is an example of what has occurred over and over again in connection with defence plants that were constructed in central Canada during the war. I appeal to the

Prime Minister (Mr. St. Laurent), to the Minister of Trade and Commerce (Mr. Howe) and to the government generally to consider the case, which has been made by other speakers much better than I can present it, and to give every possible assistance in the process of the decentralization of our defence industry.

The house divided on the amendment to the amendment (Mr. Herridge) which was negatived on the following division:

YEAS

Messrs:

Argue
Balcer
Beyerstein
Black (Cumberland)
Blackmore
Blair
Brooks
Browne (St. John's West)
Bryce
Cardiff
Catherwood
Charlton
Coldwell
Courtemanche
Coyle
Drew
Fair
Ferguson
Fraser
Gagnon
Gillis
Graydon
Green
Hansell
Harkness
Harris (Danforth)
Hatfield
Hees
Herridge
Higgins
Hodgson
Johnston
Jones
Knight
Knowles
Lennard
Low
Macdonnell (Greenwood)
McLure
Murphy
Noseworthy
Nowlan
Pearkes
Quelch
Ross (Souris)
Shaw
Stewart (Winnipeg North)
Thatcher
Thomas
Tustin
White (Hastings-Peterborough)
White (Middlesex East)
Wright
Wylie—54.

NAYS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Balcom
Bater
Beaudoin
Benidickson
Bennett
Black (Chateauguay-Huntingdon-Laprairie)
Blanchette
Blue
Boisvert
Bonnier
Boucher
Bourget
Bradette
Bradley
Breithaupt
Breton
Brisson
Brown (Essex West)
Bruneau
Byrne
Cameron
Campney
Carroll
Carter
Cavers
Chevrier
Claxton
Cleaver
Cloutier
Corry
Cote (Matapedia-Matane)
Cote (Verdun-LaSalle)
Crestohl
Cruickshank
Darroch
Dechene
Decore
Dewar
Dickey
Dion
Dumas
Dupuis
Eudes
Eyre
Ferrie
Follwell
Fournier (Hull)
Fulford
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Lapointe)
Gauthier (Portneuf)
Gibson
Gingras
Goode
Gosselin
Gour (Russell)
Gregg
Harris (Grey-Bruce)
Harrison
Healy
Helme
Henderson
Henry
Hetland
Hosking
Huffman
Hunter
Jutras
Kent
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Digby-Yarmouth)
Lafontaine
Laing
Langlois (Gaspe)
Larson
Leduc
Lefrançois
Leger
Little
Macdonald (Edmonton East)
MacDougall
MacKenzie
MacLean (Cape Breton North and Victoria)
MacNaught
McCann
McCubbin
McCulloch
McCusker
McDonald (Parry Sound-Muskoka)
McIlraith
McIvor
McLean (Huron-Perth)
McMillan
McWilliam
Major
Maltais
Masse
Maybank
Mayhew
Monette
Mott
Murray (Cariboo)
Murray (Oxford)
Mutch
Nixon
Parent
Pearson
Picard
Pouliot
Prudham
Ratelle
Richard (Gloucester)
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Riley
Rinfret
Roberge
Robertson
Rousseau
St. Laurent
Simmons
Sinclair
Sinnott
Smith (Moose Mountain)
Smith (Queens-Shelburne)
Smith (York North)
Stewart (Yorkton)
Stick
Stuart (Charlotte)
Studer
Tremblay
Valois
Viau
Ward
Warren
Weaver
Welbourn
Whiteside
Whitman
Winkler
Winters
Wood—150.

Mr. Speaker: I declare the amendment to the amendment lost. The question is on the amendment.

Mr. Solon E. Low (Peace River): Mr. Speaker, when I took part in the debate on the second or third day of the present session, I said little about the defence of our country because at that time I did not wish to attempt to criticize the government's policy without having their program in front of me so that I could give it careful consideration. That program has now been presented to us, and since it was presented to us by the Prime Minister (Mr. St. Laurent) and various of his ministers a number of members on both sides of the house have in their speeches amplified the information. As a result, we now feel that we are quite capable of assessing the whole program and of deciding for ourselves whether or not it is adequate. We feel that in some measure at least we can give support to what the government has proposed as its program for meeting the situation

that confronts us today. As a matter of fact, I suppose with a great many of the things they propose we can find ourselves in complete agreement.

I wonder, Mr. Speaker, if it would be possible to have more order in the chamber.

Mr. Speaker: Order.

Mr. Low: Thank you very much, Mr. Speaker. It was hard enough for me to hear myself, let alone to have others hear. I of course realize that hon. members think they are not missing much, and I do not blame them, at this stage of the game. But at the same time I have something to say that may prove to be of interest to one or two people anyway, and they are entitled to hear. There is freedom of speech in our country. I think there is something that is equally important, and that is freedom to be heard. All too often that freedom is overlooked in this house.

The government's program calls for the spending of $5 billion for defence in the next three years. We know that Canada will have to spend a great deal of money if it is to get ready to meet the dangers that we see about us. We know that if we are to prepare ourselves adequately it will cost us a great deal of money. But it seems to me that altogether too much emphasis has been placed upon the amount we are going to spend and far too little on the details of the ways in which we are going to spend the money.

I cannot help feeling that a good many who have spoken in this debate have been of the opinion that just because we were going to spend $5 billion in three years, which means about $1,600 million a year, that was all it was going to take. But anyone with a lick of sense knows that is not so. It is not how much money we spend that is going to count. In the end, it will be the wisdom with which that money has been spent that will tell the story. We think that anything less than the amount that has been proposed to be spent in the next three years would certainly not be enough. When I say that altogether too much emphasis has been placed on telling the world how much we are going to spend in our budget for defence purposes in the next three years, I do not mean to imply that we expect the government to talk too much about the details of their plans. But what I do suggest, Mr. Speaker, is that those of us who are in this house, and observant and intelligent people throughout the country who are able to see what the government is doing, should judge for themselves whether or not the action that is supposed to go along with $5 billion of spending is wise action. Quite frankly I cannot begin to see that the government is moving along a line of action that will prepare Canada, and ensure that we can make an optimum effort—perhaps I had better say the maximum effort of which we are capable—to defend ourselves.

I quite agree, too, Mr. Speaker, that in our defensive effort the main emphasis ought to be placed upon air power. I think the hon. member for Quebec South (Mr. Power) made a notable contribution to the debate. I read it with very keen interest, because I felt that the hon. member knew the situation and knew what he was talking about. I certainly feel in agreement with him that our main effort ought to be in the realm of the air. Certainly the Canadian people seem to me peculiarly adapted to aerial activity, aerial warfare. I think, too, that Canada should emphasize the strengthening of her navy. That is something with which we agree.

I agree that a country as large as ours and as blessed with resources, natural resources, but with a very small manpower such as we have, must measure its contribution more in terms of material than manpower. When I say "measure its contribution more in terms of material than manpower," I mean by that the contribution which we make to the defence of Europe or of any other country outside Canada. I hope that I can make that particularly clear because it is important to the case which I want to make.

Certainly, if war should come upon us again—I am one of those in the house who have expressed the hope that it will not come again—if it should come we do not want to make the same mistake that was made in world war II, when we practically bled our country white of manpower and put ourselves into an almost impossible position with respect to reinforcements when reinforcements were needed. We ought to be careful not to bite off more than we can chew in any effort that we do have to make to fulfil our commitments under the Atlantic pact.

As I listened to the Minister of Finance (Mr. Abbott) last night describe the steps that his government expects to take to cushion our economy against further inflation, I thought that he was very forthright and perfectly sound in so far as his description of those steps related to the orthodox system that he persists in following. I could agree with him perfectly if I could make myself believe that he simply has to stay within the old accepted orthodox financial policies; but, Mr. Speaker, I have to criticize the Minister of Finance and the government very severely for their stubborn refusal to make use of subsidies for what I consider today are two most urgent purposes. One of these purposes is to encourage production of those things of which we have

an insufficient supply in our country, and the lack of which may make us weaker in our effort to prepare.

The second of those purposes is of course to mitigate to some extent the terrible effects of the very high cost of living. The government could have helped immeasurably, through a wise use of subsidies over these past two or three years.

I quite agree with what the hon. member for Rosetown-Biggar (Mr. Coldwell) said last night in that respect, and I do not need to repeat it because he said exactly what I think. I also feel very critical of the failure of the finance minister to use the Bank of Canada as it should have been used over these years. Ever since 1935 the government has refused stubbornly to make use of the Bank of Canada to regulate the supply of money in this country at a level of balance with the goods and services that were there to be purchased, and as a result of the failure we have gone on to a condition of inflation that simply need not be.

When the Minister of Finance jumped on the hon. member for Greenwood (Mr. Macdonnell) I thought that he did not quite know what the hon. member for Greenwood had said. I am in agreement with the hon. member for Greenwood when he says that the Bank of Canada could have exercised an overall supervision of banking in this country to the extent that we would not have today such a terrible inflationary condition.

Mr. Macdonnell (Greenwood): He did not know what the Bank of Canada had been doing either.

Mr. Low: That is perfectly correct. When the Minister of Finance says that the Bank of Canada cannot do that of course he is perfectly right unless and until this government supplies it with a policy under which it will operate. What we are asking the government to do is to supply it with that policy. It seems to me that one of the most important things we have to do if we are to prevent a recurrence of this sort of inflationary condition in the years to come, and established as a result of an all-out effort for defence, is to put the banking system of this country on a 100 per cent reserve basis. I do not see any other way by which we can ensure that the country will not be flooded with inflation time and time again.

I do not know but I do not believe that the hon. member for Greenwood believes that. I am not suggesting for one moment that he is joining me in making that proposal, but I will say this: that coupled with a program of that type it would become necessary for the Bank of Canada to get a money provision to supply the government with whatever money it requires at any time to augment the supply that is in the country at the present time for making available to the people goods and services that are there for them to buy. When that is done, and only when it is done, can we ever hope to cope with the inflationary dangers that arise out of lack of regulation of the money supply such as we have today.

We feel that the present financial policy of the government, a policy which has caused disaster time after time down through history, has brought us to the brink of complete break-down more times than one can speak about in the short time that he has in this debate. It seems surprising to me that we continue to believe or hope that that same system will bring us through other dangers such as those we have passed through, without causing a break-down. It is just impossible for it to do so, and we cannot hope for an all-out effort, we cannot hope particularly for an effort of preparedness that will spread the sacrifices over the population of Canada in anything like equality until we do have a sound and sane approach to the policy of finance.

I said there are many things with which we can agree in the government's program, but we do deplore the fact that the government has failed to take appropriate steps to ensure a greater measure of equality of sacrifice and service in their program of preparedness.

When the Prime Minister (Mr. St. Laurent) spoke in the debate he expressed his conviction that we were living in a time of emergency, a time of grave danger. The Secretary of State for External Affairs (Mr. Pearson), speaking in Montreal just a day or two ago before a delegation of the Canadian Lumbermen's Association meeting at the Mount Royal hotel, is reported in these words in the Montreal *Gazette* of today:

> The behaviour of the Soviet union and its allies and satellites in the last six months has shown that they are more prepared than we had previously estimated to take risks which may lead to a third world war. For that reason there is no escaping the conclusion that we must arm ourselves and quickly, and assist our allies to arm. We must accept that necessity.

I emphasize the words, "that we must arm ourselves, and quickly". I accept that; I agree. But I am asking the government this question: Where is their program that arms us so quickly? That is the whole, the nub, of the situation now. Where is that program? I have not seen any, and they certainly have not given evidence, so far as they have divulged their program to the house and country, that they have a program that will make it possible for us to arm quickly. I assume in the absence of it that there is no such program.

I must say I have not been able to find very much urgency in the government's proposals thus far. In the debate to date it seems to me we have spoken as if most, if not all, the causes of world chaos stem from Russia. Consequently there seems to be an attitude that all we have to do is to build a wall against Russia.

Let me emphasize once more, as I did when I spoke before in the debate, that there are deeper things to be concerned about—deeper things. What we have to be concerned about is this: What is it that made a bolshevik Russia; what is it that made Russian imperialism, and made those things possible? They are results, not causes.

It seems to me we must be aware of the forces that have caused the growth of a bolshevik Russia, and made her strong and a menace now to the world. World chaos today stems from attempts in practically all the democracies to build upon decadent systems and wrong principles. What we have to do is to set out to change those wrong principles to right ones, to do away with decadent systems —financial, economic and otherwise—and try to build our democracies on sound and solid rock.

If we do that we can abolish the things that have caused Russian imperialism and the spread of the evil doctrine of communism throughout practically all the countries of the world. True, we have to build some sort of wall now, and it is very urgent that we get that wall built. At the same time however we should be concentrating considerable attention upon the weaknesses in our own way of doing things that have given rise to these evils which now menace us.

I have listened to the speeches and examined them all but, as I said, I have not seen any evidence in the government's program that would ensure equality of sacrifice in the things we have to do. In all the debate I have gained the impression that there has been altogether too much pussyfooting on the matter of manpower. I do not think there is any question about it at all. There has been a lot of skating around, and a lot of shying away and soft pedalling the business of manpower. I think about the only man in the house who spoke true to his convictions, and boldly, was the hon. member for Fraser Valley (Mr. Cruickshank). He let us know exactly where he stood, and made certain proposals to which I think it would be wise for the government to pay heed.

Let me deal for a moment with this question of manpower. There is no question about the fact that if we are going to make the maximum effort in our own defence, and if we are going to fulfil our obligations in any regional pacts to which we have given our allegiance, then we have got to make the wisest possible use of the manpower within Canada. As I have already said, I am convinced that our greatest contribution to any external effort, wherever that may be, will be in materials, not masses of manpower. Because our country, big as it is and wealthy as it is, has a small population. Let us lay that down first and foremost, and definitely.

But on the other hand I do not think the government can possibly begin to make preparations it ought to make without carrying on immediately a national registration. We are calling for a national registration just as fast as the government can get at it. We feel that not only will Canada need to know where its available manpower is, what kind of manpower is available and of what type, but it will also need to have a well trained citizenry ready to take the offensive in any danger that threatens our country. And the only way we can have that is to have compulsory training of our Canadian people for home defence. We are calling for the compulsory military training of our Canadian people in readiness for anything that menaces our shores or our land. At the same time that we are calling for national registration and compulsory service for training our citizenry so that they can be ready and so that they will know how to do things, we think every community in Canada ought to have a well-trained group, small though it may be, with sufficient equipment so that they may know how to use it, and not only how to use it but be prepared to use it in case things do happen making it necessary.

I know isolated parts of our country where it would be the simplest thing in the world for an enemy to drop airborne troops. Who says they may not attempt to do such a thing? Certainly we are not so isolated that that could not happen, if Russia decided it would be wise to get hold of certain areas within this vast country, from which to launch, let us say, rockets with warheads composed of atomic machinery of some sort. How far would we be able to take care of a situation like that under present circumstances? It would not take much of an airborne force to cut communications and transportation in certain vital parts of our country and thus render us impotent. There is only one way to deal with a situation like that, and that is to set out now to build up a reserve force in Canada which will be indeed a reserve force, something of which we can be proud and under which we can feel some security.

We have got to begin—it should have been done long ago—to train leadership, those

who can train and take the lead in every community in Canada in putting our people through the type of training they require. Where is that program now? Has the government something like that? If so, why has it not been presented? I suggest it is because they are afraid to present it.

We feel that while we are attempting to prepare ourselves adequately with respect to the proper distribution of manpower and the preparation of a well-trained citizenry in home defence we ought to be trying to organize our financial and economic preparedness so that they will guarantee that in everything we have to do there will be equality of sacrifice for our people. I do not think it is fair for the government to expect to go on through this emergency as they went on through world war II, and again further back through world war I, expecting the people of this country to make an all-out effort to build equipment and provide materials for an all-out war, to supply an army that will be a credit to the country and guarantee that the forces of right will be victorious; to expect them to make supreme sacrifices, in many cases to give limbs and eyes and other parts of their bodies in this great effort; to pay for the war in that way and then when the whole thing is over to come back and have to pay for it again two or three times. That is not right or just, but that is what has happened. That has been the effect of our financial approach to this business of war and defence.

There must be a change. How many of our boys who went over in world war I and world war II came back and said, "We thought we had paid for the war with our efforts." But then they were taxed to the very last cent they had and kicked out. As one of my colleagues has said, they were allowed to languish without decent jobs or any form of security during the thirties. That was the result because we did not have the gumption to lay down a financial and economic system that would make it unnecessary for those fellows to pay through the nose and in every other way and then come back and pay for it again with dollars and cents.

We also call for an all-out organization that will make it possible for us to defend ourselves and to help other countries that require our materials to defend themselves. The strongest possible Canada should be the slogan. Canada should be able to do her utmost. We have thought, along with many other speakers, that in the industrial effort that is to be made due consideration must be given to the claims of western Canada and the maritime provinces for industrialization. I listened last night to the hon. member for Comox-Alberni (Mr. Gibson) and I must say that he made a very good speech and offered some practical and forthright suggestions.

One of the things that he asked me to do was to try to get the province of Alberta to make available to the Pacific coast part of the gas being found in that province so that the people down there may also be able to make an effort. I appreciate very much the suggestion and request he made, but if I were to ask the hon. member for Comox-Alberni to send to Alberta about two-thirds of the logs that he cuts so that they might be manufactured into finished lumber, I wonder what attitude he would take? I do not think he would look on it with very much interest.

Mr. Knowles: Timber.

Mr. Low: I should like to point out that the province of Alberta set up a commission to study the whole matter of reserves of gas. That commission gave the most earnest consideration for quite a long time to this matter. If there is one thing we try to do out there it is this: When we set up a royal commission and that commission makes its report we do not like to be like so many other governments I could name and not do anything about it. We feel that if we have confidence in the personnel of a commission when it is set up we ought to be ready to accept their advice when they make their report.

That is exactly what we are trying to do in Alberta. For the benefit of the hon. member for Comox-Alberni I should like to quote from the report of the board as follows:

> The board finds that Alberta's present established gas reserves are approximately equal to the amount of gas the board estimates is necessary to ensure the present and future requirements of the province and accordingly recommends that these reserves should be further increased before the export of gas is approved.

There may be differences of opinion about the extent of the gas reserves, but that is the considered opinion of the board experts who studied the whole thing, and who heard all the evidence that anybody wanted to present. When that report was presented the Alberta government decided in its wisdom that the best thing to do was not to give any permits for the export of gas from the province until further reserves were made available.

I understand that Mr. Manning's government has laid down a policy of inducements to private enterprise to come into the province, to make an all-out effort to find further gas reserves and to see that those are made available as quickly as possible. I say to the hon. member for Comox-Alberni that if by this autumn those gas reserves have been augmented sufficiently I feel satisfied that

the province of Alberta will then give its consent to the export of gas to those areas that require it for an all-out defence effort.

At the time the Alberta government made this announcement with respect to the gas reserves Mr. Manning announced that if in the meantime, that is between now and September next, the government of Canada feels that it is necessary to have gas in order to make an all-out effort for our defence, all they have to do is to ask and they will get it. That statement was made by Mr. Manning just a short time ago.

There is one other thing I should like to mention. Just after the close of the last war the Minister of Agriculture (Mr. Gardiner), speaking in this house, criticized the Alberta government for not taking advantage of all the things it could have taken advantage of at the time to industrialize or increase its industrialization. If I am misquoting the right hon. minister I want to be corrected.

Mr. Gardiner: That is correct.

Mr. Low: That is what the minister said. I do not agree with his criticism. I did not at the time and I think I said so. But badly as we need industrialization to balance our economy in Alberta, certainly it would be unwise and foolish in the extreme for us to send out of our province the materials and power we need to industrialize. So we say let us take some of the industrial effort out there. I have already suggested that we make an effort to set up steel manufacturing right at our own coal beds, and I think it can be done. I believe it would be in the interests of this country to do so. Certainly we will need the gas and other things that come from oil production if we are to have industrialization.

Because I have not seen any evidence, in what the government has proposed to us thus far, that the government has in mind an all-out effort, because I think we agree with practically every principle laid down in the Progressive Conservative amendment but we believe it does not go far enough, I move, seconded by the hon. member for Red Deer (Mr. Shaw):

> That the amendment be amended by adding thereto the following as clause 4:
>
> 4. To ensure that a complete program of preparedness including compulsory training in the reserve forces for home defence be executed with the greatest possible degree of equality of sacrifice and service.

Just to make absolutely clear what we are calling for, let me take a moment or two to review. Our amendment calls for a financial organization which will provide a guarantee to all the Canadian people that there will be equality of sacrifice, as far as that can be achieved, in anything we have to do to defend our country and to assist other countries to defend themselves. Our amendment would call for an industrial organization for all-out defence production which would build Canada into the strongest possible country. Our amendment calls for a well-trained citizenry ready and equipped to defend Canada. We feel that only by following the terms of that amendment can Canada hope to make the effort that will devolve upon her in the next few months.

Mr. T. J. Kickham (Kings): Mr. Speaker, in rising to take part in this debate I wish first to join in the expressions of sympathy tendered to the families of the late J. L. Douglas and J. E. Matthews. Of Mr. Douglas I can say, as the hon. member for Prince (Mr. MacNaught) said, that he ever extended a kind, sympathetic and helpful hand. In my close personal association with him I found him always putting forth ardent efforts for the welfare of his constituency and the province he loved.

I should like to make a few comments on the railway strike of last year. We in our province were severely affected by that strike, because of our insular position. The terms of union guaranteed us unbroken transport communication. The federal government placed in the hands of the Canadian National management the operation of the ferry boats connecting Prince Edward Island with the mainland. When the railway strike was called the two ferries operating were tied up at the docks. After frantic negotiation carried on by Premier Jones, the Prime Minister (Mr. St. Laurent) and the Minister of Transport (Mr. Chevrier), the spokesman for the railway union, Mr. Hall, finally condescended to permit one ferry to operate until the strikers went back to work. It seems to me that we have arrived at a critical stage in the economic life of our province when the leaders of labour unions can practically abrogate the terms of confederation which we took as a sacred trust to assure our province continuous transport communication with the mainland. This matter deserves the most serious consideration by the government. Measures must be taken now to see that a similar situation does not occur in future. It should be borne in mind that the people of Canada are the owners of the Canadian National. They vested power in the government to operate the railway and the government in turn passed on the duty of management to the officials of the railway. The goods carried by our railroads result from the industrial efforts and endeavours of the people; therefore when

the employees of the people refused to carry these goods it was a case of the tail wagging the dog.

Coming from a province where the people are largely producers of agricultural products, fish and pulpwood, naturally I have some comments to offer on our industries. Potatoes, our principal farm cash crop, have been terribly disappointing to the growers for the past two seasons because of depressed market conditions in the United States. The real cause of these market conditions, I believe, is the action of the United States government in assuring minimum price support for their growers. That, of course, is their right, but it has had a depressing effect upon market values in Canada.

The continuous increase in freight rates has also had an adverse effect upon our potato industry. At times the railway receives more for a bag of potatoes than does the grower. At the present market price per bag the railway is splitting with the grower on a fifty-fifty basis. If the board of transport commissioners would grant the maritime potato industry preferential freight tariffs it would be of great assistance in eliminating distress. Assistance similar to that given the western grain growers in marketing feed grain in eastern Canada and the maritimes, which is also of great benefit to the farmers of eastern Canada, should be implemented to assist our potato industry.

In our fishing industry, last season the lobster catch was very good. We had strong markets with satisfactory prices, especially for the fresh market catch. On the other hand the prices for hake and cod were disappointingly low, only two to two and a half cents per pound for the green fish. Efforts are now being made by the departments of fisheries, both federal and provincial, to assist the industry in the operation of draggers of a lesser tonnage than now receive assistance. Other matters of concern to the fishermen in the field of packing and processing the by-products are also under consideration. In this industry there is great need for improvements which, when put into effect, will be of the greatest assistance.

I should like to support the request of the hon. member for Saint John-Albert (Mr. Riley) for the decentralization of war industry whenever that can be effected. Premier Frost of Ontario has referred to the problems created by the centralization of war industries in already crowded cities and municipalities, in connection with housing, and so on. In the maritimes, where some war industries could be established, the workers already have their homes and other facilities for home life, thus eliminating the housing problems which must be faced in concentrated areas. The distribution of war industries over wider areas is also an important defence factor.

I notice a trend of thought permeating some members' speeches to the effect that Canada has an obligation to assist east Asian countries, technically and economically. While this may be without question a worthy objective during a time when the gross national production of Canada has climbed to over $17 billion in 1950, indicating a boom condition in most of Canada, no such economic condition exists in the maritimes. Caution should be exercised against too great exuberance, because these may turn out to be but temporary economic conditions. In this respect we should remind ourselves of the old adage that charity begins at home. This provokes the thought that the maritime provinces could avail themselves of surplus federal capital to great advantage in many fields. For example, it would be an advantage to the farmers in our province, the producers of poultry, eggs, dairy and beef cattle, hogs, potatoes and fish. Western feed wheat now costs $4.25 per hundredweight. If the government, through some medium such as subsidies, laid down this low-grade wheat and other grains in the maritimes at $2 per hundredweight, it would stimulate the production of these products. This would ultimately lead to lower costs for the consumers, and would enable the western farmers to market low-grade wheat and other grains here in Canada. There is also an urgent need for financial assistance to the fishing industry.

There is another group of citizens who are continually asking for assistance, namely our war veterans of the past two wars. They are requesting pensions, veterans' allowances and widows' allowances. The Department of Veterans Affairs apparently has not now the authority to satisfy many claims that appear to be justified. In this connection, I am pleased to note that amending legislation will be introduced at this session, as indicated in the speech from the throne, for the purpose of reaching veterans who are now beyond the scope of this legislation. All in all, there are numerous fields in Canada in which capital investment would be rewarding.

Many people who have practised prudence and frugality all their lives, and who contributed through direct and indirect taxes to the treasury of the dominion government, about which they have not complained, are now protesting over the arbitrary and exacting decisions of the income tax branch. I do not think they would take too kindly to having their money given to Asian countries, either as risk capital or in other ways.

In conclusion, I should like to urge upon the Minister of Transport (Mr. Chevrier) the

necessity of providing winter boat service between the port of Georgetown, in Prince Edward Island, and Pictou, Nova Scotia, after the two ferry boats servicing the route between Wood island and Caribou are forced to discontinue because of ice conditions in Northumberland strait. Premier Jones has pointed out that the ferry boat *Prince Edward Island* is idle during the winter months, and would be suitable to continue this service. Since the distance is only thirty-eight miles the boat could make one round trip per day, thus enabling our shippers and others to carry on regular business relations.

Mr. F. D. Shaw (Red Deer): Mr. Speaker, when concluding his remarks in this house on February 1, the leader of the opposition (Mr. Drew) moved an amendment. That amendment read as follows:

That the following words be added to the address:

"We regret that Your Excellency's advisers have failed

(1) to give this nation leadership in the face of the present grave danger; and

(2) to bring into being forces necessary to enable Canada to defend itself and discharge its international obligations; and

(3) to take effective measures to combat inflation and the rapidly rising cost of living.

As my leader indicated a few moments ago, we found nothing to complain about so far as that amendment was concerned, except that in our opinion it did not go far enough. Accordingly, he moved an amendment to the amendment as clause 4:

To ensure that a complete program of preparedness including compulsory training in the reserve forces for home defence be executed with the greatest possible degree of equality of sacrifice and service.

Mr. Speaker, in seconding that amendment I agree wholeheartedly with all of the observations made by my leader. In essence we are asking the members of this house to endorse the Canadian Legion's program for total preparedness. With certain very notable exceptions this debate, Mr. Speaker, has been characterized by brevity, and I shall make an effort to keep my remarks particularly brief.

Before continuing, I should like to congratulate the mover (Mr. McMillan) and seconder (Mr. Breton) of the address in reply to the speech from the throne. As indicated by the Prime Minister (Mr. St. Laurent) some days ago, one's first speech in this house is a rather trying experience. It is more trying when the speakers are new to the house, particularly when they have come to parliament via the by-election route. In my opinion the two hon. members acquitted themselves in a commendable fashion.

The discussion during this debate thus far has, quite naturally and quite properly, revolved around the extremely critical international situation, and the acute danger which confronts all free democracies including our own. His Excellency's address referred specifically to the deterioration in the international situation, and to the menace in the Far East which reinforces the mounting evidence that communist imperialism is determined to dominate the world by force or by fear of force. Quite apart, Mr. Speaker, from anything that was said in His Excellency's address, and quite apart from anything which has transpired since mid-June, there has certainly been ample evidence to convince anyone who is open to conviction that communist imperialism has set as its ultimate objective the complete domination of the free, democratic world of which we are a part.

As indicated yesterday by the hon. member for Cape Breton South (Mr. Gillis), all one has to do is go back to the communist manifesto itself to learn to one's own satisfaction what that goal is. He indicated that in the manifesto itself it is stated for all to see that their belief and conviction is that communism—call it by any particular name you like—and capitalism, so-called, cannot live side by side in the same world. Subsequent actions and declarations on the part of communist leaders have certainly provided clear evidence that, right from the date of that communist manifesto, there has been no departure whatsoever from that avowed purpose.

I often say to myself that communism has become the greater menace because communists everywhere know exactly what they want. They are united in that purpose of complete domination and enslavement of the free world. Unfortunately there were all too many who, down through the years, could not or would not comprehend the significance of what has taken place in certain European countries. We think of Hungary, Roumania, Czechoslovakia and so on. In all parts of the free world, including our own country, there were people who gave evidence of simply closing their eyes to what had taken place. Tragically there have been altogether too many who have not seen, and have not been willing to see, what has taken place right in our own country.

It is not too long ago that some of us who kept repeatedly referring to the growth of the communist party in this country and the dangers of communism were told that we were just looking for bogeys in clothes cupboards. If the truth were known today, Mr. Speaker, I am convinced that the members

of this house and the people of this country would be shocked at the numerical strength, if I may put it that way, of the communists within our own nation. I realize fully that it is probably not possible to advise this house and the country of the counter-espionage activities which have been under way. I realize that in the Royal Canadian Mounted Police we have an agency which, limited by its strength, has been doing excellent work in this field. But if there are in the neighbourhood of 20,000 or 22,000 card-carrying communists, and if there are 8 to 10 sympathizers for each of that number, surely we know what could happen overnight within this nation should Russia decide to move forward in the next step toward world conquest. Realizing that danger, and realizing how ill prepared we are today to meet that menace within our own country, does it not become absolutely essential that within Canada we establish among our people a type of organization by means of which our people shall be trained and equipped to meet not only what may come flying over the ocean but what can occur right within our own country? It is that consideration more than anything else which governs my thinking and which motivates me when I refer to the necessity of placing our Canadians in a position where they will know what to do and how to do it, and will be equipped to do it, if a situation of that kind develops. Let us not pass off too lightly that word "if." I have great confidence not only in the willingness but in the eagerness of our people to be prepared, to be trained and to be equipped to meet whatever may happen in our own country.

As was stated by my leader, Mr. Speaker, we regret many of the things that have taken place in the past. For example, we regret that it is only at this rather late date that we talk of the Colombo plan and of rendering technical assistance to the unfortunate peoples of certain other lands. It is most regrettable that that has not been our avowed policy down through the past many years. Is it any wonder that in certain parts of the world constantly hungry people have been swayed, have had their affections alienated and have turned their eyes away from countries like our own which were capable of doing so much to help them in their affliction? I think of our trade policies and our failure to understand that there cannot be peace with the "haves" and the "have nots" endeavouring to live side by side. I deplore certain of our policies; but being a realist I hope I am not unmindful of the great urgency that exists in connection with the necessity of building up a strong defence wall around our own country. We hope it will not be soon; in fact, we hope that it will never occur; but let us govern our actions with the thought foremost in our minds that it may be soon when a ruthless and unprincipled enemy may be hammering at that defence wall. Let us also bear firmly in mind the fact that, as I said earlier, it will not be purely a matter of the enemy being without that wall; there will be an enemy within—alert, ready and trained—to unlock the gates of that wall; and the password is "sabotage." Do not mistake the truth of that statement. As I said a moment ago, we have a big job to do quite apart from defence. We have a job to do in winning back the affections of many of those people elsewhere in the world who have turned away from us.

This amendment of ours, Mr. Speaker, called for that training and that preparedness which is so essential; but it also referred to that question of the greatest possible degree of equality of service and sacrifice. When the Prime Minister (Mr. St. Laurent) spoke with respect to the manpower question a great many thoughts went through my mind, as they always do when manpower in relation to war, or to defence, is mentioned. My mind goes back to some of the things mentioned by my leader tonight. Some may assume that in the past we have enjoyed the highest possible degree of service and of sacrifice, but surely that was not so. Thousands of our boys joined the various branches of the armed services and went out of Canada. Many of them left their wives and children. They passed the whole of the war in distant battlefields, or in the skies over the battlefields, or on the sea. They came back, and, as indicated by my leader, they were faced with the unhappy and extremely deplorable situation of the colossal debt. The thought constantly went through their minds what the acting minister of finance had said in 1939, namely, that as far as it is humanly possible we shall pay for the war as it is fought. They came back greatly disillusioned. And when I hear this talk today of a lack of housing for those veterans; when I learn today of the continuing grievances with respect to various items of legislation affecting veterans; when I realize that there were families in the country who expanded their holdings very materially during the war as a consequence of all members of the family being at home while others in many instances were obliged to see every male member of the family depart, in my opinion there was not even a remote approach to the question of equality of sacrifice.

Referring also to this question, I should like to think, Mr. Speaker, that, when the Prime Minister spoke earlier in this debate

and asserted with respect to our manpower question that sentiment would not be a deciding factor, there would be no mobilization of manpower simply for the sake of mobilization, when he took exception to the doctrinaire anti-conscriptionist, when he said that sentiment, race, and creed were not valid factors, when he said that the decision would be made purely on its merits, I agreed with him; but I had to conclude that he had not gone far enough. I thought there was an air of optimism about him and about what he said that to me at least could not be justified in the presence of the obvious facts. I would have appreciated hearing the Prime Minister saying something like this when he spoke that day. This is somewhat similar to what I should like to have heard him say: While not a pessimist or an alarmist, I am a realist. Communist imperialism constitutes a deadly threat to Canada. This country is a logical military target. Moreover, it is vulnerable to attack. Then he could have gone on and said: The effective defence of this great democracy involves several essentials: first, rapid and maximum production of required defence materials; second, the establishment of strong defences where such defences are deemed necessary within our country; third, the immediate implementation of a program of compulsory military training, without exemption, in reserve forces of this country; fourth, there would be an immediate inventory, call it registration, if you like, of our human resources within this country; fifth, the adoption of a financial policy to obviate much of the need for oppressive debt and subsequent interest charges such as those which were built up during world war II; sixth, effective action to deal realistically with the cost of living problem; and seventh, and final, immediate action to prohibit the accumulation of huge profits resulting from war.

May I repeat, Mr. Speaker, had I heard the Prime Minister of Canada make an assertion of that kind I could have gone to my room and rested more comfortably than I did the night of the day on which I heard him speak.

Early in the last war, on September 12, 1939, to be exact, the acting minister of finance, Mr. Ilsley, speaking in this house, said this, as reported at page 140 of *Hansard* —he was referring to the method of financing:

> All this is not to say that a small and carefully regulated amount of credit expansion may not be desirable in the early stages of the war in order to assist the increase of production and employment. It must be small and carefully controlled because its effects which may not appear immediately are cumulative and otherwise might get out of hand.

In the same speech he said:

> 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.
>
> It is with these fundamental considerations in mind that we have decided upon our policy of war finance. Because we believe it is the part of wisdom, we shall follow as far as may be practicable a pay-as-you-go policy.

Not only initially but throughout all the years of world war II the government of Canada persisted in its policy of heavy borrowings from the chartered banks. This was a significant feature of government financing. I am told—I have not confirmed the figure myself—that they borrowed over $3 billion from the chartered banks, and spent it throughout those years of the war and continued this quite contrarily to the position laid down by the minister of finance himself during the war. Not only that, Mr. Speaker, but they went out during the war loan campaigns and instead of telling the people, as they should have told them, that they were trying to meet and correct a condition of inflation resulting from too much money in circulation, they told the people that the only way you could have ships and shells and guns and tanks would be for them to subscribe their savings. But the very nature of the campaign resulted in hundreds of thousands of those people going to the chartered banks and borrowing newly created credits, thus adding millions upon millions, hundreds of millions more to an already highly inflated condition resulting from the government's persistent policy of borrowing from the chartered banks all during the war.

In 1939 the bonded debentures and treasury bills of Canada amounted to $3,385,722,462. Then ten years later, according to the Canada Year Book, it had jumped from that figure to $15,585,036,580. The actual interest-bearing debt was greater than that. What effect was had upon the interest? The annual interest charges in 1939 were $129,077,904. Now, in spite of a lowering of interest rates on borrowings by the government in the latter years of the war, the interest jumped from the figure I have given to $442,059,153.

Mr. Low: And no "sense".

Mr. Shaw: And no "sense", as our leader has said. You can take that in its broadest sense. During the war, taking into account the deaths and our wounded, generally categorized as casualties, we had about 100,000.

We blew—into kingdom come, as some say—approximately $20 billion worth of production. Substantially as a consequence of the pursuance of that inflationary policy of borrowing heavily from the chartered banks, the boys came back and, with us, face a debt of $16 billion, as compared with the former three and a half billion, with interest charges of $442 million per year as compared with $129 million at the time the war broke out.

If there were any justification whatsoever for a situation of that kind I would be reasonable enough to accept it. But surely I cannot accept that, especially when we may never be advised by the government exactly what part of this debt was held by the chartered banks, nor have we been given a break-down to show what percentage of the bonds sold went back to the chartered banks through default on the part of purchasers.

In 1939 the late Right Hon. W. L. Mackenzie King, then prime minister, said, as reported at page 23 of *Hansard* for September 8:

> I come to profiteering. I believe I have already stated in this house that I know of nothing in the world more contemptible than that any man should seek to profit from the sacrifices which others are making . . . Unfortunately human nature has its weak and its bad sides, as well as its strong and good sides. Sometimes it is very difficult to cope effectively with the underworld and its methods. I care not who the individual may be, how respectable in his own eyes or in the eyes of others he may appear, or what position he may hold; if in this crisis he seeks to profiteer he belongs to the underworld and should be treated as one of those who menace all that is sacred in human relations.

When one comes to the definition of a word one finds a wide divergence of opinion. One person may think of profiteering quite differently from the way I would think of it. But when I stop to think of persons who entered the field of war production, there come to my mind some people who did not have a dollar to start with. Through a policy of cost-plus—and as a member of the war expenditures committee of that time I am one who knows there was lots of "plus"—coupled with a rapidly accelerated rate of depreciation on buildings and machinery, men who had virtually nothing when the war started came out of the war as wealthy men. I well recall the time that the present Minister of Trade and Commerce, speaking in the house on September 12, 1939, referred to the five per cent ceiling on war contracts which had been put into effect under the defence purchases act. While I was not in the house at the time, having come here a few months later, I recall clearly having read in *Hansard* at that time where the minister spoke specifically about the fact that there was not one tender, as long as that five per cent proviso existed in the provisions for defence purchasing.

[Mr. Shaw.]

The proviso for limited profits was eliminated in, as I say, those, in many respects, devilish cost-plus contracts. I am not saying that a government can go into a period of war production now, when there are so many component parts which have to be imported, and a certain number of uncontrollable factors, and say at the commencement of a contract, "This is to be the end price." But, in my opinion, looking back as a member of the war expenditures committee I think there was a great deal of laxness that should never be allowed to prevail again. There should be far stricter supervision where cost-plus contracts are in operation.

I for one, so long as I am here, shall insist upon that. I think, too, we had better watch this question of rapidly accelerated depreciation, because a lot of people in this country are fed up with what occurred at that time.

Mr. Speaker, I believe I have spoken beyond my allotted time, but I do not think anyone else would desire particularly to start just before eleven o'clock. I am sure anyone following me would favour my going on for a few moments more.

Some hon. Members: Agreed.

Mr. Shaw: Dealing with that section of our subamendment which refers to compulsory training in the reserve forces, I cannot but refer to a letter which came to me from one of my constituents only yesterday. I have received the telegrams from the various branches of the Canadian Legion and have made no decision purely on the basis of those telegrams. I participated in a good many meetings of one kind or another during the past several months, and I know what people have told me. I know what I have been told on the street. This man's letter reflects in an admirable fashion the feeling prevailing in the constituency of Red Deer. This man is not the type who is likely to go off the deep end. This man is a solid citizen, a good type of man from my home community. He is a substantial farmer and under date of February 8, he wrote:

> I feel that all good men and true who have the honour and security of this great dominion of Canada at heart can do no less than endorse the Canadian Legion's "Operation Preparedness."
>
> Therefore, sir, I hope you will not cease to press upon the government at every opportunity the need for action upon the terms laid down therein and particularly, as a first step, the urgent need for national registration and compulsory training in the reserve forces.
>
> The taxpayer knows the price will be high, but not so high as the cost of unpreparedness. I know that I speak for a great number of your constituents in this matter and while not desirous in any way to emulate the system of our good neighbours to the south, I feel nothing but disgust for the soothing reassurances emanating from the government. Time is short and this is not the time for political expediency.

Mr. Speaker: I think at a previous session the house came to the conclusion that an hon. member should not read a letter unless he was prepared to table it.

Mr. Shaw: I was aware of that fact and I would not have considered reading the letter had I not been prepared to table it. It can go into the record. It comes from Innisfail and is signed by G. Hamond Gates. As I say, it is available for the record.

Mr. Cote (Verdun-La Salle): Send us a copy of the letter.

Mr. Shaw: I was reading a copy because with all due respect it was a little easier to read my own writing than what was in the letter. In order to quote this gentleman correctly I took a little time to rewrite his letter, but the original letter is here.

In conclusion, may I say that all of us hope and trust that there will be no third world war, but all of us know that possibly for the next quarter of a century we shall have to feel somewhat as though we are at war. Earlier in my remarks I said that I like to be branded as a realist. Should the worst come to pass and this country be attacked I want the people to know which end of the gun goes to the shoulder so that they will not blow out their own brains in the process of trying to shoot the enemy. Secondly, such training would avoid panic, which is one of the things that could be really bad. It would develop confidence in our people. Speaking personally, I think it would be good for one's physique—not that I have much of a physique even though I spent more than a year in that type of training.

Mr. Pouliot: Mr. Speaker, thanks to the graciousness of the hon. member for Maple Creek (Mr. Studer), I should like to move the adjournment of the debate.

Motion agreed to and debate adjourned.

PRIVILEGE

REFERENCE TO REPORT IN MONTREAL "DAILY STAR" OF FEBRUARY 12

Mr. Robert Fair (Battle River): Mr Speaker, I rise on a question of privilege. It has been brought to my attention that on page 10 of the Montreal *Daily Star* of February 12, someone has taken my name in vain. Under the heading "Extract from *Hansard*", it reads:

> Remarks of Robert Fair, Social Credit member for Battle River, in the throne speech debate:

Then the article continues and quotes someone else's remarks. I am not questioning the accuracy of the remarks, but they do not belong to me so I want to have that corrected.

On motion of Mr. Fournier (Hull) the house adjourned at 10.55 p.m.

HOUSE OF COMMONS

Wednesday, February 14, 1951

The house met at three o'clock.

BIRTHDAY GREETINGS

MR. MCIVOR—EXPRESSION OF BEST WISHES

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, may I venture, as a matter of personal privilege, and on behalf of all members of the house, wherever they sit, to present a valentine of good wishes to the senior member, in years, of this house, the hon. member for Fort William (Mr. McIvor), who is today celebrating his seventy-eighth birthday. From his appearance now, and that to which we are accustomed in this house, I believe we can with confidence wish him also many happy returns. Some of us would even say that our wish is that he may yet celebrate several of those happy returns with us in this place.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, may I join the Prime Minister in extending best wishes to the member for Fort William. No matter whether we all agree entirely with everything he says, we always recognize the deep sincerity and the warm-hearted affection for his own people that prompts the things he says in this house. May I add, in wishing him many further happy years, that he is also an encouragement to some of the rest of us by the evidence he gives that life in this parliament may not be too destructive after all.

Mr. Daniel McIvor (Fort William): Mr. Speaker, to return to the language of the farm, I am just flabbergasted. I deeply appreciate this courtesy. I do not know how long I am going to live, but I am going to live as long as I can.

CANADIAN WHEAT BOARD ACT

PROVISION FOR EARLY DISTRIBUTION OF PAYMENTS AT END OF POOL PERIOD, ETC.

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved for leave to introduce Bill No. 5, to amend the Canadian Wheat Board Act, 1935.

Some hon. Members: Explain.

Mr. Howe: Mr. Speaker, this bill will have the effect of amending the present act in two particulars. Under the act as it stands, it is necessary to sell every last bushel of wheat or oats or barley in a pool before the pool can be liquidated and the participation payments made to those who have delivered grain to the pool. This amendment will make it possible for the pool to sell the remnants of grain to the succeeding pool, thus making it possible to wind up pools more quickly than can be done under the act as it is today.

The bill also amends the present act in another particular. Today interim payments must be uniform for all the grain in the pool, regardless of grade. The amendment will make it possible to vary the interim payments for different grades. Owing to a problem that arises from time to time, occasionally it would be in the interest of the pool not to make the same interim payments on all grades of grain.

Mr. Fair: May I ask the minister whether that applies to coarse grains as well?

Mr. Howe: Yes, sir.

Motion agreed to and bill read the first time.

[*Later:*]

QUESTION AS TO INCLUSION OF RYE AND FLAX

Mr. William Bryce (Selkirk): I should like to direct a question to the Minister of Trade and Commerce. When the wheat board act is under revision, will the inclusion of rye and flax be considered?

Right Hon. C. D. Howe (Minister of Trade and Commerce): It has not been the intention to include rye and flax in the act. The present marketing arrangement for these grains seems to be operating in a satisfactory way.

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF GEORGE A. TOUCHE AND COMPANY AS AUDITORS

Hon. Lionel Chevrier (Minister of Transport) moved for leave to introduce Bill No. 6, respecting the appointment of auditors for national railways.

Motion agreed to and bill read the first time.

FISHERIES

PACIFIC COAST—PROTECTION AGAINST ENCROACHMENT BY JAPANESE

On the orders of the day:

Mr. E. T. Applewhaite (Skeena): I wish to direct a question to the Minister of Fisheries,

but in his absence I will address it to his parliamentary assistant. Is any action being taken by the Canadian authorities, similar to that reported from the United States, to assure that, when the Japanese peace treaty is being drawn up, adequate protection will be afforded our Pacific coast fisheries against encroachment by Japanese fishermen?

Mr. J. Watson MacNaught (Parliamentary Assistant to the Minister of Fisheries): I want to assure the hon. member for Skeena that I will draw his question to the attention of my minister and that an answer will be made in due course.

POSTAL SERVICE

MAIL DELIVERIES IN URBAN RESIDENTIAL DISTRICTS

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to address a question to the Postmaster General. Why are deliveries of mail to residential districts in the cities to be cut from two deliveries to one delivery per day?

An hon. Member: Economy.

Mr. Fraser: In other words, why are citizens to be given second-class service for first-class mail? It is not a question of economy in this case.

Some hon. Members: Oh, oh.

Mr. Fraser: I should like to ask a further question. Why are postmen who are transferred from these postal routes to clerical jobs to lose their positions and their seniority, while their walks or mail routes are to be taken over on Saturdays by schoolboys at seventy-eight cents an hour?

Hon. Edouard Rinfret (Postmaster General): I think it would be well for the hon. member to wait until the announcements are made before he makes any predictions about what is going to happen.

Mr. Fraser: Mr. Speaker, a directive with regard to this matter has gone out from the Post Office Department to all post offices across Canada.

Mr. Graydon: May I ask a supplementary question of the Postmaster General, arising out of his answer to the hon. member for Peterborough West? Have there been any changes in urban postal deliveries in recent weeks?

Mr. Rinfret: Some are contemplated in view of the economies that we have to make; yes.

[Mr. Applewhaite.]

COMBINES INVESTIGATION ACT

INQUIRY AS TO REPORT OF COMMITTEE APPOINTED TO STUDY ACT AND RELATED STATUTES

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): I wish to direct a question to the Minister of Justice. Can the minister indicate to the house when he expects to receive the report of the committee now investigating operations under the Combines Investigation Act?

Hon. Stuart S. Garson (Minister of Justice): I would think that the target date, about March 1, which was planned, would still remain the target date. We shall shortly know whether it is possible for us to achieve that goal in actual fact.

Mr. Fleming: Will the report be brought to the attention of the house when it is received?

Mr. Garson: Yes.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Tuesday, February 13, consideration of the motion of Mr. W. H. McMillan 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. Drew, and the amendment to the amendment of Mr. Low.

Mr. Jean François Pouliot (Temiscouata): At the outset, Mr. Speaker, I wish to congratulate the mover (Mr. McMillan) and the seconder (Mr. Breton) of the address in reply to the speech from the throne. They spoke ably, and I hope that they will be heard often in this house. This is not an academic speech, and I cannot say all the good that I think of them. We disagree at times, but on the whole we manage to get along fairly well together. The proof of that statement may be found in the farewell speech of the hon. member for Calgary West (Mr. Smith). He is one of the most brilliant members of parliament that I have met. I am sure that both Mr. and Mrs. Smith will be so greatly missed, that their farewell will be merely "au revoir" and that we shall see them again, Mr. Smith in the House of Commons and Mrs. Smith in Ottawa.

The subamendment proposed last night reads as follows:

To ensure that a complete program of preparedness including compulsory training in the reserve forces for home defence be executed with the greatest possible degree of equality of sacrifice and service.

I am strongly opposed to the kind of one-sided conscription for military service only which was in force during the last war. It was back-door conscription from November 1940 to November 1944, but open-door conscription thereafter did not win the war and served nobody other than racketeers and greedy profiteers. During both wars it was only a political football. I am sick and tired of hearing the repetition of the speeches made by the Marses and Thors of both wars. I may tell the Legion right now that if they were looking after their own disabled members they would serve their members much better than by telling members of parliament what to do. I have always considered the manpower of my country to be its most valuable asset, and I will do my utmost to defend and to protect my fellow citizens in case of emergency. I appreciate the fact that the Prime Minister (Mr. St. Laurent) has spoken sensibly and honestly about this vital issue. That is why he enjoys the confidence and respect of all. He deserves it. I regret nothing that I have said or done in the past to combat bureaucratic anarchy and I hope not to have the same trouble as I had in the past in exposing political insanity to internal ridicule against a background of rampant prejudice.

I love my country. I am satisfied to be a member of the Liberal party and I do not want this fine association of men and women of good will to fall into the errors of the last war. I have a right to speak and I am going to do so. I have taken some notes in my own hand in order to make my speech shorter, because the time allowed to me today is not long. I am familiar enough with the contemporary history of Canada to tell the true story of conscription. I have been forty-three years in political life. When I was eighteen I made my first political speech at the Laurier meeting at Murray Bay in 1908. Many of my hon. colleagues were not yet born. I was elected for the first time at a by-election on December 1, 1924, as a straight Liberal against the convention nominee who was defeated by 3,500 votes. A week later Mr. Mackenzie King invited me to luncheon at Laurier House with Mr. Lapointe and both introduced me to Mr. Speaker. With the exception of the hon. member for Quebec South (Mr. Power) and the hon. member for Danforth (Mr. Harris) I am the senior member of this house; and with due deference I may consider you, sir, and all my other hon. colleagues as newcomers, but I do not. I have been honest with my electors and I thank them for my political survival throughout these many years.

At the outset of world war II two proclamations were issued. The first was a declaration of emergency signed by the then attorney general of Canada. The second came a few days later. It was a declaration of war signed by Mr. William Lyon Mackenzie King who explained to us in caucus that he wanted to sign it with his full name because his grandfather, who had been banished as a rebel during the last century, would have stood by His Majesty the King in 1939. From August 1939 to the capitulation of France the war was called a phony one. The War Measures Act of 1914 had not yet been repealed. It was still in force. But in June 1940 the National Resources Mobilization Act, 1940, was hastily passed and the Department of National War Services was established. In the meantime, there was the general election of 1940, which was easily won by the Liberal party. I wrote to Mr. Lapointe. I said:

> During the last election I said in each parish that under your government anyone would be free to enlist if he chose, but that no one would be forced to do so, whereas with Mr. Manion in power we would inevitably have compulsory military service.

This letter may be found in *Hansard* of June 18, 1940, at page 871. Nevertheless, due to the *affolement* caused by the fall of France, both human and material resources were mobilized for the defence of Canada. My party had been so bitter against Tory conscription that another word had to be used for the same meaning and the same purpose, and later on followed to the letter the precedents established by the Union government. There was a registration of all men of military age, and because the hon. member for Papineau (Mr. Houde), who was then mayor of Montreal, objected to it, he was sent to a concentration camp.

Believe it or not, Mr. Speaker, to prevent the imposition of conscription I offered to raise in my constituency a regiment in two weeks for the defence of Canada. I added that if each member did likewise we would have in a very short time an army of 245,000 for the defence of Canada. Mr. King rejected it. He repeated in the house what I had said in the caucus room. Here is what he said, according to *Hansard* of June 19, 1940, at page 922:

> An hon. member on this side of the house made the statement publicly this morning that he felt he could go into his constituency and, by making it known to his constituents that this measure had to do with the protection of Canada and our own Canadian soil, bring forward in a very short time men from the forests, from the fields and from the factories, all prepared immediately to join the Canadian forces to resist any possible invasion, and that he would be prepared to guarantee that that could be done in constituency after constituency throughout the country, once it was understood that

there was the necessity of defending our own Canadian shores. I pointed out to him that in doing that he might be making the greatest mistake possible with respect to the national interest; that, to win this war, we might wish to keep at work in the forests the men who are now working in the forests, to provide the timber which will be required for docks and wharves and required immediately; that the men who are working in the factories may be a thousand times more useful to the government of this country in giving their skilled labour to the manufacture of aircraft, munitions, or other weapons of war than they could possibly be in lining up and presenting themselves for military service; equally that on the farms, if we are to perform what will be expected of us, we shall need all the production that can be effectively and rapidly carried out on the farms of our country.

The day after, I asked him the following question—I quote from *Hansard* at page 969:

I want to make myself as clear as possible. I am speaking only of mobilization for home defence, and I want to know if a man not in the class that may be called for military service in connection with home defence may enlist just the same, without being obliged to agree to overseas service.

Mr. Mackenzie King: The answer is yes.

It should have been no. My position was made clear in a letter that I wrote to Mr. Lapointe and which is on *Hansard* of June 18, 1940. I quote from page 872:

If we say to the French Canadians that henceforth recruiting will be solely for the defence of Canada, in Canada, and if we remove all obstacles to voluntary enlistment, you will be surprised to see the number of French Canadians ready to enlist, provided that they are well equipped and well trained and that they be given competent commanding officers.

I have summarized the conversations I have had with a large number of good Canadians. Since then, I have had occasion to converse with English-speaking members who told me quite openly that war was too serious a matter to be considered from the point of view of sentiment, and that our policy should be guided by reason. They added that in their counties there is an awakening of Canadian sentiment for the organization on a solid basis of the defence of Canada against any aggressor. By a strange revulsion of feeling, it is on the solid basis of Canadianism that national unity will be established.

Yours very truly,

Jean Francois Pouliot

Mr. Gauthier: Very well.

The parliamentary leader of the opposition was Mr. R. B. Hanson, a former colleague of Bennett. He was a jingo and a megaphone of Arthur Meighen. He was insisting upon outright conscription, and the prime minister of the time did all he could to appease him.

The registration being completed, it was considered necessary to make the best use of it, and the iniquitous national war services regulations, 1940, were passed. They had been prepared in the heat of the summer, and in the absence of Mr. Lapointe, by a western judge and an industrious Quebec lawyer, who had to report to another Quebec cabinet minister who was holding five portfolios, exactly like Mussolini. These regulations were approved by P.C. 4185 on August 27, 1940. Here is the part of the regulations that I particularly objected to:

Seasonal employees.

Listen to this, Mr. Speaker:

14. (1) Each divisional registrar shall deliver to the board in his administrative division copies of all registration cards in his possession upon which it is stated that the men registered are engaged in farming, fishing, lumbering, trapping or other seasonal occupation.

Agriculture and lumbering and even transportation were considered as seasonal occupations.

(2) In the case of men engaged in farming, fishing, lumbering, trapping or other seasonal occupation, the board may make advancement orders or postponement orders as seems best in the public interest.

Under these regulations, special exemptions were provided for conscientious objectors, Mennonites and Doukhobors. One had to use a religious motive to be exempted, and no consideration was given to the essential and vital importance of farming and other essential war industries. I wrote in my local weekly some advice for the draftees, and I asked my secretary to ask the deputy minister of national war services what he thought of it. She saw her factotum. He was a major in the general's office, and he told her that my advice was all right except that there was no conscription. I should have used the right word "mobilization"—just sheer hypocrisy. In September of 1940 a five-man council composed of the deputy minister of agriculture and of representatives of the deputy minister of fisheries, mines and resources and transport, and also the wealthiest lumberman of British Columbia was appointed to explain the seasonal description of the essential war industries. Their report was sent by the then deputy minister of labour to the deputy minister of national war services on September 4, 1940, a week after the regulations were passed.

That manpower council made an effort of imagination to report that each of the essential war industries was primary only during the peak of employment, and was of secondary importance during the rest of the year. I shall mention two, namely agriculture and lumbering. I shall send to the Minister of Labour (Mr. Gregg) the French copy of the instructions that were sent to the registrars of the various boards. He may check the résumé I have made of that piece of nonsense. Those fine brains, those bureaucrats for the time, established a distinction between the primary and secondary periods of essential industry.

For instance, in the three maritime provinces agriculture was considered a primary industry. It was so declared in Prince Edward Island from May to November, a period of seven months; in Nova Scotia there was mixed farming during July and August, a period of two months. In New Brunswick it ran from May 1 to June 15, or a month and a half, and from July 1 to October 15, three and a half months, making a total of five months in all, with a lull of two weeks.

Butter and cheese production was considered a secondary industry. In Prince Edward Island and Nova Scotia it ran from June to September, a period of four months, an in New Brunswick from June to August, a period of three months.

The canning of fruits and vegetables took place in Prince Edward Island in December and January, a period of two months—and I have never heard of fruit and vegetables being canned in those winter months. In Nova Scotia it ran from September to December, a period of four months. In New Brunswick there was no canning of fruits and vegetables, but they were making biscuits, and there was catering and cocoa. For a period of two months, namely September and October, there was salting, as there was also for a further two months in October and November.

Turning to the miscellaneous items, we find fecula and glucose for the two months of October and November. In Nova Scotia, pop and mineral water for the two months of July and August. I do not know if any farmer makes pop. Then, in New Brunswick we find chemical products and fertilizers for the one month of May. It seems that they make fertilizers in one month. I thought they were getting it all the year round.

Turning to Ontario and Quebec, we find that agriculture was considered a primary industry. In Ontario it was so considered, as a rule, for the two months of July and August, but "this year"—that is, 1940, it ran from July 1 to September 15, or a period of two and a half months, during which time agriculture was considered essential and a primary industry. However, there were exceptions. In district A—and no one knows what that is—the period ran for four and a half months, from June 15 to October 31.

Then, in the south portion of Quebec—

Mr. Harris (Danforth): On a point of order, surely the hon. member is not reading his speech, is he?

Mr. Pouliot: I will tell the hon. member, one of the two members who are senior to me, that I do it so as to be just as brief as possible. If I had not written these things, and made reference to them in this way, I would be speaking for days and days about conscription—and would surprise him very much. I want to be accurate. I have sent a copy of the report to the minister so that he may check to see just how absurd it was. Naturally I do my best to satisfy the legitimate curiosity of the house.

The report shows that agriculture was considered a primary industry in the south portion of Quebec for a period of four months, from May to August; in the northern part, where it is colder, it ran from June to September—one month later in each case.

Turning to a secondary industry, butter and cheese production was so considered in Ontario for the four months from June to September, and in Quebec for the six months from May to October. Other dairy products in Ontario and Quebec were recorded for the three months from June to August. The information concerning condensed milk gives, for Ontario, the three months from June to August. The canning of fruits and vegetables is given as the four months from July to October in Ontario and the three months from July to September in Quebec. For tobacco curing and packing, it runs for the three months from December to February in Ontario, and the three months from January to March in Quebec; for pop and mineral water, the two months of July and August in Ontario, and the three months from June to August in Quebec.

Whoever heard of that?

Then, miscellaneous, leather articles and mitts, Quebec only, the four months from July to October; sugar refining, Ontario only, October and November; and wine, Ontario only, for the month of October.

I now come to the prairie provinces—and this will interest the mover and seconder of the subamendment respecting conscription.

Agriculture is given as a primary industry in Manitoba, the northern part, from August 15 to September 12, or a period of less than one month. In the southern portion it is given as only the month of August. In the southern part of Saskatchewan it runs for the one month of August, and in the northern portion of that province, the one month of September. The farther one goes to the north, the later, naturally, is the season.

The season in Alberta—here it is—is given as the two months of April and May, following which there is a lull for the two months of June and July, followed by the inclusion of the two months of September and October, making a total of four months in all. There is nothing to do between May and September. I wonder what my hon. friends think of that?

This was drawn up and sent to the registrar so that he could draft the people accordingly, and was done for the purpose of putting in the minds of those people that agriculture was not a necessity and was not an essential industry. How could they defend that?

Mr. Low: It is obviously ridiculous, is it not?

Mr. Pouliot: But we are about to do the same thing—and that is what I do not want. I want them to listen to me, and they will learn a lot.

Mr. Wylie: You might think so, but we don't.

Mr. Low: Which government was in power in Quebec?

Mr. Pouliot: It was the Liberal party and a Liberal government. But all my friends from the west were strong for conscription right at the very start, when we were fighting the cause of labour and the farmers. I am not attacking anyone; I am just telling the truth. Who of that party ever supported me when I was fighting the cause of the farmers? No one did.

Mr. Wylie: People from the west remember; don't be silly about it.

Mr. Pouliot: It may hurt my hon. friend.

Mr. Wylie: It doesn't hurt.

Mr. Pouliot: If it doesn't hurt, shut up.

Then, as a secondary industry, butter and cheese, for the province of Manitoba—

Mr. Wylie: It does hurt you.

Mr. Coldwell: Mr. Speaker—

Mr. Speaker: It is obvious there have been too many interruptions.

Mr. Pouliot: The report shows that, in connection with secondary industry, concerning dairy products other than butter and cheese, only the months of June to August are set out for Alberta. For butter and cheese, the report shows for Manitoba, May to September; Saskatchewan, June to September; and Alberta, May to October. For the canning of fruits and vegetables—and this is a secondary industry, of course—it shows: Manitoba, July and August; Alberta, July and August and no record for Saskatchewan. For pop and mineral waters, it is from June to August in Manitoba, the month of July in Saskatchewan and from June to August in Alberta.

Turning to primary industry in British Columbia we find a record for April and May, with a lull of two months, followed by September and October.

Let us consider the forest industry. I am sorry I cannot mention what is said about secondary industry, but saw mills, the manufacture of wooden boxes and cooperage were considered to be secondary. In New Brunswick the forest industry was a primary industry from November to May, seven months.

Mr. Hatfield: All the year round.

Mr. Pouliot: I know that. I am getting my information from the remarks of hon. members.

Mr. Speaker: I must remind hon. members that their remarks must be directed to Mr. Speaker. Hon. members should not converse across the floor of the chamber.

Mr. Pouliot: Mr. Speaker, when I get approval from any one of my colleagues I cannot do otherwise than beam with joy.

Mr. Knowles: Beam at the Speaker.

Mr. Pouliot: Ontario and Quebec, forest industry: Ontario, December to March, four months; Quebec, November to March, five months. Saw mills: Ontario, May to September and Quebec, May to July; Ontario five months, and Quebec three months. Pulpwood and paper: Quebec, July to October, four months. Imagine what would happen if the pulpwood mills were working for only four months. Wooden boxes: Quebec, May to September, five months. Roofing paper and board: Quebec, May to October, six months. Shipbuilding: Ontario, May to July, three months. Iceboxes: Ontario, April to June.

Here are details of the forest industry in the prairie provinces. Primary industry: Manitoba, December to April; Saskatchewan, the same thing; Alberta, the same thing. Secondary industry—saw mills: Manitoba, June and July. No saw mills in Saskatchewan and Alberta apparently. Primary industry in British Columbia—

An hon. Member: You are wrong there.

Mr. Pouliot: I am simply stating what has been decided upon by these bureaucrats. A lot of my hon. friends support me and agree with me when I say it is wrong. Primary industry in British Columbia, April to June and September to December. There is a lull in July and August. Secondary industry—shipbuilding: March to July. That is all.

The report of that irresponsible and silly brain trust was mimeographed and forwarded by the deputy minister of war services to the registrars and members of the mobilization boards, as a directive to be used by them, to be used as their *vade mecum*. As a cure for unemployment everyone of military age was called for military training. No industry was recognized as being essential for the prosecution of the war. It was considered to be the duty of all young men to be in

the army. All those who did not sign for overseas service were disdainfully branded as zombies. A great many were taken away from the farms. A farmer who did not enlist was not considered to be a good citizen. The first chairman of the Quebec board was such a fanatic and lunatic that I succeeded in having him replaced. His practice was to decide that farm hands who were working part-time in the forest were not real farmers and were not engaged in an essential industry.

The thirty days training period was decided by P.C. 4904 of September 17, 1940. It was extended to four months, or for such other period as the Minister of National Defence may from time to time prescribe, by order in council of March 18, 1941. The training was extended for the duration of the war by a stroke of the pen of the Minister of National Defence. Army Order No. 132 of July 2, 1941, was printed but was not published in the *Canada Gazette*. It was not made public until I asked for it four and a half months later in this house in the middle of November, and I refer hon. members to page 4359 of *Hansard* of November 13, 1941. Each one of the joint defence ministers had the same responsibility for it. I used the name of Mr. Lapointe and did my best to unfasten all the wrong that had been screwed in by the three defence ministers and their wooden-headed brass hats. I pointed out to them that the industries that I have mentioned were essential but they were too hard-hearted to strike out the word "seasonal." I succeeded in getting an amendment through on June 6, 1941, nearly a year after it was decided that they were seasonal and essential. That was a victory.

Now we come to the plebiscite, which read:

> Are you in favour of releasing the government from any obligation arising out of any commitments restricting the methods of raising men for military service?

The affirmative vote was 64.2 per cent, but the vote in Quebec was 72.5 against. Senator Dandurand told me that the question was drafted to be as obscure as possible so that nobody would understand what he was voting for. They wanted to save the face of the Liberal party with the people of Canada. I pay a tribute to my colleagues in the Liberal party who decided to vote against the government on the issue of conscription. Some hon. gentlemen joined the Bloc Populaire, others went with the Independent group, but two hon. members and myself went to the last row of seats in the chamber to indicate that we were still remaining Liberal and were keeping alive the traditions of the party. We had nothing to do with the other groups. It was pretty hard to do that. I notified Mr. King before I did it and he seemed surprised. However, it was my duty to do it.

If members of the Liberal party have been re-elected they must thank the members who were against conscription during the last war. If we had not taken that stand the Liberal party would have been finished and the Tories would have come in after changing their policy to catch the vote of the people.

An hon. Member: Too bad they were not.

Mr. Pouliot: I was here for twenty-six years before the hon. member was born and I shall be here long after he has been defeated by the people at the polls. Then there was the registration of women. We had to follow everything that England was doing. In England they had a registration of women and in this country all the women had to be WAACS. The registration of women in the age group 20 to 24 years inclusive took place from September 14 to September 19, 1942, for the purpose of establishing an inventory of manpower. If hon. members would like to have more details I refer them to page 361 of *Hansard* of March 28, 1946.

At the time I wanted to defeat Laflèche who was running in Montreal. Everything was organized and some day I will tell the story to the house.

Mr. Drew: Tell us today.

Mr. Pouliot: I have not the time. You would not let me proceed. You would be calling "Forty minutes! time!" However, I promise the hon. member that I will tell him the story some day. Mr. Cardin was ready to support us if there was unanimity, but there was no unanimity because one of the members wanted to be a parliamentary assistant. Another hon. member, who now holds a high office outside of this house, told me he had ambitions similar to those of Stalin. He said, "Don't you think I would be a good secretary of a soviet?" We were not a soviet and we did not need a secretary so he was not appointed. I went to support one of the Independent candidates in Charlevoix-Saguenay.

An hon. Member: That was wrong.

Mr. Pouliot: What is the matter? I went there to prevent the conscription of women. There was no government nominee. There were four or five independents. I went there and explained the matter to the people. The previous ministerial majority of 9,000 was changed to a majority of 3,400 for the man whom I was supporting. The day after the election a friend of mine, an old pillar of the Liberal party, was in Murray Bay. He said: I voted for the Independent candidate supported by Pouliot. It was a good thing

that he came. No other member of parliament came to the county during that election. We were waiting for word about what to do. Thanks to Pouliot we had that word, we elected our man so that there would be no conscription of women, and there was none.

I could say many other things, but you may ask me what is my conclusion. My conclusion is that I was amazed when I heard about the appointment of a manpower council consisting of labour leaders, beautiful women, businessmen, members of the civil service and Rhys Sale. If members have time to look at *Votes and Proceedings* for yesterday they will see that I have given notice of two questions I intend to ask about these people. The first question is:

Referring to the members of the newly established national advisory council on manpower,

1. What is the civilian background and the overseas military record and experience of each one?
2. What was the occupation of each one during world war II?
3. What was their occupation and their residence at the time of their appointment to the said council?
4. Is that membership a full-time job?
5. Where and when do the meetings of the said council take place?
6. What remuneration is paid to the members of the said council?

Here is the second question.

1. Are any of the members of the national advisory council on manpower connected with any firm or company which was awarded government contracts directly or through subsidiary companies?
2. If so, who are they?

Having said that, I come to what Rhys Sale has said before certain social service clubs in an effort to strike the government below the belt. In *Time* magazine for January 29 he said in part:

We have the wherewithal for a defence effort ten times greater than the puny program now in effect.

How many contracts does the Ford Motor Company and its subsidiaries have? I find it shameful that some men of importance in the business world should try to defend conscription, the killing of people, not the defence of the country, for the benefit of their companies. If we have to have conscription we must have the conscription of everything. We must have conscription of wealth. The wealthy should pay for the armament program to the greatest extent that it is possible to get money from them. I abhor these people who think of war only in terms of the prospects of making money.

My conclusion is twofold. I sincerely suggest to the government the immediate abolition of the manpower council none of whose members are responsible to the people. Second, I recommend the appointment of a parliamentary committee—it is more important than Canada day—of responsible members of the House of Commons to study the Canadian manpower problem in its entirety with due consideration of the usefulness of all Canadian citizens in each of the essential war industries. The senators are too old to serve on such a committee. I have also come to one conclusion with respect to the labour leaders who are members of the advisory council on manpower. They may be nice fellows. I know one or two of them, but let me tell you what happened during the last war when I addressed a question to the then minister of labour who was in charge of mobilization after the national war services department was abolished. Some members who were here then must remember that I asked him what the duty was of each Canadian citizen and that he answered that the duty of each Canadian citizen was to come to the colours and enlist in the army. I said: No sir, you are mistaken. What would the soldier do without the assistance of the farmer, the railwayman, the miner, those who make arms and munitions, those who are engaged in the leather industry, the transport industry, and all other industries? It is a most difficult problem.

Then he tabled letters from Mr. Coleman and Mr. Vaughan, respectively presidents of the C.P.R. and the C.N.R., that were exactly to the same effect as the speeches I had made and the articles I had written. Some time later one high leader of labour organizations came to Riviere du Loup to distribute medals to veteran employees. I said to him: "Sir, you did not thank me for what I have done. I did not expect your thanks but you could have told me that you appreciated the fact that in parliament I have done your job, the job that you have always been reluctant to do." He said to me: "You know, I had an uncle who was a judge of the supreme court of the United States, and I left my family to join the labour ranks." I said: "That is all right but the reason that you do not approve of the fact that I have defended your own men, those who pay to be members of your union, is not because I do not wear overalls; it is because I am not a member of your own union, and you should be ashamed of yourself." The conversation ended there.

Is there anyone in Canada who knows the needs of the Canadian people better than members of parliament? I disagree with other members at times. I tell them what I think and they tell me what they think. Then we meet, shake hands and everything is ironed out. Is there anyone in Canada who has the

knowledge and wisdom of all members of parliament as a body so far as the discussion of such a vital issue as manpower is concerned? I bring the matter to the attention of the government. I have been very careful in my remarks. I have named very few people but I will name many if the thing continues in the future as it has been going on in the past. It is time to stop making a political football of conscription. We are all ready to defend Canada. We are all ready to support the army but that does not mean that we have to listen to the predictions of the Legion.

Mr. G. R. Pearkes (Nanaimo): Mr. Speaker, in common with the previous speaker I wish to discuss this question of manpower. I cannot promise the house as interesting or as amusing a forty minutes as those to which they have just been treated, because I have not the parliamentary experience nor the natural wit of the member who has just resumed his seat. It will be recalled that on February 1 the leader of the opposition (Mr. Drew) moved an amendment to the address in reply to the speech from the throne which, in part, contains these words:

> We regret that Your Excellency's advisers have failed
>
> (1) to give this nation leadership in the face of the present grave danger; and
>
> (2) to bring into being forces necessary to enable Canada to defend itself and discharge its international obligations;

The remaining words of the amendment do not refer directly to this question of manpower. I should like to remind hon. members that that amendment was introduced after the leader of the opposition had asked the Prime Minister (Mr. St. Laurent) if he would adjourn this debate in order that the Minister of National Defence (Mr. Claxton), and the Secretary of State for External Affairs (Mr. Pearson), might make statements. That request was denied. This amendment, therefore, was introduced before the government program had been clearly defined in detail, as it was subsequently, by the Minister of National Defence. I do not know that there would have been any change in the wording of that amendment, even though we had heard the speech delivered by the Minister of National Defence.

I feel, and I think evidence has been produced during this debate to indicate, that there has been a lack of leadership on the part of the government in being able to sell to the people of Canada the gravity of the situation today. Members from various parts of the country have pointed out that the units of the reserve army are in a deplorable condition, in so far as the number of recruits for those units is concerned. There have been press accounts from one side of Canada to the other showing quite clearly that practically all units of the reserve army are under strength. The reserve army is recruited voluntarily, mainly from amongst the young men of this country. I have faith in young Canada, and I have been associated with young Canada for a good many years. I cannot help believing that had this issue been put up fairly and clearly to young Canada, there would have been a better response to the appeals which have been made for recruits for the reserve army, the reserve division of the navy, and the auxiliary air force.

Turning to the second part of the amendment, namely our regret that the government had failed to bring into being forces which were ready to meet an emergency, one cannot help but recall the feverish activity which was necessary last fall in order to raise the special force which was then to go to Korea or elsewhere. When the Minister of National Defence spoke, he outlined a program which is designed to bring into being large forces in all services. That very speech, that very program, surely is evidence to show that there is justification for our regret that the government has failed in the past to bring in forces which would be adequate to meet the situation. I frankly admit that the situation has deteriorated rapidly, but there is somewhat of the appearance of a deathbed repentance on the part of the government now when, at the eleventh hour, it seeks to raise far more substantial forces to be ready and in being to meet the obligations that Canada has accepted, and to be prepared for the defence of our own country.

You will recall the program which has been outlined: 100 vessels or thereabouts for the Royal Canadian Navy; 40 squadrons for the Royal Canadian Air Force; and somewhere about a division for the army. According to the figures given by the minister the active component of these three services would total approximately 115,000 men. It must be recalled that for a number of years the members on this side of the house have been urging the government to take a more realistic view of the situation, and not to adhere too slavishly to worn-out methods of raising forces, to realize that in modern warfare there may not be the time to equip, train and recruit forces after the outbreak of war, while some other country has its regular force holding back the enemy.

I recall how, during the special session of last fall, the leader of this party stressed the necessity of having forces in being. Every hon. member in this house was impressed by the statements which were made last week by the member for Quebec South (Mr. Power),

who spoke from the depth of his vast experience as the minister of national defence for air during the last war. He stressed the importance of the air arm, not only for the defence of Canada but for Canada's obligations wherever they might be. I cannot help reminding the house that it was not very long ago that I said very much the same thing. I said that the air arm was the essential arm for the defence of Canada. With its speed and range it is the only service that can eliminate distance, and Canada is a country of vast distances. I even went so far as to suggest that for every dollar spent on one of the other services, three dollars should be spent on the air services. I was laughed at. Before the end of these three years I think you will admit that we are coming much closer to that mark than I ever thought this government would. It is not surprising to see that the R.C.A.F. is to be increased by two and a half times its present strength. The government has laid down this program. I believe that the remarks contained in the amendment are justified and that one's criticism of the program would be in the main: You are starting too late. In other respects that program places emphasis on the air arm; it emphasizes the importance of having forces in being. The government has made clear how it intends to raise the men to man those formations and to man the equipment. I think the Prime Minister (Mr. St. Laurent) was quite clear when, speaking in the house on February 1 as reported at page 28 of *Hansard*, he said:

> So far there has been brought to my attention nothing that would indicate that the institution of national selective service at this time would be beneficial. On the contrary, the information we have obtained is that it would hamper what is being done at this moment. Now, that does not mean that the situation cannot change, and it does not mean that if and when it does change there will not be changes in the manner in which our resources will be contributed to this pool of international strength.

That surely means that at the present time the government has decided to raise those forces by voluntary enlistment but that if the international situation deteriorates, or if this attempt to raise the forces by voluntary enlistment fails, then the government will be prepared to consider other means. Nothing that I can say in this house or out in the country, nothing that any member who is a supporter of the government can say, nor anything that any other member of this house can say, can change that point of view of the government. I for one believe that these men are needed. If I made statements in this house and if I went about the country and made statements, now that the government has announced how it intends to raise the men this country needs, I believe I could discourage young men from volunteering to go into the active forces and that I could do something towards sabotaging this country's efforts. But I have never been a saboteur or a traitor and I will do nothing of the sort.

That being the case, I think it is up to all hon. members of this house to try to further this country's effort to raise men by the only means that is possible for this country at the present time, because of the government's decision, namely by voluntary enlistment. In my humble capacity I shall do what I can in that respect to help the services obtain the men that I am convinced they now need. I believe that the situation is grave and I believe it is imperative that at the earliest possible opportunity we have in the forces adequate men to meet, within the next few months, a situation that might arise.

A subamendment has been moved to the amendment that was introduced by the leader of this party. That subamendment would add these words:

> That the amendment be amended by adding thereto the following as clause 4:
>
> 4. To ensure that a complete program of preparedness including compulsory training in the reserve forces for home defence be executed with the greatest possible degree of equality of sacrifice and service.

I want to stress once more the point that conscription for the active army is not a matter which is under consideration at this time. This is suggesting a form of compulsory training in the reserve forces. I must review the value of that suggestion in the light of the program which has now been announced by the government. This subamendment was introduced after the government's program had been made known. I must therefore ask myself this question: Will having universal compulsory military training for the reserve army, navy and air force help or hinder the government's program to raise 115,000 men for the forces in being? I cannot help but come to the conclusion that if the emphasis is to be placed on getting recruits by compulsory means into the reserve forces, then there will have to be a reduction in the effort which is being made to raise and maintain the forces in being. One does not need to go into great detail. It is obvious that if you bring into the reserve forces hundreds of thousands of young men—it would not be hundreds or thousands; it would be hundreds of thousands if you were going to introduce compulsory universal service in the reserve army—you could not begin to train those men without drawing heavily upon the forces which are now the active components of the various services. This would mean retarding the preparations of those active components to get ready for a task that they

may have to do in a short time. One would have to pull out instructors from the special Korean brigade and from the special airborne brigade, to deal only with the army. You would have to take instructors from the R.C.A.F., and at the present time the active components of the R.C.A.F. have not sufficient men to carry out the numerous duties that they have to do. It would be detrimental in any way to interfere with their program of preparation where they have to expand themselves two and a half times the size they are now in order that they may be ready within the next three years to man the great part of the forty squadrons of the R.C.A.F.

Then comes the question of equipment. I do not believe that the program of replacement of uniforms and boots, for instance, and clothing generally, that has been carried out over the past three or four years has enabled the government to make any sizeable stockpiles of that equipment. I have no doubt that the various services have a reasonable reserve of that equipment, reasonable enough to meet the expansion that they foresee now, but I very much doubt—I have no information on the matter—whether there are reserves which would be able to take care of hundreds of thousands of young Canadians who are called in to the reserve army.

Then, as was pointed out by the hon. member for Cape Breton South (Mr. Gillis), the question of accommodation in itself would make it almost impossible at the present time to train adequately large numbers in the reserve forces. It would therefore be necessary to divert from other defence projects essential building materials in order to provide the accommodation, the drill halls, and so forth for these men who will be called up. Therefore I am forced to the conclusion that, if we adopt this subamendment, instead of helping the country to procure the men that I believe are so essential to have in the active components it would retard the effort that is now being made.

It has been mentioned during the course of the debate that the suggestion was based upon the recommendations of the Canadian Legion. I am a member of the Canadian Legion, and have been from the day that it was formed. I have spoken to branches of the Canadian Legion in my constituency. I have congratulated them upon focusing public attention upon the urgent needs for improving our defence forces. I think it is a splendid effort that the Legion has made by sending from one coast to another notices of its "Operation preparedness" and of holding meetings of its members, communicating with members of parliament, and in some instances of holding public meetings in order to focus attention upon the needs of this country to increase the state of defence.

Remember also that this Legion brief, this "Operation preparedness", was drawn up and issued and the majority of these meetings were held before the government had announced its program for defence. I do not know what the Legion would say now; I have had no communication with them; but I think the Legion would expect that the government is going to implement many of its recommendations.

The first of these recommendations is that there should be what the Legion describes as national registration. It says:

> Nothing can be done to organize efficiently the resources and manpower of this country until a complete national registration has been carried out and proper assessment made of the information gained.
>
> In view of the time necessary to conduct such a large-scale project and to interpret the results, it is vitally necessary that this be started immediately.

Everybody will agree with that. I know I can subscribe to that, and I have said that I subscribe to it in every detail. I believe it is necessary that the government carry out a review of its manpower resources. I should like to see that review of a very thorough nature. I do not think that there is any time to be lost. In my opinion that review should canvass the whole country to decide where national registration boards can be set up and who are the people to be on them; to draw up some uniform questionnaire which these boards would ask of young men. I should like to see it go even further than that. Some form of preliminary medical examination should be held so that if it became necessary for the government to change its form of finding its personnel for its force it would have all that material. As far as medical examinations are concerned, although a second one would have to be carried out, it could be done far more expeditiously than if no preliminary survey had been made.

I cannot help thinking that the Canadian Legion, the country as a whole, and this parliament, will expect this manpower committee, which the government has set up, at least to explore and see how far it could go in making that review of the manpower of our country. The very fact that the deputy minister of national defence has been named as a member of that committee indicates at least that the government does intend to show how the armed forces requirements will fit into that over-all picture. I feel very keenly that this parliament will hold the government responsible for seeing that that committee does a thorough job.

The next recommendation of the Canadian Legion deals with the mobilization of industrial resources for defence production. Here again it says:

> If this situation is allowed to continue, it can have only one ultimate result—our hastily mobilized forces will not only be poorly trained but will be tragically lacking in equipment when faced with an enemy thoroughly prepared for war, and Canadian lives will be needlessly sacrificed on the altar of procrastination.

We have heard already during this session of parliament of the setting up of a new department of defence production. The people of this country will hold the government responsible for seeing that that department does a thorough job. And if it does a thorough job, then this second requisite of the Canadian Legion will be complied with.

The third is that of compulsory training in the reserve forces. I do not go with the Legion as far as that, and I do not believe the Legion branches would have subscribed wholeheartedly to that program if they had been asked to submit this after hearing the government's program for raising the forces that are considered necessary to be in being.

As I have already said, if we adopted this compulsory service in the reserve forces—and as the Legion frankly admits—there would be many difficulties in the way. It may be argued—and I do not think any member on this side of the house would have the right to argue it—that it would be necessary for the government to provide the extra money to carry out this program, that it would go ahead with its present program utilizing the $5 billion in the next three years, and that it would go to the country and ask for, shall we say, an extra $2 billion—I do not think that figure would be excessive—in order to enable the putting into effect of the Legion's recommendations. But if such a suggestion were made the amendment would have been ruled out of order.

I have said that I do not think it is advisable to have compulsory universal training in the reserve army within the amount of money to be provided by the government. I repeat, I feel that it would deter and distract attention from what I believe is the main effort that Canadians should be making in this situation, namely to create forces in being ready at a short time to meet a rapidly deteriorating world situation.

But even if the government did feel that it was prepared to advance large additional sums of money, by making available such large sums to take care of this compulsory training in the reserve forces, I doubt very much whether that would be the right way to expend the additional funds.

[Mr. Pearkes.]

I believe quite possibly more money might or should be made available; but I question very much whether the soundest way would be to expend it on compulsory training in the reserve forces. I fear that if we brought into the reserve forces hundreds of thousands of young men who would be given, shall we say, thirty, forty or even fifty days training a year, this country would be lulled into a false sense of security, believing that they had hundreds of thousands of young men thoroughly trained and ready to take the field at a moment's notice.

No other country I know of attaches such importance to having compulsory training in its second line or reserve forces. There is no compulsory training in the national guard of the United States, which may be considered as comparable with our reserve army. One may say that in the territorial army there is; but then in the territorial army of Great Britain only men who have served in active components of the regular force are required to continue their service in the reserve—and that is an entirely different outlook from that of placing raw recruits into reserve formations and then trying to kid the people that you have a really efficient defence force.

I would like to pay a very humble tribute to the officers and men of the reserve forces. I have been connected with them for I suppose thirty years in one capacity or another, and I know of the immense effort and the immense patriotic sacrifice made voluntarily by those men to prepare themselves for war. The strength of the reserve force is that it is a voluntary force, and that they are prepared to give so much more than what is actually demanded of them.

Now then, if you begin to force men to go into this reserve force you will kill that spirit—because the men who are forced into these units will do only what is actually required of them by law. And how you are going to enforce that law, I have not the slightest idea.

Therefore I feel, looking at the situation across the country as I know it, that it would be really impracticable to have this compulsory training in the reserve army. And even if the money were available I would not recommend that it be spent in that way.

Finally I may have to sound something of an almost personal note. I see that in this subamendment there is the recommendation for conscription or compulsory universal training in the reserve army for home defence. As one who a few years ago suffered the agonies of trying to persuade soldiers who had been called up for home defence to volunteer to go and fight alongside

those men who were fighting farther afield for Canadian homes, I never want to saddle anybody else with that same problem.

So, Mr. Speaker, while I heartily support every effort that should be made toward total preparedness, I cannot support this subamendment, because I feel that it will distract attention from the main object we have before us at the present time, the utmost importance of producing men at the earliest possible time.

I have spoken in the house about the need for the defence of Canada. I think that to a certain extent Canada is vulnerable today. I think the extent to which it is vulnerable is greater than the danger of merely a small diversionary raid which could be eliminated by a few men. I do not believe that Canada is going to be a main theatre of war in the foreseeable future, nor do I believe that the greatest effort to prevent a third world war can be made here in Canada. It will be necessary, as has been announced by the government, to fight Canada's battles and protect Canada's homes as far away from Canadian homes as it is practical to do so.

The crucial theatre of war today is western Europe. If we adopt this idea of building up large reserve forces by compulsory enlistment I think we shall have to divert some of the equipment which the minister announced only a few days ago was being sent, an announcement which was applauded by hon. members on all sides of the house. That equipment is being sent to help our comrades in arms of other groups in the United Nations to defend their homes and our homes. I do not believe it would be in the best interests of the United Nations or in the best interests of Canada to divert equipment at this stage from European nations in order to use it for reserve forces here in Canada.

For the reasons I have given I cannot support the subamendment as moved last night.

Mr. Irvin Studer (Maple Creek): Mr. Speaker, this is my first opportunity this session to address you as Mr. Speaker. I appreciate that privilege because today we are living in a world in which democratic boundaries are becoming narrower and narrower as time goes on. I deeply appreciate the permission that has been granted us to express our opinions in this house. I hope it is taken for granted by the mover (Mr. McMillan) and the seconder (Mr. Breton) of the address that we also extend our congratulations to them. We also congratulate those who have been elevated and accepted recently in the higher sphere of government in this House of Commons.

To those who mourn at this time, especially those from our province, we should like to extend our sympathies and consolation and the hope that they will find consolation in loving memories and the kind solicitude of their many friends. I have just had the privilege of listening to what I consider one of the best patriotic speeches we have heard in this House of Commons during this session. We appreciate that, as does everyone in the Dominion of Canada at the present moment.

Last year hon. members were kind enough to listen to a discussion by me of my constituency of Maple Creek. I should like to extend that a little this year. I have the largest settled constituency in the Dominion of Canada which also has the record of being the driest constituency in the country. The problems that we face are chronic. I would like to say a few words in connection with conditions there.

We have the largest number of polling places, 272, of any rural constituency in the Dominion of Canada. As I say, our conditions are critical because of a lack of moisture and therefore it must be taken for granted that my constituency is not too prosperous. But with the assistance of the government and the policies that have been brought about from time to time we are making progress in Maple Creek. However, the purchasing power of the people remains at a low ebb because where there is no production, there is no value. Yet the cost of production must be met.

We hear references to the cost of living among the labouring and other classes, but the condition there is static. There is no comparison between that situation and the situation faced by farmers in areas such as mine who are receiving no compensation for their year's work and yet they must contend with overhead in connection with the operation of their farms. One can imagine what the situation is like when it is continued over a period of years. These people must get along on crop failure payments which were set in 1939. We hope to rectify that situation. We would like the government to give consideration to the situation that actually exists in that part of the country and when we take care of difficulties which arise in other areas we should bring these people along until such time as we can carry our fair share of the burdens of the economy of this country, which we hope will be soon.

We heard of the tragedies that occurred at Cabano, Rimouski and in the Red river valley. Those were terrible tragedies, but there is no tragedy that compares with that faced by a farmer who farms for thirty

years and then has nothing to show for his labours. We should continue with all haste to rehabilitate these people and make it possible for them to take their places in life along with the rest of us. The first essential in rehabilitation is take out of production lands that are of no value and return them to their native grass. It is the responsibility of the province to declare lands to be submarginal. I call upon the province of Saskatchewan, which to my knowledge has not all through the years declared one single acre in that entire area to be submarginal, to determine what lands shall be considered submarginal so that we can proceed with the necessary rehabilitation.

I told the house last year that we had in Maple Creek some of the best things in the whole Dominion of Canada. This year I am glad to be able to say to the house that we have some of the best things in the whole world. This past fall, despite severe drought, grasshoppers, dust and many of the other things that we must face in that part of the country, R. P. Robbins, a farmer in my constituency, won the world wheat championship. That is a particularly high honour to win considering the conditions under which the wheat was grown. It is an honour which was particularly due to that individual. He is one of those real men who come from the mother country of England. He came to this country about thirty years ago possessed of that bulldog tenacity that people from Great Britain seem to have. He held on in spite of the greatest difficulties. In that area there were seven consecutive crop failures in the last ten years and yet he produced world championship wheat. I think that is a record in itself for an individual to keep trying that long on 160 acres of land, which is equivalent to about 10 acres in this part of the country. He has been trying to make a living and make a contribution to the dominion in which he lives so that as a result of his work and his labours those who follow after him will benefit as a result of his having been there. Having lived under such conditions with just the bare necessities of life, trying to carve out a home, having worked for many years, he does not receive sufficient from the world's championship wheat prize to make it even worth while to ship the prize wheat to Chicago. There is no concerted effort in the Dominion of Canada to recognize that the world's wheat championship is of any value to the economy of Canada, and I think it is.

We have the record in Canada of growing the world's best wheat, and whenever the championship goes out of the dominion I think a part of the record goes with it. In spite of that, only incidental recognition has been given to any of these men. I call upon the people who are interested in the money that has accrued to the economy of Canada from the production of wheat to take into consideration that perhaps something should be done, if not for him—and I hope it will be —for all others who will follow, in order to provide an incentive so that the quality of our wheat may be improved, or at least maintained, and thus assist the general economy of the country. Therefore I ask the farm organizations, the grain handling concerns, the wheat pools, the provincial governments and the Dominion of Canada to give consideration to establishing a prize of $5,000 that any man in Canada can win. It would not be even the tiniest speck in the economy of our country compared with the value of winning the championship.

Something should be done to recognize the value of wheat to this country. These men do not only win championships. They spend their lives in trying to produce better wheat. Therefore I think the least the Dominion of Canada can do is to recognize the fact that some people are working in its interests, silently and alone, and are producing results although subject to the greatest possible discouragement. I want to place before the house the record of the people of the constituency of Maple Creek to indicate what they have been trying to do. I want to place before the people of Canada the results of the efforts that have been made there.

I think there has been some discussion in the house, so far as wheat is concerned, with respect to the four-year British wheat agreement. We have heard the matter raised and discussed from day to day. I believe the impression that has been left in the House of Commons and throughout the dominion is that about the year 1946 a contract was signed between the government of Canada and the people of Canada. I believe that is the impression throughout the country at the present time, but the fact is that a contract was signed beween the government of Great Britain and the wheat growers of western Canada represented by the government of Canada. Under the contract Great Britain agreed to pay a certain price for Canadian wheat over a period of years. At the end of that term of years, if the price that had been paid was not approximately equal to the world price during the same period, under the contract the British government would give consideration to what is termed the "have regard to" clause, and would make up the difference between the price it had paid and the world price.

That was not an agreement between the people of Canada generally and the wheat growers of Canada in particular. It was an agreement between Great Britain and the wheat growers of this country. I believe more emphasis should be placed on the honouring of a contract between two countries. If there is any honour left between nations—and we see too much of dishonour among nations of the world—I think the contract should be fulfilled by the peopl who signed it. If members of the House of Commons were in agreement with the British wheat contract, then every agreeing member of the House of Commons signed. Therefore I think they should not try to compel the people of Canada as a whole to pay the additional sum required under the wheat agreement. I think it is their duty to endeavour to obtain payment from the place where primarily it was supposed to have been paid. If that is the situation I think we should do something about it.

Some people estimate that the loss has been 50 cents a bushel, but I have not heard one member say what the world price of class II wheat would have been if the 600 million bushels of grain sold under the British contract had been placed on the open market, and we had had the same experience with the open market that western Canada has had in the past. I venture to say that the world price of class II wheat would not have been such as to involve the loss to western Canada mentioned by some hon. members.

What would the price have been? If we go back to former years before there was a wheat board or a wheat pool, we will have an indication of what the situation was so far as the open market was concerned, as pointed out yesterday by the hon. member for Moose Mountain (Mr. Smith). I maintain that our system of marketing wheat under control, under the wheat pool, is the only system that is satisfactory to the farmers because it means orderly marketing, and that is what the farmers want. They want orderly marketing so that millions of bushels of wheat will not be dumped on the market in the fall, depress the price, and after it has disappeared have the price go up the following spring.

That was the argument of the farmers of western Canada against the open market system which allowed only those with sufficient money to speculate on the open market to make money that should have accrued to the farmers of western Canada. To those who would be the saviours of the western Canadian farmer, and also to those who are supporting the view that the government should pay, let me ask why the western farmers should have to help to pay the additional sum under the British wheat contract. If that is not the situation, let the hon. member for Moose Jaw (Mr. Thatcher) get up and explain it. During the last session he said that the farmers of Saskatchewan were paying more income taxes than farmers of any other province. If this payment must come out of the people of Canada through the government will it not have to come out of income taxes? Where else can it come from? If Saskatchewan farmers are paying the highest income taxes why penalize them to make this payment?

Surely the hon. member for Melfort (Mr. Wright) would not want to do that. On another occasion he argued against the 20-cent interim payment on wheat by the government. He said that the government should not have done it because the farmers had to pay interest on it, and the farmers should not have been compelled to pay interest. Now he is demanding that the farmers pay most of the additional amount being asked for from the people of Canada through the dominion government. If these hon. members—especially the socialists—want to be the saviours of the farmers, if they want to be of service to the people of Canada, they should hie themselves over to Great Britain and talk to their socialist friends who now control the government of that country. They should tell their socialist friends that Canada signed a contract that they agreed to in the House of Commons. They should ask them what they are going to do about meeting the obligation they are in honour bound to meet. If they do not pay it then I would say that there is a conspiracy between the socialists of Canada and the socialists of Great Britain to refrain from paying the farmers of western Canada what is their just due until after the provincial election in Saskatchewan. I would tell them to go over there and closet themselves with their socialist friends and convince them that there should be some honour—well, there is honour even among the people who are not so good. I do not like to use the word. I would ask them to do that. If they cannot get over there any other way, I suggest that the province of Saskatchewan will pay their passage because the province would be bound to win. There would be that much additional money in Saskatchewan, and we need a lot of money in Saskatchewan because the taxes are going up. Anything we can get from any other source will be mighty handy within the next five years if we are still there.

Along with that, I would suggest that the hon. member for Souris (Mr. Ross) go along because, although he might not wish to be included in the company of socialists—

Mr. Ross (Souris): Hear, hear.

Mr. Studer: —nevertheless he has been stowing away in the same boat. He has been riding with them. If they will not accept his company, then I would suggest he go to the grain exchange. They might contribute towards his passage over there.

Mr. Ross (Souris): He is not very acceptable there either.

Mr. Studer: He could have a heart to heart talk with the leader of the opposition in Britain, and tell him about the situation in Canada. He could tell him, "Perhaps you had better take some action." The margin is rather close over in Britain as between the two. I believe we would get some results if we had good men such as the socialists from Saskatchewan serving in this House of Commons, and the member for Souris, over there talking to the leader of the opposition. Any spare time the member for Souris had he could spend at the corn exchange in London.

There has been a lot of talk about buying British products. We in western Canada will buy British products if those people will honour some of the contracts that the two countries have previously signed. What is the opinion of the western farmer concerning these contracts, if he is called upon to partially pay for them? Is he to accept something from a country that does not honour its contracts? I would not worry too much about the dumping duties that seem to have been worrying the member for Moose Jaw (Mr. Thatcher). I would worry about these contracts being fulfilled. I am sure that, when they are, much of the difficulty between the two countries will be removed. I want them to bring back twenty-five cents a bushel when they return from Britain, and nothing less, because nothing less is going to satisfy the people of Saskatchewan.

I intended to refer for a moment, Mr. Speaker, to the socialist subamendment that was made at the beginning of the session. However, that is out of the picture now, except for one thing. Although the socialists here were not too proud of it, and did not call for a recorded vote, there was a recorded vote in Saskatchewan on that subamendment. If the socialist members in this house are ashamed of it, there are some gentlemen out in Saskatchewan who are not ashamed of it. They are holding up the semblance of this subamendment as a bait, you might call it, and are prepared to run an election campaign on Korean policy. What in hell has the Korean policy to do with Saskatchewan? That is what I should like to know. You will pardon the word, Mr. Speaker, but I have heard it often in church so I thought it was all right to use it here. What the socialists here are not so proud of, their brothers in Saskatchewan seem to be proud of, because in the debate on the speech from the throne the premier of that province told the people of Saskatchewan he would hold an election campaign on this Korean issue. We find a Goliath, a Colossus, from the province of Saskatchewan, who is emulating Samson by going out and slaying the Philistines, not the Philistines in Saskatchewan but 500,000 Liberals, with the jawbone of an ass. I am telling the world that the United Nations have missed a sure bet when they missed the brains that are just wasting away out in our province of Saskatchewan, because when the premier was in this House of Commons he had the solution for everything. He has the solution for everything in that province of Saskatchewan which everyone is leaving. Now, he is going to settle all the difficulties of the whole wide world.

I do not offer any apologies, Mr. Speaker, for talking about the province of Saskatchewan, because two-thirds of the time spent in the provincial legislature in Saskatchewan is spent in discussing federal matters. I believe that the socialists should practise what they preach. They come to this house and talk about price controls, the high cost of living, but they hold the solution to the problem in their own hands out in the province of Saskatchewan. Instead of coming down here and telling this government what to do, they should go back to the province of Saskatchewan and tell the government out there what to do about it. They have thirteen crown corporations that have a lot to do with the cost of living in the province of Saskatchewan. I would tell them to eliminate the box factory which they own, and make lumber. They are always mentioning the lack of houses. Why do they not get busy and make lumber at the box factory, and then they could build houses?

The Saskatchewan government also owns a brick factory. Bricks enter into house building; why do they not make more bricks and utilize them for building purposes instead of utilizing them for brickbats to throw at people? The provincial government has a leather factory. The co-operative horse factory is right next door, so they can get supplies of leather. There is plenty of leather there. There is no need for the children in Saskatchewan to go barefoot because the government cannot obtain enough leather. They also have a wool factory. I do not know whether it is operating, but if it belonged to

a Liberal government and was not operating we would hear plenty about it. There is plenty of wool in the constituency of Maple Creek. They would not need to be talking about the poor neglected children who are walking around without proper clothing if they produced enough wool. There is a co-operative flour mill in Saskatchewan. Why do they not provide a subsidy to make bread for the hungry people of Saskatchewan? We want the price reduced on all of those things. Get the price down to the ordinary level they are talking about in this house. The government owns the telephone system. Why not also reduce the rates for that service?—because it enters into the cost of living. The government owns buses. Why do they not give us two tickets for a nickel, so that the ordinary person could ride on the buses?

I believe the government of the province has some control over liquor—at least, I have heard about it. I have not heard anything about reducing the price, but I have heard a lot about increasing the water. Why does the government not increase the mothers' allowances? That would increase the purchasing power of the poor people. These poor mothers have nothing else to depend upon except what a beneficent government might allow them. They have the lowest mothers' allowance in the Dominion of Canada. They might increase the old age pensions, about which they are always talking. This pension could be increased until it at least equalled that of the neighbouring province of Alberta. It is said that in Saskatchewan some assistance is given by way of health service. The same thing is done in Alberta and British Columbia where the pensions are $50 per month, while in Saskatchewan it is $42.50, of which $2.50 is subject to the means test.

In Saskatchewan, the premier stated in the debate on the address that crown corporations made $11 million. Where is that $11 million? There is no record of it. It was supposed to be used to reduce the cost of social services. No one can find any record of it. In any event, that $11 million should not be there because these crown companies are supposed to provide a service and not operate for profit. They must have taken the $11 million away from someone. I believe the government could go into the manufacture of liquor, because that is where the real money is. Between 1945 and 1949, $4,675 million was spent on tobacco and liquor in Canada. If a portion of that money were placed in the economy of the poor people, in order for them to buy the necessities of life instead of the extravagances of life, what results would that not have in regard to the cost of living in this country of ours? I do not think any country is proud of that figure. The only people who can reduce it are the people of Canada themselves. They cannot reduce it through laws. So when we talk about armaments and billions of dollars, that is the disarmament figure for the Dominion of Canada; because that amount of money is not uplifting the spirit or the morale of the people of Canada. It is disarming them. If the Russian people can increase that disarmament, through the poverty, illness and unhappiness that enter into that figure of over $4½ billion, to the extent that the people are completely demoralized, it would be walking right into the Russian trap.

I am not saying that the government of Saskatchewan should manufacture liquor. I am not saying that no one should drink liquor. But I think it should be done moderately. Liquor is one of the things that are put on earth, the same as all other good things, in order that it may be utilized moderately. But if the Saskatchewan government still wants to make some money, they might keep their eye on that possibility. If they do not like that, they can perhaps begin to make some machinery. They invested many millions of dollars in these crown corporations and their speakers go up and down the province talking about the high cost of machinery. There is out there Canadian Co-operative Implements. Stick a few million dollars into that in order to provide some additional machinery for the people of Saskatchewan which they can afford to pay for.

So whither are we going? Why do we not practise what we preach? I do not think they are socialists at all, as far as Saskatchewan affairs are concerned, from what we have heard and the different issues that they place before the people, like the Korean affair and the Saskatchewan premier talking and saying in the debate on the speech from the throne that there was a prominent Liberal in Ottawa who went to New York and told the oil men in New York not to invest in Saskatchewan because if they did the C.C.F. would be elected again. Mr. Speaker, I think politics are getting to a fairly low level. No one needs to go to New York in order to discourage anyone from investing in Saskatchewan. The Regina manifesto that went through in the year 1935 stated that socialism will not rest content until capitalism is eradicated from the face of the earth. No one needs to go to New York or anywhere else, because their words have preceded them. The premier himself was in New York not so long ago and he

must have confirmed them in their belief that there was a mighty slim possibility of getting any of their money back if they put it into Saskatchewan, until there is a different government there. So I would say they are not socialists at all; they are just political auctioneers. They just auction off their ideas, their votes, even their very souls, to the highest bidder. That is the philosophy that I find when the socialists are out on the hustings in Saskatchewan and I think the whole world should know about it.

They say that communism breeds on malnutrition, or that communism is a disease. What causes socialism? It must be a deficiency in the diet. That cause has an extremely depressing effect. They certainly are depressing. No matter how high is our standard of living, no matter how great is our prosperity, you will never see a socialist enjoying it. He will suffer the highest form of prosperity in the world. So I would say that we should know the men that are in this country, and that they should stand up and be counted, because we are living in serious days. I believe that the socialists are following the same tortuous road they followed prior to 1939, working in the hope that the people would side in with them in what they thought was the cause of the former war. I am telling you what I know when I say that those socialists were hand in glove with the ideas and the philosophy of Hitler up until 1942 when Russia was attacked. Then you saw the slickest political phenomenon on the North American continent in the about-face they made at that time. That was the situation out there in Saskatchewan, and more people should know about it. I am prepared to tell them about it when the time comes.

Socialism does not mean distribution; it means confiscation, everywhere in the world. There is no distribution under socialism because socialism has never been able to produce that which is required, let alone have anything to distribute. That is the situation with regard to socialism. I therefore say: Know the men in this country so that we can tell what they stand for; and I would say to them that the time has come right now to vote, not for a third force in the world because there is no such thing as a third force. There is no room for a third force. There are only the forces of evil and the forces of good. Let them align themselves with the forces that they think they should support here in the House of Commons, out in Saskatchewan and all over the world.

Having spoken about knowing your men, Mr. Speaker, I should now like to present to you some views in just a slightly different vein. Speaking about men and descriptions of them, figuratively, typically and all the rest of it, may I say that we acquire names for ourselves in spite of ourselves. To give you an illustration of the typicalness of a name, may I refer you to Senator Taft in the United States. He is referred to all over the country as Mr. Republican. The reason he is referred to as Mr. Republican is that he typifies what is basically inherent in the Republican party. There are people of that kind. You and I acquire names descriptive of us. You will also find in the United States that Mr. James Farley is described as Mr. Democrat. Some years ago he wrote a book called "Behind the Ballots". I read that book, and after I read it I decided to go into politics. Now I think I am on my way out. However, I read the book and that was the result. Then we come to Britain and who could be more typical of Britain than Mr. Churchill. He would go by the name of Mr. Britain. Then when we come to Canada, who could be more descriptive of the Canadian people from one end of the country to the other than our beloved Prime Minister of Canada (Mr. St. Laurent), Mr. Canadian. Then we have another individual who is typical of the Liberal party, who year in and year out, in bad times and in good times, has preached the spirit of Liberalism. I refer to the Minister of Agriculture (Mr. Gardiner), Mr. Liberal. Then I would refer to another gentleman; and wherever his name would be mentioned anywhere in the world he would be referred to as Mr. Statesman. I have reference to the Secretary of State for External Affairs (Mr. Pearson). Then we have a member who celebrated his birthday today and who has endeared himself to the heart of everyone; regardless of whether we wanted it to happen or not, he has endeared himself to us all. I refer to the hon. member for Fort William (Mr. McIvor). He would be Mr. Minister.

Then we could perhaps come over to this side of the house and describe someone who would be typical of the Conservative party. I would select the hon. member for Queens (Mr. McLure) for that honour, Mr. Conservative. Someone else who would be typical of the Progressive Conservative party would be the hon. member for Lake Centre (Mr. Diefenbaker), Mr. Progressive. One individual that I think should also have the honour of being mentioned is the hon. member for Souris (Mr. Ross). I think one could describe him as Mr. Grain Exchange.

Mr. Ross (Souris): I was not going to make a speech, but now I will.

Mr. Studer: Then there is the hon. member for Rosetown-Biggar (Mr. Coldwell). Everyone takes it for granted that he is Mr. Socialist. Then there is the hon. member for Moose Jaw (Mr. Thatcher); and there is no argument about it, he is Mr. Capitalist. The hon. member for Lethbridge (Mr. Blackmore) will of course be known as Mr. Professor. There is no denying that. The hon. member for Beauce (Mr. Poulin) is without doubt Mr. Independent. There is one other gentleman that I dare not leave out. He was a former member of this house. I refer to the present premier of Saskatchewan. His name will surely go down in history as Mr. Politician. He is the biggest politician on the North American continent, bar none. Here is the description of these various gentlemen that I give. I offer the descriptions with no malice whatsoever, Mr. Speaker. No doubt as time goes on I shall get a proper description of myself.

I should be getting pretty close to the end of what I did not have to say. I wish to make one or two more remarks and then I shall be thankful for your consideration. The newspapers are playing a great part in the history of this country. So far as the opposition members are concerned, seldom do they speak without holding up a clipping from some newspaper in Canada, describing what in the editor's opinion should be done. If the newspapers of this country are running the country—and they are because sooner or later we are going to do what they say—if that is so, then I suggest that they should be represented in this House of Commons. I think they would be able to give great service to the people of this country and to the House of Commons if they displaced some of the members of the opposition, because they have been awfully weak in their arguments, and I am sure that some of the editors would be much more helpful than what we hear in this house day after day.

Some of these newspapers might be able to give assistance to the government side of the house, because it would eliminate a lot of this misquoting and a lot of the instructions to newspaper reporters. This is the instruction that is given to them: "We are not so much interested in what he says; go out and get a story". If we had a much more extensive representation in the House of Commons some of that would be eliminated.

Then, if we had representation from newspapers on the government side of the house there would be the necessity of having parliamentary assistants and we are surrounded with likely candidates over here. The hon. member for Northumberland, N.B. (Mr. McWilliam), the editor of the *North Shore Leader*, the hon. member for Durham (Mr. James), the editor of the Bowmanville *Statesman*, the hon. member for Cariboo (Mr. Murray), the editor of the *Alaska Highway*, and the hon. member for Huron-Perth (Mr. McLean), the editor of the Huron *Expositor*, would all fit the bill. We would have lots of assistance in the House of Commons in regard to keeping the record straight.

If they are to displace anyone in opposition I would suggest that they be displaced by the editor of the Montreal *Gazette*, the editor of the Ottawa *Journal*, the editor of the *Globe and Mail*, the editor of the Vancouver *Province*, the editor of the Winnipeg *Tribune* and the editor of the Halifax *Herald*. If our socialist friends over there need some assistance I would nominate the editor of the Saskatchewan *Commonwealth*. He has the keenest one-track mind in Canada.

Since we are living in a troubled world perhaps we should not be prone to levity. We are living in a world where, as everyone knows, it is considered that might is right. In Canada we have adopted the philosophy that only right makes might. Therefore we are living in a world in which there are these two philosophies of life. As the hon. member for Vegreville (Mr. Decore) and the hon. member for Edmonton East (Mr. Macdonald) said yesterday in their well delivered speeches, the real danger that confronts us is an enemy who is ruthless and who will stop at nothing to achieve his purposes.

In closing I should like to say that in my opinion the system that the enemy is using at the present time to undermine the nations of the world is both physical and psychological. That is, he appeals to the hunger that is in people. He appeals to their suffering and then to their spirit. There has been a concerted effort during a great number of years by these people who control the Kremlin, and hope to control the world, to destroy people's minds. As I said, their appeal is both physical and psychological. That is true especially in regard to the different races of the world.

As we know it today, the white race is outnumbered seven to one. That is, there are seven coloured people to every white person in the world today. I believe the Kremlin is making an appeal to these coloured people all over the world. They are filling them with the doctrine that the white people have dominated them and exploited them throughout the centuries. They tell them that their enemies are the white people of the world. In rebuttal I would say that the white people are the only people that are the hope of the world, because they are the only people who

have solved the difficult problem of production and the method of distributing the surplus of their production to other people of the world. How are people to be fed unless some civilization solves the production problem? I would say that the coloured people can look to the white people for their idealism and to safeguard them and lead them to a better life rather than look to those nations that would destroy not only them but us.

The science of destruction has advanced rapidly throughout all the world. It is the prayer of all good men that this same science, energy, striving for peace, brains and money could be utilized to eliminate poverty and disease in the world, and that we endeavour to offer to all the people of the world, whatever their colour may be, our assistance in regard to their needs, physically, mentally and psychologically.

I am sure that Canadians will accept their responsibility along with the other twelve nations of the United Nations Organization, first to maintain peace, second, to guarantee that peace in the present-day world by being strong, and third, to recognize with all of the people on earth their right, along with ours, to health, wealth and happiness.

Mr. Ray Thomas (Wetaskiwin): Mr. Speaker, we have heard a great deal during the course of this debate about whether or not war with the Soviet union is inevitable. We certainly hope that it is not. But war will be inevitable if we fail to make our forces strong enough to defeat the forces of communism.

There is no way on this earth that we can talk to them, get together with them and form any compromise. Stalin has made it clear on many occasions that they are out to rule the world, and nothing short of that will be satisfactory. That end has been advocated all the way down from the time of Marx, and it will never change. The Russian minister of education as quoted in the September issue of *Outlook* said—I will not attempt to give the exact words, but the effect of his statement was this: "We must hate Christians. Even the best Christian is our worst enemy. They preach the doctrine, love thy neighbour. We say, hate thy neighbour; for without hate we cannot conquer the world". These are the men, Mr. Speaker, that we are trying to talk to and attempting to pacify. It simply cannot be done, and the only possible way that we can stop this Russian aggression is by seeing that we are willing not only to match their strength but to go beyond it. We must remember also that now we have not only Russia to deal with, but practically all of the Orient. We can blame ourselves for the fact that the Chinese people's government has lined itself alongside Russia.

I am mighty glad to see the Colombo plan going ahead. It will be a good thing, but it should have been done fifteen or twenty years ago. Those people were starving; they have been starving for years while we in the so-called western democratic countries have been crying because we had surpluses and no markets in which to place them. We made it evident to them that the only interest we had in their affairs was that of exploitation. Now, twenty years too late, we are trying to give some aid to those undeveloped countries. Years ago we should have shown that we have some sense of responsibility and some thought in line with that spirit of Christian charity about which we boast so often. Now, after all these years, when it is too late, we offer them assistance—not through the goodness of our hearts but through the fear of communism.

According to the Minister of National Defence (Mr. Claxton) the defence of Canada is to be the first consideration. I agree wholeheartedly; but for goodness' sake let us go ahead and do something. Reports indicate that voluntary enlistments in the armed forces are not sufficient, that the permanent army is about seven thousand below required strength and that the reserves are greatly undermanned. Surely, if the minister says that the defence of Canada is our first consideration, we should do something about the deficiencies in our reserve army at least.

Many people say that compulsory service in the reserve force would withdraw men from the active army to serve in the capacity of instructors. That is not so. There are any number of good officers, retired and medically unfit for active service who, if asked, would be only too willing to give their service for the training of these men.

As a matter of fact during the last war the thirty-day training schools were staffed almost one hundred per cent by men medically unfit for the active armies. I would be the first to admit that most communities have inadequate facilities and equipment to go into a large scale training plan at the present time. But, after all, whose responsibility is that? Why do they not have the equipment and facilities they need? While much of it may be out of date, we have now enough equipment at least to make a beginning.

Speaking the other day the hon. member for Cape Breton South (Mr. Gillis) said that

at present in the reserve forces we find parades called with only about six officers and four men showing up. That is in itself sufficient reason to see that these reserve training units should be brought up to capacity. Quite apart from war, this military training would not do anyone any harm, especially the youngsters. It gives an opportunity for first-class physical training for those who need it. As the hon. member for Red Deer (Mr. Shaw) pointed out last night, at least it teaches those who attend which end of the gun to hold to their shoulder before pulling the trigger.

There is no doubt that in the present situation compulsory training is essential. Let us have cadet training in the schools and colleges. Let the young men have their training, and then permit them to go into industry, with the understanding that they may come back one or two evenings each week to gain at least some knowledge of any technological advances there may have been.

With respect to registration: if war were to come to Canada we would find registration absolutely essential. The present outlook indicates that such a thing might happen in a very short time. The parliamentary assistant to the Minister of Finance, speaking the other day, threw a challenge across the floor of the house in which he asked the opposition how to save money. If the government wants to save money, then let it have the registration made at the same time the census is taken next summer. By doing that they would see how many millions in expenses they could save.

National registration would give the government an idea as to the possibilities of each and every person in the country, and also a very clear indication of any subversive elements we may have—and believe me we have some. That, too, is our own fault. We have those subversive elements here today because the government has refused time and again to put forth some sort of concrete financial policy which would offer the people of Canada some degree of security.

We won the last war, but not necessarily because the men and machines we had were better than those possessed by the Germans. I would be the first to say that the Canadian armed forces were the best to be found anywhere in the world. But we won that war simply because we had more men and equipment than did our enemy. Then, let us get ahead, and see that we have more equipment this time—because if war comes we are going to need it, and need it badly.

Speaking the other day, the hon. member for Nanaimo (Mr. Pearkes) said that American forces were going into Korea after eighteen-day refresher courses. We do not want to see that happen here. My mind goes back to the early days of the last war, when men had to be sent across with no knowledge at all of military affairs. This time we may not have a buffer state to protect us until our men are ready. Not only that, we have no reason to believe that we might not be attacked right here on our own soil. It was reported in the press not long ago that one of the United States pilots in Korea had stated that if the United States had had the MIG-15 jet plane and if the communists in Korea had been equipped with the United States jet planes they would have been slaughtered, they would have wiped the skies with the North Korean communists. That bodes ill when you consider that for the most part the Chinese communist pilots are poorly trained. What would happen if we were to run into superior numbers of well-trained Russian pilots in their apparently superior MIG-15 fighter planes? While I am speaking about jet planes and pilots I should like to refer to an article which appeared in the Ottawa *Citizen* of February 8 which reads:

> 400 jets a month said Russian aim
>
> Russia is expanding production of her MIG-15 jet fighter planes and, say Swedish sources, expects to be producing 400 a month in the next few months, the magazine *Aviation Age* said yesterday. It said American production of planes of all types does not exceed 250 a month.

That means that our whole defence program is entirely inadequate, not only in connection with the training of men for the reserve and active forces but in connection with our industries. There is already a shortage of manpower, and training in the reserve forces is the only way this country can have its men trained without disrupting industry. If the government want to get manpower all they need to do is to remove the means test from the veterans allowances and the old age pensions. They will find that these older people can do a good job. They may not be able to do the hard work that younger men can do but there are many jobs in industry they can handle quite well.

Let us call upon the women of this country. They will go into industry if required. Let us encourage the married women to go to work by allowing them to earn up to the income tax exemption of a single person without any penalty being imposed upon the husband. There is really no shortage of manpower in Canada. We have lots of it if the government will go ahead and utilize what is available. These things will create

small inconveniences, and I think that is admitted by all. But will anyone in this house say that a few inconveniences are not better than slavery under the heel of Moscow?

Accusations have been flying around the house ever since this debate started about skating around this and skating around that. The official opposition has accused the government of skating around the international situation and not giving the people a true picture. The government has accused the official opposition of skating around by not making any concrete proposals. The C.C.F. has accused the government of skating around something else. Incidentally the best job of skating around I have seen was the speech this afternoon of the hon. member for Nanaimo (Mr. Pearkes). He made the best Liberal speech I have ever heard in this house. If skating is a good description to use, I think the floor of this House of Commons during this debate would remind me of a community skating rink on a Sunday afternoon when the subject of manpower is mentioned.

To carry on just a bit further with this skating, this amendment has the effect of giving members of this house and those who are doing so much skating, the rules of the game and a hockey stick. Let us get on with the game.

On motion of Mr. Gillis the debate was adjourned.

On motion of Mr. Fournier (Hull) the house adjourned at 5.50 p.m.

HOUSE OF COMMONS

Thursday, February 15, 1951

The house met at three o'clock.

COBALT

ANNOUNCEMENT OF PURCHASE BY GOVERNMENT OF NORTHERN ONTARIO ORES AND CONCENTRATES

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I wish to make a statement with regard to cobalt ore.

In order to stimulate further production of cobalt to meet future defence and essential requirements for the metal, the Canadian government will purchase northern Ontario concentrates for a period of three years on the following basis:

For ores and concentrates containing 10-11·99 per cent cobalt—$1.35 per lb. of cobalt contained; containing 12-13·99 per cent cobalt—$1.40 per lb. of cobalt contained; containing 14 per cent or over cobalt—$1.45 per lb. of cobalt contained.

This incentive price schedule will be posted immediately by the Deloro Smelting and Refining Company, acting as buying agents for the government, and that company's smelter facilities will be used to convert such ores and concentrates into metal to establish a Canadian emergency stockpile.

The new price schedule represents an increase of approximately fifty cents per pound of metal. The ores and concentrates shall be purchased by the Deloro company on the basis of assay determinations by the Temiskaming testing laboratory at Cobalt, Ontario, and in minimum shipments of 5-ton lots. The silver content of such shipments will be paid for on the basis of Deloro company's customary tariff.

Cobalt metal is in short supply today. In a defence program cobalt plays a vital role for such essentials as jet blades, tool steels, alnico magnets and tungsten carbide.

IRON ORE

STEEP ROCK AND LABRADOR—INQUIRY AS TO ACCELERATED PRODUCTION

On the orders of the day:

Mr. G. F. Higgins (St. John's East): I should like to direct a question to the Minister of Mines and Technical Surveys, notice of which I have given. The question arises out of a report in this morning's Montreal *Gazette* of comments made by the Minister of Trade and Commerce with respect to the production of Steep Rock and Labrador ore. The minister is reported as stating: "We are taking steps to accelerate production in both areas". Will the Minister of Mines and Technical Surveys or the Minister of Trade and Commerce tell me a little more in connection with both, particularly with respect to Labrador?

Hon. George Prudham (Minister of Mines and Technical Surveys): I wish to thank my hon. friend for giving me about an hour's notice of his question. The government does not contemplate giving any special assistance to the Labrador iron ore development.

Mr. Knowles: May I ask a supplementary question? Will the Minister of Trade and Commerce say whether the statement reported in this morning's *Gazette*, attributed to him, is correct? Will he tell the house at an early day what the government's plans are for acceleration of the production of iron ore?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I do not think I need notice to answer that question. We were notified by the company that they wished to accelerate their program from four years to three years, and we were asked if we would help in expediting materials for the development. We offered to give that help to the accelerated program.

Mr. Knowles: Which company is the minister referring to?

Mr. Howe: I am referring to the Labrador company.

Mr. Knowles: Will the minister comment on Steep Rock?

Mr. Howe: Steep Rock advised me that they wish to accelerate their program, and asked me for the same sort of help. We are endeavouring to give them that help.

NEWFOUNDLAND

INQUIRY AS TO FINANCIAL SURPLUS ON DEPOSIT WITH FEDERAL GOVERNMENT

On the orders of the day:

Mr. G. F. Higgins (St. John's East): I should like to direct a question to the Minister of Finance, notice of which I have given. What is the amount of Newfoundland's financial surplus now on deposit with the government?

Hon. Douglas Abbott (Minister of Finance): I thank my hon. friend for giving me notice

of the question. As he is aware, the arrangement for the deposit of Newfoundland's surplus was made with the government of Newfoundland. I shall communicate with them, and if they have no objection to my giving the information, I shall be happy to do so.

IRRIGATION

SOUTH SASKATCHEWAN—DISCUSSIONS WITH PROVINCIAL GOVERNMENT

On the orders of the day:

Mr. W. Ross Thatcher (Moose Jaw): I should like to direct a question to the Minister of Agriculture. Will the minister report to the house whether conversations were recently held with the Saskatchewan government in connection with the South Saskatchewan irrigation project? Has the provincial government agreed to pay $33 million of the costs involved? If so, will the project commence this year?

Right Hon. J. G. Gardiner (Minister of Agriculture): The answer to the first part of the question is yes. The last occasion upon which I was in Regina, by appointment I did discuss the matter with the government of Saskatchewan.

The next question, as my hon. friend gave notice of it, is:

Has the provincial government agreed to pay, with the water users, $33 million of the costs involved?

I would rather say that I have a letter from the Saskatchewan government in which they have urged that construction be proceeded with, and have agreed to take as a basis of discussion $33 million on the part of the provincial government, and the farmers and others who are interested, but I would not like to say that they have agreed to make that payment. It was merely suggested as a basis of discussion.

As to the latter part of the question, that is a matter which has not yet been decided. It is a matter of policy to be decided by the government.

Mr. Coldwell: May I ask a supplementary question? Is there any estimate as to what the federal government's share would be?

Mr. Gardiner: As has been reported to the house, the estimated total cost is $102 million, and $33 million subtracted from that is what I assume they propose.

Mr. Coldwell: Then you would pay what is in the estimate?

[Mr. Abbott.]

FIRES

CAMP BORDEN—QUESTION AS TO INVESTIGATION—USE OF FIRE-RESISTING PAINT

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to address a question to the Minister of National Defence. Has his department investigated the cause of the very costly fires that have taken place at Camp Borden during the last few months, especially the one that took place the other day?

Hon. Brooke Claxton (Minister of National Defence): I have had no notice of the question; therefore I am not immediately and completely informed as to the fires to which the hon. gentleman refers.

Mr. Fraser: There was one at the rink to the extent of $250,000, and one in the canteen to the extent of $75,000.

Mr. Claxton: The fires are investigated by the fire marshals of the service concerned, and also by the Royal Canadian Mounted Police. Where it is considered desirable, there is also a court of inquiry. The results of these reports are given to me, and are very carefully looked into with a view to preventing recurrence in the future, or to the taking of such appropriate action as may be necessary. I should point out that the value of defence property in Canada is very large. Our surveys indicate that the proportionate value of the property destroyed by fire is no greater than that of the property of the civilian population, despite the fact that a good deal of it is highly inflammable.

Mr. Fraser: May I ask a further question? Has the department investigated the use of fire-resisting paint in these buildings?

Mr. Claxton: Yes.

Mr. Fraser: Because it has helped—

Mr. Claxton: Yes, and we use fire-resisting paint wherever it appears to be economical to do so. But to apply any kind of paint to all the wooden buildings of the Department of National Defence at the present time would run into not hundreds of millions of dollars but into billions of dollars.

Mr. Fraser: What?

Mr. Claxton: Oh, sure.

Mr. Fraser: Your buildings would not cost that. There is something wrong there.

Mr. Abbott: Use nails instead.

FISHERIES

NEWFOUNDLAND SALT CODFISH—PORTS OF CLEARANCE FOR EXPORT

On the orders of the day:

Mr. W. J. Browne (St. John's West): I should like to address a question to the Minister of National Revenue. I have not given him notice. If he is not prepared to answer the question today, perhaps he could do it at the next sitting. Is he aware that some of the exports of salted codfish from Newfoundland are not cleared through the ports of Newfoundland but through ports in the maritime provinces? Will he consider giving the necessary instructions so that these entries may be made at the point of export?

Hon. J. J. McCann (Minister of National Revenue): I will have the matter looked into and answer the question later.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Wednesday, February 14, consideration of the motion of Mr. W. H. McMillan 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. Drew, and the amendment to the amendment of Mr. Low.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, I have already had a good deal to say in this debate on the subject of manpower and defence. However, the subamendment now before the house is pretty specific on one point, namely, immediate conscription for the reserve forces, which makes it necessary for me to say a little more on that particular subject.

In my opinion the whole intention of the subamendment is to support the brief or recommendations of the Canadian Legion to the government on the matter of conscription for the reserve forces. I am reasonably sure that when the Legion drafted that program and presented it to the government it was not their intention to put pressure on the government to bring in an ill-considered program of conscription. In my opinion that brief was intended to arouse public opinion as to the gravity of the international situation, and the necessity for Canada's recognizing it and instituting an adequate defence program. It is on that basis I am going to discuss the matter, because I think the representations of the Legion have served the purpose they were intended to serve.

When the recommendations were drawn up, much of the information now at the disposal of the public and given to hon. members was not known. I think the subamendment is impractical at this time and could not be put into operation, even if the government desired to do so.

In my opinion the most important matter with which the government has to contend is that of manpower. The Legion have recommended that three things be done. First, they say there should be a national registration. Unless there is a national registration it will be impossible to have conscription of any kind for the armed services, whether for the reserve forces or on an over-all basis. National registration, therefore, is the first step that would have to be taken. The suggestion has been made in the house that the census to be taken in June could be used for the purposes of a registration. My own view is that it could not be done. Most of the information gathered for statistical purposes when the census is taken is confidential and could not be dovetailed into a national registration. Such registration would have to be taken for a specific purpose, with a view to determining the age groups that might be called up, where they might be placed, and the like. The passing of the subamendment at this time would place the government in the position of being asked to do something that cannot be done until other steps are first taken.

Secondly, the Legion have asked for the mobilization of industry and resources for purposes of defence. When the recommendation was made, there was very little knowledge throughout the country as to what the government's program for mobilization was. Since coming to this session, and since January through the medium of the press, we have been given a pretty good idea of what the government has done. A special department of government has been set up for that purpose. When one takes a look at the labour force in Canada, the manpower available to work out the program while maintaining the internal economy of the country, one realizes that the subamendment is impractical at this time, because there is no manpower available.

If we instituted conscription for the reserve forces we would draw from the eighteen- and nineteen-year groups. Perhaps we would get about 100,000 young men. Where would we get them? They would have to be taken from the farms, from industry and from many other essential projects the government has already mapped out. We have not got that kind of manpower.

The *Financial Post* of January 20 outlines in detail the program upon which the government has embarked for defence purposes in industry. For the information of hon. members,

and particularly those who may be supporting the subamendment, I should like to place part of this article on the record. It states:

1. In nine months the Department of National Defence has placed $700 million of orders for armament construction and supplies. That is twenty times the comparable orders prior to world war II; six times total orders placed in the first year of that war. And for 1951-52 defence spending is likely to be double the 1950-51 rate, with production, not the dollar sign, as the limiting factor.

The emphasis there is on production.

2. Armament orders for NATO countries are just starting to roll under the $300 million arms aid program. The first order of $40 million went through last week; others pending will reach or exceed $150 million very shortly.

3. Capital expansion plans for 1951, plus hundreds of millions of dollars of unfinished 1950 business, is at an all-time peak, twenty-two per cent of national production. We are already experiencing critical bottlenecks in materials, which portend imminent and far-reaching controls.

4. Employment in manufacturing has been sharply rising since June 1; is currently at its post-war peak. Durable goods industries at November 1 employed seven per cent more than November, 1949.

5. New record employment peaks were reached in November in construction, public utilities, trade and finance. Employment in these groups now totals one and a quarter million, up forty-three per cent from the same month five years ago.

6. Canada's jobless shelf is pretty bare. On November 4, 1950, we had only 117,000 persons without jobs and seeking work according to D.B.S. labour force survey. This is only two per cent of the civilian labour force at work, against a comparable figure of 13·6 per cent, 573,000, in June, 1939. Applications for employment at N.E.S. offices on December 14 were 207,000—42,000 less than at the same time the previous year.

Practically all of that is connected with the defence program. In order to get the manpower to carry on this job, men have to be siphoned off from organizations and industries that are now providing the standard of living we enjoy in Canada. We see that twenty-two per cent of Canada's total production is allocated to defence purposes. This implies that the labour force will have to be augmented. Anyone who thinks that at this time we could embark upon a program of compulsory service in the reserve forces is not being realistic, because we have not the manpower.

Then, we must think of this: we are linked up with the North Atlantic pact countries. There is danger of war in western Europe. Those countries have manpower available, and they are faced with the possibility of attack at any time. They have not the weapons with which to fight; they have not the equipment necessary to enable them properly to defend themselves. On this continent we have the productive capacity, and I believe that under present circumstances the best contribution Canada can make will be in the field of producing the arms necessary to arm the countries with which we are allied.

In the light of those facts I believe that conscription of any kind for the armed services would be impracticable. If we did accept the subamendment, through which we would be instructing the government to embark upon that kind of program, what kind of conscription would we have? I certainly would not vote to give the power to the government to conscript manpower for the services at this time. I pointed out the last time I spoke that we had a lay-off of over 3,000 automobile workers in Oshawa. Those men could be pressed into the services under economic conscription. I do not like it, and I do not want to see the government embark at this time upon that kind of program, or to possess the powers of compulsion that would enable them to pick up people who might not have jobs.

Here is something else we shall have to watch and guard against. A news dispatch from Bonn, Germany, dated February 8, indicates that 600 Germans are to be trained as miners and then brought to this country to work in the mines of northern Ontario under the supervision of the Canadian Metal Mining Association. If the whole picture with regard to conscription is not clarified, it would mean, as is suggested in this clipping, that 600 Germans could be trained as miners and put to work in the mines of Canada, and then other miners could be conscripted to be sent to Germany to fight. I am not prepared to give the government the opportunity to do that kind of thing until the picture is much clearer than it is at the present time. I should like the Minister of Labour to comment on that particular news dispatch and indicate whether that arrangement is being made with the knowledge and consent of the immigration department. I do not want to see that kind of thing happen.

That there is surplus manpower in Europe is indicated by the fact that groups such as I have mentioned can be brought to this country to work in our industries. I am not going to place myself in the position of being accused of having voted to conscript Canadians for service at a time when Europeans were being brought in to work in the industries of this country. Until the picture is much clearer in this regard I do not think this house should consider for one moment the passing of any measure of conscription for service.

I think the government has met the demands of the Legion for the mobilization of our resources and industries for defence purposes. The figures I have put on the record

indicate that it is a huge program. It is going to require a lot of manpower. I think the request for national registration has been met to some degree in the setting up of the 28-member manpower council. The government has appointed to this council representatives of labour, industry and veterans and women's organizations.

Many times in the last ten years, particularly since the end of the war, I have suggested to the government that basic industries, such as steel, coal, textiles, packing houses, and so on, should be brought under the national labour code. There are good national unions represented in these industries, and industrial councils should be set up on which the unions would be represented as such. Such men would be very valuable in arranging either the reorganization of industry or the reorganization of manpower. Each of them would come to the council with full knowledge of what is going on in his particular industry. The representatives of that industry and of the union could meet with the government, and the government would thus be in possession of complete information as to what is actually happening in the industry.

The best feature of this plan would be that these men would go back to the men in the industry, who would have the assurance that their interests were being protected. They would act as liaison officers between the manpower council and the men who do the work. The workers would trust them. I am always sceptical of having my life planned by men who live in ivory towers. The government has appointed as members of this council the heads of national organizations whose offices are in Ottawa. These men are far removed from the conflicts of life. You live in a vacuum in this city; you get away from realities. The 28-member manpower council which it is proposed to set up is not representative of the men who actually do the work. The men who work in the mines, in the steel and textile plants, are going to be a little sceptical if twenty-eight men living in ivory towers in Ottawa are going to plan their lives for the next five or six years and determine what sacrifices they are to make. I repeat that there should be industrial councils set up under the national code.

Do not forget that one of the greatest dangers this country will face in time of war is sabotage. It is going to be much more difficult to prevent sabotage if the workers are directed from Ottawa to do the things they do not want to do, by people that they do not see, than it is if someone from their own ranks who has been in on the planning can assure them that their interests are being looked after, and can go back to them and say to them, "This is what has to be done". He would be their direct representative, and he would be a good agent of the board in doing this planning.

I suggest to the Minister of Labour (Mr. Gregg), under whose direction this is going to be done, that no decisions affecting any particular industry be made unless the representatives of that industry, both labour and management, are called in, and given an opportunity of saying exactly what should be done, whereupon they can go back to the workers and let them know what has been planned. I suggest to the minister that he do that.

I am against this particular amendment, for the reasons I have indicated. But you still have to do something. In the first place, you still have to build up your reserve forces. That is a must. If we are going to do it on a voluntary basis, certain steps will have to be taken to encourage men to go into the reserve forces. I want to repeat what I said the other day, that there are hundreds of older men on pensions in this country who still have productive capacity. Many would like to work, but because of the means test in connection with veterans allowances and old age pensions they are reluctant to do so; if they did, they would be taken off pension and later would have to go through all the red tape that is necessary to get their pensions back. The manpower of this country could be augmented by these aged people if this suggestion were carried out. I think they would provide a good defence mechanism at this particular time.

In the second place, women's auxiliary corps, such as we had in the last war, should be formed. Hundreds of them would come in if they were appealed to. They could replace personnel in defence headquarters and in many other departments. There are many able-bodied men who might go into the service if they could be released, because they are patriotic enough to recognize the danger that confronts the country today and want to do their duties as citizens.

Third, there are many married women who would come back into industry if they were given some income tax relief. At the present time they do not want to come into industry and earn a few hundred dollars, because by doing so they would put their husbands into the single-person bracket of the income tax. I think a proper incentive by way of tax relief should be given to married women to encourage them to go into industry.

Moreover, in order to get men to go into the reserve forces I think we must embark upon a program that will provide adequate training facilities. Today they are such as to leave much to be desired. I am not going to elaborate on that point, because last evening the hon. member for Nanaimo (Mr. Pearkes) did an excellent job, and I agree with everything he said in that respect. The equipment is very poor. In many of the barracks across the country, where the reserve army forces train, you will not find uniforms for the men. There are no shoes for them. In one particular place I saw there were all kinds of shoes if your size was eleven or six, but there was nothing between sizes six and eleven. It was not good to see a fellow going along with size seven feet in size eleven shoes. He was not doing a very good job of marching. I think the equipment has to be examined.

My fourth suggestion is that the income of $150, $200 or $300 received by reserve army personnel for attending all the drills, and so forth, is taxable. A lot of men do not join the reserve forces for that reason. A boy may be earning $1,500 or $1,600 a year. If he enters the reserve army, takes training, and augments his income by $300 or $400, it shoves him up into another income tax bracket, and he is taking all that training for the income tax department. They take all the money back from him. If you are going to encourage young fellows to take army training, such income should be exempt for income tax purposes. There must be some proper incentive, and unless these things are done we are not going to be able to build up the reserve army.

If the four steps that I have mentioned are taken, I think the requirements of the brief of the Canadian Legion will be met. They presented their brief for the purpose of arousing public opinion. They have succeeded, and it has created a lot of discussion in the house. We all know something more about the situation. Discussion would not have taken place in this house and throughout the country if the Legion had not seen fit to publish their brief. I think the government has met two of their requirements. They cannot meet one of the others, because there is not the manpower to conscript. The reserve army can be built up if the things we have suggested here are done.

Mr. D. S. Harkness (Calgary East): Mr. Speaker, I should like to compliment the mover (Mr. McMillan) and the seconder (Mr. Breton) of the address in reply to the speech from the throne on their excellent performances on the occasion of their first speeches in the house. Since coming to Ottawa I have been considerably encouraged by the speeches of the Prime Minister (Mr. St. Laurent), the Secretary of State for External Affairs (Mr. Pearson) and the Minister of National Defence (Mr. Claxton). Their speeches indicate that the government has finally wakened to the danger of the world situation and the necessity it imposes on us to increase our defences considerably. As one who has urged this course for the past three years, I welcome the announcement of the Minister of National Defence that our armed forces are to be materially increased, with the particular aim of bringing into being fully equipped forces which will be ready to fight, something in which we have been especially deficient.

The rapidly changing events in Korea and the Far East have occupied the minds of our people to a large extent in the past six or seven months, and have in some degree obscured the more important general picture. They have also led to a good deal of confused thinking. During the short session last September I stated that the basic situation then was no different from what it had been for some time prior to the Korean outbreak, and I still think that is true. Of course the intervention of the Chinese in the Korean war has made the threat of the outbreak of a general world war much greater than it was then.

In considering the world situation, there are four or five important facts that I think we should always keep in mind. All of them have been mentioned at some time or other in various speeches already made during the present session, but I do not think they are generally realized throughout the country; therefore I should like to make a few comments on each one.

First, the Russian communists are engaged in a program of world domination. This view was expressed in the speech from the throne, in the following terms:

> The increased menace in the Far East reinforces the mounting evidence that communist imperialism is determined to dominate the world by force or the fear of force . . .

What this means is that we are in a war now, and in fact in a war of survival. Let us not fool ourselves on that point. It has been called a lukewarm war up to the moment, and because we have been fortunate enough not to come to a red-hot war, a full world conflagration, a great many people still seem to think that we are not in a war at all, and will not be for many years. In other words, there is no sense of urgency among a large number of our people. I think to a considerable extent the government is responsible for this attitude. Members of the cabinet have been making soothing and reassuring speeches on the matter for years, culminating in the

Prime Minister's statement that he did not expect war in his lifetime and that he expected to live for a good number of years—which I trust will be the case.

Of course that is the kind of statement that most people like to hear. It justifies them in sitting back with a sense of complacency and saying that there is no need for them to do anything very much about the defence effort. They say: If the Prime Minister thinks there is not going to be war for several years, why should we worry about it? I do not understand how the government can expect a wholehearted defence effort from our people, in the face of statements that merely encourage them to stick their heads in the sand and to disregard the realities of the situation.

The second fact we should keep in mind is that the only thing that will prevent the Russians from carrying out their designs is superior military power on the part of the western nations. In other words, the only hope of peace is rearmament on our part and on the part of our allies. If the worst happens, and war does come, such a course of rearmament is vital to us if we are to survive. I think this has now been realized by all the democratic nations. Certainly the United States and Great Britain are engaged now in gigantic rearmament programs. However, there seems to be a frightening disinclination on the part of some of the nations of the west to make the sacrifices which full rearmament involves. I am afraid there is an undercurrent of thought to this effect: Let somebody else do it. Not the least guilty of the nations in that regard is Canada. We have not been pulling our full weight in the common defence effort, and apparently the government is still not prepared to do so.

I do not wish to weary the house with a mass of figures to show that this is the case, but I should like to put on the record a few which I think establish it. They are found in the issue of *Newsweek* of February 5. I wish to refer to an article headed, "Who is giving Ike the most help?", and under that there is a chart with the heading, "Is the burden being shared?" This shows in graphic form the comparative efforts of the nations of the Atlantic pact in regard to manpower and economic effort. As to the manpower effort, the chart shows the number of servicemen per 1,000 of population, and the figures are as follows:

France	17
United States	15
Britain	14
Belgium	12
The Netherlands	11
Portugal	8
Norway	8
Denmark	7
Italy	7
Luxembourg	5
Canada	4

In other words Canada is last; we are the worst of all the allies. These figures were taken as of the end of the year. I cannot vouch for their accuracy, except so far as Canada is concerned. I worked them out for this country and the number is correct; therefore I am quite sure the figures are correct for the other countries as well. Three years hence, if the plans announced by the Minister of National Defence are carried through, our manpower figure on this basis will go up to almost 8 per thousand. By that time, however, the figure for the United States will be up to 23, and the figures for the other countries will be up also. So there is no indication that we are prepared to pull our weight with our allies in the matter of manpower.

We have had a considerable number of speeches by the Prime Minister and supporters of the government to the effect that Canada could make a better contribution to the common cause by producing essential materials and armaments than by supplying military units; but let us look at the figures concerning the economic effort. These are prepared in the form of the percentage of the gross national product which is being devoted to defence expenditures. The gross national product, as I think most people know, is the value of all goods and services sold or produced in the country; and when we look at that figure this is what we see:

	Per cent
United States	16
Britain	10·3
France	8·2
Italy	6·3
The Netherlands	5·1
Belgium	4·6
Norway	4·4
Canada	4·4
Denmark	3·4
Luxembourg	3·3
Portugal	3·0

Mr. Claxton: That of course was before the recent announcement of the increased program.

Mr. Harkness: I said this was as at the end of last year.

Mr. Claxton: The figures are not accurate, either.

Mr. Harkness: This shows that in economic effort also, at the end of the year we stood eighth, and that our effort was only 27 per cent of the United States effort. That is not a very creditable record in the economic field, or anything we can boast about.

The minister has indicated that these figures do not take into account the increases he

announced. I have already said that in connection with manpower those increases would bring the figure for Canada up to 8, which would still be very low in comparison with the figures for many of our allies. Our percentage from the economic point of view will also go up, but so will the percentages for the other countries. They will by no means stand still, or at least we hope not; and they have already announced greatly increased efforts in that direction. I think we cannot escape the conclusion that the government is not meeting the realities of the present situation in the plans it has announced so far.

The third point I should like to make is that the potential strength of the western world is much superior to that of the communists. We have much greater resources of vital military materials, such as metals, oil, rubber and so on; and equally important, we have the industrial plant to convert these materials into armaments. This means that, if we have the will to do so, we can build up a much stronger war machine than our enemy. But potential strength is no good; it must be converted into actual armaments in the hands of men trained and ready to use them. It seems to me that so far the government has not displayed the will to do this, and is still stumbling along with half measures.

The fourth point I wish to make is that in any contest between the communists and the western democracies, the vital strategic area is in Europe. There are really in the world four great concentrations of industrial power: the North American continent, western Europe, Russia, and Japan, in that order of importance. At the present time the west has three of them. Our industrial potential is very much greater than that of Russia, but if Russia should move into western Europe and have undisturbed possession of that industrial plant for a few years, we would be in an extremely dangerous position. The situation then would be that the communist industrial potential probably would be equal to and perhaps even greater than our own. That is a situation we dare not permit to come about.

To defend Europe I think there is no doubt that we need German manpower. I first argued in favour of this in this house some two years ago, and since that time, I am glad to say, it has been adopted as a policy by the Atlantic pact nations. I regret, however, that difficulties have arisen in carrying that policy into effect. Those difficulties include the attitude of the Germans themselves; but I was particularly sorry to hear that policy questioned during this debate by the hon. member for Spadina (Mr. Croll). I hope our government will continue to press for the adoption of the policy of German rearmament.

To reiterate what I have said on several previous occasions, in this struggle with communism we should accept all the allies we can find. Particularly I think we should come to an agreement with Spain and make use of the strategic position of that country, the best on the continent of Europe. We should include it as part of the defences of the west against the communist conquest of the world. Apparently there is a strong move in that direction at the present time. I am glad to see that the United States and Spain have exchanged ambassadors, and I would hope that the other Atlantic pact countries might do the same thing, and in that way help the Spanish people strengthen their bastion, which, if the worst came to the worst, is probably the only area in Europe which could be held in the immediate future.

My fifth point is that in meeting communist aggression it is essential that we have unity among the western powers. I have been greatly disturbed by the differences which have developed between the Atlantic pact countries and other members of the United Nations over Korea and the treatment of China. Differences of opinion as to the course to be followed are bound to exist between democratic countries; that is one of the essentials of the democratic system. However, only harm can come from attacks on the good faith or wisdom of the leaders of the different countries. The United States is by far the most powerful of the western countries, and has been carrying almost the whole burden of the Korean war. It is only to be expected that she should have a major voice in the conduct of that war, and in the decisions made in regard to it. We would expect the same thing as far as the French are concerned in Indo-China and the same thing as far as the British are concerned in Malaya. However, not for a minute do I think that we or the others of the allies of the United States should refrain from putting forth our ideas or giving our advice as to the course to be followed. But this is a different matter altogether from personal attacks on General MacArthur and other United States leaders. It should always be remembered by all of us that General MacArthur is a national hero in the United States; and bitter attacks on him, such as those made by persons and newspapers in this country and Great Britain, serve only to cause anger and bitterness on the part of the people of the United States. They serve no good purpose whatever, and I greatly deplore the fact that that type of attack has been going on. I would hope that in this country at least we shall have no more of it. The important

thing for us to remember is not to let our differences divide us and thus prevent our making the united all-out effort which is needed to preserve our independence and our existence as a free people.

I should now like to say something about the defence program announced by the Minister of National Defence (Mr. Claxton) on February 5. It proposes to give us, three years hence, a regular force of 115,000 men, with the major emphasis in this defence build-up on the air arm. With that emphasis I agree. For the past two years the hon. member for Nanaimo (Mr. Pearkes) and others of us in this party have urged a policy of that kind. The first question that came to my mind after the minister's speech was this: Will his program give us the minimum forces necessary for the defence of Canada and to meet our commitments under the United Nations and the Atlantic pact? I would respectfully suggest, Mr. Speaker, that it will do neither. It is not sufficient from either point of view, so far as I can see. When the Korean war broke out in June we had only one battalion up to strength, trained and equipped. We had only one battalion at that time ready for service overseas or, more important than that, ready to meet any attack which might have developed on this country.

Since that time we have raised the special force which is now in training in the United States, with one battalion of it, the Princess Patricia's Canadian Light Infantry, now probably at this very moment committed to action in Korea. In Canada, however, for our own immediate defence we still have only one brigade and that is all; that is the regular army or airborne brigade as it is ordinarily called. I sincerely hope that that force is now up to strength, but we do not know whether it is or not. The minister has not yet said so.

The program the minister set forth calls for the dispatch of a brigade group to Europe, presumably the one training at Fort Lewis. It provides for a total force the equivalent, he said, of one division. This would mean that we would have the equivalent of two brigade groups in Canada. However, to get that number more units must be raised, particularly in artillery regiments which we are definitely short of. What the word "equivalent" means needs elaboration. Are we to have two brigade groups in Canada or are we to be held to one now in being and some scattered units, having all together the number of men or the strength to make up a brigade group? That is a question to which we should have an answer.

As to the regular brigade group, as we have pointed out before on this side of the house it is a misnomer really to call it a brigade group. The units of that so-called brigade group have never trained together as a brigade; and, unless it has been done recently, they have had no brigade headquarters which has trained as such. That is another thing which should be done immediately. Headquarters should be set up and the brigade should get some training as a brigade.

I think that the very minimum that we need now in Canada is three brigade groups; that is, actually in the country. But the program announced by the minister does not even call for that number in three years, if we are fortunate enough to have that length of time to get them ready. In my own view they will probably be needed less urgently in three years than they will be needed in the next nine months. If we get through the next three years without war, and if the Russians have not struck in that length of time, I think there is an excellent chance that they will not strike at all; because by then the western world will be so strong militarily that the enemy will not dare to move.

Another question which came to my mind following the minister's speech is this. How rapidly is the program to be implemented? How many ships will we have in commission by the end of 1951? How many air force squadrons will we have in being, how many men equipped with planes and trained to use them will we have by that time? What will be the situation of the army by the end of 1951? The same questions apply with regard to all those three services at the end of 1952. What is to be the rate of implementation? That is another matter on which I hope the minister will elaborate in a later speech.

The most important question of all which came to my mind was this. How does the minister propose to get the men required? In his speech he stated that during the six months up to the end of 1950 there had been a net increase of 14,893; but of this total I believe over 11,000 were for the special force, which leaves a gain for the three regular forces of under 4,000 men. This is a rate of gain of about 8,000 men per year, which is not half enough to meet the program outlined. It is just a little bit more than a third of enough to meet that program. It must also be borne in mind that the special force was enlisted on a short-term basis of eighteen months. That means that within less than a year now the term of those men will be up, and there is no doubt that a good number of them will then leave the service, always on the assumption that by that time no general war has developed. That means of course that there will be another big gap to be

made up there in relation to what you might call the regular rate of enlistment, in order to get sufficient men.

The minister assured us in his speech that the rate of recruitment is satisfactory, although what I have just said would cast some considerable doubt on that statement; but the minister has been assuring us of that for the past three years. Every year we have been told here that recruiting has been satisfactory. In spite of those assurances we know how defenceless we were when the Korean war developed, some seven or eight months ago. In my opinion the rate of recruitment is far from satisfactory, and unless the government impresses on our people much more strongly than they have yet done the urgency of the situation, I am much afraid that the 115,000-man defence force will never be reached. It certainly does not look like it at the present moment. As a matter of fact, how can one expect young men to be impressed with the need for them in our forces when the Prime Minister (Mr. St. Laurent) makes the statements he has made with regard to no war in his time, that Lloyd's are betting fifty to one against war by September, and things of that kind? Nothing better could be designed to discourage recruiting than statements of that kind.

The Prime Minister (Mr. St. Laurent) made a much better statement here on February 1 in regard to manpower. It was a reasonable statement, but it should be followed up at once with a scheme of national registration, so that if the government does find that methods other than the ones now being used are necessary to provide us with the manpower required for defence purposes, either in the forces or in war industries, they will know what the manpower of this country is, where it is, and how it can be best used. Such a step would also enable them speedily to put any change of plan into execution.

All these things take time, and now is the time to take the preliminary steps, not when the emergency develops. National registration should be embarked on at once. A manpower advisory council has been set up. Perhaps this body is the government's first step in a national registration scheme. I do not know, because they have not told us that. What its purpose is, otherwise, is a little difficult for me to understand, because certainly for the council to be able to advise the government properly on manpower such a national survey is necessary. I cannot see that the council can do much otherwise.

The minister did not say much in his speech about the reserve forces. However, as far as the army is concerned particularly, it is these forces which would be largely responsible for the immediate defence of Canada if war broke out, and which would provide the framework for mobilization. The minister has given us optimistic reports on the conditions of the reserve units during the past three years, and has sought to give the impression that they were in a satisfactory state. The contrary view expressed by members of this party, that reserve units for the most part were inefficient and ineffective because of lack of sufficient men, has now been fully borne out by the report and recommendations of the conference of defence associations, which held its annual meeting only a short time ago.

This conference is composed of representatives from all the military associations, the Armoured Corps Association, the Artillery Association, the Infantry and Army Service Corps, and so on. The men who compose the council of defence associations are the brigadiers in command of reserve brigades and the commanding officers of reserve units—regiments, battalions and so on. They are the men in closest touch with the situation so far as the reserve force is concerned, and they are the men whose advice as to the situation, the efficiency and the needs of that force we must take. I do not think there is any use guessing about the thing and saying that this is the case, or that. These men have made a report and recommendations, and I think that much weight should be attached to it. Part of their report has already been put on the records of this house, so I will not repeat it except for this sentence:

> To say that the reserve force is 40,000 strong, and to give the Canadian people the idea that it has 40,000 men who could quickly be ready for action, is a travesty of the facts.

This is a very strong condemnation of the speeches and statements the minister has been making about the reserve forces for the past two years.

In another place the report states:

> It is our considered and unanimous opinion that proper value is not being received for much of the public moneys now being spent on the reserve force.

That has been one of our contentions here in the house. We have said that a great deal of money spent by the Department of National Defence was being wasted. We have never been loath to vote money for national defence. There has never been any question about the amount of any estimate. We have urged that it be increased, but we have maintained that a great deal of the money was being wasted, and now the reserve forces people themselves have come out and said that the situation in the reserve is indeed unsatisfactory.

The report then goes on to make recommendations and it makes them in these terms:

> If it is not to be Canadian policy to lean on our allies in the initial stages of a war—and we are satisfied that the national pride of our people will tolerate no such situation—then men must be made available for training now. This will involve a national registration system and the introduction of an enforceable and enforced system of selective service for the reserve force. Only in this way will the reserve force obtain the men it needs, the training it must have, and the effectiveness which the Canadian people are entitled to expect in view of the expenditures. Only in this way can we build a reserve force to which Canada can look with confidence.

Included in that policy was a resolution along these very lines which reads:

> Resolved that in the opinion of this conference it is vital to the security of Canada that the government introduce immediately a policy of selective training in the reserve force.

Well, there is the evidence of the men most qualified to know what the situation of the reserve force is, and what should be done in order to make it an effective force.

The Canadian Legion has also made recommendations of the same kind in the brief they submitted to the government. I should like to take this opportunity of complimenting them and commending them for their stand and for their campaign called "operation preparedness". It has done more than anything else to bring our defence needs to the attention of the general public. In view of what I have said it is needless to say that I support the Legion brief completely.

This matter of compulsory training in the reserve forces is not a new thing so far as I am concerned. I made a speech in the house two or three years ago in which I advocated that very course. I think that probably I was the first one in Canada to do so publicly. My opinions as to the need for it, and what it will accomplish, have really not changed since that time. As a matter of fact, I think the need has increased. At that time I stated the reasons in some detail as to why I thought this was the only method by which we could provide the minimum defences we need in Canada, without at the same time withdrawing large numbers of men from industry, and also which we could provide at comparatively low cost.

This afternoon the hon. member for Cape Breton South (Mr. Gillis) spoke for a considerable time about the fact that compulsory training in the reserve forces was not practicable because it would withdraw too many men from industry. One of the features of it is that it does not withdraw men from industry; it leaves men in the jobs in which they are, and it calls upon them to train one or two nights a week, and then during the summer to spend two weeks or thereabouts at a summer camp. That is the particular feature of the scheme which makes it of the greatest value to Canada where manpower is one of our great questions. It does not withdraw men from industry; it leaves them at their jobs; it enables them to carry on in their normal life. The entire speech of the hon. member for Cape Breton South in that regard was away off the mark. He apparently does not understand the idea of the scheme, or what the scheme is, or he would not have spoken as he did.

It is very easy to say that such a scheme is not practicable, and to point out difficulties in regard to putting it into execution. But all these difficulties could be met if there was the will to meet them. That is what we lack. There is no doubt that such a scheme would give us reserve forces which would be effective, something which we must have if this country is to have just even the minimum of defence protection which it requires.

To look at the matter from another point of view, if no such scheme is put into operation, what is the alternative? It is, practically, I would suggest, to leave ourselves without forces for the immediate defence of this country, and without the framework upon which to mobilize in the event that war should develop. There is no use fooling ourselves any longer. That is what we have been doing for the last two or three years—fooling ourselves that the present reserve force can fulfil those functions. The men in charge of the reserve force have themselves said that they cannot fulfil those functions. If we are to have a reserve force at all, then we must take steps to increase the numbers in it. Far from a large increase in the reserve force by some compulsory means serving to lull the country into a false sense of security, it would actually give it some real security. At the present time we have no security because we have nothing there to provide it.

The argument has been made that compulsory training in the reserve force would make it impossible to have regular units in being, ready for immediate action, and that that is what we need most. I do not think such an argument will stand up for one moment. The present reserve units have considerable numbers of officers and N.C.O.'s who served throughout the war and have been in the reserve force since. They are quite capable of training their own units. They do not need to take large numbers of instructors from the permanent force. As a matter of fact most units do not need to take any instructors from the permanent force. They can carry

on their own training by themselves. The mobilizations in 1914 and 1939 show that that is so.

When they mobilized in 1939 in Calgary neither my unit nor any other unit of which I am aware had permanent force instructors. We did not have any; we did all our own training ourselves. The same thing can be done so far as the reserve force is concerned. Any idea that we must put thousands of men from the permanent force in as instructors to train the reserve army was disproved by our whole experience in the last two wars.

Another point is that, undoubtedly, a large number of our young men in our reserve force would help recruiting for the regular force. These young men, after some training in the army, the navy, the air force or whatever branch of the service might be chosen, would become interested in military affairs, and I am convinced that a good many of them would wish to make such service a career. I am convinced that, rather than endanger our regular force, a scheme of this kind would greatly help it.

The question of cost has been mentioned. According to men who know best, money being spent on the reserves is largely wasted. I believe there is no doubt it would be much better to spend more and to get something effective and worth while, rather than fool ourselves and waste money as we are doing at the present time. I believe everyone admits that, if we are placed in a position where we have to defend ourselves against an aggressor, we must spend the funds necessary to do so. There is no reluctance on that point in any part of the house or country, so far as I know. People are willing to have the money spent that is needed for our defence requirements.

Furthermore, as I said earlier in my remarks, we are not spending at anything like the rate of our allies. We are still not pulling our weight. I do not think this would cost a greatly increased sum of money each year. True, it would be considerable, but I do not think it would be unreasonably great; and it would certainly be much cheaper to have a reserve force capable of doing something than to adopt any other means. It would bring our effort more into line with that of our allies.

Equipment has been mentioned, and the statement made that even if the men were mobilized there is no equipment for them. According to the minister's own statement in the speech he delivered a few days ago there is equipment in Canada sufficient for four divisions. I think that equipment would go some considerable distance toward equipping the men who would be raised by this method, if such a scheme were put into operation. I suggest therefore that the argument with respect to equipment falls to the ground.

In closing let me say that I shall support the amendment offered by the leader of this party, and I shall also support the subamendment calling for defence preparedness and compulsory service in the reserve force.

Mr. John Hunter (Parkdale): Mr. Speaker, I had not intended to enter this debate; but when the amendment to the amendment was moved I felt that perhaps I should, in view of the fact that I had had some slight knowledge of the reserve force.

I can only conclude after reading the subamendment that it could have been moved only for one of two reasons, either because of very bad advice, or for political reasons. I would not for one moment suggest that the hon. member for Peace River (Mr. Low) would do anything for political reasons, so I must conclude that he was badly advised.

To begin with, I consider the subamendment is most unhappily worded, and its intent is no more satisfying. It shows a lack of understanding of the reserve force which could only be acquired through years of neglecting to study the subject. In the reserve army, which at no time was ever designed for compulsory training, it would be quite impossible under its present set-up to have compulsory training. It would produce great inequalities throughout the country, and would not result in the desired effect.

The evening training, of about two hours' duration an evening, has very limited value, except to those people who join it voluntarily and have some enthusiasm for the subject. If anyone can tell me how people can learn to become soldiers by devoting two hours one or two evenings each week—when anyone who knows anything about the army knows that it takes at least six months' full-time training to train troops—then I should like to hear about it. I should think that anyone who would make such a suggestion would not know what he was talking about. The answer is that this training is for voluntary enthusiasts who will come to parades in an effort to learn something in the short time available.

To take large numbers of troops and bring them into a reserve army would result in a waste of money and a loss of efficiency and manpower. The only possible way in which the reserve army could be used for training would be to give a longer period of full-time training which, in turn, would take them away from industry.

It is true that the officers and N.C.O.'s in the reserve army could be used for training troops; but definitely they could not be used to train the number of troops which would be involved. For instance in the city of Toronto, a city which, with its suburbs, has a population of about a million people, we have the Royal Regiment of Canada, the Irish Regiment of Canada, the Toronto Scottish, the Queen's Own Rifles, the 48th Highlanders. Those are the infantry units of that city. If we were to take the number of people who would be eligible for the training suggested it is obvious that those units could not possibly contain the number of troops involved. It might be necessary to form perhaps another dozen units in that city, and go through the same involved scheme of building them up. In turn, many more armouries, more drill halls and more places in which to train would be required.

The scheme is fantastic. In addition to all this, when one goes out to the countryside he finds that in many districts there are no facilities for the training of reserve units. The unit would have to be formed, a drill hall built—the start would have to be made from scratch. In some sections it would be possible to give some slight training while in others it would be impossible. Surely the whole basis of a compulsory training scheme is that there shall be equitable training throughout the country.

I was pleased to listen yesterday to the speech delivered by the hon. member for Nanaimo (Mr. Pearkes). He gave us a very able, statesmanlike and detached address to which it was a pleasure to listen. For a time I began to think that the Progressive Conservative party might have altered; but, oh no, I find it was just one member of the Conservative party who perhaps has not altered but has expounded a very able and sound view. After listening to the hon. member for Calgary East (Mr. Harkness) I am convinced that the Progressive Conservative party has not changed in any way.

Mr. Ross (Souris): Wait and see.

Mr. Hunter: If the hon. member wishes to make a speech I will sit down and he can carry on. There is one thing about the Conservative party that delights me. The members are delightfully consistent in their supreme faith in their ability as strategists and senior officers. It seems to be something that is ingrained in their protoplasm. I could write their speeches myself and I would be delighted to do so for a nominal fee. I am sure they would contain everything the hon. gentlemen would like to have. I could write them from memory without even drawing a draft.

Mr. Rowe: The hon. member is not offering a very good advertisement.

Mr. Hunter: I am pleased to have the hon. gentleman present and I am glad he came into the chamber for my speech. Let me get back again to the hon. member for Calgary East. He went into quite a discourse as to the use of the reserve army for compulsory military training. I had the honour to command a reserve unit for two years and I think I have some knowledge of the problems that must be met. I spent some time studying those problems. I had the rather unusual honour of commanding our unit after returning from overseas in this war and my father commanded the same unit after his return from the first war.

In referring to the hon. member for Calgary East I do not wish to be personal in any way but I am forced to conclude that his lack of knowledge is exceeded only by his lack of knowledge of his lack of knowledge. If you are going to train troops on a permanent basis obviously you will have to have some sort of selective service scheme. Surely anyone who knows anything about the needs and complexities and difficulties of training, the enormous amount of equipment and material required, must realize that if you are going to train and fit troops for the field it must be done on a full-time basis. The reserve army provides a means of giving enthusiasts a knowledge of the basic training so that when they go into active service they can be got ready much more quickly. That is the obvious basis of the whole reserve army.

If you are going to increase the numbers of the reserve army, unquestionably you will have to increase the number of units, the amount of equipment and everything else. In my opinion the suggestion which has been made is a very unhappy one and is not at all sound from the standpoint of efficient training or the efficient use of manpower.

Mr. G. A. Cruickshank (Fraser Valley): Mr. Speaker, I had not expected to say anything more in connection with manpower, but because of the amendment that has been moved I think I should say a few words at this time. I was much impressed with the speech yesterday of the hon. member for Nanaimo (Mr. Pearkes) and I should like to congratulate him upon what I think was a very fair speech. I may have provoked him but I admire him for the fact that he took it in good part. No doubt he has had criticism behind the curtains and in the lobby, but he gave a most constructive speech in a fair

and able manner. I only wish I had the extensive knowledge of military affairs possessed by the hon. gentleman.

The government might do well to take a little advice from hon. members who have had experience, such as the Minister of Labour (Mr. Gregg) and the member for Nanaimo. We happen to be fortunate in this house in having two men who could not have reached the rank or obtained the decorations they did without outstanding military ability.

I think everyone knows what I said the other day about manpower and the reserve army, but lest there be any misunderstanding on the matter I should like to quote from page 204 of *Hansard* of February 8 as follows:

> I say tonight that I believe we should have compulsory service for the reserve army.

Then in the next column:

> That is as far as I can go. I have made my stand here tonight with respect to compulsory service, so far as the reserve army is concerned.

I could go on to conscription, and probably I had better have that on the record as well. I said, and I quote from page 205 of *Hansard*:

> My stand on conscription, when speaking before the Legion, as it is tonight, is that I think it neither desirable nor practicable nor necessary at this time.

I still think that. I am perfectly satisfied with the stand taken by the Prime Minister (Mr. St. Laurent) as to what action will be taken if and when it is necessary. I should like to go back to June 16, 1942, and quote what was said then by the Prime Minister, as follows:

> I am convinced that we all want to win the war and that we are all prepared to submit to any measure which may be absolutely necessary. No thinking person can therefore have any objection to the government resorting to conscription for overseas service in the event of absolute necessity.

I did not have the privilege of hearing the Prime Minister when he spoke at the opening of this session, but I have read his speech in *Hansard*. The rest of you probably heard him speak. I think he made it perfectly clear just what would be done in so far as manpower is concerned if and when it was absolutely necessary to have conscription for the safeguarding of our country. Perhaps we on this side of the house should have more confidence in the Prime Minister than those on the other side. Frankly, I would not be here nor would ninety per cent of the members on this side if it were not for the leader we had. Make no mistake about that.

I have every confidence that if and when the need should arise he will not fail to take whatever steps are necessary. I am still of the opinion that some action should be taken in connection with the reserve army. With all respect to them, I perhaps do not have as much confidence in the reserve army as some hon. members do. But if we are to have a reserve army they should have sufficient manpower with which to work. We should not have the situation referred to by the hon. member for Cape Breton South (Mr. Gillis) of five officers and four men on parade.

I am afraid we are not going to obtain the necessary results by voluntary methods. But greater efforts should be made to get men into the reserve army. I know in my own district these men could meet certain nights in the week and spend more time in the summer with their training.

The hon. member for Coast-Capilano (Mr. Sinclair) said the other day, and for once I agree with him, that there is no reason why the boys attending college or high school should not be getting training. I know that in my district, which is the purest district in the Dominion of Canada, these boys would be better off if they were taking reserve army training two or three nights a week. This would not be training for the benefit of Canada, for the benefit of their own province or for the benefit of their own riding, it would be training to save their whole way of life. They would be much better off getting that training than attending dances, going to bowling alleys, or following the more enjoyable pursuit we have in western Canada called parking.

I appreciate that it is perhaps not practicable to carry on reserve army training in all parts of Canada at all times of the year. I do not know how it could be done in many parts of Saskatchewan at this time of the year, nor do I think it would be practicable in the northern parts of my own province. I am willing to concede that.

I believe that some method could and should be adopted to augment the services of the reserve army. I know that what I am going to say might not meet the approval of some people. Certain papers might give me a little more favourable report if I took a different stand to that which I take at the present time. During the last war I had the experience of being present in the house during the special session when we had to decide the question of manpower. It would take too long to go through the whole story but I suggest to hon. members that they check what happened in *Hansard*. Once more I am losing all the *Hansards* I have around here, but if they will check what I said on page 6868 of *Hansard* for December 6, 1944, they will see the stand I took at that time, and I have exactly the same opinion now. I hope some of the new members will take the trouble to look it up.

I had to go against my party at that time, together with two other colleagues. I sat in the rump then, and after I was through speaking I had the great honour of the prime minister of the day coming over, tapping me on the shoulder, and sitting down with me behind the curtain and talking with me for half an hour. I was told by older members that, so far as they could remember, it was the first time it had happened in the history of the house. Usually prime ministers do not cross to the rump to talk to backbenchers. Afterwards we shook hands but nobody knows yet what the then prime minister and I talked about for that period of time.

I still believe that some form of compulsory service could be put into effect to strengthen the reserve army. If the Department of National Defence would become modernized and live in the age in which we are living, I believe there would be a far greater number of voluntary enlistments in the regular army. I had the privilege of accompanying the present Minister of National Defence (Mr. Claxton) when he visited our part of the country. I do not say this from a partisan point of view but I do not believe that we have ever had a harder working, more able and conscientious minister than the present one. I think I know something about such matters. I did not say it before but I think I know something about soldiering. I accompanied the minister to the airport within my riding. Incidentally, it is as fine an airport as we have in Canada, and I am also of the opinion that our engineering camp is the finest in Canada.

I pointed out to the minister one little thing he could do to encourage enlistment in that very camp. At the present time there are some 200 houses for married men; the government is in the real estate business and rents the houses to them. The government should not be in the real estate business, and I believe that the Department of National Defence should cut the rent of those houses in half tomorrow, particularly for those soldiers who are privates. We should not attempt to make money through renting houses to men who want to enlist and make it their life's work. One man at that camp who did not have the advantage of an education is now spending $2 an hour two nights a week from his own pocket to increase his knowledge of mathematics so as to improve his position in the service. He has two small children, and after he has finished his army work for the day he works five nights a week in a service station in order to support his family. When such men will enlist in the regular army, surely the government can get out of the real estate business, cut the rent and make enlistment more attractive to them.

There are many other ways in which we can make it more attractive. I was very glad to see that we have reduced our so-called standard for officers. If, God forbid, another war should come I hope the Department of National Defence will take their officers from the ranks as we did in the first great war and not men from the Moler barber college, Wellesley college, Rhodes scholars, and so on. I hope they will take men who qualify for promotion on the battlefronts, as was the case in the first great war.

I want to be brief because I have spoken on this matter before. I said I would support the Canadian Legion's demand for compulsory service in the reserve army. I will support it if the matter can be brought before me in the form that the Legion desires it. My good friends over there, quite sincerely from their point of view, moved an amendment which in my opinion does not represent the desires of the Canadian Legion at all. Let me tell you what I think about it. I think it would just bring about another—and I will use the word although some people do not like it—zombie army and divide Canada as it has never been divided before. It would not be an army that could go and defend us if and when it should become necessary. As another speaker has said, those who moved the amendment have not adopted the attitude they should have. We do not want to have a war in Ontario, British Columbia or Quebec. If we have to fight a war we want to fight it as far away as we can, and we want reinforcements suitable for that purpose.

As I understand it, the amendment would just mean the creation of another zombie army. We would have nothing but dissatisfaction. We know from experience that in the past we could not get such men to even go up to the Aleutians. We know that we had trouble to try to get them on the boats to go over as reinforcements. Therefore let us not divide Canada again in this critical time. Another point brought out yesterday was that we are endeavouring to secure sufficient reinforcements for our armed forces in Korea and possibly elsewhere. In my opinion you can never obtain the reinforcements if you take what available manpower there is and put it by compulsion in another zombie army. That is all such an army would amount to. If we follow that course we will not have reinforcements available. We will not have men for the air force which, as every member with any military knowledge knows, would be the most important part of our armed forces if and when another war comes. The air arm is the force to which we will have to look.

We can never secure airmen by compulsion. Any military man knows that. If we drain off the available manpower for another reserve army for service in Canada only I believe we will defeat the very end that every hon. member in all good faith intends to support.

I wanted to make my stand clear, and I still stand by what I said before. If it is possible in any way to recruit strength for the reserve army now—not for defence in Canada only—I would support it. As it is, I am going to oppose the amendment to the amendment.

Mr. H. H. W. Beyerstein (Camrose): Mr. Speaker, my remarks in this debate will be very brief. I merely wish to take this opportunity to endorse what has already been said by other members of our group concerning the necessity of implementing price and wage controls, and the necessity for supporting a preparedness program for the defence of Canada. The subject of price controls was thoroughly covered by the hon. member for Acadia (Mr. Quelch) when he spoke in this debate a few days ago; therefore it is not necessary for me to deal further with it at this time. I merely wish to endorse the facts that he presented when he spoke.

I should like to take a few moments, however, to discuss the question of preparedness in case of a national emergency. I feel that we should give full support to the preparedness program submitted by the Canadian Legion. At the present time the government leaders seem to have divided opinions concerning a program of national preparedness. For example, I have here a clipping from the Calgary *Herald* of December 30, 1950, which quotes the Prime Minister (Mr. St. Laurent) as having said:

> The situation is of course very serious, but I have said a good many times that I didn't expect to live long enough to see another world war—and I haven't changed my view.

One has no way of determining how long the Prime Minister intends to live, but in view of the statements of some of the other ministers one may conclude that the Prime Minister was either talking for home consumption or he has lost hope of living to a very great age. On February 8, 1951, the Minister of Trade and Commerce (Mr. Howe) took part in this debate, and at page 179 of *Hansard* had this to say:

> Since parliament met last autumn, world events have moved swiftly. Canada, with the rest of the free world, has had to revise its schedule of preparedness. The challenge of aggressive communism leaves no choice but to move ahead at once, and quickly, with defence preparations planned on a scale never before contemplated except in time of all-out war.

[Mr. Cruickshank.]

I think that statement gives us a clearer picture of what we are facing at the present time, so I think there can be no doubt about the reasonableness and soundness of the program which has been presented by the Canadian Legion. I say there should be no delay in adopting that program. The Legion program, "Operation preparedness", consists of three parts. The first point is a request for national registration. I agree with the Legion that it is necessary to efficiently organize the resources and manpower of this country. The value of national registration in connection with the control of aliens and subversive elements was demonstrated in world war II, and I believe that is a point which should be implemented at the very earliest opportunity.

The second point in the program is the mobilization of industry and resources for defence production. There is no doubt that present supplies are inadequate to meet any increased enlistment in the active and reserve forces. If this situation is allowed to continue until the need arises the ultimate result will be that our hastily mobilized forces will not only be poorly trained but will be tragically lacking in equipment with which to meet an enemy which has been trained since youth, and which would be completely ruthless. Without adequate training it would be very difficult to cope with such an enemy.

The third point in the Legion program is compulsory training in the reserve forces. We must have a definite program which will prevent a repetition of our bitter experience in world war II, when Canadian citizens were committed to battle without adequate training. I am sure not a member of this house would want to see his son in the active army. If that should ever become necessary, however, I am sure he would want his son to have training which would enable him to defend not only himself but his home and his country.

Those are the three main parts of the Legion program. I think we should endorse them wholeheartedly and lose no time in implementing them. If war should come it is highly probable that the Russians would send considerable forces to Alaska, no doubt accompanied by bands of tough Siberian troops who would be landed by air in the Canadian north. Their object in doing this would be to create confusion and alarm, in the hope that it would prevent us from sending troops and material abroad. A second purpose would be to pinpoint our attention on the defence of North America while they extended their hold on Asia and Europe, with ultimately a life and death struggle for possession of this continent. A third purpose in occupying

Alaska would be to hamper the development of our resources. The present lack of population and communications in the north country is a direct threat to the security of this continent. Even the well-advertised Alaska highway is not an all-weather military road, and that is another point which should be considered in the near future.

The problems I have mentioned are too vital to be made a political football, and I challenge the government and some members of the opposition to face the issue. There are those who believe the next war will not require armies, that it will be a push button war. Their idea is that if we have more atomic bombs than the Russians we can win a war within a few days. Those who hold that opinion should take a lesson from Hitler, who thought he could grab Russia in one short blitz. He found he could not, and failed miserably in that attempt. Hitler was surprised to find that Russia could suffer more than five million casualties in the first six months of the war and still muster sufficient forces for counter-offensives which lasted through most of the winter of 1941-42. The Russians are ruthless in their fighting and we must be prepared to meet them. There is no doubt that they would make an attempt to invade Alaska if it should reach the point of war, and I say we should be prepared to meet that emergency.

Then we must have a program of home defence; and in drawing up such a program the utmost care should be taken to come as close as possible to equality of service and sacrifice. There must be no room for such dodges or subterfuges as renting a quarter section of land, or obtaining a false certificate in business. Our program should be made as nearly equitable as possible.

These are the main points that prompted me to take part in this debate. There is one other small matter I should like to mention, however; that is the growing concern over the abolition of rent control. At present approximately a million people in Canada are under the protection of rent control. If that protection should suddenly be removed we would find that people now paying $30 to $40 a month would have their rent increased to perhaps $60 or $70. The people renting homes are usually in the lower income brackets, and cannot afford such an increase.

The cost of living index at the present time stands at 172.5, and a substantial boost in rents would make it almost unbearable for people in the lower income brackets. I was sorry to hear the announcement that probably National Housing Act loans would be curtailed this year. There is still a shortage of homes. It has been said that houses built under the National Housing Act scheme take care of only those in the higher income brackets. However, an analysis of 15,000 houses built in 1949 shows that 55 per cent of them were for people in the middle income group, those who were receiving from $2,400 to $3,500 a year; 11 per cent of those 15,000 were built for those in the income bracket below $2,400 a year; and 34 per cent were for those with incomes over $3,500 a year. On analysing the building under the National Housing Act, it will be found that about two-thirds of the homes being built are built by those who are in the middle or lower income brackets. I therefore think it is a pity that the National Housing Act loans should be curtailed at this time, especially when there is such a great shortage of housing in Canada.

Those are the main points I wanted to discuss at this time. In closing I would urge that the government should by all means institute at this session a system of over-all price, wage and rent controls. In addition to that, they should formulate a program of preparedness similar to that suggested by the Canadian Legion, in case of a national emergency. The vote on our subamendment will show whether politics is stronger than the conviction of the individual; and I would urge everyone to support this subamendment.

Mr. L. Philippe Picard (Bellechasse): As I rise, Mr. Speaker, I want my first words to be ones of congratulation to the mover (Mr. McMillan) and the seconder (Mr. Breton) of the address in reply on the ability and the dignity they showed when they performed their duties. Through you, sir, I think we might extend to Mr. Speaker the congratulations of the house on the way he represented Canada when he was in England last summer. Not only have the pictures which have reached us shown his appearance of dignity but those who were there—and other hon. members will speak with more authority than I do at the moment, because they were there—have told us of his dignity and the splendid manner in which he spoke for Canada.

I had intended in this debate to speak on international affairs and, since this last motion, on mobilization or on manpower. But I also had in mind that something had been said in the house about one of the important functions of the house, namely that performed by the public accounts committee, of which I have been chairman for the last six years. I therefore thought it might be appropriate at this time for me to avail myself of this opportunity to say a few words on the matter.

The public accounts committee is one of the means at the disposal of parliament by which it may exercise control of the expenditure

of public moneys. By "control" I mean the ascertaining of whether the moneys voted by parliament have been wisely spent or wisely used. To quote Durell, at page 117:

. . . the functions of the committee extend, however, beyond the formality of the expenditure to its "wisdom, faithfulness and economy." It should not only act as a check upon extravagant, irregular or unauthorized expenditure, but also, within limits, upon unwise methods of management.

I therefore cannot let go without comment some of the remarks that have been made in this house by some hon. members opposite in the C.C.F. party to the effect that the public accounts committee had not discharged its duties properly. I think that the importance of the house exercising control over public expenditures is such that public confidence in the committee must be safeguarded and kept, so that the public will feel that the committee is performing its duty in the right manner. I therefore propose to devote a few minutes to that question. Then I shall make way for others who may want, at this late stage in the debate, to take part in it.

If we refer to our own House of Commons rules we find in Beauchesne's Parliamentary Rules and Forms that the only reference made to the committee on public accounts is on page 177. Standing order 63, paragraph 1, reads in part as follows:

At the commencement of each session, a special committee, consisting of five members, shall be appointed, whose duty it shall be to prepare and report, with all convenient speed, lists of members to compose the following standing committees of the house:

. . . (e) On public accounts, to consist of 50 members, 15 of whom shall constitute a quorum.

In the past the custom has been for the government first to appoint the striking committee or committee that prepares the list of members. Then the custom has been to appoint the different committees and subsequently to present a motion to this effect:

That the standing committees of this house shall severally be empowered to examine and inquire into all such matters and things as may be referred to them by the house, and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

As to the public accounts committee, the tradition has been that the main thing would be to refer to them the report of the Auditor General and the public accounts of the current year. This has been the practice up until now. The committees were usually formed immediately after the address in reply was adopted. Each year up until now this procedure has been followed, and the committee has been appointed and the public accounts have been referred to them. On the other hand, the committee has not sat each year for the last twenty-five years. In the past the custom has been for a member of the committee to write to the chairman or to get in touch with him and to suggest that the committee should assemble or to suggest a subject for the work of the committee. In the past twenty-two years the committee has sat only eight times, four of them under my chairmanship. The committee sat in 1929 under the chairmanship of the then hon. member for Cartier, Mr. Sam Jacobs. The committee reported but made no recommendations. It held eleven meetings and heard twelve witnesses, but made no recommendations whatsoever. The committee sat again in 1939, and everybody will remember its object at that time. It conducted what has been called the Bren gun inquiry. Suffice it for me to mention the name. The committee was in the middle of its sittings when the house rose and it did not report. The committee sat for the next time in 1943.

I should say that in 1939 they sat under the chairmanship of Mr. William Fraser. They sat again in 1943 under the chairmanship of Mr. Fraser. They reported after a few meetings, but made no recommendations. The committee sat in 1944, again under Mr. Fraser. They sat four times and made no report. The committee sat in 1945 for the first time under my chairmanship. The committee met informally on November 9, before any work had been referred to it, at the request of the hon. member for Waterloo South (Mr. Homuth). At that time nothing had been referred to it and the matter suggested for study by the hon. member was an account for the current year, and not an account that was reported in the public accounts.

The chairman ruled that that matter should be brought to the attention of the war expenditures committee that was still in existence during that year. The committee then sat in 1947, again under my chairmanship, although for a few meetings it was under the chairmanship of Mr. Isnor, now Senator Isnor. Twenty-eight meetings were held. Besides the usual perfunctory reports, the committee made five reports of a constructive nature, two of which were over the signature of my colleague, Mr. Isnor, and three over my own.

First of all, the committee studied Bill No. 22 and reported favourably thereon. The committee then studied the question of the Japanese evacuees on the British Columbia coast. It made a thorough study of the problem and made a constructive report on it. The committee also made a study of the administration of the custodian of enemy property concerning the so-called illegal organizations in Canada, and we also reported on the matter.

The committee also heard the Auditor General on the memorandum that he had prepared especially as to his suggestions concerning different aspects of his report; and finally the committee studied the building projects under the Veterans Land Act, administered under the Department of Veterans Affairs, on which the committee reported.

In passing I might note that I as chairman had to make the first draft of three of these reports, and if any hon. member might feel that I was biased and was trying to cover up or protect the government, as has been said by the hon. member for Moose Jaw (Mr. Thatcher), I might say that in the fifth report, the one concerning the building projects, I was the one who first included a word of censure against the gentleman who was administering that branch. Although he had been a very efficient man in other quarters, I and other members of the committee on all sides of the house considered that he had not shown enough ability in carrying the job he held in charge of the building projects for the veterans. The department evidently took this into consideration because the next summer he was moved to another position owing to the fact that he had previously proven his worth in other endeavours.

In 1949 the committee held only two meetings, and heard the Auditor General. The general elections interrupted the sittings of the committee, with the result that is quite evident in this house at present.

Then the committee sat in 1950, which is the year which has been the object of criticism by some hon. members opposite. The committee held thirty-two meetings, which was the first time in a great many years that the committee had shown such activity. The committee heard seventeen witnesses and presented five constructive reports. When I say "constructive" I do not say it only to be complimentary to the committee, but to signify that they were not only routine reports, which are often made, but rather reports that dealt with conditions that had been brought to the attention of the committee, reports which will have an effect either on the presentation of estimates or, as I have been informed lately, may have an effect on the Consolidated Revenue and Audit Act, a review of which is to be presented to parliament.

The committee first presented a report on the relationship of estimates to public accounts. It then presented a report on the study of the Auditor General's report. It then went on to report on the sale by the War Assets Corporation to Canadair Limited of property at Cartierville, Quebec. It reported on the sale by War Assets Corporation to Canadian Exploration of Emerald lake, and finally it dealt with other aspects of War Assets Corporation.

Hon. members of the C.C.F. party have thought fit at this session or at the last fall session, or at the end of the previous session, to cast aspersions on the work of the committee and on the chairman. I would not take the trouble to rise if only my humble person was concerned in such a question; but I think the public accounts committee performs one of the most important duties that this house has to perform. I think that the confidence of the public of Canada in its members is most important to our democratic institutions; therefore at this moment I think I ought to tell the facts as to that and present a true picture of the situation to the house to show that really the committee has worked assiduously, and has opened as far as it could the doors to every member to investigate, to question and to do whatever they wanted to do on the different matters that were brought before the committee.

Last fall during the short session a gentleman whom I personally respect highly, namely, the hon. member for Melfort (Mr. Wright), said this, as quoted at page 632 of *Hansard*:

> The public accounts committee met and we were sidetracked most cleverly into considering the form of the estimates. Ninety per cent of the time of the committee was spent in determining the form in which the estimates should be presented at the next session of parliament.

Except for the fact that I object to the word "sidetracked", and except for the fact of the proportion of ninety per cent, there is something in this. We studied the form of the estimates, but we were not sidetracked into it as I shall show in a moment. It was the committee itself, and the committee with the approval of all members sitting there and without any protest to us, that decided to hear the Auditor General and get whatever memorandum he wished to bring before us. It was not the committee that decided that the Auditor General should come before us and take the estimates. We decided unanimously in the steering committee or the agenda committee when a representative of the other party, the hon. member for Winnipeg North (Mr. Stewart), for whom I also have great respect, was there, and who was more or less responsible, more than anybody else, for the committee assembling on that day, because he was the one who had written to me asking that the committee should assemble. He asked that because it was his intention to put before the committee a proposal to the effect

that the committee should reconsider reviewing the affairs of, or the moneys spent by, the Canadian Commercial Corporation, and the Department of National Defence.

The hon. member for Winnipeg North sent that letter to me, and I immediately assembled the committee. I might say here that that gentleman was made one of the members of the agenda committee. He brought in his proposal. At that time the hon. member for Halifax proposed that we should go into a different type of study. If I may be permitted, I shall quote from the minutes and proceedings of the public accounts committee of April 27, which says:

> The chairman stated that the subcommittee had decided to call Mr. Sellar as the first witness. It had been agreed that Mr. Sellar would read a brief, on which he would be questioned, and that when this had been disposed of, the committee would proceed to consideration of the Auditor General's report for the fiscal year 1948-49.

Then if I turn to the verbatim report itself, I find I said at the time that the committee on agenda had decided that:

> Mr. Sellar be asked first to come before us and to present whatever brief he might feel advisable to submit; and in connection with that, it was agreed that we would not interrupt Mr. Sellar while he was reading his submission but afterwards we would limit our questions to the brief itself, and that then he would go ahead and submit the other material which he wants to place before the committee, and that when he had concluded his submissions the material would be open for discussion. Consideration of the report of the Auditor General itself would be the next order of business. Following that Mr. Stewart suggested that at the conclusion of Mr. Sellar's examination the committee review the accounts of the Department of National Defence as set forth in the public accounts for the fiscal year 1948-49. Mr. Isnor suggested that the superintendent of insurance of the Department of Finance and the director of the annuities branch of the Department of Labour be examined by the committee as to the facilities of their branches. The subcommittee recommended that for the present we would limit ourselves to a study of the report of the Auditor General and subsequently that a further meeting of the steering committee would be held to decide as to the matters that will be taken up.

At that meeting, when this was given as the order of precedence by the chairman, were present the two gentlemen who later in the house criticized by saying they had been sidetracked in considering the question of estimates. Both the hon. member for Melfort (Mr. Wright) and the hon. member for Moose Jaw (Mr. Thatcher) were there at that time; yet I find no word in the proceedings indicating that they protested in any way by suggesting that some other matter be considered immediately.

I have here a note where the present hon. member for Greenwood (Mr. Macdonnell) asked what the order of business would be, following which the hon. member for Peterborough West (Mr. Fraser) spoke. It appears from the record that everyone agreed that should be the order of business at that time. No member rose to his feet and said that he had been sidetracked into doing something he did not want to do. No one objected. Indeed the whole committee approved of that order of business. That was why we called the Auditor General to appear before us. We did not dictate to the Auditor General as to what he should tell us. Here is a man who has been appointed and who, because of a regulation, is, except upon a two-thirds vote of the members of the House of Commons, immune from discharge from his office. Without that vote we can do nothing to him. He is above politics, and during most of the years he has been there has been free in his language, as have his predecessors.

I know of some hon. members on all sides of the house who have thought that, at times, he has expressed his views a little too openly respecting matters of policy. So we cannot say that this man came to that committee with any idea given to him by anyone as to how he should treat this matter or the other. For years the Auditor General had had certain pet ideas as to the way estimates should be presented. He came to us this year and gave us the benefit of his memorandum.

I do not think it would have been fair to the treasury officials, to the comptroller of the treasury or to the House of Commons if we had been satisfied just to listen to the Auditor General and then to have said, "Sir, you are a most important fellow. We will accept whatever you have decided. Let us now move to the next order of business."

In our committee we proceeded in the order I have indicated. Hon. members from all sides questioned the gentleman as to the advisability of his recommendations, some of which were reflected later on in our report, and with some of which we did not agree. We expressed our views upon them. I do not think it would be fair to say that anyone was sidetracked into studying the estimates instead of going into the public accounts.

Later on I shall discuss the question of what should be the order of business in such a committee; but I do object strenuously—especially when it comes from a man so mild in manner, so pleasant and one whom I admire so much as the hon. member for Melfort. I am quite sure he overstated it and did not accurately express his views when he said, "We were sidetracked." He may have felt we should have done something else and, if so, he is free to have his opinion and I will respect it. But when

he says that he was sidetracked, when no objection had come from anywhere, I must object.

Further than that, it is true that we spent a third—not ninety per cent— of our time dealing with the form of the estimates. We spent fourteen out of thirty-two meetings in that work. The evidence to which I have just referred shows that at the time the subcommittee reported no one thought he was being sidetracked, or that anything wrong was being done.

I did not bring with me the large volume of *Hansard* for last year in which the speech of the hon. member for Moose Jaw appears. However, he repeated almost verbatim the same speech at this session and, for that reason, I felt it unnecessary to bring the large volume to my desk in the chamber. The result is that I have only his words delivered this session, which are sufficient to give an idea of what his views were in committee, and the criticisms he made. In his speech at this session he said:

> When we got into the committee, although the members asked for a good deal of information they were not able to get it.

Which is false.

> Opposition members asked for witnesses, they asked for figures, and they asked for the public accounts. They asked for many things, but they did not get much satisfaction. We were repeatedly overruled when we sought information, and we were consistently refused the public accounts themselves. I think that the committee sat for three months before it even got to the public accounts.

Well, that is what I call misrepresentation. That is a misleading statement, if there is such a thing. The committee followed the procedure that had been approved by all members of the steering committee who were present. I do not think it is fair to spread throughout the country the suggestion that a committee such as that, the function of which is to control government expenditures, to make sure nothing is wrong with expenditures, and to decide whether proper amounts have been spent, or if expenditures have been made wisely, has misbehaved for political reasons, or that it has failed to help our democratic institutions, as our friends profess to do.

When they say we have spoken too much about estimates, I would refer them to a book that was issued by the treasury in Great Britain. It is for official use, and is called "Parliamentary Supply Procedure".

Item 11 at page 7 states:

> It has long been the established usage that important changes in the form of the estimates should not be made or sanctioned by the treasury without their first being submitted to and approved by the public accounts committee.

The Auditor General had suggestions to make. We did not necessarily have to accept them. We recognized his competence over us in matters of accountancy. We recognized that he had a much better grasp of many of those economical and financial problems than we have. Yet, no matter what our way of thinking might have been we had to judge by what we had in our own minds. We could not accept all he said without looking into it carefully. I think there were on the committee enough men of good sense to judge fairly and who were able to assess the value of those suggestions, for the benefit of the public of Canada, to assure the control by parliament in respect of whatever the gentleman might have suggested.

In the same booklet I find this:

> —since the form of the estimates directly affects the parliamentary control of expenditure and is intimately connected with the form of the appropriation accounts, the treasury has undertaken to consult the public accounts committee before making or sanctioning important changes of form.

I think it was important that the committee should look into that carefully and a number of sittings were given up to the consideration of that question. I think I can say without divulging any secret that the form in which the estimates will be presented this year will reflect many of the suggestions made last year by the committee. I think the results will satisfy one of two of the hon. members who criticized namely, the hon. member for Melfort (Mr. Wright) when he sees that our many suggestions were not ignored but were looked into and even incorporated in the new form of the estimates.

When the Auditor General came before us I do not think it would have been right for the committee to say that they would not consider his memorandum, that they would either approve it or reject it. I do not think the committee, in order to please the hon. member for Moose Jaw (Mr. Thatcher), should have taken up the question of how many nails went into this or what material was used somewhere else. I think the committee did its duty by acting as it did.

I am given to understand that these changes will be made at this session and then I hope that hon. members will see that our work has been well done. A most misleading statement was made by the hon. member for Moose Jaw when he said that hon. members had been prevented from asking for information and that the truth had been withheld. Since we were acting under the instructions of the steering committee and were studying the form of the estimates, naturally when the Auditor General was before us we asked him what form he would like the estimates of certain departments to take. We agreed to take as an example the Department of Agriculture.

We took that department, not because of any prejudice but simply because it came under "A", the first department. We asked the Auditor General how he would like to see those estimates worded or grouped in the future.

After hearing that gentleman it was our duty to hear the deputy minister of agriculture, the secretary of the treasury board, who is also an assistant deputy minister of finance, and the comptroller of the treasury. As responsible members of this house we obtained such information on the problem as we could get before making our recommendations. I think it was a normal procedure at that time for the committee not to consider whether there should be an elevator at this place or something somewhere else. We had to decide whether the groupings suggested by the Auditor General were the right ones.

The hon. member for Moose Jaw went ahead and asked questions that had nothing to do with the matter before the committee. In order to have the proceedings carried on in a proper manner, the chairman had to rule him out of order. The committee was dealing with the question submitted by the subcommittee and deciding on the form of the estimates, not on how much money should be spent on a particular item. That would come under the public accounts and would be considered later. If we had sat long enough it would have come up later on.

I agree with one suggestion that was made, that the public accounts committee should take a different department each year, look carefully into all the items and ask all the necessary pertinent questions. But I do object to the statement being made that hon. members were sidetracked and were refused information by the committee or were not given the chance to ask for figures. It is a distortion of the fact to say that figures were refused in the committee.

Everything that was pertinent was given, but when a question was out of order, when it did not concern the item under consideration, it was ruled out. I think the chairman of the committee went to great lengths to satisfy hon. members. When the brief on the estimates presented by the Auditor General was disposed of the committee continued with its work of reviewing the Auditor General's report. The report of the committee dated June 15, 1950, deals with the form of the estimates, the number of the items, the wording of the items, the details of estimates, the summary of estimates, the revenue producing services, the vote texts that legislate, the committee on estimates and the public accounts committee.

As I say, after that part of our work was completed we went into the Auditor General's report. The hon. member for Moose Jaw objected that the study of the Auditor General's report was taking up time that should have been employed in studying the public accounts. That is a most misleading statement because in considering the Auditor General's report we were dealing with the public accounts. The report of the Auditor General contains references to certain matters which under the statute he is bound to report to us and other matters to which he considers it his duty to call our attention. Here is what Durell's "Parliamentary Grants" has to say:

> In the first place, in dealing with the purely accounting point of view, it (the public accounts committee) necessarily reviews the comptroller and auditor general's report and investigates any irregularities brought to notice in that report. In this respect its examination amounts to an enlarged revision of that report, supplementing it by oral examination both of the accounting officer and of other officers concerned in the expenditure. In point of fact the committee is primarily guided in its line of investigation by the comptroller and auditor general's report, as to the subjects it selects for consideration, though it is not necessarily restricted to the ground covered by that report.

I think that should suffice to show that when the committee took up the study of the Auditor General's report it was acting in a correct way. As I said, the Auditor General is obliged by statute to direct our attention to certain matters and is at liberty to bring other items of the public accounts before us. After we had studied the report of the Auditor General we submitted a second report containing five items. The first item dealt with the Consolidated Revenue and Audit Act and it was stated that it should be amended to authorize writing off uncollectable debts that have accumulated up to 1940 in the government accounts. The second recommendation was that the government should consider the advisability of revising the International Boundary Waters Act.

The next paragraph stated that the committee was of the opinion that the yearly report of every crown corporation should be referred for study to a select committee of the house. The fourth recommendation was in connection with the post office guarantee fund and the fifth recommendation had to do with the Department of Public Works bearing the cost of office accommodation for all departments. The report reads:

> Your committee is of the opinion that departmental heads in co-operation with treasury board officials, the comptroller of the treasury and the Auditor General should examine the advisability of charging each department in respect of the space which it occupies.

Those are important questions, and I do not see that it was wasting the time of the committee or the house to have gone into them. I contend that the committee of last session did valuable work. Before it finally adjourned it also looked into a number of matters brought to its attention by the leader of the opposition (Mr. Drew). At that time, since the committee had already disposed of the two items which had been selected by the steering committee, it might have accepted the idea of the hon. member for Moose Jaw (Mr. Thatcher) to proceed right away to investigate one department of the public accounts, but we had had certain remarks by the hon. member for Moose Jaw, and had lost one full meeting investigating whether or not it was good policy to have a quinquennial census in the western provinces, and whether we might save a few pennies there.

Mr. Thatcher: More than a million dollars.

Mr. Picard: The gentleman in charge, who should know better than my hon. friend, came before us and said it was necessary and had to be carried on. From the hon. member's performance that day I think the committee got the impression that it could do better work, work more satisfactory to the people of Canada, by investigating the three matters that had been suggested by the leader of the opposition. The committee might not have had unanimous approval in dealing with them, but I should like to emphasize that it studied them carefully and then reported. My hon. friend cannot say that the committee did not use its time well in so doing, and much better than it would have by accepting some of his views that it should go into this or that small question in order to save a few cents by not purchasing nails or hammers for this or that project.

I am convinced of one thing. Since I have been chairman of that committee I have always had the view—and I was fortunate in finding the same view expressed elsewhere —that the essential principle on which parliamentary control is based should not be complicated checks imposed before expenditure takes place but an orderly audit of the expenditure after it has occurred. That is the job of the Auditor General and of a committee of parliament through examination of the results of his audit. If my hon. friend had been in his seat earlier he would have heard what I said in the first part of my remarks, and I advocate that he should read them in *Hansard*. I said that for the first time last year the committee sat for any length of time. It had to listen to a long brief from the Auditor General, and it was its duty to report on it.

The committee must perform the actual work of not only going into each department but also, as I suggested a moment ago, digging first into the Auditor General's report. The amount of time spent on that depends on how hon. members put their questions, how they interpret what is in the report, and how they word their questions in order to secure the answers they want. Examination of past expenditures, says Durell, is the best means of informing the House of Commons how to criticize further expenditures. I contend that the committee did valuable work last session. It followed the agenda to which no objection was raised at first by the very few hon. members who later violently criticized our work. As I pointed out a moment ago, material results will come about from the work performed. I am convinced that good results can also be achieved by the committee if the work is performd in the spirit which motivated the inception of the public accounts committee, that is, the verification of whether moneys voted have been well spent.

Mr. Speaker: Order. I must inform the hon. member that his time has expired.

Mr. Picard: I shall only be a few minutes. I will shorten my remarks.

Some hon. Members: Carry on.

Mr. Picard: Anyway it will oblige the next speaker if I do so because he would not have much time to speak before six o'clock. I shall conclude in a few minutes. Another comment that is not out of place is to point out for the future—and this is directed to my hon. friend as well as to others who may want to bring different matters before the committee—that questions of policy do not come within the purview of the committee on public accounts. The other day my hon. friend said that he intended to have generals, admirals, commodores and so on called before the committee. All right. I may not be there, but it will be all right with the one who is chairman of the committee if it concerns an analysis of how moneys have been spent, but not to determine whether the money should have been voted, not to determine whether these people agree with the policy behind purchasing of these items. The function of the committee is to check on the expenditures and not on whether it was wise to decide to spend this or that. It is there to ascertain whether the money that has been spent has been well spent, whether there is something wrong or crooked about it, or whether everything is all right.

In this connection I might also quote Durell, a recognized authority on the subject

in the British House of Commons and in all other commonwealth legislatures. At page 118 Durell says:

> The committee is . . . in no way concerned with questions of policy in the broader sense.

That would apply to any committee which had as its aim the securing from departmental officials of information as to the what-for and wherefor of the different items, and the criticizing thereof. We have a right to know where the money has gone, how much money has been spent; but whether or not it was voted or recommended wisely is not for the committee to decide. On page 119 Durell says:

> The chief obstacle to discussing merit will generally be found in determining the question as to the extent to which administration is involved. The reasons for the limitation in the functions of the committee as regards policy are twofold. In the first place a discussion on questions of policy would imply the right, whether exercised or not, of approving or disapproving of that policy, and might be set up by the department in its defence. Any system, however, which would tend to relieve ministers of their responsibilities in this respect would unduly diminish the control of the executive, and might also diminish the carefulness of the department. There would consequently be insuperable objections to any attempt on the part of the House of Commons to delegate questions of policy to a committee. Ministerial responsibility is an underlying constitutional maxim, and no intervention between the minister and the House of Commons, to which alone he must answer, would be consistent with its satisfactory working. The amount of the estimates or the amount of any particular grant are matters of policy, and it would be entirely outside the scope of the committee to question either, or to investigate the grounds on which they were based. This is true generally, even when the policy is common knowledge; but it may sometimes be the case that items have been inserted in an estimate on grounds of policy based on confidential documents. As the minister could not be called on to divulge these to the house in order to justify his insertion of the items, still less could the department be called on to produce them to the committee for discussion.

In conclusion, Mr. Speaker, I repeat that personally I believe it is rendering a disservice to our democratic institutions to cast aspersions upon the work of such a committee, especially when those aspersions are founded not on fact but on personal peevish impressions. For a number of years I have had the privilege of sitting on such committees. During the war I sat on the war expenditures committee with several hon. members of the same party to which my hon. friend belongs, members who in my opinion were as faithful to the principles of their party as my hon. friend could be, and I never heard them cast any such aspersions. As chairman of the subcommittee looking into the matter of synthetic rubber I had the opportunity of sitting with the hon. member for Winnipeg North Centre (Mr. Knowles). I found him to be a gentleman who carefully studied all questions, and I am sure he never thought I wanted to hide things, just as I never thought he wanted to do anything which would be detrimental to the country. On the war expenditures committee of 1943 which looked into the question of aluminum, I sat with the hon. member for Rosetown-Biggar (Mr. Coldwell). I took an active part in the work of that committee, though perhaps not such a prominent part as he took, and I do not think he ever had cause to think I was not performing my duty fully or that I was not unbiased in the way I approached that problem. Nor did I ever think he ever had any wrong intentions in asking his questions. The same thing happened in 1947, when we investigated the matters I mentioned a moment ago. On that committee we had another member of the same party, Mr. Burton. I remember very well, too, that in the war expenditures committee of 1941 or 1942 I voted with three members of the opposition parties to make sure our proceedings would be published. At the time I stated that whatever happened should be divulged, even though it should concern a friend of ours.

So, Mr. Speaker, believing it important not to myself but to parliament to deal with these aspersions that have been cast upon the work of the committee, after the care that committee took to look into the matters brought before it, I thought it my duty to rise and bring this to the attention of the house and state the facts as they really are. In doing so I believe I am performing a service, because if we are to carry on with our democratic institutions it is most important that the people should continue to have confidence in the House of Commons; not in one party in particular, because parties may come and go, but the institutions last. The moment the people become convinced that those institutions are wrong, it is not important what party may be in power; there will be no democracy then.

Mr. Thatcher: I wonder if the hon. member who has just spoken will say whether, if he is chairman of that committee this year, the national defence expenditures will be allowed to come before it.

Mr. Picard: No one knows who will be chairman this year, because the committees have not been constituted. I do not know whether I am right, but I understand that the lists on our side have been made up, and that the complete lists are being prepared. Once the lists are complete the committees will assemble and choose their chairman. It will be left to the chairman to decide what to recommend to the committee, and it will be left to the committee itself to decide what matters it should take up.

Mr. Thatcher: The same as last year, then.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. O. L. Jones (Yale): In common with all hon. members, Mr. Speaker, I feel that this debate on the address in reply to the speech from the throne offers us an opportunity to bring into the house the views of our constituents and also to place before the house their local problems while they are still fresh in our minds. To my mind, a member of parliament returning to Ottawa after visiting his riding comes here with a knowledge of his people, their needs and their point of view. This personal contact with one's riding makes for greater efficiency in the carrying out of our duties as members of parliament. Having in mind the value of this constituency contact, I should like to see the sessions divided into two parts, with half the session held in the early part of the year, in the spring, and the other half in the fall. This would allow members, particularly those from the west, an opportunity of going home, contacting their constituencies and coming back fresh for the fray. I would of course take it for granted that the first half of the session would be adjourned and reconvened later, in the fall of the year, with just the one indemnity. In that case there would be no extra cost to the government. This would particularly benefit all the members who come from the extreme ends of Canada. I make that as a purely personal suggestion; I have not consulted my colleagues about it; but I believe that hon. members in all parts of the house would be quite satisfied to have the sessions split in that way. Their work would have that freshness resulting from the benefit of close contact with their constituencies to which I referred. I find that matters are brought to our attention that have a great deal of merit and are worthy of consideration, as was the case during my recent visit to my own constituency; and I propose to deal with one or two of them tonight.

First of all, I shall deal briefly with the subamendment that is now before the house. We who have seen service and who understand some of the problems can readily sympathize with the point of view expressed by the Canadian Legion in pressing for compulsory service at this time. This amendment to a certain extent follows the line of argument of the Canadian Legion. I believe we have made certain commitments to the Atlantic pact group and to the United Nations with regard to the supply of manpower; and before we could deal adequately with the proposals for compulsory service made in this subamendment, I should like to ask the Minister of National Defence (Mr. Claxton) this question: Are we now able, through the voluntary enlistment method, to provide all the manpower that we have been committed to supply to those two groups? I should also like to ask him: Are we supplying all the personnel that has been requested of us by those two groups? Of course that includes our own national defence personnel. In other words, are we prepared to meet our commitments on the voluntary basis of enlistment? These questions should be answered before we could deal with this subamendment adequately. Instead of our talking of defence and armaments continually, I believe we should hear more in this house and outside of it—through the press and through all channels of thought and action in Canada—about sound proposals for peace that will be acceptable to those who now threaten us with aggression. Not this evening but later on I should like to deal with that matter. I feel that all hon. members should give more attention to the question: Are we doing all that we can to bring about world peace or are we just so obsessed with the idea of defence and the idea that we must prepare to withstand aggression that we have overlooked the fact that there is a possible solution to our problems by expressing tolerance and a willingness to work with the possible enemy towards ultimate peace.

The frank and, I might say, courageous statement of the Prime Minister (Mr. St. Laurent) recently has given comfort and relief to many Canadians who up to that time entertained—and justifiably so, I think—fears that the question of conscription would be sidestepped as has long been the case in the history of Canada. I agree with the hon. member for Nanaimo (Mr. Pearkes) that the Legion brief was prepared some time before the Prime Minister made that statement and was based on the assumption that Canada would be torn by strife and turmoil should we find ourselves faced with a manpower or defence emergency, as was the case during the first and second wars. The subamendment calling for compulsory service in the reserve forces, if carried out—and I take it that their intention is complete compulsory service—would call all able-bodied men to the reserve forces. With the I.Q. requirements and the physical requirements for the reserve army much lower than those for the regular army, plus the extended age limit that covers that group, I feel that these lower standards could bring together close to 10 per cent of our population. If such be the case, we would call to the colours

1,400,000 men. But let us say that only five per cent would be affected. In that case 700,000 men would be called up for training in the reserve forces.

I think the hon. member for Cape Breton South (Mr. Gillis) has already pointed out our position with regard to equipment and suitable quarters. I think he showed clearly that Canada is not prepared to take care of the training of anything like 700,000 men, and possibly not even 100,000 men. I therefore feel that more thought has to be given to the suggestion of the Canadian Legion and that a more balanced approach has to be reached before we can do anything about it. I do not think for a moment that the present reserve facilities could stand the strain of this vastly increased number of personnel. Compulsory service is a step that may have to be taken later on; and we have from the Prime Minister the assurance that should the need arise the government would put that system into effect. In the meantime, establishments and equipment of the reserve army should receive the immediate attention of the Minister of National Defence. I believe that a survey made today of the eligible men in any town in Canada, asking their reasons for not joining the reserve army on a voluntary basis, would give sufficient answers with regard to the numerous kicks and dissatisfactions that are prevalent throughout Canada about the present set-up of the reserve army so that it would give the minister a sound background of knowledge as to how to improve those conditions that are now barring the entry of men into the service, by eliminating several of the causes of complaint. I admit that some of them are trivial, but nevertheless they are causes of complaint.

Closely tied up with the subject of the reserve army is the question of civil defence. I propose to deal briefly with this subject. It is well known to everyone that the legal responsibility for the defence of Canada is a federal one. The defence, or protection of our people from attack, the defence of Canada, the protection of our homes, the persons living in those homes, in our towns and on the farms is an obligation of the federal government. It is the duty of the government to be prepared to meet any onslaught or any attack that might possibly be made by any potential enemy. While the war may be in Europe or Asia or in our own country, the object of our participation in it is based on the same principle, namely, the defence of Canadian homes and the Canadian way of life.

Civil defence fits into this picture. It is actually indivisible from the over-all picture. Again I say, although it is localized in municipalities and with provincial governments, it is still the obligation of the federal government to provide the funds for civil defence. At the present time the participation of the municipalities is on a voluntary basis, and is auxiliary to the general plan. The participation of the hard-pressed municipalities should be restricted entirely to the providing of personnel. The funds should come from parliament, and they should be a direct charge on the $5 billion program that this government proposes to pass at this session.

I would suggest that as a first step toward making this body efficient, training classes should be held in our schools; that classes for civil defence, particularly in the higher grade schools, should be held previously, giving instructions to selected teachers during either the Easter recess or the summer recess, if that is soon enough, and training them to come back to their pupils, and help them to become part and parcel of the local civil defence in the town wherever they may happen to live. I know that this worked wonders in England during the blitz, because they had something of the nature of trained personnel in all localities.

I agree with hon. members who have already spoken that the first step that should be taken is a program of national registration. I believe that is urgent. In spite of the fact that it has been said it cannot be done, I should like to see an effort made to combine national registration of this type with the census. In England only through national registration were they able to determine how many people lived in a certain blitzed house. After they had counted the number rescued the list showed that there were two or three others still unaccounted for. They went on and worked until all were accounted for. In Canada, particularly in Ottawa, I doubt whether the residents living in an apartment house themselves know how many people are living there. They definitely do not know all the names. In the event of aggression and, shall we say, demolition of one of these apartment houses, we would be at a total loss to know how long to go on searching the ruins for the injured and killed, no registered list being available.

I also feel that help should be given the municipalities to provide fire fighting equipment. In the matter of providing fire fighting equipment the same problem is facing the municipalities as is facing the Minister of National Defence (Mr. Claxton), namely, lack of standardization. I would suggest that now is the time, if any help is given by the federal government to the municipalities to provide fire fighting equipment, to see that they have standardized couplings, connections and so on, on all the equipment supplied so that

that equipment could be transferred to another community that might be in difficulties and needed it. Until that is done I am afraid that the equipment in some towns in Canada would be totally unsuitable for other towns, because there is no standardization of couplings and connections.

I do not believe that the question of civil defence calls for secrecy. I do not believe it calls for the secrecy that naturally the general defence of the country demands. I believe that publicity is essential in this instance, a full knowledge of the gravity of the situation, and a full knowledge of the part that our citizens are expected to play in the event of a catastrophe. With the facts known you will get greater co-operation, and people will be willing to take their part and meet their obligation to the community.

Hospital supplies should be checked immediately to make sure that they are adequate for any eventuality. Food supplies should be placed in cold storages. I have in mind the fact that last year one of our British Columbia communities was cut off for a matter of two or three weeks, and it was completely out of food. That was not one isolated case. That could happen in any community in Canada, because few communities carry more than two or three weeks' supply of food at any given time in their cold storages. We should encourage merchants, wholesalers and all food suppliers to put large quantities of food in cold storage at the present time as part of our civil defence. I hold in my hand a publication issued by the government dealing mainly with ways and means of combating it in the event that aggressive war should be directed at Canadian targets. On reading it I find that it missed one important point, and that important point in my opinion is the possible sabotage that may follow aggression by a potential enemy, in this case Russia.

We know that in our midst there are men who would carry out a program of sabotage to assist the enemy immediately. Probably they are not numerous, but we have them. Possibly they are scattered all over this dominion ready to play their part, not for Canada but for a possible enemy. Men of this type can do more damage in a month or so to the economy of the country than can an aerial attack, by damaging the water, light, power and sanitation systems. I suggest that that matter be given serious consideration and included in this book for the information of the people who are making use of this as a basis of civil defence.

I find that the municipalities in British Columbia are willing to co-operate in every way they can; but with the high cost of education, hospitalization, social services and other commitments, they definitely have not the money and they are looking to the government for help.

In this booklet there is a chapter dealing with one important matter, namely, the dispersal of industry. I believe not only in the dispersal of industry, but in the dispersal of population, as they offer the poorest target to any enemy aircraft that may come to this country. I would urge the government to use its influence now with these departments that are spending a billion dollars, when they ask the industry to accept a contract, or a contract is given. If it has to start a new plant it should be asked to try and find a location in Canada where it would help the local conditions and where it would become dispersed.

I could tell of several areas in British Columbia, hidden in the mountains where no enemy could find them. Near towns such as Penticton, Kelowna, Vernon and Grand Forks would be ideal for industries of this nature. I would not say this would include industries calling for 10,000 or 20,000 men; but industries calling for anything from 100 to 1,000 men could be ideally located both as to the availability of power and manpower, and protection from potential enemies.

If the government is going to take part in establishing a steel industry in British Columbia I would suggest that it give consideration to what is known as the Princeton area. In that area are found some of the largest coal deposits in British Columbia, as yet untouched. The mines there have been operating for about thirty years, and up to this date only about 4 per cent of the known coal has been mined. About 96 per cent of the coal in that area is still available. This affords cheap power, and to my mind would be ideal for the establishment of a steel industry.

In line with the suggestion by my hon. friend, that this debate affords opportunity to place local problems before the house, I would draw the attention of the government to the recent floods in the Fraser valley and in my own riding at Princeton. Our valleys, because they are valleys, are conducive to flood conditions. At the same time they offer means of control by way of dams. Such controls are not possible on the prairies.

Three years ago the Okanagan valley suffered a severe flood. It was so alarming that the government took steps to remove the possibilities of a recurrence. A commission of engineers was appointed, and it came to the conclusion that controls were feasible and possible. With that in mind the commission made recommendations to the government,

and money has been provided in the estimates. However, the work has not yet commenced. This year in that valley we are particularly alarmed by the potential danger of similar floods in the current year. We understand that the lack of government action has been caused in one instance through not having been able to negotiate the purchase of land from Indians. I believe that could be overcome. The difficulty in the other case was through having to supply fish ladders at the request of the state of Washington. This, too, can be overcome. I would ask the government to speed the work. The people whose lands and homes are subject to these floods have been waiting anxiously for the government to implement its promise. I realize it is possibly too late to help to stem floods in the natural way, because we have been logging fairly heavily the territory that supplies the moisture which causes the floods. The denuding of the land has possibly added to the condition from which we suffer. At the same time the silted river outlets retard the flow, and a crooked river has to be straightened out. All this is known to the government, through its engineers.

I suggest to the government it would be far cheaper to have this work done now, because if the money is not now spent and if the work is not carried out the damage that may be caused, through a flood similar to that of three years ago, would cost the government more money by way of compensation than would be required to carry out this work at the present time.

One other matter I would draw to the attention of the government has to do with our fruit industry. I do not know whether hon. members are fully aware of the value of the British Columbia fruit industry to the economy of Canada. For the information of the house I shall place on record some figures showing the growth of the industry. In 1920 we shipped 43,000 tons of fruit and vegetables from the valley. This was contained in 2,600 carloads. In 1949 we shipped 258,600 tons, or 16,162 carloads. The freight revenue to the railways from these shipments, during the same period of time, had increased from half a million dollars to $8,500,000, plus the increased inbound traffic.

Employees in this industry have grown in number, i.e., in the packing houses, shook mills, processing plants and so on from less than a thousand in 1920 to over 8,000 in 1949. During that period payrolls jumped from $300,000 to between $8 million and $9 million. I am bringing these matters to the attention of the house because this prosperous industry received a severe shock last winter, caused by the frost—something which is most unusual in our part of Canada. That frost took a toll of 336,610 trees. I am giving the correct figure, because the information was secured through a count made under the auspices of the provincial government. The average loss would be about 20 per cent. Some districts lost as much as 54 per cent, and some individual growers lost 100 per cent of their trees. The over-all loss to growers can best be shown by referring to specific fruits such as peaches, cherries, apricots, pears, plums and prunes. The crop sold in 1949 for $7,484,874 while in 1950, after the loss, it sold for $1,832,691. In other words the crop loss, exclusive of apples, was $5,652,183.

These people are not asking for compensation for that loss; they are asking for assistance, and I believe assistance is now being negotiated between the provincial and federal governments, and consideration is being given as to what assistance they will or can provide. I hope the federal government will go out of its way to show its desire to rehabilitate these men on the land and make them once again prosperous taxpayers, as they once were. This applies particularly to those who suffered to the extent of 50 or 100 per cent. As I said, these people are not asking for charity; they are asking for compensation to replace trees, and for long-term loans to cover replanting, living costs, fixed charges, taxes, irrigation, spraying and the like.

Hon. members perhaps know that it takes eight years to bring an orchard to the point of bearing. These people are willing to bring their orchards to that point, if they can be financed during that eight-year period. They would like to get loans through one of the government agencies at 2 or 2½ per cent. This would re-establish, not newcomers to Canada but experienced farmers, farmers who have had twenty or thirty years' experience in the growing of fruit. This form of help would rehabilitate men who have contributed to the country, and who still have something to contribute to the economy of this dominion. Many of them are veterans; some are veterans of the first world war and they have been badly hit. Farmers in other parts of Canada have been rehabilitated in the past, and I do not think we would be breaking new ground if in this case the government saw fit to assist the farmers of the Okanagan valley.

Naturally this disaster has definite results on the workers, many of whom worked part time as pickers, thinners and general orchard workers. These people go to the packing houses for part of the year, and while there they are called upon to pay unemployment insurance. But they do not pay this when

they are on the farm and the combined period does not permit them to benefit under the act. The industry is having difficulty in getting help and one reason is that many men are leaving the farms because farm work offers no protection for the worker. This particular organization, possibly the largest in Canada, the British Columbia Fruit Growers Association, was asked to support a resolution produced by the workers asking that they be afforded the benefit of unemployment insurance. I think their claim is fair and just and I should like to place this resolution on the record. It originated in Peachland and reads:

Whereas employees in most industries are now covered by unemployment insurance, and agricultural workers are not, and

Whereas this has the effect of sending the more responsible type of worker from the land to other industries with the consequent tendency not only to lower the standard of farm help available but also to make farm help increasingly difficult to secure;

Therefore be it resolved that this 1951 B.C.F.G.A. convention request the federal government to make unemployment insurance available to agricultural workers in cases where such workers desire to be covered by this insurance.

I understand there are certain difficulties that would have to be overcome in connection with extending the benefits of unemployment insurance to farm workers, and one difficulty is caused by the nature of the industry. The farms are scattered all across the dominion and it would be quite difficult for the auditors to carry on their work. One suggestion has been made, which I endorse, that when farmers come under the scheme on a voluntary basis they should be willing to agree, and I am quite sure they would, to bring their books to a central point at a given time each year for auditing, possibly the nearest town.

One other matter I should like to refer to before I close is the Vernon campsite. Last summer I visited this campsite once or twice and the people in the district asked me, and I think quite rightly, why the Canadian government had sent troops to be trained at Fort Lewis. Fort Lewis and the area surrounding is all flat country, almost like the prairies, while the terrain around Vernon is hilly, and in many respects similar to the terrain of Korea. It would be ideal for training when the conditions are so similar.

In addition the climate is excellent and the facilities are already there. Light and water is available and sanitation facilities. Thousands of troops were trained here during the last war and all these facilities are available today. I understand that roughly 9,000 men were sent to Fort Lewis and the government is paying a premium at the rate of $40 per month for officers and $20 per month for men. On the basis of 1,000 officers and 8,000 men it means that Canada is paying a premium of $200,000 per month in order to have men trained at Fort Lewis, and that is in addition to the pay and other expenditures that are being expended in United States dollars which a few months ago we were told were so scarce that they had to be withheld from ordinary industrial ventures.

The government should consider bringing these men back to Canada to complete their training, and I suggest that they be sent to Vernon because I know it is suitable. I suggest they be brought back before this extra cost of $200,000 a month accumulates and takes too large a bite out of our $5,000 million program.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, the subamendment under debate seeks to add a paragraph to the amendment which was moved the other day by the leader of the opposition (Mr. Drew). The new paragraph would read as follows:

We regret that Your Excellency's advisers have failed

4. To ensure that a complete program of preparedness including compulsory training in the reserve forces for home defence be executed with the greatest possible degree of equality of sacrifice and service.

That subamendment contains three parts. First of all it stresses preparedness and the necessity of a complete program for that purpose. Secondly, it includes, as only one aspect of that preparedness, compulsory training in the reserve forces for home defence. Thirdly, it contains a very important reference to equality of sacrifice and service. I propose to divide my remarks this evening into three similar parts.

I believe that this is one of the most important amendments that have come before this House of Commons in the fifteen years I have been privileged to be a member representing one of the seats in the western city of Vancouver. I may say at the beginning that it is my intention to support the subamendment. I give credit for honesty of purpose to all hon. members who have spoken on this amendment, including those who belong to my own party, and also any hon. members who will be speaking before the vote is taken. All I ask is that I be given the same credit.

There is room for various opinions in discussing the subjects raised by this subamendment. I believe that those subjects are better discussed now than after war begins. We can debate them calmly and with reason. There is no excuse for bitterness or tension in a debate on this amendment at the present

time. Also, and more important, if consideration of these subjects is delayed we may be too late for action. The safety of the state may be at stake.

First of all, preparedness. The minister of external affairs made a significant remark in Montreal just four days ago. The report in the press is headed, "Risk of war very great, must arm quickly: Pearson."

In this report we find that he used the following words:

> The behaviour of the Soviet union and its allies and satellites in the last six months has shown that they are more prepared than we had previously estimated to take risks which may lead to a third world war.
> For that reason—

This is the paragraph I point out particularly to hon. members.

> —there is no escaping the conclusion that we must arm ourselves, and quickly, and assist our allies to arm. We must accept that necessity.

How much every one of us here wishes that it were not necessary to believe what the Secretary of State for External Affairs has said, but we must believe it. As representatives of the Canadian people in this time of great crisis, we must believe the warning given by the Secretary of State for External Affairs, who should be an authority on the subject if there is one in Canada.

There will be no real preparedness in Canada until we have a clear-cut plan for the use of our manpower. There is no such plan today, and this is the great weakness of Canada's situation at the present time. Let us consider some of the facts about manpower in Canada. This is a time of high employment, perhaps the highest employment in the history of our nation. It is a time of almost maximum production, a time when our factories are operating to an extent that has not been the case before. Therefore there are many places for manpower to be used right at home for purposes of ordinary peacetime production. Again, there is no fervour in this country as there would be in the event of actual war. There is also little glamour about the type of service which men will experience in the forces. It may be a matter of service for many years. It may be a question of men serving year in and year out.

Another fact which must be faced is that the volunteer method of raising men for the forces is discredited in this country. It is discredited because of the unfairness there was in the last war and because of the many types of pressure which were brought to bear upon men to enlist. Conscientious high-minded young men of this nation were put on a mental rack over the question of whether or not it was their duty to offer their lives to their country. The volunteer method is also discredited because of the actions of this same government during the second world war. The record of the government on manpower and reinforcements is not such as to inspire much confidence in the Canadian people at the present time.

Then there is the fact that our young men expect direction from the government. In the latter days of the second world war we found that young men were being high-pressured to enlist for overseas service, and time and again they said: Let the government make up its mind; if it thinks we should go overseas let it give the order and we will go gladly. The attitude, "let the government take some responsibility", is abroad in the land today to a greater degree, I believe, than it was in 1944 and 1945, and it must be faced by members of the House of Commons.

In any event the forces are not getting the men today. The target for the active forces was 69,000. At the end of December the strength of the three forces had only reached 62,000. The Minister of National Defence (Mr. Claxton) came into the house last week and announced that he was going to try to raise the men in our active forces to 115,000 in the next three years. He says quite frankly that it will require a very big effort to get that number of men. I believe there will also be trouble in getting men for defence production at home. It is obvious to me at any rate—and I suspect to many other members of the house regardless of party—that some form of selective service is necessary for defence production as well as for the forces if Canada is to become strong quickly and continue strong during this period of world tension—and that has been stated as the objective of the government.

I believe that the government should set the number and kind of men required for the forces and then choose them by lot from the group best fitted to serve. Let others volunteer if they wish. They will then be real volunteers and not volunteers who have been subjected to high pressure. Let there be a selective service law under which young men will be chosen by lot from the group best fitted to serve. The other day the Prime Minister (Mr. St. Laurent) said that he would do this if necessary, but not yet. There is a very good test whether the Prime Minister meant what he said. If he meant it, why not take the power during this present session just as he is going to take stand-by power to bring in controls? Let him bring down the necessary legislation, have it frankly discussed in the house and get it on the statute books. Let us get the kinks ironed out. Let us get it in the best shape possible. That is not going to be an easy task because one has only to think of the great difficulty they have

had in the United States in getting their selective service law into proper shape. Let the government do that now if they really mean what they say, and prevent delay later when delay may mean the end of this nation.

Let the government have national registration. There must be national registration before any selective service scheme can be put into effect. Let them go ahead with that registration now. Perhaps it could be done in connection with the census, but in any event my opinion is that for many reasons it should be done without further delay. One reason I would stress is that if there is a national registration in this country now that very action will bring home to the Canadian people the seriousness of the situation they face. Then they will have reason to believe it is the opinion of the government that Canada is in danger. Not many steps have been taken by the government as yet which would impress upon the people that the government really believes this country is in grave danger.

I know that a selective service law is not popular here or in any other country, and it never will be; but failure to enact such a law, or any further delay, would be very serious in the event of war, and Canadians should not be called upon to take that risk. Other nations have found it necessary to make this same hard decision. Every other nation which is a party to the North Atlantic treaty, except Iceland, has a selective service law. The United States has not found it any easier than we would. In the press this evening we find that the senate armed services committee yesterday recommended the draft for eighteen year olds in the United States, and made that recommendation unanimously. Everyone here knows that would not be an easy recommendation for any democratic body to make. They had been inundated with wires and protests against drafting eighteen year olds, but they found it necessary to make that recommendation. Let us be honest; here in Canada much of the emphasis being placed upon the volunteer system is for political reasons and nothing else.

The second part of this subamendment, which as I said before is put forward as one way of making this nation prepared, has to do with the reserve forces. It is of importance that members of this house and the Canadian people should thoroughly understand the role of the reserve army. In the second session of 1945, after the last war, when the present Minister of Finance (Mr. Abbott) was minister of national defence he gave a very clear explanation of the role of the different branches of our forces in the post-war years. On October 16, 1945, at page 1136 of *Hansard* for that year, the minister described the role of the Canadian reserve army as follows:

> In so far as the reserve army is concerned, it is to be organized as a force of six divisions with supporting armoured elements and selected corps and army troops for an army of two corps.

Then this is very important:

> In addition, the reserve army will include our operational coast and anti-aircraft artillery units and supporting services necessary for the static defence of the country.

In other words the defence of Canada against air attack was left in the hands of the reserve units; and I presume now that would include also the handling of radar. When the minister was questioned as to the size of the reserve force he said, at page 1179:

> The strength of six divisions plus would indicate that it would be somewhere in the vicinity of 130,000 to 150,000 men, with supporting troops which might be somewhat substantially in excess of that.

The plan was that the reserve army should have a strength of from 130,000 to 150,000. The minister also stressed the great importance of the reserve army, which he referred to as "this important force which will form the background of any possible future military endeavour". The same importance attaches to the reserve force today. I have here one of the advertisements issued by the Department of National Defence urging men to join the reserve force, published on January 10, in which I find these words:

> **How Important Can a Man Be?**
>
> Today the Canadian army reserve force assumes a place of importance to Canada's freedom that is almost unparalleled in our history.
>
> In order that this country may take its rightful place among free nations of the world in the preservation of peace and freedom, Canada must make her reserve force strong.

We must always remember that the reserve army is the force relied upon to defend this country in the event of attack. I have warned the house repeatedly that if there were a world war there would be attacks on northwestern Canada from Siberia. In the current issue of *Maclean's* magazine I find an article by Colonel Nicholas Ignatieff in which he states his belief that the plan of the Russians would be to invade Alaska in force and to drop Siberian bands in Canada's north. No doubt many hon. members have read that article; if they have not I suggest they do so. It goes to show how vitally important the role of the reserve army will be in the event of a third world war.

Today I believe the strength of the reserve army is between 40,000 and 50,000. The minister did not give the figures the other evening, and if I am wrong I should be glad

to have him correct me. The number required to bring the reserve army up to strength must be something like 100,000, at least to bring it to the strength planned in 1945, and probably even more men would be needed at the present time.

I have here a dispatch giving the numbers in the reserve army regiments in Vancouver. The other evening I gave the figures for the 65th light anti-aircraft regiment, Irish Fusiliers, which would have to protect us from air attack. It had 200 officers and men, which was 700 below its complement. The British Columbia regiment, Duke of Connaught's Own Rifles, the only tank regiment west of the Rockies, was looking for 500 men to add to its present strength of 220, according to the officer commanding, Colonel T. B. Nash. Lieutenant Colonel E. A. Royce, commander of the 15th field regiment, RCA, said his unit was 640 men under strength. The Seaforth Highlanders, that famous unit which served with the first Canadian division, under Lieutenant Colonel Allan W. Mercer had 250 men who could be equipped with light arms, mortars and anti-tank guns and the unit has facilities to train 900 men.

Here in Ottawa I notice that there is quite a hue and cry about civil defence. There is quite properly fear of an air raid. I suggest that the members from this district and the people of Ottawa find out the strength of the reserve unit that is supposed to protect them from air raids. I suggest that they find out the strength of the reserve anti-aircraft regiment which is supposed to protect this capital city of Canada in the event of an air raid. I think they will discover that it will take several times the number of men the unit already has, plus several months of training, for that unit to be in a position to defend this city.

It surely must be obvious to everyone that these units must be filled if they are to be effective. That is the meaning of this sub-amendment and that is the meaning of the Canadian Legion brief. Neither that sub-amendment nor the Canadian Legion brief is advocating universal military training through the reserve forces in Canada. The hon. member for Nanaimo (Mr. Pearkes), in his speech of yesterday, based much of his argument on the fact that what was being asked for was universal military service in the reserve force; and the hon. member for Yale (Mr. Jones) did the same thing in his speech just a few minutes ago. Both of them pictured the hundreds of thousands of men who would have to be handled by the reserve units. No one is simple enough or foolish enough to advocate that a step of that kind should be taken. What this amendment advocates and what the Canadian Legion advocate is that the units of the reserve forces be brought up to strength by compulsory service. That is an entirely different thing.

Here again I suggest that the government set the number and the kind required, choose them by lot from the groups best fitted to serve, and let others volunteer if they wish to do so. In that way we shall get in our reserve forces the men best able to do the job. Operational units, such as our anti-aircraft regiments, our radar units and our coast defence regiments wil' be able to fulfil their functions. The men in the reserve army will get at least partial training; and how important training was when the Department of National Defence were trying to get young Canadians to enlist for the special service force! I have here in my hand their advertisement of August 8, 1950. The words printed across the bottom are as follows:

> Armed aggression must be met with trained united strength.

That was true then and it is even more true today; and it applies to the reserve forces as well as to the active forces. Taking the action I suggest would certainly cut down the time in which these reserve units could get into action; and time is of the essence in this business of fighting a war in 1951. It would also give the reserve units a chance to do their job, and that job is to defend Canada.

Arguments have been made about the practicability of such a plan. I believe that the men in the Legion have just about as good an idea as anybody in Canada as to what is or what is not practicable in the matter of defending this country. There you have a body of Canadians who are just as responsible in their thinking and in their action as any group of Canadians in the nation, including the group sitting here in the House of Commons. These men of the Canadian Legion do not take steps without the most careful consideration or without believing that the steps they are advocating are right. The fact that they have advocated such a step in itself shows the practicability of that step. There are others whom one might call in support of the practicability of this measure. I have here a press dispatch from Victoria, dated February 3 of this year. It is headed "Call-up Ruling Bad News for Reserve Unit" and reads as follows:

> Disappointment was expressed in reserve army circles here today over the government's decision there will be no call-up of young men to fill the badly under-strength reserve battalions of this area.
>
> "If that's the way it is, we'll just have to continue as best we can and hope voluntary enlistments will resume at the January rate," said Lt. Col. Walter Mosedale, commander of the First battalion, the Canadian Scottish Regiment (Princess Mary's).

We hope, however, the government will see fit to provide some additional compensation to make the reserve army more attractive to young men.

Then I have another witness here, namely Major-General M. H. S. Penhale, C.B.E., C.B., who has been the general officer commanding western command, and has now retired. He was questioned about this Legion plan less than a month ago. In fact, the press dispatch is dated just one month ago tonight. Here is what he had to say:

"There are so many competing interests and activities, it is difficult to persuade men to devote their time to the reserve."

General Penhale said he supported the Canadian Legion stand for compulsory military training in the reserve force.

"Every other country has had to come to compulsory training. I don't know why we should be privileged," he said.

His statement to the other Vancouver evening paper was to the same effect. The dispatch reads as follows:

Canada's reserve army needs more men, says Major-General M. H. S. Penhale, retiring general officer commanding western command.

Interviewed here on his farewell visit to Pacific coast military units, the army chief declared: "I am in favour of any scheme that will fill up the ranks of the reserve force."

Asked if he favoured the Canadian Legion plea for compulsory military training service for all Canadian youth, he replied indirectly:

"Just about every other country has had to come to this."

Then there is the submission made by the conference of defence associations. Portions of that have been read by the hon. member for Calgary East (Mr. Harkness). I do not intend to read all of it this evening, but there are one or two portions which I think should be read to this house. These are statements by the men who are responsible primarily for the reserve army of Canada:

The threat of war has never been greater. The need for strength if war is to be averted and to meet that danger if it comes is recognized by every democratic country in the world, including our own. It is admitted that to successfully prosecute a war against our potential enemies will take every effort the free countries of the world can put forth. Every country of the Atlantic pact, with the sole exceptions of Canada and Iceland, has adopted some form of selective service. In all these countries, including our own, vast sums are to be spent on the armed services.

Reserve units have been asked to recruit to strength, if possible. The need for strong reserve units is therefore recognized.

Years of experience have taught us all that to obtain anything like the number of men now required in the reserve force by voluntary means is impossible. Large sums have been spent on advertising and in other ways to induce men to join the reserve force. To a large extent, such moneys have been wasted. The men have not been and are not coming forward.

The men represented through the conference have exhausted every effort to improve these conditions and have sacrificed time and their own money in such efforts.

The delegates to the conference feel that, since the effectiveness and efficiency of the reserve force is largely their responsibility, and that of the men they represent, they would be derelict in their duty to the government and to their fellow countrymen if they did not put before that government and the people of Canada their views as to the present state of the reserve force.

Then they go on to deal with the fact that we are not getting value for our money, and continue:

In spite of the existing shortages of facilities for the reserve force, in many places the strength of units does not absorb present facilities for training by a substantial margin. Far more men could be trained in the reserve force than are presently coming forward.

The turnover of other ranks is such that the vast majority of men who appear from time to time on the nominal rolls of reserve force units receive no training worthy of the name. They do not stay with the unit long enough. To say that the reserve force is 40,000 strong, and to give the Canadian people the idea that it has 40,000 men who could quickly be ready for action, is a travesty of the facts. There are few, if any, reserve units in Canada that could be ready to function in action under a minimum period of six months. This includes anti-aircraft and other such units which should be ready for immediate action. The Canadian public, in spite of the moneys spent, cannot look to effective and efficient protection from internal sabotage or external aggression from its reserve force for a considerable period after war breaks out, and the active force is far too small to undertake the full burden of such duties.

The modern army, with modern equipment, requires vast numbers of men specially trained. These men are termed tradesmen or specialists. The shortage of such men, most of whom require many months of training, in addition to their ordinary training as soldiers, is almost total in the Canadian reserve force—and there is not the slightest hope of producing the numbers required under the present voluntary system.

They go on to point out:

If it is not to be Canadian policy to lean on our allies in the initial stages of a war—and we are satisfied that the national pride of our people will tolerate no such situation—then men must be made available for training now.

This will involve a national registration system and the introduction of an enforceable and enforced system of selective service for the reserve force. Only in this way will the reserve force obtain the men it needs, the training it must have, and the effectiveness which the Canadian people are entitled to expect in view of the expenditures involved. Only in this way can we build a reserve force to which Canada can look with confidence.

The minister offers no other way. In his speech the other evening he did not answer this question as to how reserve forces were to be raised. By the way, I also have a clipping from the dominion executive of the Naval Officers Association of Canada setting out that the situation in the naval reserve is much the same. The minister offers no other way. In other words, the government is failing to ensure preparedness for Canada, and if for no other reason I would vote for this amendment in an attempt to force some action by the government.

The third part of the subamendment is equality of sacrifice and service. That means equality of sacrifice and service in fighting, in dying; equality in preparing to defend Canada, and equality as between the men in the forces and the civilians, and do not forget that we are now in a time when prices are running wild. I believe it will be far more difficult to prevent profiteering in the years immediately ahead than it was during the last world war.

In 1939 when this house met on the outbreak of war a determination was expressed by practically every hon. member who spoke, that there must be equality of sacrifice and service, referring particularly to the men in the forces and the civilians. In this debate practically no mention has been made of that principle. No plans have been envisaged which keep that principle in mind. I think it is a very significant thing, and a very tragic thing, that there has not been more emphasis placed on equality of sacrifice and service. That is a policy which must be kept always in our minds and before the Canadian people.

Today there is far too much of the attitude that this is somebody else's war in Korea, some other country is in danger, not Canada. There is far too much of that attitude. This house and the Canadian people are not yet facing realities, although today young Canadian lads in the Princess Pats are moving up the frozen dirt roads of Korea to the battle line, going to what for many of them means death.

Mr. T. H. Goode (Burnaby-Richmond): Mr. Speaker, the last few days we have listened to two members of the Legion offer two different ideas; one has just resumed his seat, the other was the hon. member for Nanaimo (Mr. Pearkes). Yesterday, the hon. member for Nanaimo spoke as a great Canadian. He also, although he did not know it until this moment, is a former officer-commanding of mine in the second world war. Since listening to his ideas yesterday and the ideas of the hon. member for Vancouver-Quadra tonight, the latter speech based on half a dozen newspaper clippings, the other hon. gentleman speaking from his own experience, I am willing to go along with my former O.C.

Much is being made of this idea of compulsory service in the reserve force. I am speaking only about the Vancouver situation. The hon. member for Vancouver-Quadra said that the Seaforths had the equipment for 900 men. I know that at Bessborough, for instance, which was the headquarters of my old regiment, you could perhaps put 250 men on parade, but I certainly could not have done any training at that time. The hon. member for Nanaimo knows the place very well. Where are these men that you are going to call into the reserve force going to be trained? I can say from the artillery angle perhaps better than any other that it takes at least two years to put a man on a twenty-five pounder and train him properly. You cannot do it in less time. They tell us here that three nights a week with two hours a night can train men for the defence of Canada. Three nights a week and two hours a night mean thirty days of training in a year. In thirty days in the last war we just about got a man ready to be able to put his hat on properly and find out where the cookhouse was, and perhaps he knew how to wear his uniform properly, and that is all the time we had.

During the last war I was in the instructional cadres of most of the training centres in Canada, and on coast defence, and I think it can be said that you cannot train men on part-time service. We have seen reserve forces go out with the twenty-five pounders on the coast and, with all due respect to them, while they do a very good job I doubt very much whether they would be much use in Korea.

There is only one way to get men into the army and to train them properly. The Prime Minister said the other day that when the time comes action, and proper action, will be taken. The proper action at that time, if we need men, is compulsory service, conscription, or whatever you wish to call it; and that is what I am in favour of, at the proper time. This compulsory service in the reserve force was perhaps a fine idea to put in a brief to present to the government, but I do not think there is any effectiveness to it.

I am a member of the Legion; but I still believe that it was ill-timed for the Legion to present this idea before they knew the government's program at this session. The subamendment asks the house to approve of reserve forces for home defence. I think I want to go a little further than did the hon. member for Nanaimo (Mr. Pearkes) the other night, when he spoke about the forces that were introduced into military service during the last war. He did not know it at the time, but I know now whom to blame for giving me the job of trying to take some of these home defence men and make them active. Perhaps some day I will be able to get back at him. That was one of the most disgraceful episodes in the history of the Canadian army, when we took men in the home defence force under the universal training idea and gave them the status of home defence troops, at one time not even giving them the privilege of putting "Canada" on their sleeves. I

remember that in Petawawa they walked down one side of the street and we walked down the other side, because we had a little badge on our arms with the letters "G.S.", and they were not permitted to use it. That was the caste system in the lower ranks of the army; and we do not want that back again.

If we are going into a war—perhaps some of the higher officers know, but it is not known to the backbenchers—let us go into it right. Let us go into it with that equality of service mentioned by the hon. member for Vancouver-Quadra (Mr. Green). If my boy has to go into the army, let him go in on the same basis as any other boy. Let the government take the lead and put him in the army, if we need him; but let my boy be on the same status as anybody else.

I am going to speak for only a moment longer. Let me congratulate the Legion upon at least bringing the need for preparedness to the attention of the country. I think their idea with respect to the reserve force should not be supported, and I told them that in Vancouver. So far as the Social Credit party is concerned, I think the subamendment is something that should have been thought about longer than evidently they did think about it. I intend to vote against it.

Mr. Victor Quelch (Acadia): Mr. Speaker, the hon. member who has just preceded me has referred to some of the policies carried out during the last war regarding manpower. I would agree with him that many of those policies deserve severe criticism. I would say further that some of them were absolutely despicable. But who put in those policies? The Liberal government did.

Let me remind the house of one or two things that were done. I remember how men were asked to be willing to volunteer for four months' training. They were definitely promised that at the end of that four months they would be allowed to return to their occupations. After the government got those men into the forces they were frozen there, and the government would not let them go back to their jobs. In other words they obtained those men under false pretences.

That has nothing to do with this subamendment, but it was Liberal policy. Then again I would agree that the kind of campaign which has been described as a zombie campaign, that was used in order to try and force men in the reserve army to go active, was also despicable. That, too, was government policy. It was the policy of the Liberal party.

I would say that if anything like that ever happened again, any officer responsible for carrying out such a policy should be disciplined. I realize that any member who desires to vote against this subamendment will find it quite easy to make an excuse. So far however I have been struck by the weakness of the excuses that have been made. For example the hon. member for Fraser Valley (Mr. Cruickshank) stated that he supported the stand of the Legion but that he could not support the subamendment because it would mean something different, that it would mean setting up a different army. It is strange that he is the only man in the House of Commons who has come to that conclusion. Every other member who has spoken has recognized that our proposal is based upon the recommendation of the Canadian Legion. That was made clear when the subamendment was moved, and it has been made clear by every member of this group who has spoken. It has been clearly understood by other members in the house. Yet he, through some mysterious functioning of his mind, has jumped to the conclusion that this would set up an entirely different arm of the reserve army.

Let me read the subamendment, so that there may be no misunderstanding about it:

> To ensure that a complete program of preparedness including compulsory training in the reserve forces for home defence be executed with the greatest possible degree of equality of sacrifice and service.

Those words "compulsory training in the reserve forces" are the exact words used in the Legion's program, "operation preparedness". In order that there should be no misunderstanding on the point we have pointed out that we were putting it forward in the same way that the Legion was putting it forward.

It has been stated by some members that they agree with the general proposal to have compulsory training in the reserve army, but that they think the timing is wrong. They do not think it is wise to bring it up at this time. I would say that that depends largely on the seriousness of the international situation, and how great a degree of urgency there may be. The Secretary of State for External Affairs (Mr. Pearson), when he spoke in the house, gave a very graphic description of the international situation, after describing the situation in China and in Korea, went on to say that at present there are a large number of danger spots in the world, and he made reference to Indo-China, Malaya, Indonesia and Burma, and stated that if those countries came under the control of the communists India and Pakistan would be in a precarious position. He referred to the fact that both Persia and the Middle East were vulnerable, and also stressed the danger to Yugoslavia. Then he said that the danger to the free world is still greatest in western

Europe, and that we are now entering the period of the greatest danger, in the months ahead.

I think he made it quite clear that the situation in the world today is a very serious one. In his speech at Montreal the other day he mentioned the need for making haste. I would say that, with this picture in mind, and the knowledge that in Canada we have a very small population, considering the vast area over which that population is scattered, long lines of communication, great productive capacity, and great productive plants that have to be handled by this population, we should be careful indeed about the type of agreement that we sign under article 43 of the United Nations charter. If we sign agreements under that article of the charter by which we may be called upon to send forces to any part of the world where an act of aggression has been committed against a member of the United Nations we may find it impossible to meet our commitments under the North Atlantic treaty or to defend adequately our country against aggression, and of course, still further, to develop the resources of the country.

I regard the international situation today as being even more serious than the situation in either 1914 or 1939. I say that because the armed manpower against us is far more heavily weighted than it was on either of those former occasions. As is clearly pointed out in an article that appeared in the June issue of *United Nations World* headed in large letters, "Urgent" and with the subheading, "Memorandum on the Russian Military Power", Russia has 30,000,000 trained soldiers. The article continues:

> Russia is convinced of its invincibility, of the absolute superiority of the red army over the armies of the capitalist world. All the people living under Russian rule are prepared ideologically and politically for war. Russia today has the strongest army in the world—about 170 infantry, 35 armoured and 60 artillery divisions. The peacetime strength of the red army amounts to 4½ million men. The trained reserves are 25 milion. It can therefore lead into battle 30 million men.

And again:

> The infantry is 60 to 70 per cent motorized, the artillery up to 80 per cent motorized.

In referring to armaments the article has this to say about tanks:

> One should not repeat the mistake of underestimating Russian armament capacity. This mistake proved the doom of Germany. One must reckon on over 100,000 first-class tanks. The plants in Stalingrad alone produced in 1942 5,500 T-34's.

And finally:

> In short, the Russians have at their disposal first-class weapons of their own manufacture. The American supplies in armaments were hardly noticeable during the war. At the front, only the American trucks played an important part, but in the last few years Russia has expanded its production in this field too.

That indicates clearly the strength today of the armed forces of Russia, and it must be remembered that that article was written in June of last year. The article points out that the Russian air force is inferior to ours, but since June of last year Russia has greatly expanded its production of jet planes. These planes compare favourably with ours in the field although up to date the pilots have not proved to be as efficient.

Russia has no navy but, on the other hand, it has a strong submarine fleet. I think most people will agree that that is the only kind of fleet that Russia would require in the type of war she would probably be waging.

Therefore I say that there is no doubt that a very real danger exists. If war comes between the United States of America and the U.S.S.R. it is well to remember that Canada could not escape the consequences. When the defence minister outlined the defence program he stated, and I quote from page 97 of *Hansard* of February 5, 1951, as follows:

> Meeting these manpower requirements is going to require a big effort and the wholehearted support of all sections of the population.

In this program the main emphasis is being placed on the air force, and I think rightly so. The program calls for only a moderate expansion of the active army. Therefore I think it is essential that the reserve army be thoroughly reorganized and strengthened because it is bound to have an important role to play in the next world war if we are unfortunate enough to run into one.

I notice that many people, including men in the forces, older generals and others, suffer from what might be called a European complex. They recall that in world war I and world war II the fighting was mainly in Europe and mostly between European nations. But if there is a third world war the situation will be entirely different. Such a war would not be between European nations, it would be between the U.S.A. and the U.S.S.R., with Canada sandwiched right in between the two countries. Many people have stated that in the event of another war Canada might well be the Belgium of that war.

That being the case I think it is obvious that the reserve army will play a most important role in helping to maintain our anti-aircraft defences and in preventing acts of sabotage across the country. No one in this house has stressed the importance of the reserve army more than the leader of the opposition (Mr. Drew), and he has done it most effectively. I should like to quote a statement made by the leader of the opposition

with reference to the reserve army, and I direct the attention of the hon. member for Nanaimo (Mr. Pearkes) to the fact that this speech was made after the minister of defence had spoken and not before. The leader of the opposition is reported on page 287 of *Hansard* of February 12 as follows:

> No one should underestimate the importance in the Canadian defence plan of the reserve army. One of the things that have not been answered in the debate, but which should be answered, is the statement by the senior officers of all the associations representing the different branches of the land forces, that any suggestion that the number of men we have in the reserve is an effective force for the defence of this country is a travesty of the facts. These men who made that statement are the men who know best of all what the state of training of the reserve units really is. They know better than the Minister of National Defence (Mr. Claxton). They know better than the general staff. They know better than anyone else because they are the ones who are actually assuming responsibility for that training. They have made the bald statement that we are not getting full value for our money in reserve training, and that any statement that we have 40,000 effectives, which has been made over and over again, is a travesty of the facts.

It is interesting to note what those men have suggested in the way of methods by which the reserve army could be made more effective. I should like to quote from the report of the brief of the conference of defence associations published in *The Legionary* for February, 1951. The extracts read as follows:

> Years of experience have taught us all that to obtain anything like the number of men now required in the reserve force by voluntary means is impossible. Large sums have been spent on advertising and in other ways to induce men to join the reserve force. To a large extent such moneys have been wasted. The men have not been and are not coming forward.
>
> If it is not to be Canadian policy to lean on our allies in the initial stages of a war—and we are satisfied that the national pride of our people will tolerate no such situation—then men must be made available for training now. This will involve a national registration system and the introduction of an enforceable and enforced system of selective service for the reserve force. Only in this way will the reserve force obtain the men it needs, the training it must have, and the effectiveness which the Canadian people are entitled to expect in view of the expenditures involved. Only in this way can we build a reserve force to which Canada can look with confidence.

Note that the conference of defence associations insists that there must be some form of compulsory selective service in order to maintain the reserve army up to strength. Mind you, this is the opinion of the men who the leader of the opposition (Mr. Drew) states know better than anybody else, and his statement to that effect was made after the Minister of National Defence (Mr. Claxton) had spoken. The hon. member for Nanaimo (Mr. Pearkes) states that such a policy would discourage men from enlisting. I find it hard to follow that reasoning. I cannot see why, just because we might have some form of compulsory training of the reserve army, men would stop enlisting in the active service force. I would say that if anything it might have the opposite effect. At least those men who went overseas would have the satisfaction of knowing that we were training men at home to defend this country in case of an act of aggression, and in leaving their families at home there would be a better chance of their being defended than if we had no defence force at all.

The hon. member for Nanaimo referred to shortage of equipment and suggested that it is useless to bring men into the reserve army if we have not the equipment with which to train them. Again I should like to refer to a statement appearing in the same issue of *The Legionary* quoting a statement by the Minister of National Defence. It reads:

> In a statement to the Canadian press Mr. Claxton said that compulsory service is "a matter for the government and parliament." He denied that equipment shortages are, as the Legion claims, a major obstacle to any program of enforced training in the reserves.

Again, when he spoke in the house, as recorded at page 94 of *Hansard*, he stated:

> The Canadian army . . . has in store or on issue most of the equipment for four divisions, even more of some weapons . . .

Surely nobody can argue that we will not have the equipment to equip these men if we take them into the reserve army when, according to the Minister of National Defence, we have equipment stored away for four divisions. The hon. member for Nanaimo states that we have not got the facilities. Nevertheless we should remember that in many parts of Canada our facilities are not being used to their full capacity, and that very few of the reserve army units are up to full strength. He talked about taking in hundreds of thousands of men. The hon. member for Vancouver-Quadra (Mr. Green) dealt with that question. The Legion has never suggested universal training of that kind. They have called for national registration, and as a result of national registration the government would have sufficient information upon which to decide the number of men that should be trained. In taking men into the reserve army they would be very careful to see that they would not take them in at a faster rate than they had facilities with which to train them.

The hon. member for Nanaimo also talked about a number of difficulties being in the way of compulsory service. I am surprised that he of all people should talk about difficulties and suggest that just because we have difficulties we should not go ahead with compulsory training. In wartime we always

face big difficulties but we overcome them. Surely nobody is going to suggest that we could not overcome the difficulties that would face us as a result of taking men into the reserve army. Remember that the men who are advocating this policy are the men who have been and are in charge of these units, officers attending the conference of defence associations. Apparently they are quite confident that they can overcome any difficulties that may arise.

All members have received copies of the Legion program, "operation preparedness", so I am not going to go into details. I want to mention three points briefly. First of all there is the question of national registration which would provide the government with the information necessary to enable them to make the very best use of the manpower of the country. Second, there is the mobilization of industry for defence purposes. Again I think the reason for this is obvious. It would be for the purpose of bringing about maximum production of required goods. I think that in mobilizing our industrial resources we should do everything in our power to decentralize our industries. During the last war we unfortunately had a still greater concentration of industry in the east. If we are going to expand our industrial plants I think we should bring about decentralization as far as possible. We should try to build up regional zones and make them as self-sufficient as possible. In the last war one of the reasons Russia was able to fight back was that she had decentralized her industry. Therefore, as she was driven back, she had behind the Ural mountains industries that she was able to utilize. If all her industries had been concentrated in the areas that Germany conquered she might very well have been brought to her knees.

Then there is the question of compulsory training of men in the reserve forces. This would at least ensure that if an attack were made on Canada we would have men trained to defend the country, and also a source of reinforcements for the active forces. We believe that in the kind of world in which we are living today some form of compulsory training is absolutely essential. We believe that compulsory training in the reserve army would provide a maximum number of men with, at the same time, the least possible dislocation of industry. It is often stated that if a third war comes the enemy will move so fast we will not have time to train men. Fortunately the third war has not come yet. We still have time to train men, and it is up to us to see that we make the very best use of the time at our disposal to train men so that they will be in a position to defend Canada efficiently in the event of an attack, and in order that we may play a strong part under the North Atlantic treaty.

As I stated in the beginning, questions have been raised as to the timing and wisdom of this suggestion for compulsory service. As far as time is concerned I would say we have already lost too much time and therefore should act as quickly as we can on this matter. As to its wisdom, if hon. members are suggesting that it would not be politically expedient then I would say that if the government would lay their cards upon the table face up I am satisfied the people of this country would be willing to make any sacrifice necessary in order that we in Canada might continue to be a free people.

Mr. C. T. Richard (Gloucester): Mr. Speaker, I crave the indulgence of the house for a few moments whilst I discuss a few matters I believe to be of importance. Let me begin with those famous first words: "I intend to be brief."

First I wish to congratulate the mover (Mr. McMillan) and seconder (Mr. Breton) of the address in reply to the speech from the throne on the able manner in which they carried out their difficult task. I do not know whether they have had previous experience in parliamentary debate, but they discharged the duty assigned to them in a manner worthy of veterans. Both hon. members represent very important constituencies and very honourable professions, the mover being a member of the medical fraternity and the seconder a member of the bar. Each was a leader in his profession in his own community, and I am sure that in deciding to enter public life they realized, as some of us have come to realize, that they would be making a sacrifice. From their first efforts in this house, however, I am sure they will meet with success as servants of the people.

Before entering into a discussion of the topics I propose to deal with, I should like to pay tribute to three departed parliamentarians who were well known to a great many members of this house. I refer to the late members for Brandon, Queens, and Kindersley. All these gentlemen possessed noble qualities of soul and mind which endeared them to all who knew them, and many of our lives were in some measure enriched by the friendship we enjoyed with them. To their bereaved families I extend my deepest sympathy, and I am sure all hon. members who knew those gentlemen share my feelings.

We are passing through a very serious period in our history. We are called upon to make sacrifices, to practise self-denial,

to increase our material production, and especially to tighten our ranks so we may have that unity so essential in a crisis of this kind. We need have no fear. Our nation, which has gone through two great wars and emerged so successfully, can again cope with the situation and take its place beside the major powers of the world in the defence of democracy and liberty.

Domestically we possess all that is required to achieve these ends. We may, by great effort, increase our production for the benefit of all. On the international front I believe Canada is doing her share; and I am sure the efforts of our own Secretary of State for External Affairs (Mr. Pearson) at Lake Success during the last two or three years have won the admiration of the Canadian people, more especially in the role he played lately when he attempted to obtain a cease-fire in Korea. He has risen in the esteem of our people, and has won a niche as one of the foremost statesmen of the world. In listening to him in this house the other day I am sure everyone appreciated that we had a minister of foreign affairs who can match anyone at Lake Success.

I confess that I have no profound knowledge of the intricacies of diplomacy or foreign affairs. I am but an amateur, like many others, and probably in speaking on these matters I am rushing in where angels fear to tread. Yet I must refer to certain policies adopted by the Atlantic pact nations, which we as a member of that pact must follow, which contain some contradictions. It is hard to follow the pattern of these foreign policies. We are justly proud of the fact that our own Prime Minister (Mr. St. Laurent) was the first to suggest the North Atlantic treaty alliance, but when it was suggested we had no doubt it would be difficult to bring together all the nations which needed the protection of such an alliance since some of them, including the Scandinavian countries and those we call the low countries, were so close to Russia they might be hesitant about joining such a pact. It was only after much persuasion that we were able to gather together the nations circling the north Atlantic; but many of us cannot understand why Spain was not included.

I agree with the suggestion made this afternoon by the hon. member for Calgary East (Mr. Harkness) that we should try to bring Spain into this pact. We continue to treat Spain with disdain. We refuse her the right to participate in the deliberations under the North Atlantic pact. I was surprised the other day to read a dispatch in which Prime Minister Attlee was quoted as saying that Spain was not necessary, that Spain would not contribute anything if it joined the North Atlantic pact. Have we forgotten that Spain was the first nation in Europe to fight communism? If communism had been implanted in that important and strategic part of Europe, could we have won Italy against communism, as we did? We included Italy, a former enemy, in the North Atlantic pact, but we are denying Spain the same participation, and are even denying her a seat at Lake Success.

The hon. member for Calgary East (Mr. Harkness) said this afternoon—and I quite share his opinion—that we need all the allies that we can get. Yes, indeed; in my opinion the free nations banded together in the North Atlantic pact need all the assistance, the friendship and the co-operation they can get from all the nations having the common concepts of Christian civilization which we have; I think especially of Spain. Probably we deplore the methods employed by Franco in achieving power; but were those methods any worse than those employed by the Russian regime, by Marshal Tito, or by any of those in power today in those countries which form part of the Russian bloc?

It seems to me that we have forgotten the sins of others but yet are not ready to cross the threshold of opportunity to bring about a rapprochement with Spain. I repeat that we need as many allies as we can get. Let us not forget that communism today controls one-third of the people of this earth and one-half of the area of the globe. Therefore it is important that we should have on our side all the democratic countries that we can gather together.

It is true that our relations with the South American countries are quite cordial. Yet I believe that they could be better. Probably we may not be able to say the same about the relations existing between that great country to the south of us and the South American countries. I can see no better way of bringing the countries of North and South America together than by recognizing Spain, which most of these South American countries regard as the mother country. Let us not forget that South America—and perhaps a good many do not know this—has a population of some 150 million people.

The spectre of communism is of such a grave character that the democratic countries cannot neglect any opportunity of winning friends to combat communism. We cannot remain complacent. We must throw away our prejudices. We must look at things from a different point of view. All means must be employed to fight communism, especially where it is sneaking in as it is both in this country and in the United States.

Behind the iron curtain today are millions of people who at one time possessed democratic governments and enjoyed freedom of worship. Of this great number some 50 millions in countries such as Hungary, Poland, Austria, Yugoslavia and Czechoslovakia, are Roman Catholics. These people never have and never can become communists no matter how long communism may have a stranglehold on the country. To them democracy cannot exist without religion and religion cannot exist without democracy; for both have a common ideal, a common cornerstone, as it were, namely the dignity of man. They realize that today the communist regimes have recognized the fact that their worst enemy is the church and that they must stifle and eradicate all religious beliefs amongst these people in order to win. The Reds plan the conquest of all religious life in Europe. The persecution of such intellectual lights and great religious leaders as Cardinal Mindszenty, Cardinal Beran and other Catholic prelates was not carried out because they wished to attack the Catholic church more than any other sect. Protestant leaders were also persecuted as well as Zionist leaders. It is quite evident that communism fights all sects and that communism feels that it cannot succeed as long as there is a certain religious belief in the hearts of the people. They have plainly made their intention known by a manifesto which was issued last July at Prague for the purpose of rallying the communists in their fight against the church. Let me read from that manifesto and let me point out these extraordinary things. The manifesto reads as follows:

The church —

And I would note here that no particular church is indicated; the word is general.

—is our greatest enemy. This enemy is centred in the peasantry—

I wish to note again here that no particular church is indicated where they say "peasantry", meaning thereby that that is where probably the religious belief is strongest; that is, in that class of society. The manifesto continues:

—and unless we liquidate this opposition we shall not be able to conquer resistance in the villages as to the establishment of co-operatives—

Meaning collectives.

—and completion of our socialist program. There the communist party must gain strong foundation in the villages.

It is quite clear that the communist regime of those countries behind the iron curtain wishes to destroy independence of worship and to extinguish the flame of democracy. It is therefore regrettable that this country has not yet seen fit to appoint an accredited representative to the Vatican where perhaps more information may be obtained as to conditions behind the iron curtain than in any other capital in Europe. The Vatican is one of the outstanding diplomatic posts in the world today because of the large number of diplomats accredited to the Holy See, which numbers some 400 million adherents.

Let me assure the house that I do not make the suggestion because Rome or the Vatican happens to be the seat of the religion to which I adhere. Far from me be any such motive. I may say that I am prompted in bringing up this subject more by the fact that I happened to be in Rome a few months ago. I spent some time there. I had read much about the life that went on behind the iron curtain. While in Rome, amongst the thousands of visitors there during the Holy Year, I met hundreds of them. I had an opportunity to obtain information of what went on. Some of them came from countries behind the iron curtain, others from countries adjacent to it. They were people who had firsthand knowledge of conditions as they existed there. I was impressed with the great desire of these people, who are being subjected to communism, to keep a link with the western countries, and a desire for help to keep the flame of democracy alive and to keep the little liberty of worship they still possessed.

In suggesting that we should have a representative at the Vatican let me assure this house that I do not mean that he should be of any particular sect. In my estimation he should not be a representative at the Holy See because His Holiness is head of the Catholic church. He should be a representative at the Vatican because His Holiness is a sovereign in his own right, and that is the way he is recognized by nations who have accredited representatives there from the East where the Mohammedan religion dominates and where probably the Christian sects are very little known. They have representatives at the Holy See because His Holiness is a temporal ruler and not because he is the head of any particular church.

I know that there is still some opposition to our sending a representative to the Holy See under the false belief that it would be a recognition of a particular religion. But other countries do not view it in that light. Great Britain has had a representative at the Vatican for years, and the latest dispatches tell us that the United States will send one. Therefore we should regard it from another and more practical point of view. We should forget the religious part of it.

I believe that in this country we have reached a certain period in our history where we can see it is time to forget our petty differences and jealousies in matters of creed

or race. Every day I read of the great strides that this country is making in the development of our resources, in the expansion of our trade and of our wealth, and I am sure that other hon. members feel as I do as I read this every day. I feel proud of my country. I feel that it is the best in the world. It is well that we should be told of its great progress; but there is another sphere in which we have made progress in this country during the last twenty years, a progress which has been noticeable. I believe we have come to understand one another better. I believe there is not the ill feeling between races and creeds in this country that existed some twenty or twenty-five years ago. There may be some differences yet, but I believe we have made progress, and we should mention it.

Probably the two world wars which we have gone through have brought about this better feeling. Some call it tolerance. Lately I have come to realize that this word "tolerance" is abused an awful lot. Tolerance means to forbear, to forgive something which should not exist, to accept a necessary evil. I do not believe we should use the word "tolerance". In describing the better feeling which exists between the different races and creeds in this country we should call it respect for the ideas, the languages, the beliefs and the customs of others. To me that is more descriptive than tolerance.

According to the newspapers next week we celebrate brotherhood week. What better way could we observe it than by keeping in mind and trying to foster ways and means of coming to a better understanding of one another, bringing on a more intensified unity, a unity which is so essential today in this serious period of our history and the history of mankind.

Mr. W. Ross Thatcher (Moose Jaw): I shall detain the house only five minutes in order to discuss a matter arising out of a question which I asked the Minister of Agriculture (Mr. Gardiner) this afternoon. The question had to do with the South Saskatchewan irrigation project. I do not think it is necessary at this time for me to explain to most hon. members what that project is. It contemplates the building of a huge dam on the South Saskatchewan river in the dust bowl of my province. In the past, the Minister of Agriculture has been one of the strongest advocates of that project. There have always, however, been many excuses why it could not be started. A little more than a year ago, one of the minister's excuses was that provincial co-operation was not forthcoming in paying its share of the cost.

This afternoon I asked the minister whether the Saskatchewan government had agreed to pay $33 million toward the cost of the irrigation project, and his answer was:

> I would rather say that I have a letter from the Saskatchewan government, in which they have urged that construction be proceeded with, and have agreed to take as a basis of discussion $33 million on the part of the provincial government, and the farmers and others who are interested, but I would not like to say that they have agreed to make that payment. It was merely suggested as a basis of discussion.

I do not know why the minister could not have given me a yes or no to my question. I do not know why he had to answer so ambiguously.

Mr. Gardiner: I will tell him now why, because I had a letter from the premier in my hand, and that is what he said.

Mr. Thatcher: I must differ; what are the facts about this irrigation project? The provincial government has always maintained, as I think most Liberal speakers have maintained until the C.C.F. came into power in Saskatchewan, that this irrigation project was primarily a federal project. We heard very little until about a year ago about the fact that the provincial government would be expected to pay a large portion of these costs.

In discussing his estimates on October 14, 1949, the minister made this statement, as reported in *Hansard* at page 812:

> We must have assurances from somebody that an organization will be set up to utilize the water, and that they are going to contribute a share of the cost sufficient to ensure that they will take some responsibility for seeing that the work is carried on.

In other words, he went on to point out that the provincial government would have to pay a substantial share of the cost. We felt that this was not in the best interests of the nation, first of all because provincial revenues are so limited and, secondly, because the federal government has had such huge surpluses since the end of the war. It seemed obvious that the federal government, because the project was national in scope, should be able to proceed more satisfactorily. However, the Minister of Agriculture (Mr. Gardiner) has refused since that time to discuss the subject, except on the basis that the province would pay a substantial amount.

Finally, two weeks ago the minister went to Regina, I understand, and met the Saskatchewan government. They told him, in effect, that they still felt it was a federal responsibility. However, in order to get the project started, and in order to try to get the work under way, they were reluctantly prepared to bear a share of the costs. They asked for specific information as to what was involved.

I understand that the province was told it would have to be responsible, first, for $19 million to build a distribution system; secondly, for an estimated $6 million for levelling the land—the water owners would pay part eventually—and, thirdly, for $8 million to instal hydroelectric installations. The federal government would pay $68 million for the dam. In others words, the federal government was asking the government of Saskatchewan to pay the staggering sum of $33 million. The Minister of Agriculture certainly threw down a challenge when he asked them to find that amount of money.

However, the provincial government was so anxious to see the work started that after much consideration, even though the costs involved were so heavy, even though they still thought the matter was a federal responsibility, and even though their revenues were limited, they decided they would proceed on the basis of the figure that was outlined to them by the Minister of Agriculture and his departmental officials. The premier of the province has made this specific commitment to the minister, as he mentioned in a letter a moment ago:

> As soon as the federal government has announced its intention to proceed with this undertaking we are prepared to negotiate and sign an agreement on the basis of the allocation of costs outlined above.

In other words the provincial government is prepared to raise $33 million. How they will do it I do not know, but they are ready to go ahead with the project. They have agreed to the proposal, even though they think the terms are very severe. They are going to go along with it because they have to; they have accepted the minister's challenge.

Mr. Gardiner: What the hon. member should be concerned about, as a federal member, is finding the $68 million.

Mr. Thatcher: What we want to know is this: In view of this commitment, when can the project be started? The Saskatchewan legislature is meeting at the present time, and I suppose the project would have to be endorsed by that legislature. If so, why not without delay send the agreement out so that it can be ratified? I believe it would be passed unanimously. I know every C.C.F. member of the legislature would support it, and I presume it would have the support of every Liberal member there.

I suggest that the international situation is such, and the defence situation is such, that we should try to diversify our industry in a way that the building of this dam would make possible. I would remind the house of what the Minister of Agriculture said a few years ago:

> Development of irrigation and power on the South Saskatchewan river by means of the Outlook dam would mean industrial and agricultural development of western Canada similar to the Essen country of Germany.

Today we are facing the problem of inflation. We need greater production. Let us make an Essen in this part of western Canada, as the minister suggested. I believe that the citizens of Saskatchewan, whether they be Liberal, Conservative, or C.C.F., will be bitterly disappointed if, because of the international situation, the government decides to postpone this much needed work for a further period of time. I believe there is no major project needed as much in Canada today as this irrigation scheme, and in that statement I include the St. Lawrence seaway development.

Mr. J. A. Ross (Souris): Mr. Speaker, I should like to refer to some of the inaccuracies in the speech delivered yesterday by the hon. member for Maple Creek (Mr. Studer).

Mr. Knowles: You have not time for that, surely.

Mr. Ross (Souris): I will just refer to it, because it is not the chief subject about which I rose to speak. The hon. member is reported at page 361 of *Hansard* as saying:

> If members of the House of Commons were in agreement with the British wheat contract, then every agreeing member of the House of Commons signed.

I have at no time agreed with that contract. Then, later on he says:

> Some people estimate that the loss has been fifty cents a bushel, but I have not heard one member say what the world price of No. II wheat would have been if the 1,400 million bushels of grain sold under the British contract had been placed on the open market.

I am amazed that we have a member of parliament from the prairie provinces who does not know more than that about the contract—because most ordinary farmers do know more. I think it is realized that under that contract 600 million bushels were to be delivered. The balance of 1,400 million bushels was sold—at least much of it—to consumers in Canada. I am amazed that that there is any member in any party from the three prairie provinces who would even imply that the farmers of the prairie provinces should subsidize the consumers of Canada as well as of Great Britain. I thought the hon. member would have known more about the terms of the contract than he indicated in his speech yesterday. I have great respect for him; I think he is a great orator, and he

gave us a most entertaining fifty minutes yesterday when he began naming the public officials of several nations—and did not pass up the hon. member for Souris (Mr. Ross), saying that he should be named Mr. Grain Exchange. I want to thank him—and I would say that I think he must have been in bed at some time with the Minister of Justice (Mr. Garson), because certainly he is imitating the minister's technique. When he is out on any of the rural hustings in his native province of Manitoba he always goes out of his way to link the name of the hon. member for Souris with some of his friends of the Winnipeg grain exchange. The hon. member was so like the minister that I wished to refer to the fact in passing. I think if the hon. member would discuss in detail this wheat problem and many other problems concerning his farming constituency with his deskmate, the hon. member for Moose Mountain (Mr. Smith), he would find it very beneficial. Because while the hon. member for Moose Mountain, who has been a neighbour of mine for many years, may not be the windy orator that the hon. member for Maple Creek is, still he is a good, sound and sensible type of farmer, and understands the problems of his constituency very well. I would advise him to confer with the hon. member for Moose Mountain before making statements such as he made yesterday, and especially when they concern the British wheat contract. What he has said does not do the hon. member justice in his own riding—and may I say he represents a very fine riding.

However, I rose at this time to speak about the subamendment, because I am greatly concerned about it. First of all I want to endorse wholeheartedly the principle set forth so eloquently by my colleague, the hon. member for Nanaimo (Mr. Pearkes). I thought he spoke as a great Canadian.

I believe I can speak with some knowledge of the subject. I say, with some degree of humility, that I have had a little experience with the reserve forces in this country. In my very early teens it was my privilege to serve as batman to an officer in a reserve unit. I want to pay tribute to the officers and N.C.O.'s and men of the reserve forces of Canada at this time. They give a very great deal of their service and time in a worthwhile effort. I know how beneficial the reserve forces were in raising men for the armed services during the first war. They were most helpful, as they were again in the second world war.

Then, following the first world war, it was my privilege to serve in almost all phases of a reserve unit, and to serve finally as O.C. Without detracting in any way from the splendid service those people perform, I wish to tell the house that this subamendment is the most impractical piece of—well, I will not say "nonsense", but I will say that I do not understand the meaning behind it at all. I want to tell the house that I have great respect and admiration for the hon. member for Peace River (Mr. Low), the leader of the Social Credit party, who moved it. But in my opinion, and from my experience, it is most impractical.

Before I forget I should like to congratulate the Canadian Legion. I have been a member of that great organization since its inception. It was my privilege to attend their convention at Winnipeg last fall when this whole matter was discussed. I want to tell hon. members that the matter upon which they will be called to vote now is not the motion which was voted on at the Legion convention last fall. I should like to make that quite clear as people have quoted portions of this "operation preparedness" pamphlet.

I endorse the principle of this pamphlet. I certainly am in favour of national registration. I am in favour of mobilization for industry, for agriculture; the mobilization of our manpower. But to endorse this subamendment would be a retrograde step. Reference was made yesterday to the N.R.M.A. during the last war and the difficulties that were encountered at that time. I do not think anybody was at all happy about those experiences. I am sure that if we endorsed this subamendment it would create a much worse system. I say that with all respect for and pride in the reserve forces of this country.

Let us see how this would work out. There are many areas in this country where there is not a semblance of a reserve force organization. I know some constituencies where there is no organization whatever, no armoury, no equipment. If we were to have what was advocated this evening by the hon. member for Acadia (Mr. Quelch) then this is what would happen in certain districts in Manitoba. Young chaps on the farm doing their daily work, doing the chores that are necessary such as milking cows, feeding hogs and other things, might be called upon to drive as far as 200 or 300 miles to do their training in the evening. Is that feasible or possible or practical? To me the thing is just absurd.

In fairness to some of the members of the executive of the Canadian Legion I think I should say that perhaps they got a little ahead of themselves in this third paragraph.

I am well acquainted with some of these chaps and I know that when you speak to them now they will point out that even though the reserve forces may be well organized in cities like Montreal, Toronto, Winnipeg, Calgary and Vancouver, there would likely be difficulties under compulsory service. I can picture the officers under compulsory service with their orderly parades and faced with the problem of absenteeism. I can see them trying to check at the homes of the men to find out why they were not on parade. It just does not make sense, even in the cities. It certainly would be most detrimental to the industry of this country and to agricultural production.

Talk about equality of service and sacrifice. It would only add to the inequality of service and sacrifice at a time such as this. Remember, this is not for front line, active service; this is for the reserve forces. You have the cart before the horse. I feel keenly about this. Another pamphlet has been issued which is a compromise since the convention held in Winnipeg last September. On the first inside page the following appears, and remember this is the Legion talking:

> We have reason to believe that the chief obstacles in the way of implementing the Legion's demands are a serious shortage of ships, planes, equipment, and even boots and clothing, and the admitted absence of adequate trained personnel, accommodation, and other facilities necessary to any immediate appreciable expansion of the reserve forces.

That is the very issue we are confronted with by the subamendment. That is set forth in that paragraph in the latest pamphlet published by the Legion. They have made a survey across the nation and they know it is not feasible. I ask you in all frankness to be fair about this.

I am not satisfied about our manpower situation today. When I spoke the other night following the extended remarks of the Minister of National Defence (Mr. Claxton) I pointed out that to have our services on a comparative basis with the United States of America—our requirements should be somewhat similar—instead of having 148,000 men in the services three years from now we would have to have 318,000 personnel in the armed services of this nation. That would be necessary in order to compare on a per capita basis with what the United States expects to have by June of this year.

It is not satisfactory. Their objective is greater than the objectives we have in mind. The Legion point that out in this pamphlet which I think has been mailed to most members of the House of Commons as well as having been freely distributed throughout the country.

[Mr. Ross (Souris).]

When I make these remarks I am not unmindful of the fact that I probably shall have to account to the people I represent. I would remind the house that during the last great war my constituency probably had as great a per capita enlistment rate as any constituency in Canada. When the plebiscite was held, I think in 1942, that constituency registered the greatest "yes" vote of any rural riding in Canada. The only riding to exceed Souris was the riding of Eglinton. It will be seen that these people are quite patriotic and are prepared to make sacrifices in the defence of this great nation.

As I have pointed out before, the government possesses avenues of information not open to us. Before I came to Ottawa I was asked some embarrassing questions by the people of my riding. They wanted to know where their money was going and what the manpower situation was. The members of this group, as well as members of the other opposition groups, have put up a concerted effort to get information on this subject. We have had to ask for information from the ministers who have their staffs and other avenues of information.

The Prime Minister (Mr. St. Laurent) said the other night that if this was not satisfactory he would be prepared to bring in all-out conscription for active service. That is away ahead of what we are asking for right here. I do not know how we can do anything else but take him at his word for the time being. I appeal to everybody to be practical about this thing. I do not know why the subamendment was brought in. I have said that I have great confidence in the hon. member who introduced it, but as one who has had rather considerable experience in the reserve services I think it is most impractical. It is nothing but a retrograde step. If we make any move, let us be sure it is something worth while for this nation.

I am prepared to explain to the people whom I represent that I have endorsed this brief of the Legion asking for total preparedness. I am wholly in accord with national registration in order to see where we are at. I think that must go ahead of everything else. I am in favour of total mobilization for industry and agricultural production. The Legion themselves admit that this subamendment will not work. At this time let us be practical. Let us put Canada first and do what we think is best in the interests of this country and of the great United Nations.

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, at the present time I am going to deal only with the subamendment moved by the hon. member for Peace River (Mr. Low). For the reasons which were

admirably and objectively stated by the hon. member for Nanaimo (Mr. Pearkes) and several other hon. members, the policy proposed in the amendment to the amendment is not acceptable to the government.

Mr. C. E. Johnston (Bow River): Mr. Speaker, I want to have the opportunity to say a few words on this subject. I have been somewhat amused at the concerted efforts of some of the Conservatives to throw their arms around the Liberals so far as this subject is concerned. I have never heard better Liberal speeches on any subject since I have been in the house—and I have been here for fifteen years—than those made by some of the Conservatives in praise of the government program. I was also somewhat amused at the remarks made by some members when they referred to the deplorable conditions that existed during world war II. They spoke of the contemptible way in which our armed forces were called to service, and those of us who were here can well remember that. Nevertheless nearly all the Conservative members and the C.C.F. members who have spoken to date would condone the government carrying on that type of policy.

I say "that type of policy" for the reason that they are willing to put their trust in the hands of the same party that conducted the last war, and in fact in a government with almost the same personnel. Unless they have had a great change of heart—I would not go so far as that—the results must be the same. I was rather pleased when I heard the remarks of the leader of the opposition (Mr. Drew) in speaking during this debate. He was very much agitated—and I thought rightly so—because of the poor preparations being made at the present time for the defence of our country. I listened to his speech, read it over carefully, and I want to refer to one or two parts of it. The leader of the opposition said certain things that I think were outstanding and I want to put them on *Hansard*. At page 21 of *Hansard* for February 1, he said:

> Many alarming details have come to light within the past few weeks. It was with astonishment that those who were aware of our shortage of weapons learned that a government arsenal, which could have been making modern weapons, was making shotguns to be sold for sporting purposes.

Listening yesterday and today to some of the Conservative speakers praising the government for its effort, one would not think that it would be doing such a thing as that. Then the leader of the opposition went on to say:

> It was with equal astonishment that we learned it was necessary to send Canadian forces to the United States to train, although we have been spending so much money on the many large military camps across Canada. But details of that kind are in themselves not nearly so alarming as the statement issued a few weeks ago by the conference of defence associations.

The leader of the opposition is pointing out that these are alarming things, and he is emphasizing their importance. Nevertheless the hon. member for Nanaimo (Mr. Pearkes) got up the other day and said he had confidence that the government would carry out the suggestions which they have made. How contradictory can they be? Let me continue with what the leader of the opposition had to say about the conference of defence associations.

Mr. Pearkes: On a question of privilege, I never said any such words as the hon. member is putting into my mouth. The very fact that our party has an amendment which might be interpreted as a want of confidence motion is evidence that he has misunderstood my remarks.

Mr. Johnston: I do not think I misunderstood at all the inferences and implications of the hon. member for Nanaimo. His point was very clear. I was going to say that in my estimation he was trying to ride the fence but I suppose he would object to that term, so I will not use it.

Mr. Ferguson: Read his speech; it is in *Hansard*.

Mr. Johnston: I will before I am through.

Mr. Ferguson: We will just see what you can understand.

Mr. Johnston: Some people did not seem to understand what their own party stood for when the leader of the opposition was speaking because they have so readily changed their minds. Now they are about to throw their arms around the government. As one expressed it, they are afraid to be on the spot on this particular question. They would be if they faced this problem fairly and squarely, but I would rather face it squarely than try to sit on the fence when the welfare of the nation and our very existence is dependent on our preparation. The leader of the opposition does not think we are very well prepared. Make no mistake about that. He pointed that out quite clearly. He went on to speak about the conference of defence associations. He placed some reliance on what they had to say, and I should like to put it on the record so that we all can see. He went on to say:

> To appreciate the importance of their statement, we must recall that this annual conference of defence associations brings together senior officers appointed by each of the military associations which represent all the different services of the Canadian army. These are the men who are actually serving in our reserve forces. These are the men who are in close contact with our permanent forces as well. These are the men who are largely

responsible for interpreting the opinion of those who are in uniform. That conference represents the highest possible authority in regard to the actual state of training of our reserve forces, upon which the land defence of Canada or our participation in any collective plan must still in the main depend.

Recognizing the special position they occupy, and the absolute impartiality of the views they express, let me quote from the statement presented to the government less than a month ago by the conference of defence associations.

I am not going to repeat all the passage that he has quoted. I shall take one section of it which reads:

To say that the reserve force is 40,000 strong, and to give the Canadian people the idea that it has 40,000 men who could quickly be ready for action, is a travesty of the facts. There are few, if any, reserve units in Canada that could be ready to function in action under a minimum period of six months. This includes AA . . .

That is a pretty sorry condition for our defences to be in. Nevertheless the hon. member for Nanaimo said that he thought the Legion would not have made that statement, or issued their manifesto, if they had waited until the government had put their plan forward. I do not think it would have made any difference to the Legion. We have not got very much information from the government so far about what they are actually going to do or when they are going to do it. The hon. member for Nanaimo must remember that the Legion has not forgotten the subject even up to this time. We are still receiving telegrams and communications from the Legion despite the fact that this subject is before the house and the Minister of National Defence (Mr. Claxton) has given us his plans. Apparently they are not satisfied.

Then the hon. member for Nanaimo (Mr. Pearkes) went on to say that the Legion might have given this a little more thought, might have taken a little more precaution in the timing, might have waited until the government brought down its platform and so on. Does he realize that the Conservative amendment was moved in this house before the announcement was made by the Minister of National Defence, just as the Legion program was announced before that program was brought down? Yet I have not noticed the Conservatives withdrawing their amendment. Let me read the part I want to refer to.

Mr. Ferguson: Oh, oh.

Mr. Johnston: Well, I can put it all on *Hansard*. It was moved by your leader.

Mr. Ferguson: Read it all so we can understand it.

Mr. Johnston: Very well; if you cannot understand it from reading it, I will read it for you.

[Mr. Johnston.]

Mr. Ferguson: You only read snatches of it; that is why you cannot understand it.

Mr. Johnston: Of course I have to judge the mental capacity of those to whom I am reading. The amendment reads:

We regret that Your Excellency's advisers have failed

(1) to give this nation leadership in the face of the present grave danger;

To hear some of the Conservatives speak now, especially the hon. member for Souris (Mr. Ross), you would not think we were facing much of a danger.

(2) to bring into being forces necessary to enable Canada to defend itself and discharge its international obligations;

(3) to take effective measures to combat inflation and the rapidly rising cost of living.

Let me refer to the second paragraph again: "to bring into being forces necessary to enable Canada to defend itself." It is obvious that the forces are not here to defend us. That was in almost the same words used by the Legion, and it was put on *Hansard* before the minister made his statement. So if the Legion is wrong the Conservative party is wrong, and they should withdraw their amendment rather than embarrass some of their members by having them vote for it.

Some of us in this house apparently do not view our unpreparedness with the sense of alarm felt by others. I want to refer to an article that appeared in *Maclean's* magazine of February 15, 1950, in regard to the danger we face, written by Nicholas Ignatieff, of whom they have this to say:

The author is a trained engineer who knows northern Canada intimately. He went overseas in 1940 as a lieutenant in the Royal Canadian Engineers. Because of his knowledge of the Russians he was seconded to the British war office for intelligence duties to assist in plotting the probable actions of our Russian allies, who volunteered little of the information so vital to our own strategy. He became head of this section of intelligence and was decorated by the British and Americans. He retired with the rank of lieutenant colonel in 1947 and is at present warden of Hart House, University of Toronto. Ignatieff spends the summer at his homestead in northern British Columbia near the Alaska highway—which, he points out in the accompanying article, may be on Russia's doorstep if war comes.

This is what he has to say, after referring to the Persian oil fields:

Their next major objective, I believe, would be to tie down North American forces in the defence of North America. Because they are unlikely to be capable of a major invasion of this continent by sea or air, their actions would be primarily directed at creating maximum alarm and confusion in the hope of provoking a public outcry against sending troops abroad and war material abroad. To achieve this they would probably send a considerable force to Alaska, accompanied by bands of tough Siberian troops landed by air in the Canadian north.

Their object would be not only to keep America worried and guessing as to the real scope and direction of Soviet intentions but to keep large American forces tied down in hunting these bands over the immense expanse of our northland.

Another objective would be to infiltrate saboteurs among our heterogeneous population to conduct planned and controlled sabotage through a series of blows at widely divergent points.

The forces in the north could act in a wireless-liaison capacity with the soviet G.H.Q. and might even hope to pass supplies to saboteurs. They could probably spare a major effort for Alaska and, unless communications with that area are much improved, the Russians would tie down a considerable part of our air strength in fighting and supplying the battle for Alaska.

For these operations the soviets could rely on a large native population in Siberia; many would be almost indistinguishable from our Eskimos and Indians. These people and Russian Siberian troops composed some of the toughest divisions in the red army and had wide experience in winter warfare in world war II.

I ask you to call it eleven o'clock, Mr. Speaker, and I move the adjournment of the debate.

Motion agreed to and debate adjourned.

PRIVILEGE

REFERENCE TO REMARKS IN DEBATE ON FEBRUARY 15

Hon. Stuart S. Garson (Minister of Justice): I wonder if I might raise a point of privilege, in order to put the record straight. During the debate this evening I understood the hon. member for Souris (Mr. Ross) to make a statement to the effect that I had gone about my constituency discussing the British wheat contract and in connection therewith had coupled his name with that of the Winnipeg grain exchange. I would not want the hon. member to think I had ever done any such thing. The views of the hon. member on the British wheat contract are quite well known and speak for themselves; and I have never thought it necessary to couple his name with that of the Winnipeg grain exchange in order that his position in that connection might be understood.

What I have said, however, and perhaps this is the matter to which he is referring, is that I regarded his views concerning the dominion-provincial tax agreements, especially as they applied to the province of Manitoba, as quite erroneous; and I have indeed in this connection coupled his name with those of two Winnipeg citizens, one of whom happens to be a prominent member of the grain exchange. This is however a matter that has no relation at all to grain marketing, or to the Winnipeg grain exchange.

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

HOUSE OF COMMONS

Friday, February 16, 1951

The house met at three o'clock.

STANDING COMMITTEES

Mr. W. G. Weir (Portage-Neepawa) presented the report of the special committee appointed to prepare and report lists of members to compose the standing committees of the house, as follows:

PRIVILEGES AND ELECTIONS

Messrs:

Benidickson
Boisvert
Brooks
Campney
Cardiff
Carter
Coldwell
Cote (Matapedia-Matane)
Cote (St. Johns-Iberville-Napierville)
Courtemanche
Dechene
Dickey
Diefenbaker
Fair
Fulford
Gour (Russell)
Harris (Grey-Bruce)
Knowles
Leduc
Lefrançois
Leger
MacKenzie
Parent
Pouliot
Richard (Ottawa East)
Riley
Stewart (Yorkton)
Tustin
Viau—29.

(Quorum—10)

RAILWAYS, CANALS AND TELEGRAPH LINES

Messrs:

Adamson
Applewhaite
Beaudry
Bertrand
Beyerstein
Bonnier
Bourget
Breithaupt
Cannon
Carter
Chevrier
Clarke
Conacher
Darroch
Dewar
Eudes
Ferguson
Follwell
Fulton
Garland
Gauthier (Portneuf)
Gillis
Gourd (Chapleau)
Green
Harkness
Harrison
Hatfield
Healy
Herridge
Higgins
Hodgson
James
Lafontaine
Lennard
Macdonald (Edmonton East)
MacNaught
Maybank
McCulloch
McGregor
McIvor
Mott
Murphy
Murray (Cariboo)
Mutch
Noseworthy
Pouliot
Richard (St. Maurice-Lafleche)
Riley
Robinson
Rooney
Ross (Hamilton East)
Shaw
Smith (Queens-Shelburne)
Stuart (Charlotte)
Thatcher
Thomas
Thomson
Weaver
Whiteside
Whitman—60.

(Quorum—20)

MISCELLANEOUS PRIVATE BILLS

Messrs:

Argue
Balcer
Balcom
Bater
Bonnier
Brooks
Browne (St. John's West)
Cameron
Campney
Casselman
Cauchon
Cleaver
Cote (Verdun-LaSalle)
Cournoyer
Croll
Decore
Demers
Eyre
Ferguson
Fournier (Maisonneuve-Rosemont)
Gauthier (Lapointe)
George
Hansell
Hosking
Hunter
Jeffery
Kent
Knight
Langlois (Berthier-Maskinonge)
Lennard
Little
MacDougall
MacLean (Cape Breton North and Victoria)
McLean (Huron-Perth)
Murphy
Noseworthy
Parent
Richard (Gloucester)
Roberge
Robertson
Stanfield
Stewart (Yorkton)
Tustin
Valois
Warren
White (Middlesex East)
Whitman
Winkler
Wood
Wylie—50.

(Quorum—15)

BANKING AND COMMERCE

Messrs:

Adamson
Argue
Arsenault
Ashbourne
Balcom
Beaudry
Bennett
Blackmore
Bradette
Breithaupt
Brooks
Cannon
Carroll
Cleaver
Cote (St. Johns-Iberville-Napierville)
Crestohl
Dumas
Fleming
Fournier (Maisonneuve-Rosemont)
Fraser
Fulford
Fulton
Gingras
Gour (Russell)
Harkness
Harris (Danforth)
Hees
Hellyer
Helme
Hunter
Laing
Leduc
Low
Macdonnell (Greenwood)
Macnaughton
Maltais
Maybank
McMillan
Picard
Richard (Gloucester)
Richard (Ottawa East)
Riley
Sinclair
Smith (Moose Mountain)
Smith (York North)
Stewart (Winnipeg North)
Thatcher
Ward
Welbourn
White (Hastings-Peterborough)—50.

(Quorum—15)

PUBLIC ACCOUNTS

Messrs:

Anderson
Ashbourne
Balcer
Beaudry
Benidickson
Beyerstein

Standing Committees

PUBLIC ACCOUNTS—*Con.*

Messrs:

Blue
Boisvert
Boivin
Brisson
Browne (St. John's West)
Cauchon
Cavers
Cleaver
Cloutier
Croll
Cruickshank
Denis
Diefenbaker
Drew
Fleming
Fournier (Maisonneuve-Rosemont)
Fraser
Fulford
Gauthier (Portneuf)
Helme
Homuth
Johnston
Kirk (Antigonish-Guysborough)
Kirk (Digby-Yarmouth)
Larson
Macdonnell (Greenwood)
Major
Maltais
Maybank
Nowlan
Picard
Pinard
Richard (Gloucester)
Richard (Ottawa East)
Riley
Robinson
Sinclair
Stewart (Winnipeg North)
Thatcher
Warren
Welbourn
White (Hastings-Peterborough)
Winkler
Wright—50.

(Quorum—15)

AGRICULTURE AND COLONIZATION

Messrs:

Anderson
Arsenault
Aylesworth
Bater
Bennett
Black (Chateauguay-Huntingdon-Laprairie)
Blue
Breton
Browne (St. John's West)
Bruneau
Bryce
Catherwood
Charlton
Clark
Corry
Cote (Matapedia-Matane)
Courtemanche
Cruickshank
Darroch
Decore
Demers
Diefenbaker
Dumas
Fair
Fontaine
Gauthier (Lapointe)
George
Gosselin
Gour (Russell)
Harkness
Hatfield
Herridge
Hetland
Jones
Jutras
Kent
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Digby-Yarmouth)
Laing
Leger
MacKenzie
Masse
McCubbin
McLean (Huron-Perth)
Murray (Cariboo)
Murray (Oxford)
Nowlan
Quelch
Richard (St. Maurice-Lafleche)
Roberge
Ross (Souris)
Studer
Thomson
Ward
White (Middlesex East)
Whitman
Wood
Wright
Wylie—60.

(Quorum—20)

STANDING ORDERS

Messrs:

Boisvert
Boucher
Breton
Casselman
Denis
Gibson
Green
Henry
Homuth
Huffman
Knowles
MacLean (Cape Breton North and Victoria)
Monette
Pinard
Quelch
Robinson (Simcoe East)
Ross (Souris)
Smith (York North)
Stuart (Charlotte)
Viau—20.

(Quorum—8)

MARINE AND FISHERIES

Messrs:

Applewhaite
Arsenault
Ashbourne
Balcom
Bennett
Black (Cumberland)
Blair
Breton
Cannon
Catherwood
Cavers
Cote (Matapedia-Matane)
Cournoyer
Fulford
Gibson
Gillis
Harrison
Henderson
Higgins
James
Kirk (Antigonish-Guysborough)
Langlois (Gaspe)
Leger
Macdonald (Edmonton East)
MacInnis
MacNaught
Maltais
McLean (Huron-Perth)
McLure
Mott
Pearkes
Stick
Stuart (Charlotte)
Thomas
White (Hastings-Peterborough)—35.

(Quorum—10)

MINES, FORESTS AND WATERS

Messrs:

Adamson
Benidickson
Black (Cumberland)
Boivin
Brisson
Byrne
Dickey
Dumas
Eyre
Ferrie
Gauthier (Lapointe)
Gauthier (Sudbury)
Gourd (Chapleau)
Harkness
Herridge
Higgins
Hosking
Hunter
Jones
LaCroix
Lafontaine
Larson
Little
McIvor
McLure
McWilliam
Pearkes
Proudfoot
Rowe
Simmons
Stick
Thomas
Weaver
Welbourn
Wylie—35.

(Quorum—10)

INDUSTRIAL RELATIONS

Messrs:

Balcer
Beaudoin
Black (Cumberland)
Boucher
Bourget
Breton
Brown (Essex West)
Byrne
Carroll
Cloutier
Conacher
Cote (Verdun-LaSalle)
Croll
Fairclough, Mrs.
Gauthier (Lake St. John)
Gauthier (Sudbury)
Gillis
Higgins
Homuth
Johnston
Kent
Knowles
Lennard
Macdonald (Edmonton East)
MacInnis
McWilliam
Mott
Murphy
Nixon
Pouliot
Ross (Hamilton East)
Stewart (Yorkton)
Thomson
Viau
Weaver—35.

(Quorum—10)

DEBATES

Messrs:

Boucher	Knowles
Casselman	Murray (Oxford)
Crestohl	Pouliot
Hees	Simmons
Henry	Valois
Johnston	Viau—12.

(Quorum—7)

EXTERNAL AFFAIRS

Messrs:

Balcer	Green
Bater	Higgins
Benidickson	Jutras
Bradette	Lesage
Breithaupt	Leger
Coldwell	Low
Cote (Matapedia-Matane)	MacInnis
Croll	MacKenzie
Decore	Macnaughton
Dickey	McCusker
Diefenbaker	Murray (Cariboo)
Fleming	Mutch
Fournier (Maisonneuve-Rosemont)	Picard
	Pinard
Fraser	Quelch
Gauthier (Lake St. John)	Richard (Ottawa East)
Gauthier (Portneuf)	Robinson
Goode	Stick—36.
Graydon	

(Quorum—10)

PRINTING

(Members to act on the part of the Commons)

Messrs:

Argue	Healy
Ashbourne	Hees
Bertrand	Hetland
Beyerstein	Hodgson
Black (Chateauguay-Huntingdon-Laprairie)	Hunter
	Kickham
	Lefrancois
Blackmore	MacDougall
Boivin	MacLean (Cape Breton North and Victoria)
Bonnier	
Breton	Maltais
Browne (St. John's West)	McDonald (Parry Sound-Muskoka)
Bryce	
Cameron	McIvor
Cardiff	McLean (Huron-Perth)
Cauchon	McWilliam
Cavers	Murray (Oxford)
Charlton	Robertson
Cruickshank	Shaw
Darroch	Sinnott
Decore	Smith (Queens-Shelburne)
Fairclough, Mrs.	
Ferguson	Stanfield
Ferrie	Stuart (Charlotte)
Follwell	Studer
Fontaine	Tustin
Gingras	Weaver
Gosselin	Whitman
Gour (Russell)	Wright—54.
Harkness	

(Quorum—)

LIBRARY

(Members to act on the part of the Commons)

Mr. Speaker and Messrs:

Beyerstein	Casselman
Blackmore	Conacher
Brown (Essex West)	Coyle
Carroll	Dechene
Carter	Demers
Eudes	McIlraith
Gauthier (Lapointe)	McMillan
Gibson	Noseworthy
Gingues	Pearkes
Goode	Proudfoot
Hellyer	Ratelle
Henderson	Rochefort
Higgins	Ross (Hamilton East)
Homuth	Rowe
Hunter	Sinnott
Jones	Smith (Moose Mountain)
Kirk (Digby-Yarmouth)	Smith (York North)
Knight	Tustin
LaCroix	Valois
Laing	White (Middlesex East)
Leger	Whiteside
MacNaught	Winkler—44.

(Quorum—)

RESTAURANT

(Members to act on the part of the Commons)

Mr. Speaker and Messrs:

Breithaupt	MacNaught
Casselman	McCulloch
Cournoyer	McGregor
Dewar	Ratelle
Ferguson	Richard (Ottawa East)
Gauthier (Sudbury)	Rochefort
Gour (Russell)	Simmons
Hansell	Stewart (Winnipeg North)
Harkness	
Langlois (Berthier-Maskinonge)	Stick
	White (Hastings-Peterborough)
Leger	
Little	Ward—24.
Macdonald (Edmonton East)	

(Quorum—)

Mr. Weir moved that the report be concurred in.

Motion agreed to.

POWERS OF COMMITTEES

Right Hon. L. S. St. Laurent (Prime Minister) moved:

That the standing committees of this house shall severally be empowered to examine and inquire into all such matters and things as may be referred to them by the house, and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

Motion agreed to.

PRINTING OF PARLIAMENT

Mr. W. G. Weir (Portage-Neepawa) moved:

That a message be sent to the Senate to acquaint Their Honours that this house will unite with them in the formation of a joint committee of both houses on the subject of the printing of parliament, and that the following members, viz: Messrs. Argue, Ashbourne, Bertrand, Beyerstein, Black (Chateauguay-Huntingdon-Laprairie), Blackmore, Boivin, Bonnier, Breton, Browne (St. John's West), Bryce, Cameron, Cardiff, Cauchon, Cavers, Charlton, Cruickshank, Darroch, Decore, Fairclough (Mrs.), Ferguson, Ferrie, Follwell, Fontaine, Gingras, Gosselin, Gour (Russell), Harkness, Healy, Hees, Hetland, Hodgson, Hunter, Kickham, Lefrancois, MacDougall, MacLean (Cape Breton North and Victoria), Maltais, McDonald (Parry Sound-Muskoka), McIvor, McLean (Huron-Perth), McWilliam, Murray (Oxford), Robertson, Shaw, Sinnott, Smith

(Queens-Shelburne), Stanfield, Stuart (Charlotte), Studer, Tustin, Weaver, Whitman and Wright, will act as members on the part of this house on the said joint committee on the printing of parliament.

Motion agreed to.

LIBRARY OF PARLIAMENT

Mr. W. G. Weir (Portage-Neepawa) moved:

That a message be sent to the Senate acquainting Their Honours that this house has appointed Mr. Speaker and Messrs. Beyerstein, Blackmore, Brown (Essex West), Carroll, Carter, Casselman, Conacher, Coyle, Dechene, Demers, Eudes, Gauthier (Lapointe), Gibson, Gingues, Goode, Hellyer, Henderson, Higgins, Homuth, Hunter, Jones, Kirk (Digby-Yarmouth), Knight, LaCroix, Laing, Leger, MacNaught, McIlraith, McMillan, Noseworthy, Pearkes, Proudfoot, Ratelle, Rochefort, Ross (Hamilton East), Rowe, Sinnott, Smith (Moose Mountain), Smith (York North), Tustin, Valois, White (Middlesex East), Whiteside and Winkler, a committee to assist His Honour the Speaker in the direction of the library of parliament so far as the interests of the House of Commons are concerned, and to act on behalf of the House of Commons as members of a joint committee of both houses on the library.

Motion agreed to.

PARLIAMENTARY RESTAURANT

Mr. W. G. Weir (Portage-Neepawa) moved:

That a message be sent to the Senate acquainting Their Honours that this house has appointed Mr. Speaker and Messrs. Breithaupt, Casselman, Cournoyer, Dewar, Ferguson, Gauthier (Sudbury), Gour (Russell), Hansell, Harkness, Langlois (Berthier-Maskinonge), Leger, Little, Macdonald (Edmonton East), MacNaught, McCulloch, McGregor, Ratelle, Richard (Ottawa East), Rochefort, Simmons, Stewart (Winnipeg North), Stick, White (Hastings-Peterborough) and Ward, to assist His Honour the Speaker in the direction of the restaurant so far as the interests of the House of Commons are concerned, and to act on behalf of the House of Commons as members of a joint committee of both houses on the restaurant.

Motion agreed to.

EMERGENCY POWERS

FORTUITOUS PROFITS BY TRADERS ON DECONTROL—ATTORNEY GENERAL OF CANADA V. NOLAN

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, the government of Canada has given instructions to apply for leave to appeal to the privy council against the judgment of the Supreme Court of Canada in the cases brought by the Attorney General of Canada and the Canadian wheat board against Jeremiah J. Nolan of Chicago and his agents Hallet and Carey Limited of Winnipeg. These cases involved the question of the ownership of certain barley that had been purchased by Mr. Nolan through Hallet and Carey Limited and which had been vested in the Canadian wheat board under the National Emergency Transitional Powers Act, 1945. The judgment held that the transfer of ownership in the barley to the Canadian wheat board was not authorized by that act and allowed Mr. Nolan's claim to the barley.

This litigation involves an important principle that was followed by the government throughout the whole period of price decontrol. This principle was that nobody should be allowed to make fortuitous or speculative profits out of the process of decontrol; in effect that there should be no decontrol profiteering. It is obvious that when commodities have been purchased by traders from producers under a controlled price and then the control is later relaxed, there is great opportunity for profit by traders in the commodity, arising solely from the decontrol process, which is quite beyond a normal trading profit. In the opinion of the members of the government, who were members of the House of Commons and also members of the government at the time the National Emergency Transitional Powers Act was introduced and passed by parliament in 1945, it was the intention of both the government and parliament that no such fortuitous profits, resulting directly from decontrol, should be allowed to commercial traders in commodities. This policy was applied with respect to sugar, flax, flour, leather and other commodities where it was found necessary. It was also intended to be followed in the case of oats and barley, and it was to carry out that intention that the barley in question in these cases was to be vested in the Canadian wheat board at the old price, with the option to the former commercial owner to take it back at the new ceiling price. All the commercial dealers in oats and barley except Mr. Nolan of Chicago co-operated fully in giving effect to the principle in that manner.

The National Emergency Transitional Powers Act was drafted to empower the governor in council to provide for a process of orderly decontrol which would not permit the fortuitous profits that I have mentioned. The Court of King's Bench and the Appeal Court of Manitoba, and a majority of the judges of the Supreme Court of Canada, however, have now held that the wording of the act did not authorize the method adopted by the government to prevent such fortuitous profits in the process of decontrolling oats and barley. The government of Canada is, therefore, seeking leave to appeal from the decision of the majority of the Supreme Court of Canada in order that its counsel may attempt to convince the privy council that the language used in the National Emergency Transitional Powers Act was effective to enable these fortuitous profits to be withheld from traders by the method adopted.

Should this appeal not be successful, the government of Canada, being desirous of applying to the decontrol measures in oats and barley the same principles of preventing fortuitous profits as were applied to other

commodities, gives notice that it will, in order to carry out the principle of preventing such fortuitous profits, introduce legislation in parliament confirming the settlements with all of the commercial traders in oats and barley, other than Mr. Nolan, and will, therefore, not recognize claims made on behalf of such commercial traders upon the wheat board or upon the government in derogation of the settlements already made.

Meanwhile the government is authorizing application for leave to appeal rather than seeking legislation at this time, because it feels no exception in favour of Mr. Nolan should be recognized until every possibility still open for judicial determination of the question has been exhausted.

NEWFOUNDLAND

FINANCIAL SURPLUS ON DEPOSIT WITH FEDERAL GOVERNMENT

Hon. Douglas Abbott (Minister of Finance): Mr. Speaker, yesterday the hon. member for St. John's East (Mr. Higgins) asked me the amount of Newfoundland's financial surplus now on deposit with the government. I informed him that the arrangement was, of course, between the dominion government and the government of Newfoundland, and said that if that government had no objection I should be glad to give the information. The Newfoundland provincial government has no objection, and I can say that the amount is $20 million.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 7, to incorporate the Hutterian Brethren Church.—Mr. Viau.

Bill No. 8, to incorporate the Evangelical Lutheran Church of Canada.—Mr. Hetland.

Bill No. 9, for the relief of John Andrew Hague.—Mr. Winkler.

Bill No. 10, for the relief of Jane Louise Welle Kennedy.—Mr. Winkler.

Bill No. 11, for the relief of Frances Danforth Stephens Ross de Lall.—Mr. Winkler.

Bill No. 12, for the relief of Daphne May Hodgson Frosst.—Mr. Winkler.

Bill No. 13, for the relief of Celia Frances Cantlie Molson.—Mr. Winkler.

Bill No. 14, for the relief of Rowland Walter Tyner.—Mr. Winkler.

Bill No. 15, for the relief of Maeve Mary Margaret McPherson Mackenzie.—Mr. Winkler.

Bill No. 16, for the relief of Judith Francis Cohen Besner.—Mr. Winkler.

Private Bills

Bill No. 17, for the relief of Edith Mary Bentley Towler.—Mr. Winkler.

Bill No. 18, for the relief of Patricia Galley Mulvey.—Mr. Winkler.

Bill No. 19, for the relief of Ethel Kershaw Warren.—Mr. Winkler.

Bill No. 20, for the relief of Petrus (Peter) Surkala.—Mr. Winkler.

Bill No. 21, for the relief of Doris Demree McMullen.—Mr. Winkler.

BANK LOANS

QUESTION AS TO ARRANGEMENT RESPECTING CREDIT POLICY

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): I should like to address a question to the Minister of Finance. I am sorry I have not been able to give him notice; the information on which it is based came into my hands only a few minutes ago. It is a report from Dow Jones, and the heading is, "Believed Canadian banks urged to cut down on new loans." The body of the report reads:

A general policy to cut down on new loans is believed to have been agreed upon at a meeting—

Mr. Speaker: Order. It is unusual for an hon. member to read dispatches.

Mr. Macdonnell (Greenwood): I will just summarize it. The dispatch says—

Mr. Speaker: It is just as irregular to summarize a dispatch. Probably the hon. member could ask his question.

Mr. Macdonnell (Greenwood): I would ask the minister if it is true that a meeting has taken place between the governor of the Bank of Canada and the general managers of the chartered banks at which an agreement and arrangement has been entered into that there will be a reduction in current loans.

Hon. Douglas Abbott (Minister of Finance): I understand that on Wednesday the governor of the Bank of Canada had one of his periodic meetings with the general managers of the chartered banks, at which lending policy was discussed. I have not seen the announcement to which my hon. friend refers, but undoubtedly the banks made some statement as to the credit policy which they will pursue with respect to new loans.

Mr. Macdonnell (Greenwood): May I ask a supplementary question? Does not the minister agree that it would have been much better if that meeting had taken place some time ago?

Mr. Abbott: That is a matter of opinion.

Inquiries of the Ministry

FISHERIES

NEWFOUNDLAND SALT CODFISH—PORTS OF CLEARANCE FOR EXPORT

On the orders of the day:

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, in reply to the question raised by the hon. member for St. John's West (Mr. Browne) yesterday, I wish to state that I am not aware of any exports of Newfoundland salted codfish from ports in the maritime provinces. It is possible that some Newfoundland exporters may be failing to comply with the requirements of the act respecting permits for the exportation of salt fish by leaving Newfoundland from a place other than a customs port of entry. If my hon. friend has knowledge of any specific instance, he may feel impelled to supply the Newfoundland fisheries board with the particulars.

In the second part of his question, the hon. member asked whether I would consider giving instructions so that these entries can be made at the point of export. In reply I should like the hon. member to know that full and complete instructions have been issued and are in effect at the customs ports of entry, where, according to the requirements of the law, all Newfoundland exporters of salted codfish are required to surrender their permits.

PACIFIC COAST—PROTECTION AGAINST ENCROACHMENT BY JAPANESE

On the orders of the day:

Hon. R. W. Mayhew (Minister of Fisheries): On Wednesday the hon. member for Skeena (Mr. Applewhaite) inquired if any action is being taken by the Canadian authorities, similar to that reported from the United States, to assure that, when the Japanese peace treaty is being drawn up, adequate protection will be afforded our Pacific coast fisheries against encroachment by Japanese fishermen.

In reply to the question I wish to say that Canada and the United States are bound by several treaties for the conservation and development of some of our most important fisheries on the Pacific coast, and therefore have a mutual interest in protecting these fisheries.

The departments of the two governments responsible for fisheries have been accordingly in consultation with each other with the view of finding an acceptable method for the safeguarding of our joint interest in these fisheries and having it embodied in some form of agreement with Japan.

[Mr. Abbott.]

CANADIAN PEACE CONGRESS

REFERENCE TO REPORT IN MONTREAL "GAZETTE" OF FEBRUARY 16

On the orders of the day:

Mr. G. F. Higgins (St. John's East): I have a question I should like to ask the Minister of Justice—I sent him notice, but I do not know whether he received it—in connection with an item which appears in the Montreal *Gazette* of this morning, stating that the Canadian peace congress has asked—

Mr. Speaker: Order. Will the hon. gentleman ask his question?

Mr. Higgins: Has the Canadian peace congress asked parliament to pass a law for the protection of peace, and if so, what is the meaning of it?

Hon. Stuart S. Garson (Minister of Justice): As my hon. friend has stated, he sent me notice of his question, which was handed to me just a few moments ago as I came into the house very hastily after attending a cabinet meeting. The question which the hon. gentleman has just asked is different from the one of which he gave notice. When he asks me what the Canadian peace congress submissions mean I am afraid I cannot tell him, because I have not yet had the opportunity of reading them. I have been advised that mimeographed submissions have been made by this organization, and I can say that in due course they will be given such consideration as they may appear to deserve.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Thursday, February 15, consideration of the motion of Mr. W. H. McMillan 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. Drew, and the amendment to the amendment of Mr. Low.

Mr. C. E. Johnston (Bow River): Mr. Speaker, when the house rose last evening we were discussing the subamendment which had been put forward by the hon. member for Peace River (Mr. Low). It was my intention this afternoon to point out how the official opposition had suddenly become supporters of government policy, but I find it is not necessary to do so, because the Ottawa *Citizen* has done it quite well. I shall content myself at this point with reading the heading in the Ottawa *Morning Citizen* of February 16, which I think is quite appropriate and should be on the record. The heading

reads: "Claxton lets Pearkes give government's view". Then there is a subheading, "But two P.C.'s disagree with party on army".

That sums up pretty well the sudden change in the attitude of the official opposition. I should like to say a word about that subheading. I think those two Progressive Conservative members deserve credit for standing on their feet in this house and advocating their own beliefs in regard to national defence, regardless of the pressure that may have been put on them by their colleagues.

I should like to refer now to the subamendment, which will be found at page 339 of *Hansard* of February 13. The subamendment moved by the hon. member for Peace River reads:

That the amendment be amended by adding thereto the following as clause 4:

4. To ensure that a complete program of preparedness including compulsory training in the reserve forces for home defence be executed with the greatest possible degree of equality of sacrifice and service.

Some members have endeavoured to twist the meaning of that subamendment. Time and time again they have used the old hackneyed expression that while it was a good amendment, while it served a good purpose, while it made the nation aware of preparedness, this was not the proper time, because you could not raise hundreds of thousands—I think that was the expression used by the hon. member for Nanaimo (Mr. Pearkes)—of men immediately. The amendment does not ask that. Others have said that you could not grab people out of industry and place them in the reserve army. The subamendment does not ask for that. In clear language the subamendment says:

. . . to ensure that a complete program of preparedness including compulsory training in the reserve forces for home defence be executed—

It does not say when. It says:

—with the greatest possible degree of equality of sacrifice and service.

Surely the hon. member who has just interrupted would not say for a moment that we should have any form of military service without equality of sacrifice and service. We have not mentioned any method by which this might be done. That is the responsibility of the government. It is a matter of principle with which we are concerning ourselves at the present time. Surely we do not want a repetition of what went on in the last war. I do not think any member of the house in his right senses would ever tolerate such a situation as existed at that time.

I am going to suggest that the government should set up a committee of the house to settle once and for all the question of manpower. No other nation in the world of any consequence has to deal with the manpower problem in the way that we have to deal with it. The United States has compulsory service. Great Britain, Australia and New Zealand have it. This problem does not arise for them in times of emergency, and this is the time that we in Canada should settle the question. For the life of me I can never see why politicians and members of parliament would want to make this matter a political football at elections for the mere purpose of vote catching. I think it goes without saying that the question of manpower, although it disunited the nation, was responsible for getting a good many votes for the Liberal government in the elections held during the war. I do not think such a condition should be tolerated. That is why I suggest that a committee of the house be set up to deal with the question once and for all, on its merits alone, in a place where it can be dealt with on a purely non-political basis. As the Prime Minister (Mr. St. Laurent) said, let us be men and settle the question once and for all on its merits.

Most of those who have spoken in opposition to the subamendment have expressed the belief that the intention is good but the timing is wrong. They have said that the Legion's proposals in their program, "Operation Preparedness", are well intended. They could subscribe to everything else except this one thing, and they expressed the view that its introduction now is untimely. I wonder when the time would be opportune in the minds of those who have so stated. They all agree that our reserve forces are in a terrible condition. They all agree that no proper defence forces are available for this country; yet they say the time is not opportune.

I do not want to prolong the debate. I merely want to say that I believe it is better to be ten months too early than ten minutes too late.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, it is obvious from the statements that have been made, particularly those of the last speaker (Mr. Johnston), that there is a great deal of confusion in the minds of some members of the house as to what is actually under consideration at this time. In the first place, it would seem hardly necessary to point out that what is being debated at the moment is the speech from the throne, and primarily the amendment which I introduced in the early stages of the debate. The subamendment, also under discussion now, adopts our amendment and adds another clause which has been discussed by

many hon. members during the past two or three days. To the extent that we are discussing the subamendment, it is necessary to emphasize, and apparently to re-emphasize, that the subject we are dealing with is not national selective service but a very limited form of service. The subamendment refers specifically to service in the reserve forces for home defence.

I must say that I would have thought it difficult for anyone with a reasonable appreciation of the English language to place an interpretation upon the views expressed on behalf of this party by the hon. member for Nanaimo (Mr. Pearkes) which would suggest that they in any way changed our position or indicated any different point of view with respect to the way in which this subject should be dealt with. I suggest that perhaps there are reasons why some of the comments made about the remarks of the hon. member for Nanaimo might better not have been made. The amendment I moved is an unqualified criticism of the government's lack of leadership at this critical time in our history, and that very amendment, which is adopted in the subamendment, places that criticism before the house. That amendment stands, and we will vote for it. We intend it to convey all the criticism that we have expressed.

We have indicated that the amendment we have moved is intended to express condemnation of the government for its failure to provide the armed forces in being which are required to defend our country and meet our external commitments. The subamendment now under consideration embraces that, and adds by way of specific reference a demand for compulsory service in our reserve forces for home defence. We have presented arguments in support of our amendment, and those arguments stand. What we are now discussing is the proposal that our reserve forces be brought up to strength by a form of selective compulsory service limited to home defence.

The hon. member who has just spoken says that we do not want a repetition of the things that happened during the last war. We do not, and we do not want some compulsory form of service that creates an apparent pool of men who are not really available for whatever service may be required in the defence of this country, wherever that defence should take place. We are not discussing the principle of national selective service. That issue is not before us. No matter how or when it may be adopted, the principle of national selective service, it seems to me, has been settled. The Prime Minister (Mr. St. Laurent) has sought to leave no doubt, as I understand his words, that he will introduce national selective service when the evidence supports that course. Having regard to the commanding majority in this house supporting the government, that statement of government policy amounts to a declaration of settled principle. To the extent that those words of the Prime Minister indicate that this subject is no longer to be made a political football in Canada, I am confident that the people of Canada will strongly approve what has been stated in this house.

We are not asked, therefore, at this moment to consider the principle of national selective service. We are asked to support a demand for a limited form of selective service. That raises very simple questions. If these next few months are to be the most critical months in modern history, as we have been told by the Prime Minister; if there is real danger of war, as was stated only two days ago by the Secretary of State for External Affairs (Mr. Pearson), what is it we want with which to defend our freedom and, if humanly possible, to preserve peace by the collective action of the nations of the Atlantic community? Do we need hundreds of thousands of young men and women training a few hours a week in reserve forces, or do we need combat forces in being in the shortest possible time, ready to undertake any military task which may be imposed upon them?

Surely the last is what we need; surely the last is the only thing which faces reality at all. If that is so, compulsory service in the reserve forces would be of no help whatever in meeting that immediate and urgent demand. In fact, it would greatly hinder the effort to create, in being, naval, air and land forces in the shortest possible time, making the best use that our vigour and ingenuity and intelligence can make of the human and material resources now available to us. That, it seems to me, is the urgent task. It is not only days and hours that count. Minutes count, and at this moment there is no time to waste in any diversion of our resources from that immediate problem, no matter what may be the long-term objective or how important that long-term plan may be to the nation as a whole.

Let us in these critical days deal with first things first. The first thing is to get on—belatedly, it is true; nevertheless let us get on—as quickly as possible with the job of creating defence forces in being, not two years from now, not three years or four years from now, which would be the earliest possible hope by training young men and women for a few hours a week in reserve forces. We can tackle that job calmly and effectively and satisfactorily when we have made sure that we have created the forces

which are necessary to meet the immediate tasks we may be called upon to face two months from now, three months from now, or in fact any month between now and next November, when the world will have passed its first great climacteric in this immediate threat of Soviet world conquest.

Let us make no mistake as to the threat that is before us. It is nothing less. The threat is real; it is tremendous, but it is something that can be faced, and something that can be held back. Peace can still be preserved if with all their energy and spirit and determination, which are themselves attributes of freedom, the free nations of the world leave no doubt in the minds of any of the men in the Kremlin that every ounce of strength we have will be put into this great effort of building the bulwarks of freedom wherever those bulwarks may be needed within the next few months.

I regret that anyone in this house should have displayed such bad taste, or in fact should have had the temerity to suggest, that the hon. member for Nanaimo was afraid to face the issue and was straddling the fence. Fear is not a word that has ever been properly associated with his name. Certainly there are differences of opinion, and very sincere differences. My own conviction is that many of those differences are based upon some misinterpretation of what we are really discussing; but let us accord a full measure of sincerity to those who express these different opinions, no matter what party they belong to and no matter what view they express. It is my belief that those who oppose this subamendment are in no way avoiding the immediate and urgent issue that is before this house and the people of Canada. I think the subamendment does avoid the issue. I believe it evades the real and urgent issue now before every Canadian; that is, how are we going to make up for the neglect of our defence forces, and do so in the shortest possible time?

Compulsory service in the reserve forces is not the answer to that immediate, that driving and compelling need. It would establish the very inequalities it is said to avoid. Just let us consider some of the problems it would create. What would be done with the scores of thousands of young Canadians who do not live near any reserve unit capable of giving military instruction in a manner which would justify their attendance? Would you make them move and live in places where there are reserve units? If you would, that in itself would create a substantial measure of inequality, because most certainly it would impose a special obligation upon those who did not happen to live near reserve units, which would not be imposed upon those who did live in communities which have active and well-organized units.

That is only one of the inequalities it would create. What of the fact that some communities have as many units as whole military districts in other parts of this country? Are you going to bring the same number of men to every unit now organized? If you do, again you create grave inequalities. Then, what are you going to do in regard to the units which at the moment are so lacking in trained personnel that even now they are not able to send men to camp? Are those units to train men to defend this country? What is it we are really talking about? The statements that have been made would suggest that it is in the minds of some people that by compelling young men—and I presume young women—to train in our reserve forces, we are going to train forces capable of defending the land mass of Canada. There is not a man in this house who has had any experience in training with the reserve forces who does not know that it would be three years at least, training a few hours a week, before you could hope to make young men and women capable of bearing arms in the immediate defence of their country, in the face of the trained forces which might be attacking our soil. In fact, what has happened in the past is that, whenever reserve forces have come into the active forces, it has taken several months of the most intensive training to qualify them to go into action. Although we had very effective reserve forces in this country before the last war, it was two years before those forces had been brought to a state of training that indicated their readiness to go into active service against modern forces with the type of training that those forces get today.

If we need men and women for the defence of the land mass of Canada, then let us not play around with this slow method of training. Let us adopt another course entirely. This is not a system that gives us combat forces ready to go into action. This is not a system that would begin to give that type of training that would defend our soil if, by any unhappy chance, large numbers of enemy forces should make a landing here. Surely it is not without some significance that, although most countries today have a form of national selective service, not one of them, so far as I am aware, has compulsory service for what would correspond to our reserve forces.

In case anyone may be under the misapprehension that that does not apply in Britain, may I say that the territorial forces in Britain are not raised by compulsory

selective service. It is quite true that the reserves of the active army are compelled to take a certain amount of training in the territorial force, but the territorial force is a voluntary one. There are similar forces in other democracies. The moment national selective service is made to apply to units now embraced in the reserve force, it ceases to be a reserve force and becomes a new type of force. It should be approached in that manner if that time comes.

What is the situation with which we are confronted today? Let me review some of the real objections to what is put forward—and, I know, put forward with good faith, with sincerity, and with earnestness. Let me summarize briefly. One: we have not the training staff available to carry this out. Two: we have not the drill halls. Three: it would create a false sense of security wholly unrelated to the urgency of the situation. Four: it would divert attention and divert manpower from the immediate and urgent task of creating forces in being. Five: it would mean an immense withdrawal of manpower at a time when this country is short of manpower to produce those things which nature has made it possible for us to produce for our allies as well as for ourselves. Six: we have not before us in this house, outside of the government, much of the information which is essential to an adequate consideration of this problem. Seven: as I have already pointed out, no other country with a similar dual type of force has yet adopted, and I believe for good reasons, a form of compulsory service in the secondary force.

I pointed out that we have not the essential information. Let me indicate the essential information to which I refer. This government has the advice of its trained general staff. That advice is not available to the rest of the members of this house. There is a general staff for the navy, for the army, and for the air force. In the discussion which has been taking place, we have obviously been discussing the army more than any other branch of the services. May I, for one, say I am convinced that the recently appointed chief of the general staff is one who will command the confidence of every serving soldier and every veteran in Canada. The government has the advantage of the advice of a man who is not only highly regarded by officers and other ranks in this country, but who is equally well regarded in the United States, in Britain and in France. I make that statement with personal knowledge that there is this regard for him.

His advice is something which has a direct bearing on what should be done. The government has the advantage also of the advice given by General Eisenhower, who was here such a short time ago. May I, as an individual member of this house, express the belief that there could have been no better choice, and that there is no more inspiring commander in the free world today, than the man who has been chosen to lead the Atlantic forces, and who left yesterday for that task. The government has secret information in regard to the allotment of tasks which has been made as a result of the discussion amongst the military representatives of the twelve member nations of the Atlantic community. This is all information which must have a direct bearing on the decisions that are to be made. I, for one, should like to have some of that information. I would hope that, with the appropriate safeguards over such information as might conceivably convey anything useful to the enemy, this house would have a summary of that information to guide our thinking as to the manner in which we should face these tasks.

May I refer to another reason why it seems to me that this is an impracticable suggestion at this time. Last night it was pointed out that in the document prepared by the Legion urging a measure similar to that now before us, the most conclusive reasons were given why it could not immediately be put into effect. In common with some of the other members of this house, I have been a member of the Legion since the first day it was formed. I have an extremely high regard for the Canadian Legion. I certainly wish to commend the effort that the Legion has made to arouse public interest in a subject that is of such importance to the people of Canada. Nevertheless, as was also pointed out last night, the recommendation the Legion now makes is not strictly in accordance with the resolution that was adopted in the full meeting of the Legion at Winnipeg. That, however, is a detail; it does not in any way limit the value of all that has been done in bringing before the people of Canada the vital importance of this subject. But on page 1 of the Legion recommendation there is the answer as to why this particular suggestion would not be practicable at this time, and I quote it to bring into sequence in my remarks my own reasons for believing that it does not meet the situation today.

I quote from the booklet prepared by the Legion under the title "Operation Preparedness":

> We have reason to believe that the chief obstacles in the way of implementing the Legion's demands are a shortage of ships, planes, equipment, and even boots and clothing, and the admitted absence of adequate trained personnel, accommodation, and other facilities necessary to any immediate appreciable expansion of the reserve forces.

It seems to me that this statement conclusively demonstrates how ineffective it would be to bring large numbers of young men and women into the training centres of reserve units, because, according to the Legion's own statement, there is not the equipment. There are not the boots, and there is not the clothing to meet the requirements of training of this kind. For these reasons I am satisfied that this proposal would be impracticable. I am satisfied also that it is confusing the minds of many people as to what the immediate and tremendously urgent problem is.

To some extent the suggestion has been made that even if this does not do what should be done, it is at least a gesture. Mr. Speaker, this is no time for gestures; this is a time to face the cold reality that the very survival of western civilization is now at stake. The only thing that will stem the tide of Soviet aggression and preserve peace is preparedness, but it is preparedness of forces that can go into the field, and not a form of preparedness that simply deludes the public into a sense of security that would not actually be afforded.

An hon. Member: We agree.

Mr. Drew: I am glad. We shall probably have a unanimous vote against the subamendment. That does demonstrate the value of discussion and the possibility of conviction.

It seems to me, Mr. Speaker, that one of the things that has perhaps been overlooked in the discussions which have been taking place is the most important factor in any military or other preparation of this kind, namely, the spirit of the country and the faith behind the steps that are taken. It seems to me that what is suggested now is like trying to prescribe a plaster cast for a man suffering from a severe form of neurosis. There is a severe neurosis in this country at the present time. It is caused by uncertainty and doubt. May I answer the suggestion of the hon. member who spoke last, that far from endorsing the policy of the government and giving it a clean bill of health in regard to what it has done, we have made it perfectly clear that we think there has been shameless misrepresentation of the real situation. We believe, however, that it is the duty of all of us now to try to persuade the government to take the steps that should be taken to meet the situation which has arisen as a result of their own neglect and their own failure to create the equipment, the supplies and the trained forces we need.

An hon. Member: What are they?

Mr. Drew: An hon. member asks, "What are they?" I know he asks that with the idea that he is still sticking to this subamendment. They are not forces that are trained a couple of hours a week in remote centres around Canada, but forces that we know are ready to go into combat. They are forces not only equipped to go into combat. They are forces that have the spirit to go into combat. That is the thing that is greatly needed in this country at this time. What is needed most in this country at this time is a faith in our own ability to meet the situation; a conviction that Canadians are able to undertake these tasks just as they have always done in the past, and that young Canadians will not shirk their responsibilities whenever the demand is really made upon them.

In making these remarks I wish to leave no doubt that, as we present our amendment to be voted on after the subamendment is dealt with, it is intended to convey criticism of the government, and we hope that the protest that is expressed will convince the government that steps should be taken with greater urgency and a greater sense of the need for action than has so far been demonstrated.

Certain statements that I made were read into the record, and I wish every one of those statements to remain there as a criticism of the deplorable situation with which we are confronted.

We were told in this country nearly two years ago that the Canadian government had decided to adopt the American calibres of rifles and machine guns and other American standards for our own defence forces. It must have come as a shock to the people of Canada to learn a short time ago that instead of making the rifles and machine guns we needed of the 300 calibre—for that was the decision of the government as announced nearly two years ago—some of the arsenals which should have been making them were making shotguns and other sporting equipment to be sold to the public through the ordinary private channels. It must also be a matter of some concern to the people of this country to know that at the present time, while we have been shipping arms and equipment to other countries, some of it even into the hands of the Chinese communists, we have not all the equipment and the weapons that we need here in Canada. No; we want this problem tackled with the utmost urgency.

Having made these criticisms, however, for the constructive purpose of trying to emphasize the need for action, we do say, and we re-emphasize, that no matter what has happened, the need is great, the need is

urgent, and I am satisfied that every hon. member in every part of the house will support the government to the extent that the government demonstrates, even now, that it is really prepared to get on with the job.

I believe that hon. members do want to get on with the job. Just as soon as possible we want to have brought before us the facts in regard to national defence, so that we can discuss them in an orderly debate on national defence and seek to improve the defence preparations of this country by the joint and collective expression of opinion of all hon. members who have ideas to offer.

Perhaps we need not be too repentant about what has happened. In some respects our weakness is our strength. The unwillingness of our country, and other free countries, to abandon the paths of peace is not because of any lack of courage. We cherish freedom so much that we are reluctant to give it up. When we recognize that freedom is threatened, that freedom may be destroyed, I am sure Canadians will show the same spirit and the same courage they have always shown in the past.

We want the government to give the country leadership, not only in the House of Commons but outside of it—inspiring leadership. Show us the vision and the courage of our forefathers; then there need be no concern about the response of our people in meeting the tasks before them.

I believe with all my heart that our people are ready to face and to surmount whatever trials may be before us in these very critical days, so long as the public is taken into the confidence of the government, and so long as no doubt is left as to the urgent demands being placed upon them. Arouse in the people of Canada a true spirit of sacrifice; arouse in the minds of our people, particularly in the minds of our youth, the spirit that built Canada from a forest in such a comparatively short space of time. I am satisfied, Mr. Speaker, that we shall see in that spirit of sacrifice the spirit of a great regeneration of the country that we love, the country we are now striving to protect and to defend.

Mr. Robert Fair (Battle River): Mr. Speaker, I am really surprised that a large man should waste time putting up the straw men that have been put up during the past five or ten minutes, and then attempt to knock them down again. I have never heard as many attempts to misrepresent words as I have since the moving of the subamendment by the hon. member for Peace River (Mr. Low) on the 13th of this month. I have never heard as many trying to get away from a hot spot, if one may call it that, as I have in the past few days, when I have witnessed hon. members twisting and attempting to put into the mouth of the mover of the subamendment certain arguments he never advanced, and never even intended to advance.

For the information and for the enlightenment—if such is possible—of those who have taken part in the debate and have attempted to argue against the subamendment, let me read it again:

> That the amendment be amended by adding thereto the following as clause 4:
>
> 4. To ensure that a complete program of preparedness including compulsory training in the reserve forces for home defence be executed with the greatest possible degree of equality of sacrifice and service.

That amendment does not suggest even one item of detail as to how this should be put into effect. That is the government's business. It is entirely the government's business and, as the majority of the members of the official opposition appear to endorse the government's policy, perhaps the government will have their assistance also.

Time and again during the last few days we have heard members read into the subamendment many things that were never intended to be read into it. It is the government's responsibility. Instead of reading those things into the subamendment I suggest that those members should pass on that information to the Minister of National Defence (Mr. Claxton) and his colleagues.

I have no intention of prolonging the debate. I have tried to point out some of the main misrepresentations hon. members have attempted to put across during the past few days in connection with the subamendment.

Mr. G. S. White (Hastings-Peterborough): Mr. Speaker, I wish to speak briefly with respect to the subamendment, and state at the outset that I am opposed to it. I concur in every way with the remarks just made by my leader, and with those of the hon. member for Nanaimo (Mr. Pearkes).

The hon. member who has just taken his seat has read the subamendment and pointed out that there is nothing in it to show how it should be put into effect. That is true. I do suggest to him however that both he and I are in opposition to the government, and that if those who are in opposition make criticisms or proposals, then the very least they can do is to offer some suggestive reasons as to how and why certain things should be done.

The hon. member, if he is fair—

Some hon. Members: Hear, hear.

Mr. White (Hastings-Peterborough): —will have to admit that the proposal is not feasible nor could it possibly be put into operation.

If he will compare the subamendment with the amendment moved by the leader of this party he will find that the second paragraph of our amendment covers the subamendment, with the exception of the words, "compulsory training in the reserve forces for home defence." In the subamendment the mover has included the words "equality of sacrifice and service." Any hon. members who have served in any capacity in the army, in an active theatre of war, do not need any explanation as to what equality of sacrifice and service means. How could anyone say that in world war II there was any equality of sacrifice and service between the man serving in Ottawa, probably enjoying more comforts than he had ever had in his life before, and the troops serving in Italy?

I would say that today there could be no equality of service or sacrifice by having compulsory training in the reserve forces two or three nights a week, on Sundays and holidays, and going to camp for two weeks in the summer, as compared with the sacrifice and service of the Princess Pats who are now going up to the line in Korea. I think it is all too likely that by putting in the words "equality of sacrifice and service"—

Mr. Fair: Read the whole thing.

Mr. White (Hastings-Peterborough): If the hon. member wishes to make a speech after I have finished, he may do so. I repeat that I do not think it is reasonable to use the words "equality of sacrifice and service" and to couple them up, in the times that we face today, with the demand that we have compulsory service in the reserve forces for the defence of Canada. I do not think any such scheme could be enforced, because public opinion would not be behind it—and I am sure the Minister of Justice (Mr. Garson) would say that it is very difficult to enforce a law that the public does not support.

In my opinion any such scheme as proposed by the subamendment would be subject to the rankest discrimination. I am not in the slightest degree criticizing the reserve army in any way. For many years between the wars I served in that force, and I should like to say that those men who today carry on the work of the reserve army deserve great tribute. They form an administrative and training staff which may be of great benefit in the future.

As was so well pointed out this afternoon by the leader of this party, whatever training one may receive in the reserve army must certainly be repeated if he joins the active force. Those of us who were here at the time of the last war will remember when we had that super-farce of the thirty-day training period, at the end of which the boys returned home, and then later went into the active force. We know that any training they received in the reserve army, or during the thirty-day period at camp, was disregarded, and they had to begin at the bottom again.

My leader has pointed out so well this afternoon that the government has much information that is not available to us. The statement by the Prime Minister (Mr. St. Laurent), which my leader has described as a declaration of policy, has made it clear that at the present time the Prime Minister does not believe that national selective service would be beneficial. He has also made it plain that if conditions should change, then the policy of the government would change. When the Minister of National Defence (Mr. Claxton) set out his program he indicated the number of troops he would need and expressed the belief that he would be able to obtain these men for the various services under the present methods being adopted. Personally I do not think he will obtain the men. I do not think having nice soft radio programs in the evening asking men to enlist is going to help. I do not think the advertisements that are being run in the papers from coast to coast are going to induce young men to enlist.

As long as the government continues to assure the people of Canada that everything is provided for and they are satisfied with the present system, as long as the Minister of National Defence expresses the opinion that he feels sure he is going to get the required number of men, then things are going to remain exactly as they are and he is not going to get them. In my opinion one reason why young men are not much concerned about enlisting, whether they are veterans of the second war or not, is that they along with the rest of the public of Canada recall all too well the conscription of world war II.

I need only remind hon. members of the house of the terrible farce of the plebiscite and of the debate that went on in this house on the amendment to the mobilization act. I need only remind hon. members of the utter farce of the thirty-day training program which was supposed to send the men back home and have business as usual. I need only remind you of the home defence army and the crisis that occurred in Canada and in this parliament in 1944 when the then minister of national defence made a trip to Europe and Italy to find out for himself the tragic lack of reinforcements. He resigned when he came back and the new minister of

national defence stood up on the floor of this house and was cross-examined by various members.

We also remember the humiliating position in which many officers were placed when they had to carry out the methods that were adopted to persuade young men in the home defence forces to go active. These are some of the reasons why young men today are not enlisting. There was no equality of sacrifice or service in the last war and if we adopt any such scheme as is proposed in the subamendment we are not going to have equality of sacrifice or service.

I for one am not going to support any type of conscription that is simply a political backdoor or unfair conscription of the type we had in world war II. I commend the hon. member for Cape Breton South (Mr. Gillis) for the way in which he dealt with what he called economic conscription, the attraction of women to industry through relief from taxation and the need to remove men in the reserve forces from income tax provisions. I agree with him that the reserve forces should be built up; but, as I said a few moments ago, they will not be built up as long as the government adopts the attitude that everything is fine at the present time.

I go along with the Legion brief except for the recommendation as to compulsory service in the reserve forces. Personally I do not think the Legion would include such a recommendation in their brief if they were presenting it today to the government. Like others, I commend the Legion for the lead they have given. No doubt they have brought home to the people of Canada in some measure the urgency of the present situation.

I appreciate the remarks made yesterday by the hon. member for Calgary East (Mr. Harkness) and the hon. member for Vancouver-Quadra (Mr. Green). Certainly no one is going to question the sincerity of either hon. member. I agree with all their remarks except where they recommend compulsory service in the reserve forces. To me any such scheme would be simply a mockery of the words "equality of sacrifice and service." I think the words used by the hon. member for Vancouver-Quadra in closing might well be repeated, and I quote from page 402 of *Hansard* of February 15 as follows:

> This house and the Canadian people are not yet facing realities, although today young Canadian lads in the Princess Pats are moving up the frozen dirt roads of Korea to the battle line, going to what for many of them means death.

On page two of the Legion magazine which every hon. member received a few days ago appears a quotation which had appeared previously on the cover of the *Saturday Evening Post*. This has been quoted many times. This is what Benjamin Franklin said in 1774:

> Let us beware of being lulled into a dangerous security; and of being weakened by internal contentions and divisions; of neglect in military exercises and discipline, and in providing stores of arms and munitions of war; for the expenses required to prevent a war are much lighter than those that will, if not prevented, be necessary to maintain it.

In closing I should like to refer to the reference to veterans affairs in the speech from the throne. I trust the Minister of Veterans Affairs (Mr. Lapointe) will have the house set up the committee as soon as this debate is completed and that the terms of reference will be broad enough to cover all matters pertaining to veterans, in particular the question of removing the means test from veterans allowances and the bringing of the veterans allowances and service pensions into line with living conditions in 1951.

Mr. P. E. Wright (Melfort): Mr. Speaker, in rising to take part in this debate at this time I should like first of all to refer to some remarks made by two hon. members in recent speeches in the house. Yesterday the hon. member for Bellechasse (Mr. Picard) spent some forty or fifty minutes justifying the procedure followed last year in the public accounts committee. The hon. member is a brilliant advocate and I know that if I had a poor case there is no one I would rather have defending me than he, judging by the defence he made of the procedure in that committee last year.

The hon. member was quite right when he stated that the public accounts committee is a standing committee of the house and does not automatically meet each year, that it meets only when references are made to it. The committee met in 1939, and then not again until 1943. It met in 1944, 1945 and again in 1947. In 1949 it met and held two meetings. Then in 1950 the committee was called again. It was summoned for a specific purpose. The point I want to make is that this committee meets only when it is called together for a specific purpose. At other times the government has called it together to consider certain bills but last year the government did not do so. The committee was summoned at the instance of the hon. member for Winnipeg North (Mr. Stewart) who wrote a letter to the chairman, as the latter indicated yesterday, stating that he wished the committee to be called, and he stated the purposes for which he wished it to be summoned.

The purpose was to consider the expenditures of the Canadian Commercial Corporation and the Department of National Defence. The committee was called for two specific

purposes. Thirty-two meetings were held, and we never got to the point where we were prepared to consider the objectives for which the committee was called together. It seems to me there is something radically wrong when, after thirty-two meetings, the committee having been summoned for a definite purpose, it has not reached the purpose for which it was called.

The hon. member indicated that the hon. member for Moose Jaw (Mr. Thatcher) and myself were undermining democratic government by the criticisms we made of the committee. I do not agree with him at all. As a matter of fact if there is any undermining of democratic government or democratic principles it arises out of the fact that, a private member having asked for the public accounts committee to meet for specific purposes, after thirty-two meetings the point was not reached where a discussion took place of the matters which the committee was summoned to discuss.

I want to point out that I did not say at any time that the committee did not do a good job on the matters brought before it. The committee did a good job on those matters, but they were not the matters which the committee was originally called to consider. Nor did I say at any time that the subjects considered were not important ones. Certainly deciding what form the estimates shall take is an important matter. They were important matters but if the government believed they were they should have called the committee together for that purpose. But when the committee was called together for the purpose of considering the public accounts, for the purpose of considering the expenditures of the Department of National Defence, then the committee should have proceeded with the business it was called to consider.

There were some important decisions reached by the committee. One of the recommendations made was that the annual reports of crown corporations should be submitted to an appropriate committee of the house at each session, and I hope the government will see fit to carry out that recommendation at the present session of the house.

The other matter to which I want to refer is one that was raised on Wednesday by the hon. member for Maple Creek (Mr. Studer). In speaking to the house he indicated that in his opinion it would be advisable for members of this group to proceed to Great Britain, take the hon. member for Souris (Mr. Ross) with them and come back with a payment of 25 cents a bushel for wheat sold under the five-year pool. He said that he wanted them to bring back 25 cents a bushel when they returned from Great Britain and nothing else, because nothing else was going to satisfy the people of Saskatchewan. Of course he was speaking about the "have regard to" clause in the British contract and was suggesting that Great Britain should pay a minimum of 25 cents a bushel to the farmers of western Canada on the 1,400 million bushels of wheat in that five-year pool.

I know that the hon. member should know better than that. He knows that Great Britain only received some 600 million bushels of the 1,400 million in the pool. The British contract was only for four years. There is five years' wheat in the five-year pool. Of the 1,400 million bushels of wheat in the pool approximately 400 million was consumed right here in Canada. Surely the hon. member is not suggesting that Great Britain should pay 25 cents a bushel on 400 million bushels of wheat consumed in Canada to subsidize a cheap loaf of bread for our people having regard to the conditions under which Great Britain is working and has been working since the war. Nevertheless his suggestion means that we should do that.

The government does not agree with that view. The Minister of Trade and Commerce (Mr. Howe) was over in Great Britain negotiating with respect to the "have regard to" clause in the British contract. When he came back to Canada he made certain statements in the house on June 5, 1950, as recorded at page 3221 of *Hansard*. He said:

> The "have regard to" clause reads as follows—

I am not going to read the whole clause. I shall merely read that part of it referring to the particular years, which is as follows:

> In determining the prices of these two crop years, 1948-49, and 1949-50, the United Kingdom government will have regard to any difference between the prices paid under this agreement in the 1946-47 and 1947-48 crop years and the world prices for wheat in 1946-47 and 1947-48 crop years.

The minister went on to say:

> That is the "have regard to" clause in the agreement. I suggest that regard was paid in fixing these prices . . . We went over the agreement while in London. We asked the United Kingdom government what further settlement it is to make on account of the "have regard to" clause. The United Kingdom government took a very strong position that they had fulfilled all obligations under that clause, and so far as the United Kingdom was concerned.

Listen to this:

> We agreed on behalf of Canada that considering all the circumstances that was the case.

That is the statement of the Minister of Trade and Commerce. Nevertheless my hon. friend suggests that we should go to Great Britain and ask them to pay another 25 cents a bushel on 1,400 million bushels of

wheat, 800 million of which they never received at all. Merely to state the case is to show the ridiculousness of the hon. member's position. I will not mention some of the other statements he made in his speech. They were just about as logical as his position on the wheat question.

Mr. Coldwell: As incorrect.

Mr. Wright: As one hon. member says, "as incorrect". I want to say a few words about the amendment to the amendment moved by the Social Credit group. I have been a member of the Canadian Legion for a great many years. I think that the Legion has done an excellent job in bringing to the attention of the people the situation with respect to the lack of preparedness that exists in Canada today. I agree with their recommendations if they are carried out in the order and in the spirit in which they were made by the Legion. The first suggestion was that we should have a national registration. For the life of me I cannot see why anyone should object to national registration. I think the mere fact that people are able to carry cards with them showing who they are and where they are from is an advantage to any honest citizen of this country.

National registration is an essential as far as civil defence is concerned. We can never have an effective civil defence organization in this country until we know who people are and where they are. I had the privilege of being in Great Britain in 1944, when the buzz bombs were falling on London. The civil defence organization in that city was really marvellous. The work they did in rescuing people, caring for the wounded, notifying relatives and so on never could have been carried on had they not known where everyone was and who everyone was throughout the country. When a bomb fell in a certain area and certain houses were destroyed, they knew at once who lived in those houses and were able to tell when they had been all rescued, where their relatives were, who should be notified and so on. So I say we can never have a reasonably efficient civil defence organization in this country until we have a national registration.

I believe that national registration should be conducted when our census is taken. We will spend some $9 million in taking the census, beginning June 1. If a national registration were conducted along with the census it would cost only another million or two, whereas if it is not done at that time and a month later or a month earlier we decide to have a national registration and have to set up a new organization to do that work, it will mean an additional cost of many millions of dollars. If the government are interested in saving money they might very well give consideration to a national registration at the time our census is taken. When the census taker comes to my farm he does not only count the number of people there. He wants to know what livestock I have, the amount of grain I am going to sow the next year, what summer fallow I have, and so on. He gets a complete picture of the operation of my farm, and I think a complete picture of the operation of industry is just as essential. I believe that should be done. After the census is taken we should have a complete picture of all the resources of this country, showing our plant capacity, our raw materials, our mines and minerals and all the rest of it, and with that picture we can go on to a complete war effort in Canada.

The second point in the Legion brief is the matter of industrial mobilization. Speaking to the house the other day the Minister of Trade and Commerce (Mr. Howe) indicated the intentions of the government in that regard. He told us that we are going to need more plant and equipment and a greater production of certain basic raw materials; and he told us the method to be adopted by the government in order to bring about that plant expansion and greater production was to give some incentive to industry through accelerated depreciation and capital assistance if necessary. As to accelerated depreciation, that was the method we used to secure greater production during the last war. It was very successful in two ways, both in getting the production and in placing approximately $4,000 million of new plant and equipment, completely paid for, in the hands of industry in this country. That is about the amount of plant and equipment on which accelerated depreciation was allowed during the last war, between 1942 and 1947. Plant and equipment built for the purpose of producing goods and materials to be used in the war were depreciated in some cases at the rate of 25 per cent per year and in other cases at a rate as high as 33⅓ per cent, so that when the war was over this plant and equipment were completely paid for. Take the case of the Aluminum Company of Canada. That company was able to build and completely pay for plant and equipment worth approximately $780 million during the war. That was paid for by you and me and all the other people in the allied countries who through their governments bought aluminum from that company. They are talking now of building a new aluminum plant out on the coast which will cost not just $10 million but probably close to $600 million. Are you and I, as taxpayers in this country, and the taxpayers of the countries of the Atlantic

pact, going to pay for that plant and equipment through the prices we will pay for the aluminum produced and then find, after the war is over, that somebody else owns it? That is what happened during the last war.

I am quite certain that when the Legion stated they wanted national mobilization of industry they did not mean that this mobilization should be carried on in such a way as to give certain small groups in this country complete ownership of all the new plant and equipment we will have to construct in this country if we are to carry on a reasonable war effort during the next few years. I do not think that is what they meant. I believe they meant that there should be some equality of sacrifice in this country. I for one cannot support compulsory service of men in any force unless we have the same sacrifice made by other interests in the country. When that is done I shall be one hundred per cent behind complete mobilization in this country; let no one make any mistake about that.

If we are right in saying that freedom is in jeopardy, as I think we are, if we are right in believing that Russia and her satellite countries are a danger to that freedom, then nothing less than a complete war effort will be sufficient to protect that freedom. If we believe the surest way to maintain peace is through strength, then we should get on with the job and see that we have that strength. But there is more to it than just maintaining strength; you have to maintain the morale of your people behind that strength. I do not think the morale of any people, in this or any other country, can be maintained by the method of giving undue profits to some and imposing undue sacrifices upon others. I think we must have a war effort in which there is some equality of sacrifice, and I believe that is what is meant in the Legion brief. Before I left western Canada I attended a public meeting called by the Legion. At that meeting I said just what I have said here, and I had unanimous support for my stand. I believe that is the position of the Legion; we want equality of sacrifice in this country right down the line, and unless we have that I do not believe compulsory service in the reserve forces alone will meet our problem. As a matter of fact by that means we will be doing once more what we did in the last war; that is, creating two types of service. I know of nothing that did more to divide this country in the last war than the fact that there were two different types of service. I do not think we should perpetuate that sort of thing. If we are to have an all-out war effort, we should have it right across the board and everyone should have an equal responsibility.

Another matter with which I should like to deal briefly is the matter of the distribution of industry in this country. It seems to me that if we are now going to build new plants this would be a good time in which to obtain a proper distribution. I agree with the hon. members from the maritimes, and the hon. members from western Canada, who have urged the government to do something about the distribution of industry, if only for defence purposes. Look at the position in which we are today. In Canada we have one plant making synthetic rubber, the Polymer Corporation. It is located at Sarnia and the government has invested between $50 million and $60 million in it. The raw material for that plant comes from Oklahoma or some of the southern states through pipe lines. A pipe line has been completed to Superior at the head of the lakes, and in all probability much of the raw material being used at Sarnia will in the future be coming from western Canada. It will be made into rubber and other chemical products, and distributed throughout western Canada.

The minister announced the government's intention of building an addition to that plant at a cost of $8 million or $10 million. It would appear to me that this would be a very good time for the government to consider starting another Polymer Corporation plant in western Canada at the source of the raw material supply. This would establish a chemical and rubber industry in western Canada to serve the four western provinces. This would seem to me to be a reasonable request. One bomb dropped in Sarnia today would completely wipe out the Polymer Corporation and the source of our synthetic rubber supply.

Just before coming to Ottawa I saw an announcement in one of the papers to the effect that the government was contemplating the building of a $2.5 million plant somewhere in the Toronto area for the manufacture of radar equipment. I believe that is an industry which could very well have gone to the maritimes. It is a light industry, and one which does not have a great deal of freight charges. Many of the finished products will be sold to our allies in the north Atlantic, and will be shipped across the Atlantic ocean. Why should we concentrate all of these light industries in the small area between Montreal and the city of Hamilton? It seems to me that at this time we should be considering the distribution of those industries over a wider area in the dominion. By concentrating them in this small area we are creating a housing problem, as well as many other problems. We find the maritime members on all sides of the house, Conservative, C.C.F. and Liberal, informing the government that their people

have to move to central Canada. Why not send some of these war industries down there? If we do not have to use them for war purposes, that is all to the good, because they will be there to serve the people in those areas.

Let us consider the matter of nickel production. Canada produces between 85 and 90 per cent of the world's nickel, and it is all produced in one small area around the city of Sudbury. One atomic bomb dropped in that area would completely disorganize that industry. There are other nickel deposits in Canada in addition to the deposit at Sudbury. There is an extremely valuable nickel deposit at Lynn Lake in northern Manitoba. The preliminary surveys indicate that there may be an ore body almost as large as that found at Sudbury. We need more nickel. Why do we not develop some of these other areas, so as to distribute our industry and place ourselves in a safer position should the worst come and we have another war? These are some of the matters I wanted to bring to the government's attention. It seems to me we now have an opportunity in Canada of diversifying our industry and encouraging our people to an all-out effort. If we do that, we do not need to worry about the future.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I wish to take a few minutes of the time of the house in explaining why I am going to vote against the subamendment. When the member for Nanaimo (Mr. Pearkes) was speaking the other evening he said, among other things, as found on page 358 of *Hansard*:

> I see that in this subamendment there is the recommendation for conscription or compulsory universal training in the reserve army for home defence. As one who a few years ago suffered the agonies of trying to persuade soldiers who had been called up for home defence to volunteer to go and fight alongside those men who were fighting farther afield for Canadian homes, I never want to saddle anybody else with that same problem.

The member for Burnaby-Richmond (Mr. Goode) used strong language in supporting that statement. He said at page 402 of *Hansard*:

> That was one of the most disgraceful episodes in the history of the Canadian army . . .

It seems odd to me that the member for Bow River (Mr. Johnston), while speaking of that last night, associated himself with that view but nevertheless took us to task, as I understood him, because we are not voting for the subamendment which would do exactly the same thing the member for Nanaimo criticized the government for doing in the last war; we are to do this merely because the government has now changed its mind and sees the light. Apparently, that is what we are to do. We are to vote for this subamendment, because if we do not vote for it we will be voting with the government that has now repented of this error of years ago.

I say "repented" because I was interested to observe that there was apparently widespread applause on the government benches for what the member for Nanaimo said. I was particularly interested in observing that my old friend the Minister of National Defence (Mr. Claxton) joined in the applause. I applaud all the members on the government side for that.

This question of repentance is an extremely interesting question, and could be proceeded with further. If the members of the government started to repent there would be many people inside and outside of this house ready to help them. There are many things for them to repent. If the Minister of Agriculture (Mr. Gardiner) has things which he would like to repent, I suggest to him, for example, that the Winnipeg *Free Press*, that great journal which is so often independent in between elections, might be prepared to help him.

One never knows how far a thing like that may go. Take the Minister of Public Works (Mr. Fournier), for example. He is an innocent looking fellow, but one never knows what might happen if repentance got to work on him. One never knows where that sort of thing might end. I do not need to go any further afield in the government ranks.

I do not think it is fair to ask us always to vote against the government. They are not always wrong. I never said they were always wrong. To me it is often a mystery how they can go so often wrong, but occasionally, in the infinite wisdom of Providence, I suppose we must admit that they go right.

I should like to say just one other thing to the member for Bow River, and I apologize for quoting him so often. He did say something about our having our arms around the government. He seemed to think or to imply that the hon. member for Nanaimo (Mr. Pearkes) had put a kind of general imprimatur on the government and blessed everything that they had done. I propose to take a few minutes to indicate how far off the track that is. I propose to quote just a few of the things which the hon. member for Nanaimo said, because I am associating myself with him and accepting his views; therefore I want to make very clear what I understand his views to be.

In the first place, I understand that in effect he said to the government: You have indicated certain things you are going to do.

This is a time of great emergency. We are not going to do anything to rock the boat at the moment. We are going to give you every opportunity to go ahead and carry out the things which you have in mind. And incidentally the hon. member for Nanaimo could hardly refrain from approving of certain of the things that are being done, because they are suggestions which he himself had made many months ago. But I want to make it very clear that while the hon. member for Nanaimo said what I have just indicated, namely, that we were not going to rock the boat, nevertheless there was no suggestion in what he said—and certainly no suggestion in my mind or I think in the minds of any of my colleagues—that we are in any sense giving a blank cheque to the government; that we are saying to the government, go ahead and do whatever you like and we will never criticize you. On the contrary, I feel confident that what we all have in our minds is that we are going to hold them to the strictest accountability, going to see to it, in so far as criticism and vigilance can see to it, that every effort is made now to make up for the old bad days.

I want to quote a few things. I will not detain the house long, but I do mean to make perfectly clear that the hon. member for Nanaimo, speaking as he does on behalf of so many of us, said that a strict accountability will be insisted on. First of all I wish to read a quotation from page 99 of *Hansard* where the hon. member for Nanaimo said:

> The minister adroitly skated around the question as to how he was going to raise the men to provide for this necessary expansion.

Later on he said:

> It would, however, seem to me only common prudence that the government should at this time set up the machinery which may be necessary to accelerate its method of enlistment.

Then he said:

> I feel that that review should be carried out at once so that the government will be in a position to change its present method of providing for the expansion which has been indicated, should the methods that it proposes to follow immediately fail, or should the situation deteriorate.

And again he says, pointing out one of the great weaknesses in our position at the moment:

> For instance, during this winter we have seen the necessity of sending the brigade which is being organized for Korea to a foreign country.

That is for the purpose of training.

He complains that that seems very undesirable, and he is sorry that it was necessary.

Then I turn to page 355 of *Hansard*. I wish to point out that the hon. member for Nanaimo expresses regret at what the government is doing. He is speaking of our amendment and he says:

> I frankly admit that the situation has deteriorated rapidly, but there is somewhat of the appearance of a deathbed repentance on the part of the government now when, at the eleventh hour, it seeks to raise far more substantial forces to be ready and in being to meet the obligations that Canada has accepted.

I am not going to detain the house longer. From what I have read I think it is perfectly clear that there is no suggestion of any kind here of carte blanche, or of saying everything is all right. It is merely a question of saying, we will not rock the boat, we will give you a chance to see what you can do. It does not mean we are giving up criticism. As a matter of fact I would like to voice one criticism here myself. I feel myself greatly troubled when I read the advertisements which are still being used for the recruiting of men for the active army. Why do I say that? I say that because it seems to me the criticism which we have made is justified, viz., that there is a want of moral force, that there is a failure to create a sense of urgency. I think it is true and until the government does that we cannot expect them to succeed in the task which they have set for themselves.

For instance, I have here an advertisement which reads in part as follows:

> Young men are needed immediately as radio-radar, aircraft, instrument and armament technicians in the Royal Canadian Air Force.

Later on it says:

> You can start now your career in the great field of modern aviation. The training is thorough: the opportunities are good.

Not a word about fighting.

I do not want to be unfair about this. There are other advertisements which do refer to the defence of the country. There are other advertisements which do not so wholly stress opportunity; but nevertheless it seems to me there is precious little putting straight up to the young men of the country the duty and urgency which faces them. It was not an advertisement of that kind which induced the minister himself to join up many years ago as a young man.

I submit that these advertisements are—well, I do not want to use a strong word. I find them rather humiliating. They are humiliating because it seems to me they are putting enlistment on the ground of self-interest, on the ground of getting a career.

Here is another one. This is addressed to the students of the Royal Military College. Perhaps I should be frank enough to say that I may be a little prejudiced here because as a boy I was at Queen's university in Kingston,

and the Royal Military College was there. They had fine uniforms, and of course we always felt that they had a great advantage over us with the damsels of Kingston. For that reason I may have been a little unfair to them since. However that may be here is an advertisement entitled: "Training for leadership." I understand that it is inviting applicants to enter on a four-year course. I have no criticism of that except to wonder whether a four-year course in a military institution at a time of great urgency should be of the nature that we find here.

Let me read this advertisement. Let me say again that I do not want to be put in a position of making captious criticism. The inducements held out are first of all sports. This is what it says:

> Sports play a large role in the activities at Canadian service colleges.

Then there is a picture of some fellows on the ice. As a matter of fact, one of them is a very big, burly fellow. He reminds me a bit of the fellow who gave me an awful licking in Parry Sound-Muskoka. We read further:

> The Canadian service colleges provide education of university standard plus military training that emphasizes academic proficiency, character building, personality and physical development. It is a combination which helps develop valuable qualities of inner discipline and leadership.

I am all in favour of education and I am all in favour of these other qualities, but I do find myself just a little questioning whether an advertisement of that kind, which no doubt will be read by other people who may be thinking of going into the forces, when they reflect that this is inviting people to come into a four-year course, will create that sense of urgency. I have a little doubt about it.

I shall not detain the house longer. I just wish to say that there are reasons to doubt whether even yet any atmosphere of real urgency has been created; whether there has been any atmosphere of the sense of duty which in two wars has taken people into the armies. I admit quite frankly that when you are not actually at war it is more difficult than when a war is on; and yet I think it could be easily argued with considerable cogency that the danger here is greater than in either world war I or world war II. We never faced in 1914-1915 or 1939-1940 the possibilities that we face now. It was not possible then to talk calmly and factually about the possibilities of air raids on the nickel company or the aluminum company. That was not dreamt of in our philosophy then. Today it is, and for that reason I say that while we may argue we have a greater urgency and a greater danger than we had in the early years of the other wars, yet somehow we have utterly failed to create anything like the same feeling in the masses of the people. So I say, coming back to what the hon. member for Nanaimo said a while ago, I associate myself with him in saying that we are going to do nothing to rock the boat. I say also that we will hold the government responsible, and that we see at the present time many things which disturb us a good deal and make us wonder whether even yet there is the moral atmosphere in this country which will produce the spirit we need.

Mr. J. H. Ferguson (Simcoe North): Mr. Speaker, I believe members of the Social Credit party are men who will listen with an open mind, and that there is a possibility of convincing them that they are wrong. Therefore I rise to speak on the subamendment.

I also go so far as to say that I believe there are members in the Liberal party, particularly the younger ones who, if convinced, would almost forget a position of parliamentary assistant and vote the way their conscience would dictate, rather than the way their party dictates.

On one page of a newspaper published yesterday were certain headlines. The first, attributed to Mr. Churchill, was, "Government Incompetence Charged". Reading down the column we find it states that in the British isles they have eighteen months of compulsory training and, in the belief that war is imminent, they see that they must step up their preparedness so that war can be averted.

Another article is headed, "Would Divert Canadian Force to Eastern Area". This article goes on to say that a noted British strategist suggests that Canadian forces and other forces of the commonwealth closer to the Orient and to Asia should be diverted to that area.

The next headline reads: "Canadian Troops Moving Up." Another dealing with the United States reads, "Present Plans for Six Divisions."

All these are on one page. It does not say that communist forces have invaded Canada, but I believe that will be necessary before this government awakens to the reality of the situation. The Secretary of State for External Affairs (Mr. Pearson) has already placed on record, and it has been quoted in the house, a true picture of the urgency of the situation facing the United Nations through the action of an enemy who has not wavered in any way from his intentions to conquer the world by using any means at his disposal.

In the House of Commons the government has the power to permit an enemy to massacre the people of Canada; it also has the power to

try to prevent any such catastrophe. Is the government using the power vested in it by the voters during the last election—and in no uncertain terms?

Some members in the House of Commons—and I am sure someone will say that in this I am included—like to speak without first considering whether or not what they are going to say will be understood. I believe that the mover and seconder of the subamendment wanted to speak without being misunderstood; but I must say that their subamendment, which seeks to amend the amendment offered by the Progressive Conservative party, is difficult to understand. If one may accept the statements of the Secretary of State for External Affairs there is no time for procrastination or to go into details in discussing motions or amendments to the address in reply. There is no time to discuss in detail any amendments that have not been thoroughly thought out.

I believe that when the top men in the Canadian Legion prepared their plea to the parliament of Canada they had not thoroughly discussed the proposal. I believe I am safe in saying that there were thousands of veterans who had never heard of the Legion's proposals until they appeared in the press, and there are still thousands of them who do not understand their meaning.

Those proposals however have at least served a great purpose in that they have brought home to most members of parliament just how seriously leading members of the Legion are taking the Canadian situation, and Canada's position in world affairs today. The Legion's request is based upon information available to the average citizen, such as the daily newspapers, conversations with friends in the Department of National Defence or with those who are connected with the economy of the nation.

As a result of what they learn, people become agitated. They call meetings, and finally in a protest to the government state sincerely what they believe to be correct. As I have said, although I do not agree with the subamendment, I certainly agree with the thought behind it, and I am convinced that because of the actions of the veterans of Canada most members of parliament have had a rude awakening regarding the feelings of a tremendous mass of our citizens.

How the Secretary of State for External Affairs could make the statements he has made in the house and at public meetings outside the house, and fail openly to denounce the Liberal government for its lack of preparedness—as he knows is the case—is beyond my comprehension. He should denounce his associates in the Liberal party.

The subamendment of the Social Credit party is now before us for consideration. I am sure the intentions behind it were quite sincere. However, why they have not withdrawn it, in the face of the convincing and positive statements indicating that their suggestion is unworkable, I do not know. I cannot see what the profit would be to them to insist upon the subamendment. Surely they must be convinced that at least a great majority of the Progressive Conservatives want action. They are desirous that something be done in keeping with what is being done by the other members of the United Nations. They are desirous that something be done to call the attention of Canadians to the realities of the world situation. It is the desire of the Conservative party that this government take immediate action to prepare Canadians in all walks of life so that they can build the position that they may be called upon to build in an effective and efficient manner.

The subamendment we are being asked to approve reminds me of a man that might rush into a grocery store for a can of soup. He would say to the grocer, "I would like a can of soup". The grocer says, "Will you have Jones's soup?" The man has never heard of that soup; he does not know what is in the can; he is not sure of its quality. If the grocer had mentioned Campbell's soup he would have said, "Oh, yes, I know the quality of that soup, I will take it". This amendment is like an empty can. If it has any contents, we do not know what they are. Because we of this party will not wholeheartedly support that empty can of soup or soup without quality we are told that we are siding with the Liberal government.

Mr. Johnston: The *Citizen* said that.

Mr. Ferguson: I understand that the *Citizen* said that we were no different from the man entering the grocery store. Even if the *Citizen* wants us to buy Jones's soup, we will take Campbell's soup or some other well-known brand and we will be satisfied. We are not going to take the other in order to satisfy some newspaper, or some Social Credit amendment. We will want to know where we are headed before we give wholehearted support to this. We are not like the members of the Liberal party.

If the Social Credit amendment had suggested national registration so that those in power who are empowered to act would be able conscientiously and correctly to make use of all manpower for all the purposes necessary, make use of native born Canadians and new Canadians who have arrived at our

shores within the last 20 years, we would have been in agreement. If this was a solid subamendment I for one would vote one hundred per cent for it. I would then be indicating my desire to see this country placed on a footing where we could instantly arrive at the usefulness of all our citizens, whether in the armed forces, industry or otherwise.

The task of obtaining necessary information with regard to our manpower and its qualifications and capabilities would be tremendous, but the information received through national registration would be valuable and it is of the utmost necessity that we have that information. Yesterday the hon. member for Cape Breton South (Mr. Gillis) said that there was practically no available manpower, that most people were working. That is quite true. When we consider our present situation in my opinion there are many people spending their time making articles that are of very little use.

I know of one manufacturer who employs a large number of people making hassocks. Those are the things that you put in the centre of a room to stumble over when you come home a little intoxicated. There is no need for those articles and if they were not produced it might save a few broken necks in the early hours of the morning. If we had a national registration we could say to the man making these hassocks that imperil people's lives, "They are not necessary as you cannot throw them at the Koreans with any effect because they would just bounce off, but if you toss a Mills grenade we know what the results will be. We suggest that you stop making these useless articles and get into the army or into a Mills grenade factory where you will be producing results".

The hon. member for Cape Breton South said he wanted equality of sacrifice. He is quite right. We should never have another war in which every man or woman does not participate in equality of sacrifice. In my opinion the munitions worker should receive the same remuneration as the man in the front lines. The producer of every commodity necessary to defeat the enemy or avert war should work on an equal basis. I believe that would be workable, although it may not be. If it is workable, that is what should be done.

The hon. member for Cape Breton South suggested that some incentive to work should be given to men and women receiving old age pensions by forgiving them a tax. He suggested that married women should be given an incentive to work for their country by being forgiven a tax. I cannot agree with that. If a man or woman needs a mercenary incentive to put his or her shoulders to the wheel when our enemies have us by the throat, then I say they should not be called Canadians. Surely there is incentive enough for everyone to do his utmost without his having to be forgiven a tax.

The leader of the bull moose party, the hon. member for Temiscouata (Mr. Pouliot), has given us some enlightening information about the failure of the Liberal party during the last war in its handling of the affairs of this country, particularly the conscripting of manpower. I agree with his statement one hundred per cent. No greater mess of trying to get men into the army in order to defend this country has ever been made than that created by the Liberal government, of which the hon. member for Temiscouata is still a member. When the crisis was over he moved his seat from this side of the house right back among the incompetents. If I were the hon. member and knew that what I had said was true I would not want to sit with that group as long as he has and brag about it.

The hon. member for Bow River (Mr. Johnston) could have spent all his time last night and today on a further explanation of why we should support the subamendment instead of trying to harangue and upbraid other members for holding the opinion that his subamendment was an unknown quantity and had nothing in it that other members could really vote for. We are all entitled to our opinions in this House of Commons, and irrespective of whether or not we agree I do not think it behooves any man to try to pull the other fellow apart severely thereby glossing over his own glaring mistakes.

The amendment moved by the leader of the opposition (Mr. Drew) certainly leaves nothing further to be said by our party to indicate our opinion of the negligence of the Liberal government in failing to fulfil its duty, having regard to world conditions and how Canada fits into that picture. The suggestions he made in his speech as to what can and should be done, and the rapidity with which these things should be done, are very plain and vivid. I should like to see members of the Social Credit and C.C.F. parties, and Liberal members who can forget the vision of a parliamentary assistant's job, realize the seriousness of our situation today and vote as they should vote in defence of the people who sent them here believing that would be their attitude when they stand to be counted. I believe it is time that members of the Liberal party threw aside party politics. They should stand up and be counted.

An hon. Member: We will.

Mr. Ferguson: By their votes they should express their opinion of the lack of action on

the part of the government and the necessity for such action, in order to demonstrate that members of the House of Commons are fulfilling their positions as they are supposed to on behalf of the people of Canada. Even if we take the munitions we make and throw them into the ocean, if by making them we can avoid war, if by adopting national registration immediately we can show our enemies that we mean business and will not tolerate further aggression in any part of the world this side of the iron curtain, I will be behind it. If any group of members in this house will move any amendment or submit any proposal to demonstrate that the government of Canada is trying to do a job, Julian Ferguson will be behind that motion one hundred per cent.

An hon. Member: Good old Julian.

Mr. Ferguson: I am sick and tired of double talk when the people of Canada expect more.

Mr. Sinnott: Take a good dose of Liberal medicine.

Mr. Ferguson: You will be able to voice your opinion when you vote in the House of Commons, if not by your tongue. Let us hope that you will do the right thing for the people rather than for your party.

Mr. G. F. Higgins (St. John's East): Mr. Speaker, I promise to be very brief, and I undertake to keep that promise. Before leaving St. John's to attend this session of parliament, with three other members of the house, the hon. member for St. John's West (Mr. Browne), the hon. member for Trinity-Conception (Mr. Stick) and the hon. member for Burin-Burgeo (Mr. Carter), I attended a meeting of the St. John's branch of the Canadian Legion. At that time the brief of the Legion was discussed. I felt that I should support it, and I told them so. I now find that I am not in a position to support that part of the Legion's brief dealing with compulsory service in the reserve forces, and for the same reasons that I am going to enumerate I cannot support the amendment to the amendment, for compulsory service in the reserve forces for home defence. Legion officers from Newfoundland who attended the convention of the Legion last fall informed us at that meeting that the resolution passed last fall was for compulsory service in the active forces, and that the resolution now in the brief is a very much watered down version of the original. That statement was confirmed last night by the hon. member for Souris (Mr. Ross), who attended the convention.

I have had no experience in the services. I have not been long enough in Canadian politics to have developed prejudices on this particular subject. For those reasons I believe I may be in a better position to judge this issue in a more unprejudiced manner than most members of the house. I have thirteen reasons, which I shall give you briefly, why I cannot support that part of the Legion brief dealing with this subject, or the subamendment.

1. The commanding officers of the Newfoundland reserve regiments are convinced that the present form of training in the reserve services is practically useless, and that the only proper way, if compulsory training were to be introduced, would be for continuous service of not less than six months. Any shorter period would be of very little value. That view has been endorsed by a number of speakers during the course of the debate.

2. The government's defence program had not been announced when the Legion brief was submitted.

3. The brief states that a complete national registration must first be carried out.

4. Before national registration can be carried out the proposed manpower council to be set up by the government must make a survey and report.

5. The government, in announcing its decision against adopting compulsory service, as intimated by the Prime Minister (Mr. St. Laurent) last week and by the Minister of National Defence (Mr. Claxton) last night, has received the advice, as my leader said today, of General Eisenhower and General Mark Clark of the United States army; the advice of the Secretary of State for External Affairs (Mr. Pearson), following consultation with the foreign ministers of the North Atlantic treaty organization; the advice of the Prime Minister (Mr. St. Laurent), following his recent discussions with the commonwealth prime ministers in London; and finally, as my leader said today, the advice of the chief of the general staff and his officers.

6. I am satisfied the government policy is correct for the reasons outlined by the hon. member for Nanaimo (Mr. Pearkes), himself a gallant and distinguished soldier of very considerable experience, and as was also outlined this afternoon by my leader.

7. The cost of putting the program into effect, in comparison with its value.

8. The time that would be required to make it workable; because as it is being carried on now, a couple of evenings a week, it is not worth the money being spent.

9. The effect on industry of compulsory service of the type that would be necessary.

10. The grave possibility of cutting down recruiting for the active services by such a program.

11. The killing of the spirit of those so inducted for compulsory reserve service.

12. The very serious possibility of the diversion of equipment from European nations as a result of having to equip reserve forces on a large scale.

13. This is a reason which I must confess strikes me as extremely important: the false sense of security that would permeate the country as a result of the adoption of such a program.

For these reasons, Mr. Speaker, I am satisfied that the policy of the government is sound, and I intend to vote against the sub-amendment. In conclusion, if I may leave the subject for a moment, I would recommend to the Minister of National Defence (Mr. Claxton) the establishment of an active service regiment in Newfoundland. Colonel O'Driscoll, officer commanding one of our reserve regiments and a soldier who served with distinction in the past two world wars, strongly advocates this policy, and claims great numbers of men of the highest calibre would volunteer immediately for such a force. Remembering the glorious traditions of the Royal Newfoundland Regiment, this can be easily understood. Moreover, it can also be understood that for sentimental reasons our boys would prefer to be identified with a regiment from their own province.

The house divided on the amendment to the amendment (Mr. Low) which was negatived on the following division:

YEAS

Messrs:

Beyerstein
Blackmore
Fair
Gibson
Green
Hansell
Harkness
Harris (Danforth)
Hatfield
Johnston
Low
Quelch
Shaw
Thomas
Wylie—15.

NAYS

Messrs:

Anderson
Applewhaite
Ashbourne
Aylesworth
Balcom
Bater
Beaudoin
Benidickson
Black (Cumberland)
Blair
Blanchette
Boisvert
Boucher
Bradette
Bradley
Breton
Brisson
Brown (Essex West)
Browne (St. John's West)
Bruneau
Bryce
Byrne
Cannon
Carroll
Carter
Catherwood
Cauchon
Cavers
Charlton
Chevrier
Cleaver
Coldwell
Corry
Cote (Matapedia-Matane)
Cote (Verdun-La Salle)
Cruickshank
Darroch
Dechene
Decore
Dewar
Dion
Drew
Dube
Dumas
Dupuis
Eyre
Ferguson
Ferrie
Fournier (Hull)
Gagnon
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Lapointe)
Gauthier (Sudbury)
George
Gillis
Gingras
Goode
Gourd (Chapleau)
Gregg
Harris (Grey-Bruce)
Harrison
Hees
Helme
Henry
Herridge
Hetland
Higgins
Hodgson
Howe
Huffman
Jones
Jutras
Kent
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Digby-Yarmouth)
Knight
Knowles
LaCroix
Lafontaine
Laing
Langlois (Gaspe)
Larson
Leger
Lennard
Little
Macdonald (Edmonton East)
Macdonnell (Greenwood)
MacDougall
MacLean (Cape Breton North and Victoria)
MacNaught
McCann
McCulloch
McCusker
McGregor
McIlraith
McIvor
McLure
McWilliam
Major
Masse
Mayhew
Mott
Murphy
Murray (Cariboo)
Mutch
Nixon
Noseworthy
Nowlan
Pearkes
Prudham
Ratelle
Richard (Gloucester)
Richard (Ottawa East)
Riley
Robinson
Rooney
Ross (Souris)
Rousseau
St. Laurent
Simmons
Sinclair
Sinnott
Smith (Moose Mountain)
Smith (Queens-Shelburne)
Smith (York North)
Stewart (Winnipeg North)
Stick
Stuart (Charlotte)
Studer
Thatcher
Tremblay
Tustin
Valois
Viau
Ward
Warren
Weaver
Welbourn
White (Hastings-Peterborough)
Whiteside
Winkler
Wood
Wright—146.

Mr. Speaker: The question is on the amendment. Is the house ready for the question?

Some hon. Members: Yes.

Mr. Speaker: Do I understand that the house wants a recorded vote on the amendment?

Some hon. Members: No.

Mr. Drew: Yes.

The house divided on the amendment (Mr. Drew) which was negatived on the following division:

YEAS

Messrs:

Aylesworth
Beyerstein
Black (Cumberland)
Blackmore

Blair
Browne (St. John's West)
Bryce
Catherwood
Charlton
Coldwell
Drew
Fair
Ferguson
Gagnon
Gillis
Green
Hansell
Harkness
Harris (Danforth)
Hatfield
Hees
Herridge
Higgins
Hodgson
Johnston
Jones
Knight
Knowles
Lennard
Low
Macdonnell (Greenwood)
McGregor
McLure
Murphy
Noseworthy
Nowlan
Pearkes
Quelch
Ross (Souris)
Shaw
Stewart (Winnipeg North)
Thatcher
Thomas
Tustin
White (Hastings-Peterborough)
Wright—46.

NAYS

Messrs:

Anderson
Applewhaite
Ashbourne
Balcom
Bater
Beaudoin
Benidickson
Blanchette
Boisvert
Boucher
Bradette
Bradley
Breton
Brisson
Brown (Essex West)
Bruneau
Byrne
Cannon
Carroll
Carter
Cauchon
Cavers
Chevrier
Cleaver
Corry
Cote (Matapedia-Matane)
Cote (Verdun La Salle)
Cruickshank
Darroch
Dechene
Decore
Dewar
Dion
Dube
Dumas
Dupuis
Eyre
Ferrie
Fournier (Hull)
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Lapointe)
Gauthier (Sudbury)
George
Gibson
Gingras
Goode
Gourd (Chapleau)
Gregg
Harris (Grey-Bruce)
Harrison
Helme
Henry
Hetland
Howe
Huffman
Jutras
Kent
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Digby-Yarmouth)
LaCroix
Lafontaine
Laing
Langlois (Gaspe)
Larson
Leger
Little
Macdonald (Edmonton East)
MacDougall
MacLean (Cape Breton North and Victoria)
MacNaught
McCann
McCulloch
McCusker
McIlraith
McIvor
McWilliam
Major
Masse
Mayhew
Mott
Murray (Cariboo)
Mutch
Nixon
Prudham
Ratelle
Richard (Gloucester)
Richard (Ottawa East)
Riley
Robinson
Rooney
Rousseau
St. Laurent
Simmons
Sinclair
Sinnott
Smith Moose Mountain)
Smith (Queens-Shelburne)
Smith (York North)
Stick
Studer
Tremblay
Valois
Viau
Ward
Warren
Weaver
Welbourn
Whiteside
Winkler
Wood
Wylie—115.

Motion (Mr. McMillan) agreed to on division.

Right Hon. L. S. St. Laurent (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.

SUPPLY

APPOINTMENT OF COMMITTEE

Right Hon. L. S. St. Laurent (Prime Minister) moved:

That this house will at its next sitting resolve itself into a committee to consider of the supply to be granted to His Majesty.

Motion agreed to.

WAYS AND MEANS

APPOINTMENT OF COMMITTEE

Right Hon. L. S. St. Laurent (Prime Minister) moved:

That this house will at its next sitting resolve itself into a committee to consider of the ways and means for raising the supply to be granted to His Majesty.

Motion agreed to.

BUSINESS OF THE HOUSE

Mr. St. Laurent moved the adjournment of the house.

Mr. Drew: Mr. Speaker, before the motion is put I should like to ask the Prime Minister what the order of business will be on Monday.

Mr. St. Laurent: Under the standing order, Monday is a private members' day. We will have to take up first the private bills, then questions and notices for the production of papers, then notices of motions and then public bills. We will follow the order indicated in standing order 15.

Motion agreed to and the house adjourned at 6.20 p.m.

HOUSE OF COMMONS

Monday, February 19, 1951

The house met at three o'clock.

PUBLIC ACCOUNTS

REPORT OF AUDITOR GENERAL—REFERENCE TO STANDING COMMITTEE

Hon. Douglas Abbott (Minister of Finance) moved:

That the public accounts of Canada and the report of the Auditor General for the fiscal year ended March 31, 1950, which were tabled in the house on Wednesday, January 31, be referred to the public accounts committee.

Mr. Fleming: When will copies of the public accounts be available for distribution among members?

Mr. Abbott: I thought they were available at the present time, and was not aware that members could not obtain them. I believe everyone has been able to get a copy, because they have been available for some time through the distribution office.

Motion agreed to.

RAILWAYS

SHORTAGE OF BOX CARS—RETURN OF CANADIAN CARS FROM THE UNITED STATES

Hon. Lionel Chevrier (Minister of Transport): Mr. Speaker, I thought I should advise the house on a matter which has received much publicity in the newspapers during the past week, the question of railway box car shortage. It is a problem which is ever recurring at certain periods of the year and at this particular time it has been aggravated by the strike of railway switchmen in the United States, which was settled some ten days ago.

The Canadian railways through their railway association have been in constant touch with the interstate commerce commission and the association of American railroads on the car shortage problem. Complete co-operation exists between the railways here in Canada and in the United States. Every effort is being made to return to Canada box cars of Canadian ownership now in the United States. As a matter of fact, beginning tomorrow morning, February 20, all Canadian cars on United States lines must be returned empty. This will mean quite a loss in revenue traffic, but that is the extent to which the railways are prepared to co-operate in order to meet the requirements of Canadian shippers. I can assure the house that no stone has been left unturned by the managements of our Canadian railways to ease the present shortage.

PRIVATE BILL

FIRST READING—SENATE BILL

Bill No. 22, to amend the United Church of Canada Act.—Mr. McIvor.

FISHERIES

NEWFOUNDLAND—PRICES SUPPORT—QUESTION AS TO MARKETING AND DEVELOPMENT

On the orders of the day:

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, I should like to ask a question of the Minister of Fisheries. On October 27 last, the minister, in a radio broadcast to the fishermen of Newfoundland, assured them that the prices support board would review the shore fish situation as the marketing season advanced. I should like to ask him these questions:

1. Will the minister indicate what action, if any, has been taken by the federal authorities to implement this undertaking with the Newfoundland fishermen?

2. Will the minister indicate what action the department has taken for the development of Newfoundland's fisheries?

Hon. R. W. Mayhew (Minister of Fisheries): The hon. member was good enough to give me notice of his question, but it will take some time to answer it, and if it is agreeable to him and to the house I would prefer to answer it tomorrow on the order for motions.

UNITED NATIONS

ECONOMIC AND SOCIAL COUNCIL—CANADIAN REPRESENTATION AT SANTIAGO MEETING

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to ask the Secretary of State for External Affairs if Canada is represented on the economic and social council which is meeting in Santiago, Chile, and if so, by whom.

Hon. L. B. Pearson (Secretary of State for External Affairs): We are represented at that meeting. Our representative is the ambassador to the Argentine, Mr. Kearney.

Mr. Fraser: Are there any other representatives?

Mr. Pearson: Yes. The delegation includes one of the officers of the embassy in Chile, and—I speak subject to correction—two officials from Ottawa, one from the Department of External Affairs and one from the Department of Finance.

CIVIL SERVICE

QUESTION AS TO LAY-OFF OF CERTAIN EMPLOYEES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I should like to ask the Prime Minister a question with respect to the lay-off of certain civil servants as part of the government's economy program. Will he inform the house, either by means of a statement or by tabling the appropriate documents, what the pattern of the lay-off is? Will he state particularly who goes first, permanent or temporary civil servants, and why?

Right Hon. L. S. St. Laurent (Prime Minister): I shall see if a statement can be prepared in response to that question.

NATIONAL HEALTH

HOSPITAL GRANTS—NURSES' RESIDENCES AND OTHER ANCILLARY HOSPITAL BUILDINGS

On the orders of the day:

Mr. J. H. Harris (Danforth): I should like to address a question to the Minister of National Health and Welfare (Mr. Martin). I have not given him any notice of this question, and I ask him to accept this as notice and perhaps he can answer in two or three days. In connection with the great work that he is doing, will he give consideration to granting assistance to nurses' residences, additions to hospitals, internes' residences, laundries and other ancillary buildings?

WILDLIFE

NEWFOUNDLAND—INQUIRY AS TO SHOOTING OF TURRS

On the orders of the day:

Mr. W. J. Browne (St. John's West): I should like to ask the Minister of Resources and Development if he has received a petition from the fishermen of the Placentia bay area regarding the shooting of turrs, and is he prepared to give instructions with regard thereto?

Hon. Robert H. Winters (Minister of Resources and Development): No such petition has come to my notice.

[Mr. Pearson.]

PRIVATE BILLS

THE HUTTERIAN BRETHREN CHURCH

Mr. Fernand Viau (St. Boniface) moved the second reading of Bill No. 7, to incorporate the Hutterian Brethren church.

Some hon. Members: Explain.

Mr. Viau: Mr. Speaker, in moving the second reading of this bill, an act to incorporate the Hutterian Brethren church, I feel that this house would like an explanation outlining briefly the history of this group of people known as Hutterites who live now in Manitoba and Alberta, principally the latter.

These people, who are good Christians, worship God in accordance with the interpretation and teachings of the bible as laid down by a Christian missionary named Hutter, a native of Holland. These Hutterites are all farmers, settled in the provinces I have mentioned. According to the latest statistics, in Alberta there are about 4,200 and in Manitoba approximately 2,300. There are about forty-six of them settled in the fruitland of Ontario. They settle in what they call colonies, and enjoy the only communal life of any racial group in this country. They have established a very good reputation as farmers and citizens, and, though because of the tenets or teachings of their Christian religion they will not support any one citizen for public office or seek any public office themselves, they comply strictly and religiously with all the laws of the land. They are upright, clean and worthy citizens. The records of their history since arrival in Canada in 1917 may be searched and no one will find a Hutterite having been charged with any major crime or offence.

Criticisms of their buying large tracts of land in Manitoba and Alberta were made often, it being stated that by doing so they endangered the life of the existing or settled communities of other racial groups, principally Anglo-Saxon or French-Canadian. In Alberta certain restrictive measures were passed against them by the legislature. They are now asking parliament to incorporate the persons named in the bill as a body politic and to grant them the privilege of worshipping God in accordance with the ritual of their faith. When this bill passes it will become law throughout Canada, but for the present the activities of their church will be carried on only in Manitoba and Alberta.

Motion agreed to and bill read the second time.

THE EVANGELICAL LUTHERAN CHURCH OF CANADA

Mr. J. I. Hetland (Humboldt) moved the second reading of Bill No. 8, to incorporate the Evangelical Lutheran Church of Canada.

He said: Mr. Speaker, this bill refers to the Norwegian Lutheran church, which was incorporated in 1922. Over the last thirty years this church has changed considerably, and most of the members do not like the word "Norwegian." They want to be known as a Canadian church, and they would like to change the word "Norwegian" to "Evangelical". This bill is practically the same as the act now in force. In the United States the name of this church was changed in 1946 to the Evangelical church, which is the mother church for North America. The head office of our church is in Saskatoon, but our members are scattered throughout five provinces.

We are not Norwegians any more; we are Canadians. That is one of the main reasons for the proposed change.

Motion agreed to and bill read the second time.

SECOND READINGS—SENATE BILLS

Bill No. 9, for the relief of John Andrew Hague.—Mr. Winkler.

Bill No. 10, for the relief of Jane Louise Welle Kennedy.—Mr. Winkler.

Bill No. 11, for the relief of Frances Danforth Stephens Ross de Lall.—Mr. Winkler.

Bill No. 12, for the relief of Daphne May Hodgson Frosst.—Mr. Winkler.

Bill No. 13, for the relief of Celia Frances Cantlie Molson.—Mr. Winkler.

Bill No. 14, for the relief of Rowland Walter Tyner.—Mr. Winkler.

Bill No. 15, for the relief of Maeve Mary Margaret McPherson Mackenzie.—Mr. Winkler.

Bill No. 16, for the relief of Judith Francis Cohen Besner.—Mr. Winkler.

Bill No. 17, for the relief of Edith Mary Bentley Towler.—Mr. Winkler.

Bill No. 18, for the relief of Patricia Galley Mulvey.—Mr. Winkler.

Bill No. 19, for the relief of Ethel Kershaw Warren.—Mr. Winkler.

Bill No. 20, for the relief of Petrus (Peter) Surkala.—Mr. Winkler.

Bill No. 21, for the relief of Doris Demree McMullen.—Mr. Winkler.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

ST. LAWRENCE WATERWAY

Mr. Balcom:

1. (a) Has an investigation taken place in respect to the cost of the St. Lawrence power and waterway project along the lines recently indicated by the Minister of Transport? If so, what is the estimated cost? (b) Has the estimated cost been broken down by object, that is, as between power development and transportation?

2. (a) In financial arrangements contemplated will the power phase of the project be self-liquidating so far as the government of Canada is concerned? (b) In respect to the seaway development what are the estimated revenues and from what source, in relation to estimated operating and capital costs?

3. What is the expected effect of the project (a) on industrial development, identifying the areas to benefit; (b) in the creation of new traffic; (c) on established traffic routes (i) Canadian domestic traffic; (ii) Canadian import and export trade; (a) through the ports of Montreal and Quebec; (b) through Canadian Atlantic ports; (c) through United States Atlantic ports?

4. Has the development of the St. Lawrence seaway project been studied with a view to defence? If so, what factors have been considered?

Mr. Benidickson: I have discussed this question with the junior member for Halifax (Mr. Balcom), who has been informed that some of the information asked for is not available. The hon. member has agreed to reword his question; therefore I ask that it be dropped.

Mr. Speaker: Question dropped.

COMBINES INVESTIGATION ACT—MAPLE PRODUCTS

Mr. Poulin:

1. Has the combines investigation commissioner held a preliminary inquiry into the possible existence of an alleged combine aiming to fix the price of maple products in the province of Quebec?

2. If so, what was the result of such inquiry?

3. Will an official investigation be held?

4. If so, when?

Mr. Garson:

1. Out of fairness to the parties concerned, against whom no adverse conclusions may be reached, it has not been the general practice to reply to a question of this kind as to whether or not any particular industry or business is being inquired into under the Combines Investigation Act unless and until the commissioner makes a report under the act. The commissioner has made no such report in respect of the industry mentioned.

2. Answered by No. 1.

3. Answered by No. 1.

4. Answered by No. 1.

AIRFIELDS IN PRAIRIE PROVINCES

Mr. Thatcher:

1. Has a survey of airfields in the prairie provinces been made by the defence department recently, with a view to expanding air-training facilities?

2. Has the dismantling of hangars and other buildings at airfields used in the last war been discontinued?

3. Has a decision been made to reopen any former airfields on the prairies?

4. If so, at what location or locations?

Questions

Mr. Campney:

1. Yes.

2. Hangars and buildings not required by the Department of National Defence or not economically repairable were disposed of through Crown Assets Disposal Corporation. Such disposals have been discontinued.

3. Yes.

4. The locations are still under examination.

MOTOR VEHICLES—DUMPING DUTIES ON BRITISH CARS

Mr. Thatcher:

1. Have representations been made to the government by Canadian companies asking for the reimposition of dumping duties against British motor cars?

2. If so, by what companies?

3. What were the chief reasons given in support of their representations?

4. Has the amount of the dumping duty to be imposed been fixed?

5. Has the government received any protest from British or Canadian agricultural or manufacturing groups concerning the proposed dumping duties?

Mr. McCann:

1. Yes.

2. Canadian Automobile Chamber of Commerce.

3. Extraordinary privilege of exemption from liability to dumping duty, particularly as motor cars produced in Great Britain enter Canada free of ordinary customs duty under the British preferential tariff; evidence that some motor cars were being imported at lower prices than the fair market value as sold for home consumption in the country of export; prohibited importation of motor cars into Great Britain, and severely restricted imports into other parts of the sterling area where a large market for Canadian cars had previously been enjoyed, and which threatened curtailment of employment in the industry in Canada.

4. No. Dumping duty is a compensating duty to which imported goods of a class or kind produced in Canada only become liable by reason of a lesser price to the purchaser in Canada than in the domestic market, and only to the extent of this difference.

5. No.

JUDGES—SALARIES AND SUPERANNUATION

Mr. Winkler:

1. Since the year 1925, on how many occasions were increases made in the salaries of judges in Canada?

2. What was the amount on each occasion?

3. What is the rate of superannuation, contributory or non-contributory for judges?

4. How many former judges are now receiving superannuation (a) contributory; (b) non-contributory?

[Mr. Thatcher.]

5. When could judges first avail themselves of the last survivor clause in their superannuation for the benefit of their wives, and at what cost to the judge?

6. How many widows of judges are receiving benefits of the above-mentioned clause of superannuation?

Mr. Garson: Mr. Speaker, I am informed that the general increase took place in the year 1920, not in the year 1925. Would the hon. member who asked the question be agreeable to my tabling the answer with the year "1920" substituted for the year "1925"?

Mr. Winkler: Yes.

Mr. Garson: The answer is as follows:

1. Supreme Court of Canada, 2; all other courts with the exception of circuit court district of Montreal, 1.

2. January 1, 1947, Chief Justice of Canada, $5,000.00; December 23, 1949, Chief Justice of Canada, $5,000.00; January 1, 1947, puisne judges, Supreme Court of Canada, $4,000.00; December 23, 1949, puisne judges, Supreme Court of Canada, $4,000.00; chief justices of superior courts and president of Exchequer Court of Canada, $3,333.33; puisne judges superior court and exchequer court, $3,000.00; county and district court judges, $1,666.66.

3. Two thirds of salary, except that a judge of the Supreme Court of Canada who held office on March 31, 1927, and continues until age seventy-five, and also a county court or district court judge who is compulsorily retired at age seventy-five or has continued in office for thirty years and resigns, may be granted an annuity not exceeding three-fourths of his salary.

Annuities are non-contributory.

4. 64.

5. August 15, 1944: judge's annuity reduced by one third.

6. 48.

BUTTER AND OLEOMARGARINE

Mr. Fair:

1. How many pounds of butter were produced in Canada during the calendar year 1950?

2. During the same period (a) how many pounds of margarine were produced in Canada; (b) what quantities of raw materials for the manufacture of margarine were imported into Canada?

3. What amount was collected as duty on the raw materials imported?

4. How many pounds of (a) butter; (b) margarine, were in storage on the 31st of January last?

Mr. McIlraith:

1. 261,736,000 pounds of creamery butter were produced in 1950.

2. (a) Production of margarine in 1950, 94,032,000 pounds.

(b) No information available as to quantities imported for this specific purpose. Consumption of oils and fats in margarine in 1950, in thousands of pounds, was:

(1) Vegetable oils, imported: cottonseed, 42,106; coconut and peanut, 8,822.

(2) Vegetable oils, domestic or imported: soybean, 18,187; sunflower seed, 3,178.

(3) Marine and animal oils, domestic, 4,756.

3. No information.

4. (a) 46,376,000 pounds butter in storage at January 31 last.

(b) 1,859,000 pounds margarine in storage at January 31 last.

INCAPACITATED PERSONS—SURVEY IN 1950

Mr. Fair:

1. Did the dominion or provincial governments conduct a survey in 1950 to ascertain the number of physically incapacitated persons in each province?

2. If so, what is the result of such survey?

Mr. McCusker:

1. Yes, a survey to ascertain the number of physically incapacitated persons in each province was started as a part of the national sickness survey in 1950.

2. As the survey will not be completed until the end of 1951, no final results will be available until after that time.

WHEAT—SALES TO BRITAIN AND TO CANADIAN MILLERS, 1949-50

Mr. Fair:

1. What quantity of wheat was delivered under the British wheat agreement during the crop year 1949-50?

2. What price per bushel was obtained?

3. During the same period, what quantity of class II wheat was sold?

4. What was the average price per bushel obtained?

5. For the same period, what quantity was sold to Canadian millers for Canadian consumption as flour?

6. At what price per bushel was this wheat sold?

Mr. McIlraith:

1. Net sales to the United Kingdom under the Canada-United Kingdom agreement were 140 million bushels. Of this quantity 127.5 million bushels were delivered in the crop year ended July 31, 1950, and the balance of 12.5 million bushels was delivered in August and September, 1950.

2. $2 per bushel basis No. 1 northern wheat in store Fort William/Port Arthur, Vancouver and Churchill, plus a carrying charge of 5 cents per bushel to September 30, 1949, and 6 cents per bushel from October 1, 1949.

3. 26,505,011 bushels.

4. $2.16 per bushel basis No. 1 northern wheat in store Fort William/Port Arthur or Vancouver.

5. 39,788,512 bushels.

6. $2 per bushel basis No. 1 northern wheat in store Fort William/Port Arthur or Vancouver, plus a carrying charge of 5 cents per bushel to September 30, 1949, and 6 cents per bushel from October 1, 1949.

SOLDIER SETTLERS—INDEBTEDNESS, ETC.

Mr. Fair:

1. How many soldier settlers of world war I were in debt to the soldier settlement board as at (a) January 1, 1950; (b) January 1, 1951?

2. What was the total amount of indebtedness of those settlers as at (a) January 1, 1950; (b) January 1, 1951?

3. What is the total amount paid in by the settlers during the above period?

4. In how many cases were reductions made?

5. What is the total amount of reductions granted during the year 1950?

6. Have any foreclosures been made or quit claim deeds been demanded during the period under review? If so, how many of each?

7. What is the maximum number of years any of those contracts have been in effect?

8. What rate of interest was charged those veterans?

Mr. Mutch:

1. (a) 1634; (b) 1272.

2. (a) $1,838,303.18; (b) $1,428,069.42.

3. $356,792.69.

4. 226 accounts were reduced (includes 25 where reduction was authorized prior to January 1, 1950).

5. Accounts were reduced by $106,386.34 (includes $13,493.22 authorized prior to January 1, 1950).

6. No.

7. 30.

8. 5 per cent to standard date in 1944 or date of enlistment in world war II (if applicable); then 3½ per cent per annum subsequent to those dates.

WHITEHORSE, YUKON—APPOINTMENT OF ENGINEER

Mr. Noseworthy:

1. Who is the present chief supervising engineer for the Yukon?

2. Has Mr. Litzenberger been appointed to any official position?

3. If so, to what position?

4. Why was he appointed to this position?

5. Did the government purchase or build a house in Whitehorse for Mr. Litzenberger?

6. If so, what was the total expenditure by the government for such a house?

7. Was a special order in council passed in February, 1950, for the purchase or building of said house?

Mr. Winters:

1. There is no officer with this title.

2. A. J. H. Litzenberger was appointed by the civil service commission as a technical officer grade 4, Department of Resources and

Development, and was allocated to engineering work in the Yukon Territory.

3 and 4. Answered by No. 2.

5. A house was purchased for the incumbent of position of technical officer grade 4 following the general policy of the department in providing accommodation for senior members of the staff where private accommodation is not available. Rental is charged the occupant.

6. $8,200.

7. P.C. 544, dated February 3, 1950.

STEWART RIVER-DAWSON CITY ROAD

Mr. Noseworthy:

1. Was some preparatory work done by the federal government on the proposed road from Stewart River to Dawson city?
2. If so, what amount was spent?
3. Was the work cancelled?
4. If so, for what reason?

Mr. Winters:

1. No construction work was undertaken, but a reconnaissance survey was made in 1949.

2. $11,600 for the above survey.

3. No.

4. Not applicable.

ARMY AND AIR FORCE—HOUSING IN YUKON TERRITORY

Mr. Noseworthy:

1. Are houses being built for the army and air force in Whitehorse and elsewhere in the Yukon?
2. If so, by what construction companies, and how many are being built?
3. At what price?

Mr. Campney:

1. Houses are being built for the army at Whitehorse. No other houses are being built in the Yukon for the army or air force.

2. Marwell Construction Company, of 410 Seymour street, Vancouver, B.C., are under contract to build 100 housing units.

3. $13,093 per unit.

SHANGHAI MUNICIPAL COUNCIL—PENSION CLAIMS BY CANADIANS

Mr. Pearkes:

What action has been taken by the government to assist Canadian citizens having pension claims against the Shanghai municipal council?

Mr. Pearson: Negotiations for the settlement of these claims were carried on in China until the departure of our ambassador in 1949.

Success was not achieved, and no further action has since been possible. Consideration was given to payment of an *ex gratia* allowance by the Canadian government to these claimants, but it was decided that this could not be justified.

[Mr. Winters.]

CANADIAN NATIONAL RAILWAYS—PURCHASES FROM VARIOUS COMPANIES

Mr. Knowles:

During each of the past three years, what was the amount spent by the Canadian National Railways on purchases from (a) the Northwestern Brass, Limited; (b) the Dominion Wheel and Foundries, Limited; (c) T. McAvity and Sons; (d) the Montreal Locomotive Works; (e) The Canadian Locomotive Company; (f) The Canadian Car and Foundry Company; (g) the Bird-Archer Company?

Mr. Benidickson: The Canadian National Railways advise as follows:

It is not the policy of the management to make public detailed information about its purchases from individual firms. To do so might prejudice our position in a field of traffic which is highly competitive.

PENSIONS—VETERANS OF WORLD WAR II

Mr. Pearkes:

1. How many pensions have been granted to ex-servicemen for disabilities directly due to service in world war II?
2. How many pensions have been granted for pre-war disabilities aggravated by service?

Mr. Mutch: As at September 9, 1950, disabilities or aggravation thereof attributable to or incurred during world war II service:

1. 131,947.

2. 27,465.

Many veterans are pensioned for more than one disability, and the above total of 159,412 represents 92,519 pensioners.

NEWFOUNDLAND—CANADIAN FARM LOAN BOARD

Mr. Higgins:

Is a branch office of the Canadian farm loan board to be set up in Newfoundland? If so, when and where?

Mr. Abbott: The board reports that the volume of business offered in Newfoundland is not sufficient to warrant the establishment of a branch office in that province at the present time, but that all applications for loans originating in Newfoundland are being dealt with by the head office of the board at Ottawa.

ROYAL GRAIN INQUIRY COMMISSION

Mr. Ross (Souris):

What was the total cost to the federal treasury for the Turgeon royal grain inquiry commission, pursuant to the order in council of 27th June, 1936, P.C. 1577?

Mr. McIlraith: $144,240.71.

IMPORTS OF FUR PELTS

Mr. Lennard:

1. How many fur pelts were imported into Canada from January 1 to December 31, 1950?

2. How many of each variety and from what countries were they imported?

Mr. McIlraith:

1 and 2. Statement showing Canadian imports by countries, of fur skins, undressed, by varieties, during the period January 1 to December 31, 1950

Item and country	Number
China and Jap mink:	
Japan	13,200
United States	131,304
Total	144,504
Opossum:	
United Kingdom	2,072
Australia	1,000
United States	31,134
Total	34,206
Raccoon:	
United States	188,304
Sheep and lamb:	
Union of South Africa	5,000
Australia	12,883
Argentina	181,902
Brazil	510
Uruguay	43,152
United States	181,026
Total	424,473
Marine animal:	
United States	1,424
Fox:	
United Kingdom	205
United States	7,528
Total	7,733
Kolinsky:	
United States	27,520
Mink:	
United Kingdom	1,394
Alaska	64
United States	79,342
Total	80,800

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Questions

Item and country	Number
Muskrat:	
United Kingdom	11,389
United States	2,726,052
Total	2,737,441
Persian lamb:	
United Kingdom	28,409
Union of South Africa	46,979
Afghanistan	9,507
Germany	2,200
Iran	988
Netherlands	27,575
U.S.S.R.	5,148
United States	885,314
Total	1,006,120
Rabbit:	
Australia	155,668
New Zealand	16,727
Belgium	20,000
France	448,215
Japan	328,000
Switzerland	6,000
United States	1,487,135
Total	2,461,745
Squirrel:	
United Kingdom	28,469
Sweden	15,000
U.S.S.R.	9,000
United States	1,165,588
Total	1,218,057
Other varieties:	
United Kingdom	2,419
Argentina	200
Brazil	1,087
China	24,400
Greece	384
Japan	150
Switzerland	12,412
U.S.S.R.	1,550
Alaska	64
United States	754,977
Total	797,643

BONAVENTURE, QUE., FISHERMEN'S WHARF

Mr. Courtemanche:

1. Between April and June, 1950, was any construction or repair work done to the fishermen's wharf at Bonaventure, county of Bonaventure, Quebec?

Questions

2. If so, was the work done by contract or by day labour?
3. If by contract, what were the amounts, and to whom was the contract awarded?

Mr. Fournier (Hull):

1. Yes.

2. By contract.

3. (a) Total amount of contract $31,678; (b) Fortunat Bernard and Arthur Bujold.

ST. CHARLES DE CAPLAN, QUE., WHARF

Mr. Courtemanche:

1. Were repairs made to the wharf at St. Charles de Caplan, Bonaventure county, Quebec, in 1947, 1948, 1949 and 1950?
2. If so, what were the amounts spent for such work?

Mr. Fournier (Hull):

1. Yes.

2.

Fiscal years	Amount
1947-1948	$11,901.85
1948-1949	12,992.84
1949-1950	12,537.60
1950-1951	5,944.48
	$43,376.77

ST. CHARLES DE CAPLAN, QUE., WHARF FACILITIES

Mr. Courtemanche:

1. In the year 1950, did the Department of Public Works construct protection or wharf facilities at St. Charles de Caplan, county of Bonaventure, Quebec, in front of, or in the vicinity of the Henri Leblanc property, or Manoir St. Charles?
2. If so, what amount was expended?
3. Who was the foreman, what daily salary did he receive, and how long did he work?

Mr. Fournier (Hull):

1. Yes.

2. $2,999.81.

3. (a) Henri A. Leblanc; (b) $8; (c) December 15, 1949, to March 31, 1950.

SHORE EROSION ON THE GREAT LAKES

Mr. Lennard:

1. Has the federal government received from the government of Ontario or the lakeshore erosion conference, or from any municipalities (a) resolutions; (b) recommendations for the prevention of lakeshore erosion?
2. If so, has the federal government made a survey of lakeshore erosion on the great lakes, and is a report contemplated with recommendations for a remedy?

Mr. Fournier (Hull):

1. (a) No; (b) no.

2. No survey has been made and no report contemplated, because as a general rule the matter of shore erosion and its correction is not a federal government responsibility.

SUPREME COURT OF CANADA—TRANSCRIPTION OF JUDGMENTS IN FRENCH LANGUAGE

Mr. Coldwell:

Are judgments of the Supreme Court of Canada transcribed in the French language when the defendant is a French-speaking Canadian and when the original trials and appeals were heard in French?

Mr. Garson: The judges write their reasons for judgment in either English or French as they individually choose. After judgment is rendered, the solicitor for the successful party drafts the minutes of judgment and the formal judgment is settled by the registrar in the language so used in drafting the minutes.

MERCHANT MARINE—EXAMINATIONS FOR CHIEF OFFICER—NAVIGATION SCHOOLS

Mr. Pearkes:

1. At what ports or centres can members of the Canadian merchant marine service write their examinations for chief officers (bridge)?
2. Upon what dates can these examinations be written?
3. Have any of the offices referred to in No. 1 above been closed at any time during the year 1950?
4. What procedure is followed in marking the papers?
5. At what points are navigation schools maintained, and during which periods are courses conducted at these schools?

Mr. Benidickson:

1. Department of Transport examiners are stationed at Vancouver, B.C., Toronto, Ont., Quebec, P.Q., Halifax, N.S., Yarmouth, N.S., and St. John's, Nfld. Examinations are held at these ports. Examinations are also held by arrangement at any other place where the number of candidates warrants the visit of an examiner.

2. Examinations may be written at any time by arrangement.

3. No.

4. Examination papers are marked by the examiner conducting the examination, submitted to the supervising examiner and forwarded to the department at Ottawa for final approval.

5. The Department of Transport conducts navigation schools at Prince Rupert, B.C., Quebec, P.Q., Saint John, N.B., Halifax, N.S., and Yarmouth, N.S. With the exception of the schools at Prince Rupert, B.C., and Quebec, P.Q., which are open only during the winter, schools conduct classes throughout the year. In addition the department gives financial aid to schools as follows:

Vancouver vocational institute, B.C. department of education,

Queen's university, Kingston, Ontario,

L'Ecole d'Arts et Metiers, Rimouski, P.Q.

A number of private organizations and local education authorities conduct schools at various ports throughout the dominion, but these in no way come under the control of the Department of Transport.

GRAIN COMMISSION—ASSISTANT COMMISSIONER, SASKATCHEWAN

Mr. Wright:

1. Who is the present assistant commissioner, board of grain commissioners, in the province of Saskatchewan?

2. On what date was this appointment made?

3. What positions did he occupy during the five years previous to his appointment?

4. How many written complaints were received in this office (a) from August 1, 1949, to July 30, 1950; (b) from August 1, 1950, to date?

5. What was the nature of these complaints?

6. What was the cost of operating this office from August 1, 1949, to date, under (a) salaries; (b) expenses?

7. What are the names of the members of this staff who were paid travelling expenses, and the amounts paid to each?

Mr. McIlraith:

1. Mr. A. G. McLean.

2. March 1, 1949.

3. National director, National Liberal Federation.

4. (a) 8; (b) 8; total, 16.

5. Grading of grain, 6; weighing of grain, 1; storage of grain, 1; handling of grain, 1; settlement for grain infraction, Canada Grain Act, 2; infraction, board's regulations, 3; outside jurisdiction, 1; total, 16.

6. (a) $14,815.16; (b) $3,275.22.

7. A. G. McLean—August 1, 1949, to January 31, 1951, $2,875.31.

CHEESE IMPORTS

Mr. Wright:

1. What is the amount of cheese imported since June 1, 1950?

2. From what countries, and what amount from each country?

Mr. McIlraith:

1. From June 1, 1950, to December 31, 1950, 8,915,491 pounds.

2.

Country	Pounds
United Kingdom	7,617
New Zealand	6,611,300
Argentina	217,955
Denmark	228,902
France	29,124
Italy	349,975
The Netherlands	111,357
Norway	18,440
Sweden	7,313
Switzerland	1,014,718
United States	318,790

S. S. "AORANGI"

Mr. Laing:

1. What subsidy has been paid annually by the Canadian government for the maintenance of the service of the Canadian-Australasian line vessel *Aorangi* for the years 1945 to 1950?

2. How many round trips per year does this vessel make?

3. What was the total (a) tonnage of freight carried; (b) passenger list on each trip, eastbound and westbound, in 1950?

4. What crew complement does this vessel carry?

5. Is this service to be discontinued?

6. Have representations been made to the Canadian government for continuance of this service?

7. If so, by whom?

Mr. Benidickson:

1. None.

2. On average, 5½.

3. (a) The total tonnage of freight carried during 1950 was 16,391 of which 11,123 tons was eastbound and 5,268 tons was westbound.

(b) Eastbound passengers for each voyage in 1950: 390; 450; 420; 432; 320; 329: Total, 2,341.

Westbound passengers for each voyage in 1950: 480; 500; 485; 480; 480: Total, 2,425.

4. 325.

5. The company has indicated that the service will be discontinued.

6. Yes.

7. By the Canadian Pacific Railway, on behalf of the Canadian-Australasian line, by the government of New Zealand and by the government of Australia.

CONTRACTS AWARDED, BY PROVINCES

Mr. Thatcher:

1. How many of the 80,000 contracts awarded in the first nine months of the current fiscal year with Canadian industry were placed in (a) British Columbia; (b) Alberta; (c) Saskatchewan; (d) Manitoba; (e) Ontario; (f) Quebec; (g) New Brunswick; (h) Nova Scotia; (i) Prince Edward Island; (j) Newfoundland?

2. What was the dollar value of the above contracts placed in each of the above-mentioned provinces?

Mr. McIlraith:

1.

Yukon and N.W.T.	87
British Columbia	9,790
Alberta	8,273
Saskatchewan	1,425
Manitoba	5,207
Ontario	26,164
Quebec	15,000
New Brunswick	1,754
Nova Scotia	7,889
P. E. I.	206
Newfoundland	689
Total	76,484

Questions

The difference between the total number of contracts shown and the figure of 80,000 referred to in the question represents the number of contracts placed in the U.S.A., the U.K. and continental Europe.

2.

Yukon and N.W.T.	$	254,059 24
British Columbia		33,574,746 46
Alberta		6,707,004 00
Saskatchewan		450,781 13
Manitoba		6,667,071 75
Ontario		214,436,014 47
Quebec		154,055,843 14
New Brunswick		5,468,998 37
Nova Scotia		23,003,602 68
P. E. I.		329,551 97
Newfoundland		402,518 39
Total	$	445,350,191 60

These figures do not necessarily include the value of stores produced in each province, since in many cases contracts are placed with the contractors' personal representative or at a head office located outside the district where production actually takes place.

INDIANS—BRITISH COLUMBIA—SCHOOL BUILDINGS

Mr. Pearkes:

1. Have any agreements been made with the province of British Columbia, by the Indian branch of the citizenship and immigration department, covering contributions towards the capital cost of school buildings that are to be used jointly by white and Indian children?

2. If so, what schools are affected, and what is the amount of the federal contribution in each case?

Mr. Harris (Grey-Bruce):

1. Yes.

2. (a) School district No. 52, Prince Rupert, $1,500.00; (b) school district No. 53, Terrace, $73,000.00; (c) school district No. 72, Campbell River, $18,728.00; (d) Telegraph Creek school district, $22,177.43; (e) Ashcroft school district, No. 30, $742.50; (f) Alberni school district No. 70, $25,264.29; (g) Nanaimo school district No. 68, $37,229.21.

BURLINGTON, ONT., FEDERAL BUILDING

Mr. Lennard:

1. Has a contract been let for alterations to the federal building at Burlington, Ontario?

2. If so, to whom was the contract awarded, and at what price?

Mr. Fournier (Hull): 1. Yes.

2. (a) Orval Easton, Freeman, Ontario; (b) $44,063.

POULTRY—BRITISH COLUMBIA—NEWCASTLE DISEASE

Mr. Mott:

1. How many poultry flocks in British Columbia were destroyed owing to the outbreak of Newcastle disease?

[Mr. McIlraith.]

2. How many birds were destroyed?

3. In this connection, what amount of compensation has been (a) paid to date; (b) claimed but not yet approved; (c) approved but remaining unpaid?

4. Is the Department of Agriculture making the new Doyle-Wright vaccine available to all poultrymen?

5. Will the department approve the use of live vaccine for baby chicks?

Mr. McCubbin:

1. 1949-50, 5; 1950-51, 346.

2. 1949-50, 18,052; 1950-51, 530,174.

3. (a) 1949-50, $25,395.31; 1950-51, $722,-849.71; (b) 1949-50, nil; 1950-51, $27,850.48; (c) 1949-50, nil; 1950-51, $45,301.54.

4. The Doyle-Wright vaccine is being manufactured by the department for use by its officers in affected districts as a part of the department's control policy.

5. No. The use of the live virus vaccine and the Doyle-Wright inactivated vaccine is incompatible; consequently the use of the former is not approved.

PENSION COMMISSION—DECISIONS OF APPEAL BOARDS

Mr. Pearkes:

1. Of the appeals from decisions given by the Canadian pension commission, which were heard by travelling appeal boards in 1949, how many of those granted were decided as being pre-war disabilities aggravated by service?

2. How many of those rejected were classified as pre-war disabilities not aggravated by service?

3. How many appeals were heard by the travelling boards in 1950? Of those heard, how many were granted?

4. How many of these appeals were decided as being pre-war disabilities (i) aggravated; (ii) not aggravated?

Mr. Mutch:

1. World war I, 10; world war II, 625; total, 635.

2. World war I, 17; world war II, 917; total, 934.

3. (a) 2790 (representing 1666 claimants); (b) 887 (representing 649 claimants).

4. (i) World war I, 11; world war II, 484; total, 495; (ii) world war I, 31; world war II, 959; total, 990.

Note: The statistics are from records division and represent disability claims completed and recorded with them. Actually, during the year 1950, a total of 1944 claimants appeared before appeal boards of the commission.

UNEMPLOYMENT INSURANCE—DISQUALIFICATION OF CERTAIN MARRIED WOMEN UNDER AMENDED REGULATIONS

Mr. Knowles:

1. How many married women who were receiving unemployment insurance benefits just prior to November 15, 1950, were disqualified and had their

benefits cancelled as from that date because of the terms of the unemployment insurance commission's new regulation 5A?

2. How many appeals have been made to courts of referees by or on behalf of married women disqualified as set out in question No. 1?

3. How many applications from married women for unemployment insurance benefits, made since November 15, 1950, have been rejected on the basis of regulation 5A?

4. How many appeals have been made to courts of referees by or on behalf of married women disqualified as set out in question No. 3?

5. How many married women were drawing unemployment insurance benefits as at (a) October 31, 1950; (b) November 14, 1950; (c) November 30, 1950; (d) December 15, 1950; (e) December 31, 1950; (f) January 15, 1951; (g) January 31, 1951; (h) the latest date for which figures are available?

Mr. Cote (Verdun-La Salle):

1 to 5. The information in the form requested is not available and could not be obtained from the records of the unemployment insurance commission without considerable expense and delay. However, the following available figures are submitted:

1 and 3. The number of women disqualified by benefit regulation 5A between November 15, 1950, and January 31, 1951, is as follows: November, 7,109; December, 2,186; January, 1,513; total, 10,808.

2 and 4. The number of appeals from disqualification under benefit regulation 5A heard by courts of referees between November 15, 1950, and January 31, 1951, is as follows: November, 249; December, 374; January, 78; total, 701.

5. The percentage of females who established benefit years during the period January 1 to November 30, 1950, who were married women was 44 per cent. From this it is estimated that the number of married women on ordinary active claims was as follows: on October 31, 1950, 16,416; on November 30, 1950, 17,767; on December 31, 1950, 17,030; on January 31, 1951, 18,807.

CHALK RIVER—COMPENSATION TO DEPENDENTS OF EMPLOYEES KILLED OR INJURED

Mr. Cruickshank:

1. What compensation is paid to the dependents of anyone killed or injured while on duty at Chalk River?

2. What amount, if any, was paid to the dependents of those who have been killed while on duty at Chalk River?

Mr. McIlraith:

1. Employees at Chalk River are covered by the Government Employees Compensation Act, 1947, and in accordance with the provisions of this act the compensation paid to dependents is determined according to the provisions of the Workmen's Compensation Act of the province of Ontario.

2. During the operation of the atomic energy project at Chalk River 1945 to date, one employee only has been killed while on duty, and this occurred in December, 1950. The widow of this employee, in accordance with the provisions of the Ontario Workmen's Compensation Act of Ontario, has been awarded an amount of $50 per month till death or remarriage and $12 per month for her child.

COMBINES INVESTIGATION ACT—FLOUR MILLING AND BREAD-BAKING INDUSTRIES

Mr. Coldwell:

1. What was the cost of the investigation into the alleged combine in the manufacture, distribution and sale of flour and other grain-mill products which was carried out by Mr. F. A. McGregor?

2. What was the cost of the investigation into the alleged combine in the bread-baking industry in Saskatchewan, Alberta and British Columbia which was carried out by Mr. H. Carl Goldenberg?

Mr. Garson:

1. Flour and other grain-mill products investigation

Fiscal years	
1947-48	$11,706.15
1948-49	1,272.12
1949-50	2,236.81
	$15,215.08

2. Western bread-baking industry investigation

Fiscal years	
1947-48	$ 6,392.84
1948-49	12,503.61
	$18,896.45

CANADIAN COMMERCIAL CORPORATION—PURCHASES FROM WESTERN FIRMS

Mr. Goode:

1. What was the total amount of purchases on government accounts through the Canadian Commercial Corporation for the period November 20, 1950, to January 31, 1951?

2. What was the total amount of these purchases awarded to firms west of Winnipeg, Manitoba?

3. What was the total amount of the purchases awarded to firms in British Columbia?

Mr. McIlraith:

1. The total amount of purchases on government accounts through the Canadian Commercial Corporation for the period November 1, 1950 to January 31, 1951, was $204,578,681.72.

2. (a) The total amount of these purchases awarded to firms in Manitoba, Saskatchewan, Alberta and British Columbia was $19,038,094.19; (b) Included in (a) is the sum of $3,105,790.89 which is the amount of purchases awarded to firms in Manitoba.

3. The total amount of these purchases awarded to firms in British Columbia was $13,794,783.61.

These figures do not necessarily include the value of stores produced in each province, since in many cases contracts are placed with the contractors' personal representative or at a head office located outside the district where production actually takes place.

QUESTIONS PASSED AS ORDERS FOR RETURNS

JACQUES CARTIER BRIDGE

Mr. Dupuis:

1. What was the cost of erecting the Jacques Cartier bridge, including incidental expenditure, such as expropriations, soundings, etc.?
2. What has been the annual revenue from the said bridge?
3. What has been the cost of maintenance, including salaries, repairs, etc.?
4. Has there been a deficit in the operation of this bridge? If so, in what amount?
5. In what proportion is such deficit absorbed by (a) the government of Canada; (b) the government of the province of Quebec; (c) the city of Montreal?

Mr. Benidickson: Return tabled.

GOVERNMENT DEPARTMENTS AND CROWN CORPORATIONS

Mr. Fraser:

1. Have any new departments of the government or government-controlled companies been set up since January 1, 1950?
2. If so, what are the names of the departments or companies?
3. For what purpose were they set up?
4. What are the names of the officials of each new department or company?

Mr. Bradley: Return tabled.

PENSIONS—CIVIL SERVANTS

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 widows of retired civil servants are receiving pensions of amounts within each of the brackets indicated in the above question?
3. What is the number of retired federal civil servants, and also the number of widows of retired civil servants residing in each province?

CANADIAN FORCES—PAY AND ALLOWANCES

Mr. Thatcher:

What was the pay and allowance, or allowances of any kind, for each non-commissioned and commissioned rank in (i) army; (ii) navy; (iii) air force, as of (a) July 1, 1950; (b) February 1, 1951?

Mr. Campney: Return tabled.

[Mr. McIlraith.]

DIRECTORS OF CROWN COMPANIES—EXPENSES, FEES, ETC.

Mr. Bryce:

1. What amount was paid in the years 1947, 1948, 1949 and 1950 by way of expenses, fees, etc., to the directors of crown companies?
2. How much in each year to each director?

MOTIONS FOR PAPERS

BOBCAYGEON, ONT., POSTMASTERSHIP

Mr. Hodgson:

For a copy of all telegrams, reports, recommendations, correspondence and other documents in the possession of the Post Office Department dated from January, 1949, to October, 1950, relating to the retirement of the postmaster at Bobcaygeon, Ontario, and the appointment of the present postmaster.

ATHERLEY, ONT., POSTMASTERSHIP

Mr. Hodgson:

For a copy of all telegrams, reports, recommendations, correspondence and other documents, dated January, 1949, to October, 1950, in the possession of the Post Office Department relating to the retirement of the postmaster at Atherley, Ontario, and the appointment of the present postmaster.

CIVIL SERVICE—RATES OF PAY AND HOURS OF WORK

Mr. Knowles:

For a copy of all correspondence, dated since January 1, 1950, between organizations representing civil servants and the government, including correspondence between such organizations and any cabinet minister, with reference to civil service rates of pay and hours of work.

CIGARETTES

PROPOSED APPOINTMENT OF COMMITTEE TO CONSIDER EFFECTS ON HEALTH, FIRE HAZARD, ETC.

Mr. Daniel McIvor (Fort William) moved:

That, in the opinion of this house, early consideration should be given to the advisability of appointing a special committee of the house to consider the entire cigarette problem; its effect on moral, mental and physical health, especially teenagers and unborn children; fire hazard and other related details.

He said: Mr. Speaker, it is not my purpose today to tell any man or woman, boy or girl, that he or she may not smoke. It is my purpose to show what tobacco will do to the human mind and body, and as most Canadians are intelligent people I shall allow them to decide the question for themselves. I appreciate the fact that the Minister of National Health and Welfare (Mr. Martin) did not ask me to withdraw my motion. I think it is to be expected that one of those senior in the ministry would look with favour on anything that is said for the good of the health of the people of Canada.

The government spends a great deal of money and time, and uses a great deal of manpower, in striving to improve the agricultural conditions of our country; to grow better grain, grasses, fruits and vegetables. In the field of animal husbandry the government spends much money in order that we may have better horses, cattle, sheep and "porkers", and also spends money that we may have better flowers. With so much money spent on the animal kingdom and on material things, why should the government of Canada not spend something more on the development of our young people? Somebody has said that a fence at the top of a hill is better than an ambulance down in the valley. During my brief life I must say I have come in contact with certain things that lead me to believe the youth of Canada would be well served if they smoked less, or smoked not at all. Of course we expect grown men to have more intelligence, because they learn from experience.

Let me give two examples. My first experience in Belfast very nearly cost me my job, though that was not in connection with smoking, which is clean as compared to the use of snuff. The paid hands of John Robb and Company in Belfast all ate in one big dining hall, and we had one man six feet four inches in height who persisted in carving the meat. He used snuff. I happened to say that if anyone used snuff in my presence when he was carving, something would happen; and I had not long to wait. He used his snuff and sneezed all over the roast. Of course no one would eat meat that day, but we pasted him with butter, and he never carved again.

There was a young fellow in Souris, Manitoba, at whose wedding I officiated. He was an outstanding football player, but I have known him to smoke a package of cigarettes between the time the game began and the time it was over. The superintendent of the Canadian Pacific Railway Company called me in one day and said, "Can you do something for Jim?" I asked what was the matter with him, and I was told that he was going to lose his job because his sight was failing. I called on Jim and said, "You are going to quit the C.P.R., are you?" He replied, "I certainly am not." I said, "There is something wrong, then; because the superintendent says you are. You are either quitting the C.P.R. or you are quitting cigarettes." He looked at his wife, who said, "Jim I warned you." Well, he did not lose his job.

Another case which came to my notice was that of George Rose, a fireman on the Canadian Pacific. He had a little crack in his lip, but he continued to smoke his pipe. Some years later I visited him in Winnipeg, and found him suffering from cancer of the lip and of the throat; and he died in a terrible condition. Our Manitoba college football team had two rules: a man could not smoke and he could not use intoxicating liquors. A young star came in from the west. He was so popular in his home town he thought he could do as he pleased when he came to our place, but our team had to obey the rules. The very first day he was there he came on the field smoking a cigarette, though he had been warned about the rule. Dr. Fred Clark, better known as Fred, an outstanding football player and a man loved by all, asked me to speak to the boy. I said "Bob, you had better go back and take off your uniform; you cannot play today." He told me to go to the hot place. I did not go, but I tried to keep him out of there. At four o'clock the next morning I was called out of bed and presented with a very fine cigarette case and all the other accoutrements, and Bob turned out to be a real star. His father sent a substantial donation to our football team.

I am going to treat this question under three heads. When addressing an intelligent congregation it is my custom to use a text, and today I am going to use the words of Paul to the Philippian jailer: "Do thyself no harm." I repeat those words to all who are listening to me and to those who may read my remarks: "Do thyself no harm."

The first head is what the doctors think about it. The doctors believe it harms the throat. Dr. J. L. Myers of Kansas City says:

> Nicotine irritates the mucous membranes of the respiratory tract. Tobacco tar injures those membranes.

Therefore it is not a question whether smoking injures the throat, but how much it injures it. Anyone could enlarge on that. I could give the name of doctor after doctor to prove that cigarettes injure the throat.

The second point is that smoking destroys the appetite. Those who use cigarettes will know that if they have a hungry feeling, when they smoke a cigarette it takes away the nip of hunger. Dr. Walter C. Alverez, a specialist with the Mayo clinic, says:

> When a man smokes excessively he is less likely to eat well.

Smoking can cause gastritis and ulcers of the stomach. The Ochsner clinic in New Orleans refuses to treat a patient for ulcers unless he stops smoking. Again I could enlarge upon that and quote the same opinion expressed by many doctors.

Smoking retards growth. A growing boy who smokes regularly does not sleep so well; he does not eat so well. I have in mind the example of a page boy in this house some five or six years ago, who, when he would go to the corner lot behind the west block to

play baseball, had no heart for the game. One night I went up to him and saw his fingers pretty well stained. I asked, "Did you get those colours playing baseball?" He replied, "No, I didn't; I'm smoking." I asked what his mother thought about it, and he replied, "My mother wallops me." So I told him, "Your mother is your best friend," and I said I would give $2 for every month he did not smoke. He did not want to take it, but I said, "You are going to measure up and be a credit to your mother." I got from him a box of cigarettes with two or three remaining in it, and he did not smoke again. Later he left the page staff, and two years after that you would not have known him. He was physically fit and playing on a baseball team in this city. Smoking does retard growth.

Smoking harms the heart. These statements have often been made about the use of tobacco in any form. How about Buerger's disease, which causes poor circulation of blood to hands and feet and may necessitate amputation? Doctors are cautious souls and do not say that smoking causes Buerger's disease, but in the study of one thousand sufferers from Buerger's disease, one thousand turned out to be smokers; and a study of another 1,400 cases checked at Mount Sinai hospital, New York, showed that 1,400 were smokers. A check revealed that more smokers have coronary disease than non-smokers. Doctors do not say that smoking causes heart disease, but they do say that smoking may intensify existing heart disease. Dr. Riis summed it up by saying:

> It is, in short, never a help and often a menace.

But we do not need to go away down south for all these statements by doctors. I can quote my own family doctor, who is now in the Senate; I am referring to Dr. Howden, who told me once, "The men who die suddenly have been heavy smokers." And he added, "Put that in your pipe and smoke it, Dan."

Smoking has caused cancer. I have mentioned already the instance of the C.P.R. fireman who made no bones about the fact that his cancer of the lip and throat were caused by smoking. Dr. Alton Ochsner, of the Ochsner clinic in New Orleans, is convinced that there is a definite relationship between the increase in smoking and in the increase in lung cancer. Exhaustive research is now going on to determine whether or not smoking can cause cancer. Dr. Evarts Graham, of Washington university, in St. Louis, is conducting an extensive research. He expects to find that ninety-five per cent of patients with lung cancer smoke at least a pack of cigarettes daily.

It does harm the chance for a long life. I am quoting Dr. Pearl when I say that those who die suddenly are heavy smokers. He says:

> The heavy smoker pays with 34·6 minutes of life for each cigarette he smokes. The pack-a-day smoker pays with 11·5 hours for each pack he smokes.

If Dr. Pearl is right, this means that the more one smokes the more harmful each cigarette is, and the more it decreases the smoker's life expectation. I do not think any man who smokes heavily believes he is cutting down his life span, but it is true. We have to face the facts.

There is the matter of cost to consumer. A package of cigarettes may cost only 36 cents. To sum up it has been found that habitual smokers have 62 per cent higher incidence of gas on the stomach; 65 per cent higher incidence of colds; 76 per cent higher incidence of nervousness; 100 per cent higher incidence of heartburn; 140 per cent higher incidence of laboured breathing after exertion; 167 per cent higher incidence of nose and throat irritation, and 300 per cent higher incidence of cough.

All of this, of course, leads to doctors' bills, loss of work and a shortened life. The cost of a package of cigarettes may not seem to be very great, but actually you pay many times what it costs in money. Then, Dr. Riis, who wrote the outstanding article which appeared over a year ago in the *Reader's Digest*, said that when he started the article he smoked forty cigarettes a day. Before he finished it he was convinced that smoking was not good for him, so he cut down to ten cigarettes per day. He enjoyed the ten far more than he enjoyed the forty. He stated that it was just a foolish habit. This habit does harm the throat, the heart, and the appetite. It harms the growth.

I shall turn now to educationists. Principal Bancroft, of Phillips academy at Andover, says that tobacco is the bane of schools and colleges, and is increasingly so. Under its use boys go down in scholarships, self-respect and self-control. Listen to a statement of peculiar interest. Dr. Lewis said that in fifty years a tobacco user never took first honours at Harvard. Dr. J. W. Seaver, of Yale, says that out of the highest scholarship men only a small percentage, perhaps five per cent, use tobacco, while of the men who do not get appointments about sixty per cent are tobacco users.

Let us turn to the magistrates' courts. Magistrate Crane, of New York city, has said that ninety-nine out of one hundred between the ages of ten and seventeen, who appear before him charged with crime, have fingers

stained with nicotine. There is something in the poison of the cigarette that seems to get into the system of the boy and destroy all moral fibre. Judge Ben B. Lindsay, the famous judge of the juvenile court at Denver, says that he has been in a juvenile court for nearly ten years, and in all that time has had to deal with thousands of boys who disgraced their parents and brought sorrow and misery into their lives. He says he does not know of any one habit that is more responsible for the trouble in which these boys find themselves than the vile cigarette habit.

I do not need to go any further along this line. I do not need to deal with the army, navy and commerce. I shall, however, give a final illustration to show the company that men keep who give up the use of the cigarette or tobacco in any form. I shall quote now from Howard B. Bishop, of the Human Engineering Foundation, Summit, New Jersey. He said:

> In the latter part of 1948 the newspapers reported that His Majesty King George VI was suffering from an affliction of his leg. His physicians were considering whether amputation would be necessary to save his life. This report reminded me of an English chef who had had a similar affliction many years ago and his doctor pronounced it as Buerger's disease and amputated both legs, as gangrene had set in and it was too late to avoid an operation. I recalled how the chef was a great devotee of tea drinking and smoking cigarettes, and I learned afterwards that Buerger's disease can only be cured by avoiding tobacco smoke. It had been explained to me that tea, coffee, and tobacco smoke have astringent properties that shrink the capillaries and therefore slow up blood circulation, causing the extremities to mortify.
>
> An official of a Detroit auto factory told me once that when he had gone for his usual check-up, the doctor taped a clinical thermometer to his toe and took the temperature. Then the official was asked to smoke one of his usual brand of cigarettes and after a short time another temperature reading was made. When the official saw the drop in temperature caused by smoking, he decided that it was the logical thing to stop smoking.
>
> With these and other similar experiences in mind, an air mail letter was immediately dispatched to King George. The effect of tobacco smoking on the circulation of the blood was explained to him, with the assurance that if he would quit smoking his trouble would clear up, and it would not be necessary to amputate his leg.

That is an outstanding example. I do not care whether it is a king or a page boy, he has to take care of his body. When we think of the people of Canada today, Mr. Speaker, spending $300 million for cigarettes and $633 million for drinks, it is about time we woke up and asked the minister to investigate both of these things, so that our youth will grow into the best manhood.

Mr. E. G. Hansell (Macleod): Mr. Speaker, I rise in support of the hon. member for Fort William (Mr. McIvor) in his desire to have a committee of this house set up to study the cigarette problem as it may affect the nation. I want to call attention to the fact that the resolution itself does not, at the moment, call for legislation. It merely calls for the setting up of a committee to study the matter. The resolution does not even state that the committee should make any recommendations. I believe, therefore, that the Minister of National Health and Welfare (Mr. Martin) should look with favour upon such a resolution.

In giving my support to the resolution, I do not want to be regarded as a sort of killjoy. I am not that. As a matter of fact I think my temperament would perhaps be the opposite. I am a family man, and have raised three boys to manhood. A good deal of my life has been taken up in work with young people and young people's organizations. I want to see everyone as happy as the hon. member for Fort William, who sponsors this resolution, appears to be. I do not know that I have any strict scruples with respect to matters of this kind. I myself do not smoke, but almost every day that I am down in this part of the country I am offered a cigarette. I associate with people who smoke. Sometimes they ask me if I have any objection to their smoking, and I say no. Perhaps I do so for the reason that it would not make much difference if I had objections. Sometimes when I go home from meetings of one kind and another my wife tells me that I smell like a smoke shop, and she says, "Where have you been?" and so on and so forth. As I say, I do not think I am particularly strict in my scruples along this line.

However, I believe that there is a good deal of import in the intent of this resolution. I have read a little bit on the subject of the cigarette habit, and my belief is that it is making such great inroads into our national life that it might perhaps be as well if some sort of educational program could be put on informing people of the facts. If it is not conducive to bad health, all well and good; but if it is, it seems to me that the people should know about it. There do not seem to be any effective organizations which are presenting that side of the picture. Should the habit not be conducive to good health, I recognize the fact that to educate the people is not an easy thing, particularly when, over the air, in the press and through the picture magazines, the powers of the wealthy tobacco interests can spend money in their advertising which is carried on in a subtle fashion. I know that it will not be easy to combat that sort of thing.

I wish to refer here to just one or two authorities who, I believe, speak because they are in possession of the facts. In my hand

I have a list of quotations from various people respecting what they believe is wrong with the cigarette habit. Here is a quotation from Luther Burbank, the scientist who died not so long ago. Luther Burbank says:

> No boy living would commence the use of cigarettes if he knew what a useless, soulless, worthless thing they would make of him.

Hon. F. Choquet, judge of the Montreal juvenile court, said:

> I have dealt with over three thousand boys and I regret to say at least ninety-five per cent of these boys smoked cigarettes.

Judge Crane, magistrate of New York city, said:

> Cigarettes are ruining our children, endangering their lives, dwarfing their intellects, and making them criminals fast. I am not a crank on this subject; but it is my opinion that cigarettes will do more than liquor to ruin boys. There is something in a cigarette that seems to get into the system of a boy, which destroys all moral fibre.

Those are some of the remarks that have been made by judges and scientists. I might read one or two that come from outstanding athletes. There is one here from Ty Cobb, and here is one from Jack Dempsey, one-time heavyweight boxing champion of the world. The account I have is that he was offered a considerable sum of money if he would sign his name to a testimonial to advertise tobacco. The account says that Dempsey read the testimonial, and, turning upon the man who had asked for his signature, said:

> You could not get me to sign that for ten times what you offer. I do not smoke cigarettes and never did. Do you think I am going to ask the thousands of young boys who read about me to take up cigarette smoking? If you had a harmless candy or soda water, I wouldn't mind giving you a testimonial for nothing, but I won't sign your testimonial for a cigarette.

Gene Tunney, also at one time heavyweight boxing champion of the world, said this:

> To contract the tobacco habit when the growth factors of the body are exerting themselves to their maximum is to handicap oneself physically and mentally for life. As director of the navy's physical fitness program, I can bluntly say that few things could be worse for physical fitness than promoting the cigarette habit. I have never smoked.

Those are a few of the quotations appearing in this rather long list. I now wish to say one or two things with respect to the matter of the advertising of cigarettes.

If a committee is set up, this is something that I believe should be gone into: I refer to the radio advertising that comes over the air, from all sources. Every kind of cigarette and tobacco is advertised in the cleverest and most subtle fashion. Sometimes there are read over the air certain testimonials purporting to be from physicians. When the testimonial is read, the voice changes. The voice is now that of some person you can imagine as being the family physician. Great cleverness is shown in selecting the proper type and tone of voice. The advertisement comes over the air almost as though cigarettes are a good thing for the health. That is a subtle thing and should be examined, I think. If the committee discovers that cigarettes are not conducive to good health, some modified type of regulation could be made with regard to radio advertising for cigarettes. We have regulations in connection with liquor, because we know it is not advertised over the radio in Canada. I should like to compliment the Canadian Broadcasting Corporation upon their regulations in that respect.

Advertising however does not always come over the air. Sometimes it is in magazines, and it is just as subtle when it appears in that form. I recall that last year, when we were voting the sum of $10,000 to the Health League of Canada, I raised the question of the advertising in the magazine published by that organization. The minister excused himself by saying that he was not responsible for its publication. We accepted his statement, in the knowledge that he is not responsible for publishing it. The fact remains, however, that we were granting $10,000 to the Health League of Canada which does publish the magazine. It is a good one and contains some first class articles.

In one issue I have before me I see an advertisement for cigarettes. Indeed I believe there are more than one. I have clipped this one out, however, because the advertisement contains the photograph of a very beautiful young girl, and it was this that attracted my attention.

Some hon. Members: Oh, oh.

Mr. Fraser: And you a married man, too!

Mr. Hansell: Well, I told hon. members when I began my speech that I was not too strict in my scruples about these things. As I have said, I was attracted to this advertisement by the picture of the beautiful young lady, who, one might judge, would be in her late teens or early twenties. She is shown as holding a cigarette in her dainty, well-groomed fingers. I would ask hon. members to note that the cigarette is not in her mouth—and in these advertisements it never is, because that would not sell the cigarette. This indicates the degree of subtlety with which these advertisements are framed.

The inference is, of course, that the beautiful young lady smokes cigarettes. If she had the cigarette in her mouth, or if it were hanging out a little bit so that she could not show her teeth—in fact, she might show a little bit of a slobber—no woman would want to smoke these things.

Mr. Fraser: A lady would not slobber.

Mr. Hansell: Not only did I look at the picture of the beautiful young lady but I also read the advertisement with care. In small type I see these words, "Awarded the certificate of the institute of hygiene for quality and purity."

Mr. Fraser: The lady, or the cigarette?

Mr. Hansell: It does not say; but the inference is that it was the cigarette. We do not know what the institute of hygiene is; for all we know it might very well be some sort of ghost company or institute organized by the tobacco industry. The inference from the advertisement is that the smoking of these cigarettes is good for one's health—and this appears in a health magazine published in Canada. It would not be quite accurate to say that the parliamentary appropriation completely finances the publication of the magazine, because one might expect that the financing of the publication is made possible through advertisements of this kind. I do not know about that, of course.

I have set before the house the subtle way in which this advertising is done. One further comment, and I shall take my seat. I see the Minister of Justice (Mr. Garson) in his seat. I have no doubt he will say that this is a provincial matter, but I am pleased to see that he is listening. I venture to say that there is laxity in Canada in connection with the enforcement of the law respecting the sale of cigarettes to young boys and girls. I know this happens, because I do not go around with my eyes shut; and I have not brought up three or four boys without learning what happens. It is very easy for young boys and girls to buy cigarettes in tobacco stores, under the assumption that they are within the law in so doing.

There are laws in Canada governing this matter, and they should be administered in a more effective fashion. It is the duty of the authorities in the departments of justice in the provinces, and of the attorneys general, to make their laws in this respect effective.

I favour the resolution, and believe that it does not go too far. It is a step in the right direction. I agree with the suggestion that a committee should be set up to study the matter, with a view to learning the effect of cigarette-smoking on our national health.

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, I am sure we listened with keen interest to the hon. member for Fort William (Mr. McIvor) and the hon. member (Mr. Hansell) who has just taken his seat. Both hon. members are specimens of good health. We know both to be men of good character, and, without discussing too definitely one way or another the merits of the resolution, we can recognize both speakers as the embodiment of the objective each has in mind in connection with this resolution.

It will be recognized at once that the mover of the resolution has made a thorough exposition of the problem. Perhaps he will agree that the discussion has served his present purpose, and he might therefore be disposed not to press the motion at this time, on the understanding that for the time being the matter could be given consideration at the departmental level.

Mr. McIvor: Mr. Speaker—

Mr. Speaker: When the hon. member for Fort William speaks he will close the debate.

Mr. Daniel McIvor (Fort William): Mr. Speaker, it would have been easier to speak at greater length to show the destruction of homes, timber and bush through the use of cigarettes. One of the saddest things is the injury done to unborn children. A child born in the west was treated for nicotine poisoning for fourteen days, and the doctors say that he will never be free of it.

I thank the minister for his promise. As he knows, both I and my hon. friend who has supported this motion will keep our eyes on him.

Mr. Graydon: But do you get the committee?

Mr. Speaker: Has the hon. member leave to withdraw his motion?

Mr. Coldwell: If this resolution has any purpose at all, I do not think it should be withdrawn. It should stand. I object to its being withdrawn.

Some hon. Members: Question.

Mr. Speaker: The standing orders provide that in order to withdraw a motion an hon. member must have the unanimous approval of the house. The hon. member for Fort William (Mr. McIvor) has asked the permission of the house to withdraw his motion. Has the hon. member leave to withdraw his motion?

Some hon. Members: No.

Some hon. Members: Yes.

Some hon. Members: Question.

Mr. Speaker: If the hon. member has not leave to withdraw his motion, I shall have to put the question.

Some hon. Members: Question.

Mr. Speaker: Shall I put the motion? The house can decide after the question is put whether it wants a recorded vote. I understand now that the house wants me to put the question. Those in favour of the motion will say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed to the motion will say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The house divided on the motion (Mr. McIvor) which was negatived on the following division:

YEAS

Messrs:

Ashbourne	Knowles
Beyerstein	Lafontaine
Black (Cumberland)	Little
Blackmore	Low
Blair	MacLean (Cape Breton North and Victoria)
Brisson	McIvor
Bryce	McLure
Cardiff	Noseworthy
Carter	Proudfoot
Cruickshank	Quelch
Decore	Riley
Fair	Shaw
Fairclough (Mrs.)	Sinnott
Gagnon	Smith (Moose Mountain)
Gibson	Stewart (Winnipeg North)
Hansell	Studer
Hatfield	Thomas
Herridge	Warren
Hetland	Whitman
Johnston	Wylie—42.
Jones	
Knight	

NAYS

Messrs:

Anderson	Fleming
Applewhaite	Fournier (Hull)
Bater	Fraser
Bertrand	Fulford
Blue	Garson
Bradette	Gauthier (Lake St. John)
Bradley	Gauthier (Lapointe)
Brooks	Gauthier (Sudbury)
Browne (St. John's West)	George
Byrne	Gingras
Campney	Gour (Russell)
Carroll	Gourd (Chapleau)
Casselman	Gregg
Catherwood	Harkness
Cavers	Harris (Danforth)
Charlton	Harris (Grey-Bruce)
Chevrier	Healy
Claxton	Helme
Coldwell	Henry
Corry	Higgins
Cote (Matapedia-Matane)	Howe
Cote (Verdun-La Salle)	Huffman
Coyle	Jutras
Crestohl	Kickham
Croll	Kirk (Digby-Yarmouth)
Dion	Laing
Dumas	Langlois (Gaspe)
Ferrie	Lapointe
Larson	Pearkes
Lefrancois	Pearson
Leger	Pouliot
Lennard	Prudham
Macdonald (Edmonton East)	Richard (Gloucester)
MacDougall	Richard (Ottawa East)
MacNaught	Robinson
McCann	Rooney
McCubbin	Rousseau
McCulloch	St. Laurent
McCusker	Smith (Queens-Shelburne)
McDonald (Parry Sound-Muskoka)	Stewart (Yorkton)
McLean (Huron-Perth)	Stick
McMillan	Thatcher
McWilliam	Tremblay
Martin	Tustin
Mayhew	Viau
Mott	White (Middlesex East)
Murray (Cariboo)	Whiteside
Nowlan	Winters
Parent	Wood—98.

[Mr. Speaker.]

CANADA'S STATUS

RECOGNITION AS INTERNATIONAL POWER—CANADIAN CONSTITUTION, FLAG AND NATIONAL ANTHEM

Mr. A. Phileas Cote (Matapedia-Matane) moved:

That, in the opinion of this house, the government should take into early consideration the advisability of definitely recognizing our status as an international power and, for that sole purpose, of, amongst other things, introducing legislation repatriating our constitution as a Canadian document, deleting from the statutes of Canada, wherever it may be found, the word "dominion," proclaiming a distinctive Canadian flag as the flag of Canada and declaring "O Canada" to be the national anthem of this country.

He said: Mr. Speaker, my purpose in proceeding with this motion today is not to clear the chamber of the smoke with which it was filled this afternoon. My purpose is merely to give this house the opportunity that many other organizations throughout the country have had to indicate to the government that it is about time we created symbols establishing once and for all a spiritual aim for Canadians all.

We are now in the process of receiving immigrants in larger numbers than ever before, and these people are at a loss to understand why as yet we do not have what is necessary to create a spiritual aim which will line up Canadians of all creeds and races, neo-Canadians as well as the old loyalists. We cannot create a spiritual aim in Canada, any more than it can be created elsewhere, without establishing such symbols as a national anthem, a distinctive Canadian flag and a Canadian constitution.

That is the sole purpose of this motion. In these trying times, when we are moving toward larger operations in international politics, I want to rally Canadians from one ocean to the other. I believe it has been

demonstrated in other countries as well as in the United Nations, which has created UNESCO to carry out its program, that we cannot hope to establish this aim for Canadians, unless we have such symbols. As I say, the sole purpose of this motion is to ask the government to consider ways and means of creating the symbols we need, and which have been lacking for so many years.

Motion negatived on division.

EDUCATION

EQUALIZING OF OPPORTUNITY—ASSISTANCE TO PROVINCES

Mr. R. R. Knight (Saskatoon) moved:

That, in the opinion of this house, the government should take into consideration means of expanding and equalizing educational opportunity across Canada, by the granting of financial assistance to the various provinces for that purpose.

He said: Mr. Speaker, I am probably even more surprised than most hon. members to have to say a word or two on this motion today. There were perhaps some reasons why I should not have spoken on it at this time. Those I have weighed with some care. One of the main reasons was the fact that we are looking forward with some anticipation to the tabling in the near future of the report of the royal commission on the arts and sciences. But since I am reasonably convinced that in that report there will be no recommendation in regard to general education; since, if I am a good prophet, the emphasis will be on assistance to university education, perhaps I should say a word or two on the former subject.

While I intend to speak largely in regard to general education, perhaps I should make clear my stand in regard to federal assistance to university education. I do not think anyone who has been in this house for the past year or two will be in any doubt as to that stand. The universities of this country are urgently in need of federal assistance. Their circumstances are such that they cannot carry on without such assistance. My own province has given a great deal of help to its university this year, and I have no doubt that is the case in other provinces as well; but there is some limit to the funds the provinces have at their disposal. During the war, of course, we had both increased equipment and increased staff in our universities. That program was held together by the very fine work done by this government—and I pay them tribute for it—under D.V.A. in connection with the rehabilitation and re-education of young veterans from the field of battle.

So much for university education. In the first place I should like to say that I do not regard this as in any way a political resolution. It was moved previously by a former colleague from Dauphin, Mr. Zaplitny; but when I moved the resolution for the first time it was supported by members of all political parties. At that time I think perhaps the greatest support, numerically, came from members of the government party.

The second point I should like to make is that this resolution does not visualize any interference with provincial jurisdiction in the matter of education. I have reiterated these arguments so many times that I do not think I need weary the house today with a further repetition. I have spoken on this subject so much that to myself at least my arguments have become more or less hackneyed, and they may be becoming tiresome to other people. I would point out, though, that this is a cause in which many people throughout the country are interested. It has been the subject of resolution after resolution by educational organizations, notably the teachers' federations of many of the provinces, the Canadian teachers' federation, the Canadian Legion, the Canadian trustees' association, and innumerable others. Before long we are to have education week, and perhaps that is another reason why I should discuss this matter today.

While I was speaking of the reasons for being in favour of discussing the matter today, I should have mentioned that I did not want to lose the opportunity of speaking of it at all. In this house we have had instances of a private resolution being called and allowed to stand, then we have had no further opportunity of discussing it. I believe it would be betraying not only the teachers and children of this country, but the cause of education, if I failed to take any opportunity at any time, either in this house or out of it, to promote the cause of education. The little pamphlet which has been put out, apparently by the Canadian teachers' federation, says that education is everybody's business. I am becoming more convinced of the truth of that, and more and more people are agreeing with that particular dictum.

As I said, not only is the plight of the universities of this country urgent in so far as federal assistance is concerned, but so is the plight of the ordinary schools. Let me make it abundantly clear that I am talking about general education on the public and high school level. During the last debate there was some doubt about that. I would say that the two greatest needs are money for the payment of teachers, and money for the erection of buildings for educational purposes.

I was interested in hearing the other day from an official of the Canadian teachers' federation that forty-eight per cent of the teachers in Nova Scotia are at the moment receiving less than $125 per month. In these times, with the present cost of living, you cannot expect people of the type you would like, particularly male teachers who have families to look after, to teach for that amount of money. Incidentally, I may say that a percentage of these are teaching on a permit, which is another condition that should not prevail in these inflated times when money is plentiful. There is lots of money for everything else, but there seems to be a dearth of it for education. Is it any wonder that, under these conditions, the recruits for this particular profession are not coming forward very quickly? I noticed that, according to a statistical report published by the bureau of statistics, only about half of the teachers that will be required a few years from now are in training today. This is a serious situation.

Now, as to the organization which might provide sufficient money so that these teachers can be attracted to the profession—I mean the right type of teacher—I know of only one organization capable of that task, and that is the federal government. I am not going into the story of how certain provinces are less able to afford education than others. I could, of course, state that the main object of this resolution is that there should be some equality—I will not say "some equality" but actual equality—of educational opportunity for all children in this country, no matter how they are geographically situated; no matter the race to which they belong; no matter what their economic status may be. The federal government is the only body capable of coping with this task.

When my resolution was before the house last time it apparently did not receive as much official favour as it did on an earlier occasion. Strange to say, but perhaps not so strange to one who has sat in this house for five years, I actually took hope from the fact that the support from the government side did not appear to be as strong as it had been. The Minister of Agriculture (Mr. Gardiner), who was leading the house on that particular day, turned thumbs down on this particular resolution. After that occurred I believe there was only one member on the government side, the member for Burnaby-Richmond (Mr. Goode), who spoke in favour of the resolution. I said I had taken some hope from that refusal, and I explain it this way. I believed that the government had—dare I use this expression about a government—something up its sleeve; that it had some plans of its own in regard to the matter. Time and time again we have been told that the objection to this particular resolution, and it was brought up by the Minister of National Health and Welfare (Mr. Martin), was the words "for that purpose" at the end of the resolution. In other words, the government frowned upon a resolution which earmarked these particular funds when given to the province, or if it were given to the province—I wish I could use the past tense in that regard but I use the subjunctive which, I may say, sir, is a mood of improbability, a mood of uncertainty—for that purpose. It seemed to bring up the idea of provincial jurisdiction in the matter of education. It seems the dominion government has no right to say to the provincial government that the money must be spent for a particular purpose.

So far as I am concerned, I think that argument is arrant nonsense, especially if one considers the precedents that have been set with regard to it. If one can argue unconstitutionality in that regard, I think you would have a good case with regard to the special federal grants which are earmarked for the payment of old age pensions, family allowances, and so on. In the field of education itself we have a precedent in the fine assistance that was given universities during and after the war. We have federal grants in aid of vocational education, and the technical training schemes that took place during and subsequent to the war. As I said before, I do not believe that particular argument is valid. If the dominion government makes up its mind to do this thing, it will be done.

A moment ago I said that the government had hoped something would come out of the fiscal conference concerning the redistribution of taxes. But, sir, as I have said on previous occasions, I sat in the Senate chamber in 1945 and watched the break-down of that particular fiscal conference. Last year when I was debating this particular subject I was told to have patience, because we were going to have another fiscal conference. There was a conference on December 4 of this year. I presume the government will now say that, owing to this grey shadow which is hanging over us, we shall have to eliminate those expenditures which are not necessary. It is always the way when there is a war. We seem to be in a perpetual state of war now, or in a perpetual state of preparation for war, which, in regard to the expenditure of money, means very much the same thing. I shall be told now, although I hope not, that owing to the contingencies of the present emergency, money in support of education will have to be delayed for some time to come. I am afraid it is true that in

many of these emergencies, certainly in the case of war, education becomes the first casualty. After all, that is somewhat contradictory because, during a national emergency when our backs are to the wall, we find it is those same qualities which are built up by education that are necessary for the defence of this country and its freedom. My main reason for bringing this resolution forward today is that the fiscal conference this year did not turn out as we had hoped it would. The thing was simply abandoned. All the provincial premiers went home, and we have not heard any more of the equalization of the distribution of tax funds.

I have said that there were two main directions in which this money might be spent. The second one is in regard to the building of educational institutions, the assistance which the government might give to the provinces in that matter. The other day I heard about a school that was adding seven classrooms to its present number. We have today a tremendous movement of population. I think I should mention here the likelihood of the demand for buildings being greater in the future than it has been in the past. I am thinking particularly of what may happen in view of the international situation, namely decentralization of industry, and decentralization of the population of industrial towns. In any case, leaving aside the national emergency, the tendency towards decentralization in this country is increasing, I am glad to note; people are getting away from their crowded surroundings, tenement buildings and slums and are getting out into the fresh air and green country. I believe that tendency is going to continue. In the next year or two I think we are going to see districts or towns with a thousand children whose education will have to be taken care of in some way or another.

As you will have noticed, Mr. Speaker, I have not presented the usual argument in favour of this resolution. I may say that I am amused at the way support comes in waves. I am thinking particularly of the support given to this particular cause by a great many members sitting on the government benches until the Minister of Agriculture (Mr. Gardiner) came out early in the last debate and turned thumbs down on the proposal. The *Free Press* of Winnipeg, which often follows the fortunes of the government with favour, was kind enough to devote a whole editorial page to my resolution, just after it was introduced last time. They followed government policy and showed the fallacy of this whole idea of moving for federal aid at this time. I said that I was amused at the way tides may turn, because just one year ago when I had the support of seven members on the government side and when the Prime Minister (Mr. St. Laurent) himself perhaps not enthusiastically, restrained as he is by the limits of the responsibility of power, had a word to say which was at least not too antagonistic to my resolution, the *Free Press* and the other satellites were quite in favour of it; and incidentally I think that most of my colleagues from Saskatchewan, irrespective of what party they happen to represent in this house, know that their constituents are largely in favour of federal aid to education. The argument used by the *Free Press* and the other papers was exactly the same one which was presented by the Minister of Agriculture and, perhaps with less energy or, should I say, with less conviction, by the Minister of National Health and Welfare (Mr. Martin) who, I felt, was somewhat embarrassed in that particular debate.

I shall merely conclude by saying that I am not so much interested here in the technical points—and I think I have covered them thoroughly on various occasions—as I am in stating that every child in this country should have the educational opportunity that we would desire him to have. I am equally aware of the fact that those who are in opposition to this particular resolution know fairly well the feeling of the people of this country with regard to this matter—and know the difficulties. I myself realize the difficulties. But I believe that co-operation between the dominion government and the provincial governments can bring about now some measure of that for which I speak, and we shall all be looking forward to the day when, quite irrespective of marking or tagging funds for any particular purpose, there will be an equitable arrangement in Canada for the distribution of public funds. With that, sir, I shall take my seat and allow someone else to present the arguments which I might have put forward.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, this is the third consecutive year that the resolution now before us has been the subject of debate in the house. The two previous occasions were October 19, 1949, and May 22, 1950. The resolution that is before the house now is, I think, in its terms identical with the resolution debated by the house on those two previous occasions.

I share with the mover of this resolution the regret that it has not been possible to have before the house for consideration at this time the expected report of the royal commission on arts, letters and sciences headed by Right Hon. Vincent Massey; because undoubtedly some of the matters reviewed by that royal commission have a bearing on the matters under debate on the present

resolution. There are, however, certain principles that, it seems to me, are well established and that must be brought to bear on the present resolution regardless of whether we have or have not the assistance of the report of the Massey commission.

On each occasion on which I have had the opportunity of speaking on this subject, I have begun with a firm assertion of the view, to which I cling tenaciously, that there must be no trespassing upon the rights of the provinces, under the constitution, in the matter of the content and the system of education. Section 93 of the British North America Act is one of the most important of the fundamental provisions of our constitution. It reads as follows:

> In and for each province the legislature may exclusively make laws in relation to education.

Then follow certain reservations which are not directly relevant to the matter now before us.

I do not believe that anyone in this house, regardless of how enthusiastic may be his support for federal assistance, has any thought of trespassing upon the exclusive jurisdiction of the provincial legislatures in the matter of education. For my part I give the most unhesitating and wholehearted support to the principle, the spirit and the letter of section 93 of the British North America Act. I can do that without withdrawing in the slightest the support I give to the resolution now before the house. It is possible to give strong support to the present resolution without in the slightest withdrawing one's attachment to the spirit and the letter of section 93 of the British North America Act.

What this resolution proposes is that federal financial assistance should be extended to the provinces for the purpose of "expanding and equalizing educational opportunity across Canada." Inherent in one's approach to this resolution is necessarily one's belief in the value of education and one's faith in those who are charged in the various provinces with the education of our young. Education has played a leading role in the shaping of the history of our country, in the shaping of our young people to assume in due time their responsibilities as citizens and as leaders in the various walks of Canadian life.

In the second place, inherent in one's approach to the resolution is one's conviction that today, by reason of the fact that the provinces and municipalities are lacking in adequate revenue for the purpose, there is a necessity for finding additional sources of revenue out of which the increasing costs of education may be met.

Educational costs in this country have risen very rapidly in recent years. I am sure I need not weary the house with a recital of statistics to prove that. One has only to glance at figures showing educational costs in the various provinces to realize that these costs have been mounting by leaps and bounds. Of course, the youthful population of the country has been increasing; there are more people to educate. But, sir, the cost of providing educational institutions has been rising rapidly. We are recognizing the need for providing better equipment in the schools. Great advances have been made in educational methods, and in most cases they have brought with them the need for providing new and improved equipment and facilities. Then, sir, quite properly in this country—and it is one of the features of the attitude of young Canadians upon which we ought to commend them and congratulate ourselves—they are appreciating to an ever-increasing degree the value of education in their own lives. More and more young people are seeking for themselves the benefits of higher education. More and more parents are dedicating the best efforts of their lives to seeing that, so far as their means and efforts will permit, their children will have better educational opportunity than they had. I am sure all of us know many people who are making sacrifices for their children to see that the dream of higher education for those children may be fully realized.

All of us would like to see greater equality of opportunity in life. A good deal of lip service is given to the principle of equalizing opportunity among the young people of our country, regardless of the means of their parents, regardless of the part of the country in which they may reside. There is one way in which it is possible to bring that principle out of the realm of hope and bring it right down to earth, so that it may have practical application, and that is by seeking in a practical way to equalize educational opportunities for the young people of this country.

While it will take dominion and provincial co-operation, if there is a will we can do much, through the avenues of education, to provide greater opportunity for our young people than has existed hitherto. In the different areas of this country the difficulties of trying to meet 1951 needs with the methods and principles of revenue-raising laid down in 1867 in the British North America Act have resulted in a disparity of opportunity in the different parts of the country. What I have said about the desirability of equalizing educational opportunity, regardless of the

circumstances of parents, certainly applies to our young people regardless of the province in which they may happen to reside.

Standards of teachers' salaries are by no means equal in different parts of Canada. I said a moment ago that the costs of providing education in Canada were advancing by leaps and bounds. There is one aspect of that advance in cost which none of us should deplore, and that is the belated tendency now to recognize the contribution the teaching profession is making to the country in the fashioning of young lives in our land by increasing teachers' salaries. I speak with some experience on the subject because my father was a member of the teaching profession. There are all too few municipalities which have had either the means or the will to give adequate and tangible financial recognition to the contribution the teaching profession is making to the moulding of their young people.

In my city the board of education is in process today of making substantial increases in the scale of teachers' salaries. There are many places in the country where the municipalities—yes, and the provinces—have not the means of providing adequate salaries for the teachers. The importance of the teaching profession cannot be exaggerated. While that profession is not going to attract people simply on the basis of the salaries paid, and while it will always have an appeal to motives other than the need or the wish to earn good salaries, nevertheless that profession must have offered to it salaries reasonably commensurate with the service that the members of that profession are rendering to our country, if we have any hope of continuing to attract to the profession the best minds in Canada available for the instruction of the young.

There is nothing more important than that service to the young people of our land, and this fact must be recognized. These various features I have indicated as establishing the importance of education, establishing the pressing necessity of providing assistance to the provinces and municipalities in meeting expanding educational costs, the desirability of using the vehicle of education to equalize to a greater extent than has been hitherto achieved opportunities in life for our young people, all point directly to the necessity for some such assistance as is proposed in this motion.

There are many well established precedents for providing out of the dominion treasury assistance to the provinces with respect to education. When I spoke on the subject on October 19, 1949, I mentioned some of these. One calls to mind of course the assistance that has been given in times past by the dominion in the field of technical education. In the second place, we recall the very substantial contribution which was made out of federal funds to the successful dominion-provincial youth training plan.

Third, and probably the one that will leap to our minds as being perhaps the leading precedent, was the assistance provided out of federal funds for the training in various educational institutions in the provinces of no fewer than 130,000 veterans of world war II.

Fourth is the fact that we have been voting in this parliament in recent years sums averaging about $50,000 a year to the various schools of social work in the universities of this country. Some of us have been complaining that the federal grants have not been adequate, that $50,000 a year distributed among the schools of social work scattered right across the country has not left very much for any one school. The grants have, however, been very helpful. I hope that that commendable beginning will be advanced this year.

Then one could mention also the assistance given through such avenues as the National Physical Fitness Act and other precedents for providing federal assistance in this field.

There is also the vitally important field of research. Research is carried on in so many ways and in so many different types of institutions across this country. Universities, hospitals, schools, private institutions, philanthropic organizations and others have been carrying on this work. The house is well aware of scholarships that have been provided by such federal organizations as the national research council. Research is something that brings benefits, not only to a municipality or to a province, but to the entire country. Therefore regard must be had to the enjoyment of the benefits in all parts of the country in addressing ourselves to the need of meeting rising costs.

There is always a place for consideration of public opinion on this question, and public opinion, as reflected in the expressed views of those who have been studying this problem has, I think, shown that there is almost a uniform sentiment in favour thereof. There has been only the occasional rift, such as when the Minister of Agriculture (Mr. Gardiner) spoke on this subject in the house on May 22, 1950, and made what I think most members of this house regarded as a most unfortunate speech. As I say, there has been a most impressive uniformity of thought on this subject among all the organizations

which have been devoting time and study to it. I know that hon. members have received many briefs on this subject, and are well aware of the thought that is being given to it in all parts of Canada.

Since the last debate on this subject on May 22, 1950, there have been two developments that I hope will have some significance in the view of the government. In addition to my reference to the unfortunate speech made by the Minister of Agriculture, I might also mention, in view of his presence in the house today, the rather surprising speech made by the Minister of National Health and Welfare (Mr. Martin) on the same date. Many of us who have known the minister for a long time, who have known the importance of the part played by education in his life and in his advancement, and have known also of the encouragement that he has given in time past to the provision of scholarships, regardless of province, regardless of particular area in this country, were most disappointed in the speech that the hon. gentleman made on that occasion. It was not a speech that commended itself to logic. It was not the kind of speech this house was entitled to expect from the hon. gentleman.

Mr. Martin: I am just reading it now, and it does not sound bad.

Mr. Fleming: If it still sounds not bad to the minister I suggest that the minister go right on reading because he could not have gone very far with the reading of his speech.

The first development of the two I referred to was the dominion-provincial conference, and the second was the rather important and, I hope, significant statement made by the Prime Minister on a recent occasion.

You will remember that when the Minister of National Health and Welfare made the disappointing speech to which I have just referred he sought in effect to invite the house to delay. He kept ringing the changes on the theme, "Of course, there is to be a dominion-provincial conference; just hold your horses, you who are supporting this urgent project, and we will talk about it at the dominion-provincial conference; anything said in the meantime on the subject must necessarily be premature." I should like to quote the essential words in the final and involved paragraph of the minister's speech, as reported on page 2729 of *Hansard* of May 22, 1950, as follows:

> —and I would add . . . until we have had an opportunity first of sitting down and discussing these matters in detail with those jurisdictions of government which, under the constitution, have the exclusive responsibility in matters of education.

He indicated that it would be unwise to deal with these matters with any degree of precision at that time. Let us take the minister at his word. Let us assume that there was some substance—I think we are being charitable if we do—in that pretext of the minister. There has been a dominion-provincial conference held in the meantime. As a matter of fact, a couple of such conferences have been held. Did the government put the minister in position to keep faith with the house in this matter? I am not quite sure. Let us hope that the government did make some serious effort to bring this subject before the dominion-provincial conference, and that this matter of mutual interest and high importance received there that joint consideration that the minister indicated in his view was required. In any event, that conference has been held and that pretext no longer justifies delay in this house passing opinion on this urgent matter.

The second development since May 22 last to which I think no little significance may well be attached, something to which the Minister of National Health and Welfare is bound to attach great significance, is the speech made by the Prime Minister (Mr. St. Laurent) at the autumn convocation of the university of Toronto on October 27, 1950, on the occasion of the conferring upon him of an honorary degree of doctor of laws. In the course of his very notable speech on that occasion the Prime Minister led up to this concluding statement:

> The universities are, without question, among the most precious of our national institutions. Now I recognize, and I believe most Canadians recognize, the wisdom of the provision of our constitution which made education perhaps the most important of all those subjects entrusted to the provincial authorities. This provision was designed primarily to safeguard both of the two cultural traditions which we Canadians possess and which, year by year, we are coming to cherish more and more, as we realize how greatly they enrich our national life. The entrusting of education to the provincial authorities has the further advantage of providing a measure of insurance against too great a degree of uniformity in our educational systems. No one with any real respect for our history and tradition would wish to disturb that constitutional position.

May I interject at this point to say that I give to those words, as I am sure does every hon. member of this house, my full and unqualified support. The Prime Minister then went on to say:

> At the same time, I think many of us recognize increasingly that some means must be found to ensure to our universities the financial capacity to perform the many services which are required in the interest of the whole nation. I hope you, Mr. Chancellor—

Let me interject here to explain to the house that the Prime Minister (Mr. St. Laurent) was addressing the chairman of the

royal commission on the arts, letters and sciences, Mr. Massey.

—in association with your colleagues in another of your capacities will be able to help us to find a proper solution of that difficult problem.

You will note that the Prime Minister was recognizing there that the universities of Canada—and he was speaking of them all—are not simply rendering a service to the provinces or to the local areas which support them, but are rendering a national service. That can be said of every university in Canada, some of course to a greater degree than others because some attract students from greater distances than others, but these are institutions that are rendering a national service. They do not attempt to draw provincial boundaries across the benefits that they extend. They do not try to draw provincial lines among the students who flock to their doors. These benefits are national, and regard must be had for the fact that today the provinces simply are not able under the present division of revenues to give to these national institutions the financial support that they require.

University professors, like members of the teaching profession in other levels of education, have been notoriously underpaid. The university of Toronto, the institution before which the Prime Minister made this particular speech, has recently undertaken a revision of the scale of salaries of those on the professorial staff at very great cost. That institution now leads the other universities of Canada in the scale of salaries offered to its professorial staff. Yet I am sure that no one in the house is going to argue that this salary scale is adequate. Certainly no one is going to argue that the salary scales obtaining today in the universities of Canada are generous. I say that they are not adequate, and we who are charged with national responsibilities may well entertain very grave concern for the future of these educational institutions if they are not able to attract to the ranks of their teaching staffs the best equipped minds for academic careers.

It is a most serious matter for all of Canada. It is no longer possible to confine the support of provincial institutions to those revenues that are provincial. The time is overdue when some needed assistance must be given for the expansion of educational provision in the provinces and for equalizing educational opportunity. Certainly all of the provinces have not the means at their disposal today. They are cramped in their operations because of lack of revenue, and some of them are feeling the pinch very seriously.

Municipalities are notoriously ill-provided today to meet their share of the cost of providing education in the schools. A major advance was made in the province of Ontario some six years ago by the government headed by the leader of the opposition (Mr. Drew) in this house when the provincial government assumed, in addition to the burdens it was then bearing, one-half of the total cost of education in the province, and in some municipalities, particularly rural municipalities where educational costs were falling with particularly heavy weight on the taxpayers, provincial assistance extended even up to 90 per cent of the cost of education in those municipalities. It was a great, farsighted and statesmanlike step that was taken for the assistance of municipalities in meeting educational costs.

Something of that nature is required in the broader sphere today. To close on the note on which I opened, I say it can be done by joint action on the part of the dominion and the provinces without committing in the slightest degree a trespass upon the exclusive jurisdiction of the provinces over education. I reiterate that there is no thought, I am sure, on the part of any member of this house of making the slightest trespass upon or invasion of those exclusive rights of the provinces in the matter of education. But, sir, this is a matter in which I am sure success can be achieved, and will be welcomed by the provinces, if the government will be prepared, as it ought to do and as it can do, to sit down with the provinces and work out measures that will recognize the national benefits of education.

Mr. F. D. Shaw (Red Deer): Mr. Speaker, on several previous occasions this resolution, or resolutions very similar to it, have come before the house for the consideration of hon. members. Upon each of those occasions my colleagues and I have taken a firm stand in support of the general proposition contained therein. In dealing with the subject of federal aid to education we, as other speakers have indicated, are certainly not unmindful of what has already been done by the national government in the field of general education. I too compliment the government upon what they did with respect to our veterans of world war II. Thousands of service personnel were enabled not only to complete educations but to acquire them. They have become better citizens as a consequence thereof, and we certainly commend the government for their action.

We also know what has been done by the federal government in the field of assistance for vocational training, and with respect to various technical training schemes that have

been in operation at one time or another in Canada. Having said that, however, I want to emphasize that we are convinced the time has now come—as a matter of fact it is past due—when the national government, realizing the problems confronting school boards, municipalities and many of the provinces, should come forward willingly and voluntarily with substantial assistance towards education so that, as the resolution asserts, we can in the highest degree possible be successful in expanding and equalizing educational opportunity across Canada. We should recognize that it is not only certain members of the Canadian House of Commons who feel that such aid is necessary. The school boards and many of the provincial governments realize it. The people generally realize the need and are in hearty support of extending such assistance.

Sometime last year I received a copy of a resolution passed by the school trustees' association of Alberta, which certainly indicates the feeling of the trustees in my province and, I am sure, of those in the other provinces as well. It reads:

Grants in Aid

Whereas various educational bodies in all provinces are concerned with the inequality of educational opportunities throughout the nation, and

Whereas the present sources of finances are insufficient;

Therefore be it resolved that we ask the federal government to give grants in aid in order that the provinces may be able to provide equality of educational opportunity.

In my remarks today, Mr. Speaker, I am not going to repeat many of the things I said last May, when I believe I occupied most of the time allotted to me in dealing with this subject. In view of that fact, and in view of the fact that in his speech during the debate on the address in reply last year my leader laid such stress on the general subject, it seems unnecessary for me to take more than just a few minutes. Last year the hon. member for Peace River (Mr. Low) asserted that in his opinion nothing could contribute more to the internal security of Canada than a broad understanding on the part of her citizens; and that if democracy is to function successfully, yielding the results the people desire from the management of their affairs, there must be a high general level of achievement among the people.

We have pointed out from time to time that because of its very size and its widely varying resources and productive possibilities Canada has within its borders many areas in which incomes are much lower than in other areas. The degree of prosperity varies noticeably from province to province and even from municipality to municipality. Municipalities raise their revenue from taxes on real property, which in itself leads to a wide divergence of opportunity. In areas of particularly low production, where incomes are necessarily small, there is much less opportunity for boys and girls than would be found in areas where production is high and incomes are likewise high. The municipalities, from which the school boards acquire a substantial part of the money to meet the cost of education, are today drawing in excess of 70 per cent of their taxes from real property. That being so, certainly the revenue available to a municipal council in an area where conditions are not of the best is not sufficient to provide adequate educational opportunities, and the kiddies suffer as a result. The sponsor of this resolution indicated his firm conviction that we have nothing even remotely approaching equality of educational opportunity. Certainly I can subscribe to that after the years I spent in rather isolated communities doing my part, as a teacher, to assist in the work of education.

We fully realize that the revenues of provincial governments have been going up rapidly. It is also noticeable that an increasing percentage of provincial revenue is being devoted to educational purposes. The provincial governments are fully cognizant of the importance of education and are appropriating every available dollar for that purpose; but in most cases they are simply unable to meet the demand that must be met if we admit that equality of educational opportunity is a desirable objective.

Reference has been made to the salaries of teachers. Last year I pointed out that in the last five years in particular the situation has greatly improved in regard to these salaries. As a matter of fact in some provinces the average salary has doubled. But having spent a number of years in the profession no one can kid me into believing that we are yet even approaching the standard of salaries to which teachers are entitled. When you have regard to the training necessary; when you have regard to the importance of the work and compare their salaries with what others are earning—even common labourers, in many cases—I am sure it will be agreed that teachers are still notoriously underpaid. In fact, my own experience was such that but for the conviction that I was doing a valuable job of work with our youngsters I believe I would have quit and taken a job as a sheep herder. I would have had much less to worry about. Of course what kept me at it was my personal conviction that I was doing a service in endeavouring as best I could to make my youngsters good future citizens.

Then reference was made to the cost of construction. I daresay that capital costs of schools have increased by from 75 to 100 per cent, depending upon where the construction

is undertaken. That fact, together with the increases in the salaries of teachers and the high cost of necessary equipment, has created a burden that is becoming almost intolerable as far as many of our communities are concerned. If the government is not prepared to make grants in aid to the provinces, certainly it would be possible for them to assist very materially in other respects. For example, having in mind the heavy cost of capital construction, surely it would not be impossible for the national government to set up a revolving fund from which money could be borrowed at a very low rate of interest, perhaps 2 per cent, for purposes of school construction. Some of the provinces are doing this already. We are doing it in my own province to a limited extent. I will admit frankly that not all the money in the world is available for this purpose, but much valuable construction has been undertaken in my province as a consequence of this money having been made available. The national government would not have to use any of its own money for that purpose, because I am not unmindful of the fact that they still hold approximately $12 million which rightly belongs to the educational institutions of the western provinces, if I may put it that way. Moreover, the Alberta school trustees association has taken a firm position with respect to that. In convention last year they passed a resolution which reads as follows:

> Resolved that the provincial government be requested to bring pressure to bear on the federal government to release a substantial portion of the school lands fund, which presently amounts to approximately $12 million and is invested in dominion securities, for the purpose of establishing a fund from which school districts can borrow at a low rate of interest, for the purpose of providing new school accommodation, which is so urgently needed in all parts of the province.

I am not suggesting for one moment that $12 million would be sufficient, but if the policy is to be one of not granting more assistance than that then certainly even that would help. While I am not wavering from my demands for grants in aid for education, I am not unmindful of the fact that probably the government would not be prepared to do that, but they could give favourable consideration to the removal of certain taxes which bear quite heavily on educational institutions. In many provinces the school boards and the department of education are endeavouring to provide a better standard of education by bringing together several of the smaller country schools and setting up a three or four-room school, establishing equipment for limited specialized training in several fields, better qualified teachers, and so on. They are providing school buses to bring those children to the school, and are paying heavy sales taxes when purchasing the buses that are used for that purpose. Surely, the least the national government could do would be to give favourable consideration to the removal of those taxes.

In all that I have said in the last moment or two, I do not want it thought that I am prepared to accept these as substitutes for federal grants in aid to assist the provinces in providing educational opportunity for the children. Mr. Speaker, that is all I intend to say at this time. Suffice it to say in conclusion that my colleagues and I stand solidly together in support of the motion which is before us.

Mr. G. C. Nowlan (Annapolis-Kings): Mr. Speaker, I should like to speak very briefly on the resolution which is before the house. Of course, we fully realize the implications of the constitutional problem as suggested by the member for Eglinton (Mr. Fleming). But when we remember that in my own province, for instance, many years ago the government under Sir Robert Borden assisted in the construction of technical colleges in the city of Halifax and has contributed to their support and maintenance since, and when we remember that during the last few years this government contributed materially to the education of veterans, we realize that the constitutional problem is one which can be solved.

If one reads the papers from my own province today one would find that there is, not quite an altercation but a difference of opinion, between the government and the teachers in Nova Scotia. During the last few years the educational standards of those teachers have been materially increased. Today we have a substantial proportion of college graduates teaching in our schools. The provincial government has assisted by increasing the grants, yet those teachers find that they cannot support their families and keep up the standards which they must if they are to do a reasonably efficient job in the profession to which they have been called.

It is not my purpose, however, to speak on the general educational problem this afternoon. For a very few minutes I should like to direct your attention to one particular field. During my lifetime it has been my privilege and pleasure to have been associated with one of the small colleges of this country. It is one of many, particularly in the east, although I realize they are scattered throughout this dominion. In the maritimes we have Acadia university, Dalhousie, St. Francis Xavier, Mount Allison, all religious denominational colleges but with only nominal denominational control. They are serving all classes in the community and are not receiving any government support. They are universities

which have contributed materially not only to the production of wealth in this country but to political leadership and every field of national enterprise. I am thinking, for instance, Mr. Speaker, of the fact that this one little college with which I have been particularly associated has contributed at least one predecessor to the distinguished office which you now hold; has contributed three ministers of finance to this nation, two or three ministers of national defence as well as several other cabinet ministers and numerous provincial premiers. These contributions have been made in the past.

Today these colleges, sir, are facing a problem which is almost insurmountable. Not receiving government grants, they are dependent upon the income from endowment and gifts. They now face a situation where, owing to the incidence of taxation and succession duties, the endowments are at least not being increased and in many cases are depleted. Because of interest rates, the return on the endowments is gradually diminishing each year while costs are increasing. The net result is that students have been called upon to carry a greater share of the cost of these institutions until tuition fees today are as high as the traffic will bear. I believe that any further increases in fees will result in a diminishing student body. Yet the contribution, as I say, that has been made by those universities in the past, not so much because of the tremendous equipment which they have, but because of the quality of the professors, the character and leadership given to the student body by the teaching profession, has been a real contribution. Who has contributed more to the development of this nation than the teaching profession generally? I believe if anyone had to select a group from that profession, he would select that group of professors associated with the smaller universities. Many of them have had opportunities to go to the larger centres, but because they felt they were doing their duty and had a task to perform, they have remained in the smaller field and have contributed to the leadership these smaller institutions have given.

I suggest that something must be done about this problem. I do not care how it may come, but I am thinking of one particular solution which was recently adopted by this government. It has been said that 130,000 or 140,000 veterans received assistance from the government and went to college, some of them advanced in years. Some of them were not very good students before, but in practically every case these young men and women graduated from the university with distinction. The contribution which they will make to our life in the future will return many times over the cost to the treasury of that educational scheme. I suggest to you, sir, that at least a partial solution to this problem could lie in the field of national scholarships, not only for research. I realize that under the national foundation for research scholarships are given today in specialized fields and for graduate studies, but I am thinking of the field of undergraduates. Many young men and women who should go to college, who possess natural qualities that could be developed by the university, and who could make a tremendous return to our national development will be prohibited from attending university because of the cost of a college education. I am suggesting, sir, that we institute in this country a system of national scholarships which will be for the students in the provinces attending recognized degree-conferring universities, whether graduate or undergraduate. No greater return could be made to our national development.

I realize that there are stresses and strains through which we are passing. I know that the argument urged will be that we are bearing the cost of a national war, or what may be a war, and that the treasury is carrying a terrific load. We all realize that situation. But, Mr. Speaker, it will serve this country but little if, through great expenditures, we succeed in coming through the national crisis through which we are now passing and yet face a period thereafter when we suffer from a dearth of leadership, something that we need so badly. In this country that is expanding so tremendously and which has such great possibilities we need the leadership which can come from those young men and young women who are awaiting assistance and who must receive it. I suggest to the government that this is a field that should be investigated and that it is one in which definite action must be taken. Whatever approach may be made, I say without fear of successful contradiction that no expenditures which will be made by the dominion government in any particular field can give a greater return for the future than those suggested by myself and by others who have spoken on this resolution this afternoon.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. J. W. Noseworthy (York South): Mr. Speaker, I rise to support the resolution standing on the order paper in the name of the hon.

member for Saskatoon (Mr. Knight). That resolution is in these words:

> That, in the opinion of this house, the government should take into consideration means of expanding and equalizing educational opportunity across Canada, by the granting of financial assistance to the various provinces for that purpose.

I think we all realize that at this time the government is already doing a great deal toward expanding educational opportunities. I note that within the past ten years two departments of government alone have spent about a quarter of a billion dollars in support of vocational education at the secondary school level, and about $160 million for the training and educating of veterans. Many departments of government are concerned with and contributing to educational expansion and opportunity in Canada.

This resolution however does not pertain particularly to any specialized form of education. In the past the policy of the government has been to grant sums of money earmarked for special educational purposes. What those of us who support the resolution are asking is that the federal government should undertake to contribute to elementary, secondary and university education—to general education, rather than to special forms of education.

There are many reasons why the government should contribute to the expansion and equalization of educational opportunity. The history of education in practically every country of the world has followed much the same pattern. In pioneer days in every country the parents of children were required to provide education for their children and to pay for that education. As communities became organized, the smaller communities and municipalities proceeded to undertake, first, part of the cost of that education and, later on, to bear most of that cost. The next step was the contributions made by provincial and state governments to the municipalities in support of education.

We in Canada have followed the usual pattern up to that point; but we are one of the few, if any, countries in the world today where the federal or national government does not contribute to the general educational program of the country. We are the only part of the commonwealth, the only country of which I am aware, with a federal and provincial or state governments, where the central or national government has not undertaken definitely to contribute to the general elementary, secondary and university education.

I shall give four reasons—and while I believe they have been given in the house before, they will stand repeating. The first is that education today is a "must" for every boy and girl. It is universally recognized that educated youth can make better citizens than do the uneducated. We found out during the last war that we had to send thousands of those who had enlisted back to school to learn to read, to write, to learn to do arithmetic, and to learn geography and history. Many thousands of others had to take specialized training in school for the army, the navy and the air force.

Necessary as education was for war, it is infinitely more essential in the day to day life of civilians throughout the world as it exists at the present time. It is vitally important to Canada as a nation that our youth receive every educational advantage we can give them. Regardless of the British North America Act, regardless of any difference of opinion that may exist between federal and provincial governments, education has become the nation's business, whether or not the nation undertakes to pay her share of the costs.

In the second place we educate Canadian boys and girls to become citizens of Canada. I doubt if there is any phase of national life today that contributes more to parochialism and provincialism than does our educational system. We should try to remember that we are not educating boys and girls to be citizens of the province of Ontario, or the province of Quebec, or of any other province. We should try to remember that those boys and girls become Canadian citizens. At least one out of every three moves out of the province in which he or she was educated, to live in another province.

So that the educational attainments of any boy or girl in any province become a matter of importance to every other province in the dominion. To overcome our provincialism we should seek to give our youth education that will enable them to become Canadians. Canada as a nation, and the federal government as the government representing the nation as a whole, and the government collecting the taxes from the nation at large, should, in our opinion, bear its share of the national educational cost.

In the third place, because every young Canadian boy or girl is a Canadian he is entitled to equal educational opportunity, so far as physically possible, with every other Canadian. There are factors which determine and will continue to determine the degree of education which a youth will attain. In many instances that degree of education is determined by his ability and his willingness to avail himself of the opportunities offered. In this country financial reasons should

never be an important factor in determining the educational opportunities offered to any youth.

As long as school costs are distributed as they are at the present time with the municipality bearing the major share, with the province assisting and the federal government remaining on the sidelines, inequalities in educational opportunity will continue to exist. The opportunities available to young people will be determined by the wealth of the municipality or province in which they live rather than by the national wealth. The type of school, the equipment, the qualifications of teachers will all vary widely according to the financial status of the municipality and the province. Educational opportunities open to youth should never be determined on that basis. The educational opportunities which we offer our youth should be on a national basis and not on the basis of what any one province or municipality can provide.

The fourth reason is that educational costs are advancing. The standards of education which young people require in order to fit themselves for the world today are increasing year by year. This burden is becoming too great for some of our municipalities and provinces to carry. That increasing cost of education makes it all the more essential that the one government which raises taxes on the national level should undertake to bear its share of the burden.

We have heard objections raised in this house, but to my mind none of them is valid. It is high time that this government told us in this debate, either through the Prime Minister (Mr. St. Laurent) or some other minister, just where the government stands on this question. When the subject was last debated in the house we were then on the eve of a dominion-provincial conference and it was understood that in all probability this question would be brought before that conference. That conference has come and gone and I suggest that it is high time that we should know what happened at the conference as far as this particular subject is concerned. Was the question discussed? Were any suggestions put forth by the federal or provincial governments? Is the government in favour of or opposed to federal support for elementary, secondary and university education?

One argument that I have heard raised is the fear of the provinces that the federal government will begin to meddle with education in the provinces if it supports general education. I fail to see any validity in that argument. Through the war years the government co-operated with the provinces in numerous educational enterprises. There was never any difficulty in securing the co-operation of the governments at those two levels. There was never any question of the federal government taking away the right of the provinces to lay down educational policy and to administer education within the provinces.

That question could be solved as most of our other dominion-provincial difficulties have been solved provided there is the will on the part of the provincial and dominion governments. In numerous instances where there has been an overlapping of authority we have found that when the will to overcome those difficulties exists on the part of the federal and provincial governments a way was found. I am confident that if this government were to indicate its intent to support education at the elementary and secondary school levels there would be no difficulty working out a formula with the provinces whereby the provinces could be assured that there would be no interference with their jurisdiction.

I noticed an editorial which appeared in the Toronto *Daily Star* of Friday, May 26, 1950, just after we had the debate on this subject in that session. Up to that time this paper had fairly consistently supported the principle of federal aid to education. During the debate some hesitancy and opposition was shown by cabinet ministers toward federal aid to education. The Toronto *Daily Star*, falling in line, as it always does, with expressed government policy, came out with this sound and serious argument against federal aid:

> In the absence of specific provisions there would be nothing to prevent any province reducing its own outlay by the amount received from the dominion government.

The best argument that that paper could put forth against federal aid to education was that if the federal government gave aid to education there was nothing to stop a particular province reducing its grant to education by the amount given by the federal government. Surely it would be just as easy to secure an undertaking on the part of a province that it would not reduce its present contribution to education because a federal grant was being made as it was to secure agreements with the provinces that they would not reduce the amount paid to old age pensioners because the federal government was making a contribution.

One thing that has bedevilled education in this country, not only throughout our lifetime but throughout the whole history of our country, is the conflict between the public and separate schools in some of our provinces. The supporters of separate schools fear that if the federal government steps in with federal grants then they are likely to

interfere with the right of the separate school authorities to lay down their own curriculum and administer their own school system. The supporters of the public schools, the Protestant schools, fear that if the federal government comes into the picture then some of the taxes collected from Protestants by the federal government will go to the support of separate schools in certain provinces. Is it not high time that we undertook to look at the question of education not from a provincial or even a religious point of view but from a national point of view? Are our children to go on being deprived of the best that we can give them in education simply because two religious denominations in this country fail to agree on certain principles regarding schools?

Are we not sufficiently adult, regardless of whether we live in Quebec or Ontario, whether we are Protestant or Catholic, to know that it is the child's interest that is of importance? Can we not see that every child, regardless of whether he is a Jew, gentile, Protestant or Catholic, from Ontario or Quebec, gets the very best by way of educational opportunity that this country can afford? We can only do that if the federal government is prepared to come to the assistance of education. On the question of educational opportunity the Rowell-Sirois report had this to say:

> The most economically distressed areas are the ones least capable of supporting these educational services, and yet are also the ones in which the needs are likely to be greatest.

Then I should like every member to pay particular attention to what follows:

> Not only national duty and decency, if Canada is to become a nation at all, but equity and national self-interest demand that the residents of those areas be given average services and equal opportunities.

The report goes on to say:

> In the modern age contact and intermingling of the population between favoured and unfavoured regions is bound to occur. The more fortunate areas cannot escape the pressure on their standards and the effect on their peoples; in this case prevention, in both fiscal and human terms, is much cheaper than the cure.

Apart from the general field of education, there is one special branch to which I should like to refer, and for which I should like to appeal for government aid. I refer to the question of scholarships, particularly for the undergraduates of our universities. We have read a great deal in the papers recently about underpaid university staffs, increased fees, and the increasing difficulties confronting young people who want to attend a university. I merely want to call the attention of the house to a report which appeared in the *Globe and Mail* of April 26, 1950, with reference to the situation in Australia. According to that report Australia's permanent plan for the provision of university scholarships calls for 3,000 university scholarships a year, with each of these scholarships to continue for three years. Therefore when the plan is in full swing there will be 9,000 university scholarships being paid each year in that country. There are no strings attached. The report has this to say:

> Winners can take any first degree course and most diploma courses at universities, technical college diploma courses and other professional courses. Part-time as well as full-time courses are included. . . . All scholarships will provide for tuition and other compulsory fees without a means test. Living allowances will be subject to a means test.

If the pupil's parents are in receipt of an income over and above a fixed amount then the living allowance is graduated on that basis. Mature students who are married receive allowances for wives and children. If Australia can make such a generous contribution in the field of university scholarships then, notwithstanding the fact that we are embarking upon a rearmament program that will take a great slice of our national revenue, I feel that we cannot afford to neglect education. If we had spent more money on our schools and our children before the war we would not have had to take so many thousands of them back to school in order to equip them to be able to carry on in the services. Nor would the government have been called upon to spend over $160 million giving education to veterans to which they were entitled as boys and girls and young people at elementary and secondary schools.

Mr. G. M. Murray (Cariboo): Mr. Speaker, I should like to say that I am opposed to the resolution. At the same time, however, I feel that the government of Canada might very well provide certain assistance in the field of education, more particularly along technical lines. I have a paper here issued by the Department of Veterans Affairs which shows the work they are doing in instructing young men in how to build their own homes. That kind of education is most desirable at this time. It does not involve us in questions of provincial or federal rights. I was very much impressed the other day by the address of the Minister of Trade and Commerce. In referring to the alarms of war that we are hearing he stated that we were short of certain strategic metals. He said we needed cobalt, molybdenum, antimony, tungsten, chromium, magnesium, cinnabar, titanium, and manganese. Our war effort will fail if we do not secure supplies of these vital strategic war metals from some place in the world. I think we might very well encourage the mining schools at Queen's university, the university of British Columbia and elsewhere across this country, so that research might be

carried on along these lines and so that young men may be trained to go out and find these materials which may very well stand between us and defeat in the days ahead.

In my own riding of Cariboo are ample supplies of many of these strategic metals. The old-timers knew where there was manganese, for instance. They knew where there was molybdenum; but there was no market for these metals in the old days and we lost track of the discoveries that were made from time to time in the Cariboo, in the Cassiar country, in the Omineca, in the Yukon and Northwest Territories, where these metals may be found in great quantities.

So my suggestion is that we leave these academic discussions and speeches, which were popular in the earlier days when we were not faced with the severe trials now ahead of us, and become more objective. Let this government assist the mining communities of the country by helping train the necessary men. This very spring we could send into the field geologists, prospectors and others to search the northwestern part of this country, so that next fall the right hon. Minister of Trade and Commerce (Mr. Howe) might be able to rise in his place and tell us that we in Canada have an abundance of these vital metals.

Mr. J. H. Harris (Danforth): May I be privileged, sir, to speak not as an ordinary member of parliament, but as one who has the privilege of being a chemical engineer and analytical chemist, and who has a fair knowledge of what was just discussed by the hon. member for Cariboo (Mr. Murray) in regard to the tremendous possibilities lying ahead of this country. In just two or three sentences I should like to express my appreciation of the remarks that came from my right, though not so much appreciation of those coming from my left.

I am one of those who believe in the British North America Act. The responsibility in connection with property and civil rights still rests with the provinces, but the responsibility with respect to our natural resources rests with us because Providence has been kind to us and has distributed an abundance of these natural resources throughout this great country. For that reason I find it very easy to endorse what has been said by the hon. member for Cariboo. But just how are we going to bridge that gap between the division of responsibilities under the British North America Act and the God-given natural resources of this country? That is a problem to which the next generation or two must give a great deal of thought.

I love the British North America Act and the way it sets out our responsibilities; yet I am sensible enough to realize that we must give considerable thought to the position in which we find ourselves as mentioned by the hon. member for Cariboo. I have had the privilege of having been all around the world, even in Russia. I have been able to gather some idea of the potentialities of this world, and the more I think about it the more I am convinced that we in Canada have been particularly blessed. I do not get scared and in a panic over what is going on in the world just now. I believe some of the scare headlines we see in the press may be a little hard for the ordinary, immature men and women of this country to appreciate, but I do hope those of us who are past forty and over the hill will not be too much carried away by them. We should all stop and think before we get too excited over what is going on elsewhere, though the hon. member for Fort William (Mr. McIvor) may not agree with what I am about to say. Let us not be carried away by these headlines. Let us stop and think of the position we enjoy in Canada. Let us try to coalesce our ideas in such a way as to take full advantage of what Providence has given us. At the same time let us remember our responsibility as Canadians to develop our country to the full and at the same time hang on to the tenets of the British North America Act for the benefit of future generations.

Mr. William Bryce (Selkirk): Mr. Speaker, in rising to support this resolution I do not want to approach the subject as an educator; far from it. I want to approach it as a layman, and not so much has been said from that angle. I find that in the country, perhaps more particularly in my own constituency, they have great difficulty getting by on the grants they receive today; and you must remember that the education my children were given was far ahead of my own education. That process continues; we expect far better education for our children than we received ourselves. I am quite sure that when my grandchildren come along they will look for an even better education than I was able to give their father or mother.

In the cities today the people are gradually being driven into the surrounding municipalities, and you find that many of them go to districts where there are no schools. These school districts just do not have the money to build new schools and pay additional teachers. There is also the movement of people from the large centres to the adjacent municipalities that have not the money either to build schools or to pay for additional teachers. It becomes necessary for the federal government to step into the picture. Perhaps in some cases new rooms could be added to the schools, but at other times a new building is needed. Under the Veterans Land Act

the government started whole settlements in which there were no schools, and very little assessment for schools. In some cases, the only revenue was from the assessment on a quarter-section of land. New schools have had to be built, but no assistance has been forthcoming from the federal government.

Then you find that wages are going up. There have been grants, but the grants have amounted to practically nothing. I have a copy of an editorial which appeared in the St. James *Leader* on February 15. This paper is published in one of the municipalities in my constituency. I shall not quote the whole thing but I want to take time to quote a portion of it. It says:

> The total grants for St. James will amount to some $6,000 more than in 1950 for 1951. But St. James normal salary increases, plus additions to staff for increased school population, already total some $20,000.
>
> The teachers' society has now come forward with a demand for a flat increase per teacher in suburban schools of $360 per year. This has not yet been negotiated but there is no doubt that considerable increases will be forthcoming.
>
> Actually, and for St. James only, the government grant per teacher has decreased over 1950 by $18 per teacher.
>
> It is extremely likely that St. James taxpayers are going to be faced this year with a considerable increase in the rate of taxation in view of the foregoing analysis of the change in government school grants, coupled with the increased expenditures.
>
> When it is recalled that a St. James teacher starts with a minimum salary of $1,400 per year on the present basis, there can be no question of the justice of the teachers' claim for an increase in the annual increment.

Let us consider the inequalities in the educational system today. You have heard that in British Columbia they spend $115 per pupil; in my own province we spend $100 per pupil; in Prince Edward Island they spend $45 per pupil. I do not need to tell the house the advantages the city boy or girl has over the country boy or girl because the cities pay higher wages. The teachers sell their labour on the highest market. School districts have little revenue to meet these additional salaries, and that is where the federal government could step in again.

In my own province there are permit teachers. This is a provincial matter, but if the federal government could give scholarships to these permit teachers it would help. I have every respect for them when they are trying to earn their way through normal school, but at the same time teaching school on a grade 11 certificate is not of advantage to the pupil in the country school where these teachers are used. Up until now teachers' salaries have never been sufficiently attractive to bring all the best brains to the profession. If better salaries were paid, better people would be obtained. I think that many teachers leave the profession because they can command better wages elsewhere.

This resolution does not ask for equality in the different provinces. It merely asks for a more equitable distribution of the funds for educational purposes. I think far more financial aid could be given. We hear that there would be interference with the provincial educational program, but I am quite sure that this resolution does not ask for that. Every province would still retain its own program, and would be given more financial support to enable that program to be carried out.

Mr. G. A. Cruickshank (Fraser Valley): Mr. Speaker, I intend to be very brief. I am entirely in accord with the suggestion that land taxes cannot support the cost of education today. I merely say that I am entirely in accord with the resolution.

Mr. H. O. White (Middlesex East): May I lend my voice, Mr. Speaker, to the support of this resolution. The member for Annapolis-Kings (Mr. Nowlan) presented the views of most of us in a very concise way. There are a few things, however, that I should like to emphasize. The burden that is today being placed upon those who own property, as I mentioned in the throne speech debate, is almost unbearable. Some people are finding they have to sell their homes in order to gain relief from the taxation burden.

While I am referring to this question of the burden on land owners, I should like to have the privilege of reading an article to the house, and when I have completed it I shall tell you its origin.

> I wish to say that a mighty change has come in the affairs of our city and our ideals are utterly unlike those of our leaders in a previous generation. When I was a boy it was considered not only safe but honourable to create an estate, so that almost all men of standing wished to add to their possessions and felt a certain dignified honour in prospering, but now one must apologize for any success in business as if it were the utter violation of the moral law so that today it is worse to seem to prosper than to be an open criminal.
>
> Criminals can get off with a a small punishment or a pardon but there is no escape for the prosperous, as they are doomed to utter destruction. You will find more men banished for their wealth than criminals punished for their crimes.

I should like the house to tell me who wrote that, and when.

Mr. Graydon: Was it M. J. Coldwell?

Mr. White (Middlesex East): No, sir, it was written by Socrates two thousand three hundred and five years ago. I believe that all provinces would welcome aid from the

federal government. They do hesitate, however, because I believe they are afraid that there will be some strings attached to it that are obnoxious. I find that in the British commonwealth Canada is the only country in which the federal authority does not contribute up to fifty per cent of the cost of education. Teachers probably occupy the most important position in society, and have greater influence than any other individuals in society upon the youth of our land. I think we should pay more attention to this matter of education. Any aid that the dominion may see fit to extend will certainly be appreciated by those who are burdened with taxation at the moment. I think that aid could be extended on the per pupil per capita basis more fairly than in any other way.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, I wish to say a few words on this resolution. It has been before this house on at least three occasions and has received a thorough discussion. The last time it was before the house I was of the opinion that the government intended to do something about it. The Prime Minister (Mr. St. Laurent) was interested and I think we all felt reasonably sure that it would be on the agenda of the last dominion-provincial conference; but apparently it was not. Federal aid to education, in my opinion, means merely subsidy to education; and the government is fairly strongly committed in the matter of subsidies. They have no hesitation in subsidizing an industry that is considered to be uneconomic but necessary to the economy of the country. They subsidize the grain industry; they heavily subsidize the coal and the steel industry in Nova Scotia and, as my hon. friend reminds me, they subsidize the gold mining industry. If the government's policy is to subsidize the gold, steel, coal and grain industries, I think they should not be averse to subsidizing education.

I am concerned only with one aspect of the matter, namely teachers' salaries particularly in the "have-not" provinces. I know that in the maritimes the teachers' salaries leave much to be desired. I have not the same grievance as has the hon. member for Selkirk (Mr. Bryce). I think the teachers in my own province are highly qualified. In the matter of providing schools, I think a good job has been done throughout the province; I know in my own end of the country a real good job has been done in the past three or four years. But the teachers' salaries in Nova Scotia are extremely poor.

By a press report today I notice that this matter is before the provincial government at the present session of the legislature. One member in his speech gave a great many figures which I am not going to read all through, but he stated that the teachers on the island of Cape Breton received, on an average, $1,190 a year. That is a rather unreasonable salary for a qualified person in this day and age. There is not a labourer in this country who receives a small income of that kind. The incomes paid in any of the skilled trades put that figure to shame. That is not much more than the old age pension because, with pension and other earnings, the old age pensioner is allowed $1,080 a year. But here is a teacher, who takes a child from the time he is in the first grade and pilots him right through high school, receiving an average of $1,190 a year. If we are prepared to subsidize commodities, I think we should be prepared to subsidize education because the moulding of citizens is, I think, a much greater and a much more serious responsibility that falls upon the government.

I am not so greatly concerned about the universities, because if a person gets through high school he has a fairly good grounding in citizenship; at least he has sufficient grounding to go out and do something for himself in many fields. In the matter of building citizenship I think the most important grades are the lower ones, because boys and girls in those grades are in their formative years. Teachers who receive the kind of income to which I have referred certainly cannot put their minds on their work and do the kind of job they could be doing. To boil the matter down and simplify it, it is a matter of money. It is a matter of the federal government's determining whether or not they are prepared to give some assistance to our future citizens by relieving from economic insecurity the teachers who have charge of them in their formative years, so that they may be able to think in terms of building better citizens and a better Canada. The matter is a financial one.

Someone may say that the stumbling block is the British North America Act and that it is necessary to sell the idea to the provinces. That is not my conception of the situation at the present time. The members assembled here at the present time in this House of Commons last year approved a measure whereby they undertook the responsibility of amending the constitution of Canada in Canada, in this House of Commons, in any respect with the exception of language and religion. If the House of Commons, in its wisdom, decides that federal aid to education is necessary in order to raise the incomes to which I have just referred, we in this House of Commons can pass the necessary legislation, regardless of whether one or two provinces want to go along with us or not. It is just a

matter of determining what is right and what is wrong. If we are right in subsidizing education, then we should not let anything stand in its way.

As to Nova Scotia, I know that financially the province cannot do much about the matter. They have not sufficient revenue. I have here the figures showing their total revenue for the year 1949, and I shall just outline it briefly. As to their department of highways and public works, their total income in that field was $9,522,698. From the Nova Scotia liquor commission they received another $8,083,977.19. Their revenue was not bad on liquor. Those figures account for about 51 per cent of their total revenue. The other 40 per cent is made up of grants from the federal government, with small miscellaneous amounts accounting for the other five or six per cent. Having regard to the job they have done in education, in providing schools and so on, that kind of revenue leaves Nova Scotia at the end of their rope; and they admit that quite frankly. At the present time in that province there is talk of a sales tax. What they are going to do about it by way of raising additional revenues, I do not know. That is up to the legislature. I know, however, that the province is at the end of its rope. It cannot pass anything on to the municipalities; because in my own town of Glace Bay, for example, 60 per cent of the total revenue goes into schools. That figure is away over and above what that town can afford. They must restrict many of their other services, and that is what they have been doing. Clearly, this matter of raising the teachers' salaries is a "must", and it is a matter of receiving some assistance from the federal government. Under the present taxation arrangement, the provincial government hands back to the federal government something like $24 million a year, in round figures, in certain fields of taxation that they have passed over to the federal government. These agreements expire in March, 1952. Negotiations to revise these agreements have been going on for some time, and are still going on. It may be necessary to revise them and to pass more revenue back to the province. That may be an answer. Maybe the provincial government can do something with their sales tax. That remains to be seen. Any government that gives the kind of subsidies I shall mention to organizations, for example, like the Dominion Steel and Coal Company should, when thinking in terms of providing the means of livelihood for the teachers in that province, consider seriously something by way of federal aid.

This sessional paper 186A is a return to me dated June 1950, and it shows that the federal government paid to the Dominion Steel and Coal Company a coal subsidy of $366,442.55, a steel subsidy of $617,285.09 and a freight subvention on steel of $1,649,024.68. Then the Department of Transport, under the Maritime Freight Rates Act, on a short line of about twenty-six miles between Glace Bay and Louisburg granted a subsidy of $395,313.14.

Possibly those subsidies are necessary; I am not arguing on that point. However, I am pointing out that in subsidizing industry the federal government is very generous. But on this matter of subsidizing teachers' salaries in a province like Nova Scotia or, indeed, in the whole of the maritime provinces for that matter, the federal government is parsimonious. No consideration was given to the matter, not even at a dominion-provincial conference. I am sure Newfoundland is in exactly the same position.

I do not wish to occupy too much of the time of the house. I wished merely to set out first that in my view this is a financial matter. Secondly, I do not think we should use the British North America Act as an excuse to keep our teachers in the maritime provinces particularly on salaries below the average rates received by labourers in this country today.

Third, if industry can be subsidized to the extent I have just indicated, then I say it is about time we brushed aside the legalities and the stumbling blocks that are thought up merely as straw men and recognized the fact that a decent standard of living for the teachers who are moulding our future citizens is a "must", and that we should get down to business and subsidize by federal aid.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I do not want to make a lengthy speech on this occasion, because the ground has been well covered. However, having been associated with teachers' organizations for a long number of years, I should like to give my support to the resolution offered by the hon. member for Saskatoon (Mr. Knight).

I hope on this occasion the house will have an opportunity of expressing its opinion by a vote. When the matter was before the house a year or so ago the Minister of Agriculture (Mr. Gardiner), who at that time spoke for the government, said he hoped the resolution would come to a vote. However there were so many speakers that evening, who spoke at some length, that it was finally talked out. I hope that will not happen this time, particularly because, even if we do use up the time this evening, the resolution will come

before the house again when we reach public orders. As there seem to be few bills to discuss, this may take place on Thursday next. I hope therefore that no attempt will be made either to adjourn the debate or to talk the resolution out.

I listened to the hon. member for Cape Breton South (Mr. Gillis) a few moments ago. Today I was reading an article from the Maritime *Teacher's Bulletin*. It is in the form of a letter written to the editor of the *Bulletin*, and conforms pretty closely to what was said by the hon. member for Cape Breton South. I should like to quote part of the letter, which is written by someone who signs himself, "A Nova Scotia teacher," and states:

Dear Sir:

I am wondering what is to become of the schools of Nova Scotia and the standards of the teaching profession. I find that I have reached the limit to which I can stretch my salary.

I am an A licensed teacher (started with a B) with eight years experience, which gives me $1,680 per year or a monthly salary of $140. I am married and have three children.

What happens to my cheque each month?

First I am deducted pension, $8.40; mortgage payments, $25.60—

I presume these are payments on his home.

—telephone, $3.60; lights, $2.50.

And then follows a regular budgetary payment to one of the mail order stores, amounting to $19. The list continues:

Taxes, $3.00; fire insurance, $3.00; life insurance, $3.00; oil, kitchen range, $12.00; coal, living room, $5.74; local bus fares, $1.00; teachers' union dues and meetings, $1.00; church, $1.00; daily newspaper, $1.00.

This leaves a balance of $51.16. Out of this I must pay for all our eats, incidentals, medical, social and etc.

Mr. Speaker: Do I understand the hon. member was reading a letter?

Mr. Coldwell: I have been reading from an article containing a letter in the *Teacher's Bulletin*. I believe if I quote from a letter I am permitted to quote from it provided, as a member of the house, I am able to vouch for its authenticity.

Mr. Speaker: I would point out to the hon. member citation 270, Beauchesne's third edition, where it states that an unsigned letter should not be read in the house.

Mr. Coldwell: That is right.

Mr. Speaker: I gathered however that the hon. member was not reading a letter which had been received by him.

Mr. Coldwell: No, I was reading from a letter appearing in an article in the *Teacher's Bulletin*. I admit it was not signed, but I believe it is authentic and I am putting it before the house.

[Mr. Coldwell.]

Mr. Speaker: I felt I should mention the matter to the house. I did not raise the point in objection to what the hon. member was doing. I did think I should impress upon the house, however, the rule which provides that unsigned letters should not be read.

Mr. Coldwell: I think I understand the citation and the rule, and I am glad that Your Honour has drawn it to my attention.

In addition to living expenses today, if a teacher wishes to maintain his professional status he must not only buy books but he is expected to attend summer courses, teachers' institutes and the like. With the salaries being paid in some of the provinces it is impossible for a teacher to maintain the professional status his calling requires.

The resolution before us stresses the point, which I should like to stress myself, that the government "should take into consideration means of expanding and equalizing educational opportunity across Canada." I do not think anyone will say that educational opportunities in this country are equalized across the country—indeed, they are not equalized between one community and another. Certainly they are not equalized among the various provinces. Nova Scotia has been mentioned. New Brunswick could be mentioned in the same way, as could Newfoundland and Prince Edward Island. I know that because of the teachers' salaries paid in those provinces, and in some parts of our western provinces, many of our schools find it difficult to secure the services of fully qualified teachers. The result is that of necessity ministers of education have had to adopt a practice, which most of us thought would have been ended years ago, of issuing permits to teachers before they were qualified. That was particularly to the detriment of the rural schools. My experience in education leads me to believe that if you need a well qualified teacher, you need him in the rural schools. In the rural school a teacher has to teach, not just one or two grades or forms but very often he is expected to give some instruction in all the public school grades and in one, two, three and sometimes the four high school grades. Consequently the teacher in a rural school often assumes a greater obligation than the teacher in a well organized and directed city school. I have had some experience in both fields.

The rural districts vary in soil conditions, productivity and so on. Where you have a poor district, there you have inability to meet the costs of education. It may be said that that is a matter for the province. Of course it is, but it seems to me that if we

are going to equalize educational opportunities across Canada, when there is a lack of revenue in the municipality, the school district, the town or the province it will be necessary for the federal authority to find ways and means of making grants for education to the several provinces of Canada. That would not be interference with provincial autonomy. I should like to see coupled with it, if it can be worked out without interfering with provincial autonomy, an attempt made to raise the standards, particularly in provinces where standards are low and educational opportunities are few.

I am glad to say that in the western provinces there has been considerable improvement in educational facilities over the last twenty years. I know in my own province of Saskatchewan, looking back over the past six years and viewing education from the standpoint of the rural school, what you see today is something quite different and generally more advantageous to the pupils than what you saw a few years ago. I know when I was in the village of Sturgis last autumn or the town of Oxbow, as well as in the larger places of Kindersley and Rosetown, I saw composite schools that have been built to serve the areas. Some had dormitories attached where the boys and girls could board during the week for quite a small fee. There were machines and lathes and domestic science rooms, educational facilities as good as could be found in some of the schools in our cities.

That is a great advance, but it is a costly advance. In spite of greatly increased grants from the provincial authority the municipalities find it difficult to bear the cost of modern education. It is essential to the welfare of this country that we have an educational system which will give us students of a high calibre and of a high order. As someone else remarked, we found this out during the war. In the few years before the war a good many young men who might have left school to take jobs were unable to find jobs and continued at school. The result was that in the early years of the war we had the largest percentage of young men who qualified as pilots, navigators and observers of any country at war.

Before the war there were a large number of our young men in the Royal Air Force of the United Kingdom. When I went to Great Britain in 1941 with Your Honour, the Minister of Public Works (Mr. Fournier), the hon. member for Lethbridge (Mr. Blackmore) and others, we were told over and over again that the young Canadians who had come to the British isles to enlist in the Royal Air Force prior to the war were climbing in the service because they had the type of education required to carry them along.

With the kind of world in which we live today, whether it is for war or for peace, a first class education is a prime necessity. I want to see the educational facilities of this country of a type that will give every youth the opportunity of receiving the kind of education which his mental capacity will absorb so that he can render the highest and finest service possible, not only to himself as a citizen but to the community as a whole.

Consequently I have great pleasure in supporting the resolution and I hope that the house will be given an opportunity regardless of party affiliations, because this is not a party matter, of expressing to the government what we would like the government to do in this regard.

Mr. Gordon Graydon (Peel): Mr. Speaker, I had not intended to participate in this debate, but I have been encouraged and intrigued by some of the speakers who have preceded me and I want to give one or two of my views with respect to the subject. I should like to congratulate the hon. member for Fraser Valley (Mr. Cruickshank) upon what he said because I think he managed to confine his argument within a small area. He mentioned a point which is close to the opinion of many of us who come from districts like his own.

I approach this subject of education somewhat prejudiced because I married a rural schoolteacher. In addition there are a couple of my family who I expect will go into the same profession. There are a number of matters with respect to federal aid to education that demand the attention of this parliament.

Federal aid to education must be predicated on the fundamental basis that education is essentially and primarily a matter of provincial jurisdiction, and there it must stay. That idea has been so well settled through the years that perhaps no reminder of that position is necessary at this stage of our national life.

I have always felt that education should not be predicated upon either geography or finance. In a country like Canada no brilliant and industrious child should be denied the opportunity to obtain such education as he may be able to absorb and to make use of in the interests, not only of himself but of the greater Canada as a whole. One of the things we have to keep in mind so far as education is concerned is that the obtaining of an education is not a gift to a person. It is a challenge given to a person to do something for

the community, for the state in general and for the uplifting of humanity in particular. I should not like to see—and I think most hon. members share this view—even a hint of an educational aristocracy in Canada because one man has a higher degree or has graduated from a different school than another.

In my brief span of years, taking my experience in public and private business, I must confess that when I want to bring good common sense and good judgment to bear upon a particular problem I do not always go to the man who has the highest degree or the greatest education. By training a man you cannot always endow him with that innate and natural common sense and good judgment which some people are born with and fortunately never lose. The federal government has nothing particularly to do in a direct way with what I am about to mention but nevertheless I now have an opportunity to put it before the house. As a result of educational schemes over the years, just the same as in other nations of the world—we are perhaps no different from any other nation—we have succeeded in putting a good many square pegs into round holes so far as their education is concerned and their life afterwards.

It costs a good deal of money to educate a boy or girl right through to the last stages. Because it does I think there is certainly a responsibility somewhere to see to it that the nation and its people get the best value possible for the money spent on such education. Of course many people have passed through higher seats of learning just because their fathers or mothers had enough money to finance them. I do not think that is quite good enough in a country developing like Canada. Instead of spending a lot of money on people who cannot give the best service to their country when they have finally met the educational qualifications and have been graduated from their courses, I think we should concentrate so far as we can on educating people for the positions in which they will be best fitted to serve the nation as a whole.

That does not mean that everybody has to have a B.A., Ph.D. or M.D. After all, many people do not regard such things in the same light as others. More than that, it seems to me that we must pattern our educational system on some basis whereby we will get the best out of the system we have. We only get that best by training those people who will respond the best to the training we give. I was amazed at the figures quoted by the hon. member for Rosetown-Biggar (Mr. Coldwell) a moment ago. I have no doubt they could be repeated over and over again in many parts of Canada.

The other day I answered a questionnaire put out by some organization. Its name escapes me at the moment but the questionnaire had to do with the training of teachers. They asked me what was the most indelible impression left upon my mind as I went through school with respect to the teachers who had trained me. I answered first that I believed that the character and personality of the teacher left a more indelible impression upon me than any single thing said or taught. That calls for a high standard among the teaching profession. I want to say that there are magnificent examples of high character and integrity as well as scholastic and academic attainment among the teaching profession of Canada.

It seems to me that today the teacher serves in a dual capacity. Not only does he or she have to teach pupils what is in the curriculum but also so much of the life of our children today seems to be divorced from the home. It is unfortunate that such is the case. It is a weakness of our generation, but unfortunately that has been the trend. The result is that the teacher, not of his or her own volition but because of the very nature of things, takes on an added responsibility with respect to that kind of training. One might deal with all these various aspects of education at great length, but I am going to resist the temptation to do so at this time. I think it is obvious, however, that we cannot place too much emphasis upon the type of person who is going to train the next generation of Canadian citizens. What the child becomes in his school life he usually is in the years that lie ahead. It is of much greater importance that we of this generation should see to it that the next generation is such that it will be worthy of the country in which we are so privileged to live.

I want to refer again to what the hon. member for Fraser Valley (Mr. Cruickshank) has said. In the past week I accompanied a deputation to two ministers of the crown. We were concerned with the question of educational facilities in one of the proposed new subdivisions to house the rapidly expanding war worker population in the town from which I come. One of the difficulties that many municipalities now have arises from the fact that often people live in one municipality and the taxes on the industry in which they are working go into the coffers of another municipality. Of course that causes all kinds of complications and inequalities with respect to the incidence of taxation. We should keep our hands off jurisdictions that do not belong to us under the British North America Act, but so far as that kind of inequality is concerned out of our deep federal coffers we should try to

do something to equalize opportunity for education and the incidence of educational taxation in Canada, and to see that some of the inequalities are ironed out as best they can be. I should also like to mention one other matter.

I think most people who are in close touch with the many phases of university life in Canada today realize that students at universities right across the country are being burdened with extracurricular activities that to some extent at least are interfering with their opportunity to get the kind of education they were sent to get. I noticed that President Sidney Smith of the university of Toronto expressed a similar view just the other day. It is difficult enough for the average student at a university to master the curriculum; it is almost impossible for him to do so and at the same time take part in all the extracurricular activities that somehow or other creep into all our universities. I do not suppose we in Canada are nearly as badly off in this respect as they are in the United States, but I was glad to see that opinion expressed by President Smith, who I am sure will be followed by others calling for some change in this regard in order to give our students a better chance to do the job they are there to do. The other day a friend said: "Gordon, your girl and mine are down there at college, and something has to be done about that university. Some kind of change has to be made". I replied, "Well, I agree, but what would you suggest?" His humorous answer was, "Well, there has to be some change. These lectures are getting in the way of everything they are doing down there, and I don't think we can permit that to go on".

Back of that humour is an opinion which is often felt, and I think it does no harm to occasionally sound at least a note of warning that after all these are seats of learning. While one would not want to impose any restrictions which would interfere with the general training and the better development of students, nevertheless there is a happy medium. Sometimes I think the pendulum has swung too far in one direction, though of course it might swing too far the other way, and we do not want to see that either.

Something has been said about the cost of education. A year ago last September a farmer going past my home in Brampton dropped in to introduce his boy, who was entering the school of science of Toronto university. I said to the father, "It is a costly business, sending a boy to university". He replied, "Well, I have four of them. If only I could be sure all four would go to university I would get off pretty cheaply, but one of them wants to stay at home on the farm, and it is going to cost more to set him up in agriculture than it will take to put the other three through university". That is something we very often overlook. In a county like mine, where there is a highly specialized dairy industry, the costs of machinery, of land, of herds and so on sometimes are almost astronomical. So the cost of education may not always be so exorbitant as the cost of providing a first-class agriculture set-up for a boy.

It is interesting to hear people state that some cannot get an education because they have not the money. More than money is involved in getting an education, though I am arguing that we should have more from the federal treasury, as suggested in the resolution now before us. I should like to point out that a good many people whose mothers and fathers had not a penny with which to help them, and who had no one upon whom they could draw for financial assistance, have gone right to the top as far as education is concerned. Right in my town of Brampton we have a boy who is the son of a Dutch family that came to this country. They naturally were unable to pay the cost of his education, but he had ambition and fortitude and stepped out himself. In June that boy will graduate from Toronto university without having received but little financial help from home, as far as I know, but he did have the encouragement of good, Christian parents. In my opinion that boy will make a real contribution, because he has come up the hard way instead of having been spoon-fed and experiencing all the fads and frills of higher education. So it is not always a question of money, though of course money does enter into the picture. Many things are involved in getting an education. You must have the desire to succeed, to gain more knowledge. You must have encouragement at home, because that is a great help. In a survey made not long ago at a university it was found that sixty-five per cent of those in attendance were at that university because either their father or mother had attended or were interested in the university work. In other words the home atmosphere had a great deal to do with it. So while we may be able to overlook many of these factors, we must see to it that people who are qualified and anxious and willing have the opportunity to acquire an education. Brilliance alone is not enough. We cannot afford to educate every brilliant person in the country unless he is also industrious and has the character to go with it.

My remarks have been very rambling, Mr. Speaker; more in the nature of personal experiences and personal views on education, in the way I might talk in the lobbies, perhaps, rather than in the House of Commons. In

conclusion I would ask the minister to indicate, at this stage of the debate, the decision of the government with respect to this resolution. We have heard what other people have to say. I know that with his great kindness and courtesy the minister will say he would have loved to make a speech but there were so many others who wanted to speak and whom he wanted to hear. I quite appreciate that, but I believe the minister should amplify what he said during the last session or so. I have not my *Hansard* here, so I am not sure of his exact words, but he will recall them at once. If I may paraphrase what I remember him saying when a similar resolution was before the house, I think the Minister of National Health and Welfare (Mr. Martin) indicated that one reason the government did not want to make any move at that time was because there was another dominion-provincial conference coming up.

I do not know what this government would do without a dominion-provincial conference somewhere in the offing. It seems to me that is a very convenient umbrella to get under once in a while.

I only suggest this to the minister: Before this debate ends he should indicate to the Commons what the government's policy is with respect to federal aid to education as laid down in this resolution. We shall be awaiting his very expanded remarks with more than usual interest.

Mr. David A. Croll (Spadina): Mr. Speaker, I first want to declare my prejudice in the same way as the member for Peel (Mr. Graydon) declared his. I, too, married a schoolteacher, and I found when I graduated from law that we could not live on her salary. I had to go to work. That may not be the sole reason why I welcome this resolution, but it does give us an opportunity to think about this problem and keep it before the public and before the government. I believe it is an extremely important problem. I realize that at this session we have some very heavy expenditures, particularly in connection with our preparedness program. Nevertheless, I believe I can recommend to my electors further expenditures for education. I think education pays dividends by way of the good citizenship which comes from it in a manner that no other expenditure does.

I want to make clear one more thing that the member for Peel as well as others touched upon. I join with them wholeheartedly in agreeing that provincial rights must be preserved. Anything we do in the way of assistance to education must in no way invade provincial rights. The matter of education belongs entirely to the provinces. The federal government has no legitimate interest in provincial schools as such. Its interest is, and should, be in the children of Canada in all schools throughout the country. But I believe the federal authority ought to take an active rather than a passive interest.

The resolution before us speaks of equalizing educational opportunity. The problem, as has already been stated by members in this house, arises because our country's wealth is unequally distributed. But we must not lose sight of the fact that education is no less a concern of the poorer provinces. Inequality of educational opportunity is the result of economic inequality and not inequality of will. In my opinion federal aid to education will make it possible to raise the salaries of some of the teachers who have been notoriously underpaid for a great length of time. I have always felt that the community should look to the teacher, and the teacher should be proud of her profession. Salary increases have been neglected for a long time. On the last occasion when this subject was before us, some of the figures that were given in this house as payment to teachers for years of service were almost scandalous.

Recently in my own city of Toronto the board of education decided to increase teachers' salaries. There was a great hullabaloo about the possible increase in taxes. Of course, taxes will increase. But I think it is well for the citizens to know that money spent in that fashion is not only wisely spent but prudently spent. I noticed a Canadian Press dispatch which appeared in the Toronto *Star* of January 24. It was a dispatch from Vancouver, and reads as follows:

> At the university of British Columbia, some lecturers get less than the janitor who sweeps out the classrooms, assistant professors less than plumbers, and full professors with a string of degrees little more than bricklayers.
>
> One lecturer with a B.A. and M.A. drew a salary cheque last month for $190 less deductions. At the same time, in a waterfront office, a husky stevedore pocketed a month's earnings of $290.

The dominion government has had a wealth of experience in joining with the provinces in educational training, particularly vocational training. I have not heard of any friction between the two governments. The problem that seems to be uppermost in the minds of the members is, where do we get the funds? The government has been spending a considerable amount of money in educating veterans. Members have commended the government for it. We have all agreed that was money well spent, but it is now coming to an end. Some of these funds might well be diverted into this channel. It is for education. I believe the figures indicate

that some 130,000 veterans obtained education at various levels. Now their brains and their skills are available to this country for whatever purpose we can make use of them. The total cost of that education has been about $165 million. What I think is more important, and is sometimes lost sight of, is the fact that the government, by virtue of the service these men gave, made it possible for them to obtain an education which would not have been possible otherwise. The result is that they have entered the professions and are making better lives for themselves. They are a greater asset to this country. But they have done one thing more. They have whetted the appetite of little Johnnie and little Mary for an education. These children have seen their elder brothers or sisters obtain something they thought was not within their reach. Now, they too want an education because of the advantages it gives under our system. Consequently, in our own interests, we ought to make that possible. Money spent on education is the most constructive, the most positive contribution we can make to the welfare of this country.

We have heard a great deal said about fiscal policy and that the readjustment of provincial subsidies may, in some way, solve the education problem. It is my belief, Mr. Speaker, that unless we in some way earmark the money for education that money will likely be spent on roads, institutions and public buildings of various sorts. We have discussed this matter on three or four occasions, and there is a desire in this house for a general expression of opinion. I shall not, therefore, take up any more time. I do believe this, Mr. Speaker, that this is a rare opportunity for us to make a start. This country has never been so rich in human and natural resources. We can afford to make a start at this particular time. We will hardly miss the money in this tremendous budget that is in front of us. I believe the people of Canada will appreciate it when we point out to them that part of their added taxes is to be used to educate the people of this country.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I believe it was my privilege to be named as the seconder of the motion now before the house, which was moved by my colleague the hon. member for Saskatoon (Mr. Knight). I wish to say just a few words in wholehearted support of the motion; but in view of the fact that most of the arguments in favour of the motion have been presented during the course of the debate thus far, I shall endeavour to refrain from repeating any of those arguments.

I think it is clear to all of us that there is nothing on which we could spend money more usefully and to better advantage than on the education of our youth. It is equally clear that if we are really interested in national unity in this country, one of the best ways to advance it is by equalizing educational opportunities.

As I have already said, Mr. Speaker, I do not wish to go over the arguments that have already been put forward by hon. members in all parts of the house; but I should like to say that I am certain that all of us who come from the province of Manitoba, if we are to represent the views of our people back in that province, must support this resolution regardless of the corner of the house in which we may sit.

During the week just before we came down here for this session, the Manitoba association of school trustees held its annual convention in Winnipeg. It sometimes happens in our province that when rural and urban people get together there are certain subjects about which they disagree. That is something that can happen even in a convention of school trustees. But on this question neither this year nor in previous years has there been any disagreement. There is unanimity on the point that the time has come for federal aid to education. That agreement amongst school trustees in Manitoba is not just the agreement of certain people that somebody else should pay; rather it is the considered opinion of the school trustees in urban, suburban and rural areas who have tussled with this problem across the years and who have come to the conclusion that, as was so well put in that short speech by the hon. member for Fraser Valley (Mr. Cruickshank), land taxes cannot any longer bear the full cost of education. It is also the case that that view is being put forward by a group of people who are keenly interested in having the most progressive kind of education that it is possible to have at this stage in our history; I refer to the school trustees in my province. I therefore feel that all of us from Manitoba—I know the situation is similar in other provinces, but I believe it is better for us to speak for our own—will most faithfully represent the views of those back home if we give wholehearted support to this motion.

Thus far I have spoken about the school trustees of the province as a whole. I should now like to say a word about the situation in Winnipeg. You will realize, Mr. Speaker, that although I am making particular references to school trustees, I am conscious of the interests of teachers, of parents and of citizens generally in this question. But that phase of the matter has been discussed by

others, so I felt that I should make reference to the particular interest and concern in education that is expressed on the part of those who administer the educational set-up in our province. In Winnipeg we are proud of the progressive course that has been followed by our school board with respect to education. Some years ago a famous report on the affairs of our city was made by Carl Goldenberg. In it he pointed out that one of the reasons we have taken certain progressive steps in Winnipeg is as a result of the healthy competition between political groups in the city council and in the school board. I will not argue tonight about the giving of credit to one side or the other. I will stick with what Carl Goldenberg has said, namely, that the competition between opposing political groups has resulted in progressive measures generally in our city. That is particularly true in the matter of education. But the members of our school board in Winnipeg, as well as the members of our city council, have come to the realization that the further steps that we want to take in the interests of the education of our children, in the interests of developing the best possible race of Canadian citizens, and in the interests of making the best possible contribution to the welfare of our country as a whole, cannot be taken if we are still obliged to finance education wholly from taxes on real estate.

May I make it clear, Mr. Speaker, that all of us who advocate federal aid for education realize that what we are asking for is money out of the federal treasury to assist education within the provinces; but that is not to suggest that we are asking for something from some outside source. The plain fact of the matter is that the money in that federal treasury comes from all across the country. I am talking tonight about my own province and my own city. We are heavy contributors to the wealth of this nation, both from the farms of Manitoba and from the industries of my city. Out of that wealth taxes come, but they come more heavily into the federal treasury than they do either to the provincial treasury or to the coffers of the city of Winnipeg. In other words, we are asking for a sound and sensible redistribution of the wealth that we help to create, to only a minor extent but for an exceedingly important subject, namely the education of our youth and the building of the finest possible Canadian citizenry. I am therefore pleased that this motion is before the house at this time. We are pleased that it is getting support from all hon. members, and I hope that the government, through some cabinet minister, will express its view on the matter soon. I hope that it may come to a vote, and that an affirmative vote for this resolution may result in favourable consideration being given to it by the government.

Mr. A. J. Brooks (Royal): Mr. Speaker, I know that there are other hon. members who wish to speak and that the hour is getting late; I am therefore not going to make any extended remarks. However, my province and the other maritime provinces have been mentioned here tonight; and I find that in this house, when the subject of education is being discussed, we are usually held up as the horrible example in the Dominion of Canada. I might say that I do not think this has always been the case nor in fact do I think it is the case at the present time. If a history of education in Canada were consulted, I think you would find that the maritime provinces had contributed greatly not only to education within their own boundaries but also in the rest of the dominion. I remember some years ago being told—and this is a historical fact—that at the time of the union of South Africa when a committee was appointed for the purpose of setting up an educational system for that union, they visited other parts of the British commonwealth and, after visiting New Brunswick, chose our system as the system for South Africa, and that they took the head of our normal school to South Africa as their educational adviser, and also took a good many of our teachers. We have always been rather proud of that fact.

Like some of the other members who have spoken here tonight, I also had some slight experience. I taught school for a few years and I also inspected schools for one year. What has been said about trustees in rural districts proved to be very much the case. The little red schoolhouse about which we have heard so much in the past was not perhaps the ideal form of education that our nostalgic thoughts may have painted it. I remember, as the hon. member who has just taken his seat has said, that because taxes were collected entirely from real estate, the trustees in many instances seemed to be more inclined to try to keep down taxes in their districts, and thus to impede education, than to encourage it.

I feel that some responsibility for education must be borne by the federal government, and I could give many reasons. One of the chief reasons is that the small provinces cannot today afford to give to their people the educational facilities to which they are entitled, or that they should have. I know for instance that the people of New Brunswick are more heavily taxed than those in any other province of Canada. Our provincial debt is much

higher than that of any other province, and our debt charges as a percentage of revenue are the greatest of any province.

Perhaps some figures would make this point clear. In Quebec the per capita debt is $92.24, the lowest in the dominion. I shall not give the figures for the other provinces, but in New Brunswick it is the highest, at $256.62. Nova Scotia comes next with $190.16. These figures will give some idea of the burden on the shoulders of the small provinces. Debt charges as a percentage of revenue in Alberta are at their lowest point of 6.6 per cent. In New Brunswick the figure is 23.8 per cent. These figures and percentages give some idea of the burden placed upon the people in the small provinces.

There are other reasons why I think the rest of Canada should bear some of the burden, particularly that of the maritime provinces. Because of the concentration of industry in Ontario, Quebec and other parts of Canada, thousands of young people who were educated in the smaller provinces have come to the industrial provinces to build their industry and to take charge of their different organizations.

In those circumstances because of our loss of citizens the rest of Canada should help bear the burden of education. Then there is another great reason. During the last war I was connected with the army for some time, and in calling up recruits we found a deplorable situation affecting thousands of our young men all across Canada. I was particularly familiar with the conditions in my own province. We saw these young men who had very little education, some of them with no education at all, and others with third or fourth-grade standing. These were splendid young men, physically, who wanted to join the army and bear their share of the burden. However in many cases they were turned down because they had no education. These men who wanted to be engineers or artillerymen had to be told that they could not be accepted because their education did not qualify them for those branches of the service.

Many of them were sent home. I am not advocating that we educate our people for the army, but I do mention this as an illustration to show the deplorable condition of general education throughout the country as reflected in the statistics compiled when the call-up was made.

It is not my intention to speak at greater length. I am in wholehearted support of the resolution, and I hope that for the interest of Canada and for the people as a whole, from one end of the country to the other, some means may be found whereby educational opportunities may be equal to all people from the Atlantic to the Pacific.

(Translation):

Mr. Pierre Gauthier (Portneuf): In rising to take part in this debate on education, I am not unaware that the matter is very controversial and that any words of mine, unless carefully weighed, may give rise to more or less unpalatable polemics. The house may rest at ease in that respect. It is not my intention to refer to musty records now consigned to oblivion. I will deal only with a few general considerations and will confine my remarks to the cultural aspect of the matter, in my province and throughout Canada.

I listened with great attention when the hon. member for Spadina (Mr. Croll) and the hon. member for Peel (Mr. Graydon) told us they had married schoolteachers. I was all the more interested in that my own wife, who holds a Bachelor of Arts degree, herself taught young children for quite some time. My mother was also a teacher and I remember how, during old-time Canadian winters, like this one, when a heavy blanket of snow covered the earth in immaculate whiteness and the cold was nipping, she would find pleasure in recalling, by the warmth of the hearth, her memories as a schoolteacher at the little school of the Champlain county area called Murphy's Mill, near St. Stanislas.

It was there I began to understand the teaching profession. I found out what it meant to be an educationist. Later, having become a doctor, I understood that to be a schoolteacher required a degree of unselfishness only exceeded by that required in the practice of medicine.

I often hear it said that it is more blessed to give than to receive. The motion under discussion deals with federal aid to provincial governments. I would be in favour of these grants, on one condition though, that the provinces themselves administer those funds to assist education. There is no need for me to elaborate.

I live in a province which holds its autonomy very dear. To my mind the provincial government which would receive these federal subsidies would be doubly happy to redistribute them to those who need them in the province of Quebec, that is to say to every type of school within our educational system.

I understand, as the hon. member for Royal (Mr. Brooks) said, that recruiting officers were often faced with young men who wished to join up but who could not do so for lack of education.

I believe that the Family Allowances Act passed by the federal government has somewhat made up for that lack of education because children are now compelled to attend school up to sixteen years of age in order to be entitled to family allowance. The government have thus killed two birds with one stone. By granting subsidies to the provinces, the federal government would set an example with regard to respect for autonomy and this would lead all provincial governments, even that of my province, to respect not only the autonomy of the central government but also that of the municipal councils and school boards. I do not say this for the sake of making unkind remarks but I have sometimes heard it said that the autonomy of municipal and school authorities was more or less respected. I feel that if the provincial authorities were given full and exclusive control of the funds granted by the federal government for educational purposes, it would be possible to respect the minorities as well in all provinces of the dominion as they are in the province of Quebec.

In *The Ensign* of May 20, 1950, Dr. Percival is quoted as saying that the development of Protestant schools in the province of Quebec is akin to a fairy tale. They have made enormous progress because the autonomy of the Protestant school system has been respected and encouraged by the various governments. Needless to say that we who believe, in spite of the diversity of creeds, systems, habits, and outlooks, in unity, trust that one day those provinces which will not respect minorities, especially as regards the educational system, will be looked upon as oddities.

We shall never deplore such a state of affairs in the province of Quebec, because the respect of minorities has always been sacred to the provincial government, either under the leadership of Mr. Taschereau, Mr. Godbout or Mr. Duplessis.

It has often been said, in the committee on radio of which I am a member, by people well conversant with educational and cultural matters, that our country has many gifted young people with a talent for music, piano, violin or singing. We should foster such talents by way of federal subsidies to the provinces.

Such grants to the various provinces would contribute to the development of artistic appreciation and would enable our local artists, in the field of vocal or instrumental music, to give a better account of themselves, because they could benefit from larger provincial grants. We could, as in other countries, organize a national opera company which would put our best artists in the limelight and set an example to other countries of the world.

Because of a lack of funds, support and encouragement on the part of the dominion or provincial governments, talented Canadians must often seek fame and recognition abroad, art values not being well enough understood in this country. Musical associations are not sufficiently subsidized. I repeat what I have already stated on many occasions, that these associations should be subsidized by the provincial governments or, indirectly, by the dominion government.

Last summer, groups of teachers and pupils from the province of Quebec, co-operating with similar groups in Ontario and the maritimes—there may be other provinces of which I am not aware—visited each other in order to foster the study of this country's two official languages. I congratulate them.

I see that the hon. member for Temiscouata (Mr. Pouliot) is in his seat. There is in his constituency a quaint little town called Trois Pistoles where, each year, many students gather from nearly all the provinces of Canada. They come there to study French. I am confident that when the hon. member rises to speak, he will deal with the matter, on which he is much better informed than I am.

In any event, that goes to prove that, when we believe in unity in spite of a diversity of languages, of beliefs, of abilities, we have reason to so believe because culture and good will are the foundation of mutual understanding. They are means that can always be used to make of our country a model of mutual understanding and prove to the rest of the world that in this Canada of ours, although it is governed by ten provincial governments and one federal government, we understand the importance of uniting in order that our fellow citizens may acquire a thorough bilingual education.

I have just been overseas. I saw there something which pleased me no less than it surprised me. In London, capital of the

British empire, I had a better opportunity of speaking French than I would have had in many Canadian cities, which I shall of course not name since you know them. From the station we went to a hotel where the head-waiter, seeing we were several French-Canadians, greeted us in our own tongue. This gentleman spoke five or six languages. I told him: "You speak French very well." To which he answered: "Of course, in my calling, one must know several languages and to learn them I had to live in the countries where they are spoken." We also noticed that part of the staff spoke and understood French. It was an agreeable surprise for us to hear French spoken by a dyed-in-the-wool Englishman. The following morning, we called a taxi to go sightseeing around London. That tour was too short and so was our stay, because there are many things to see in London. On hearing us speak French and realizing that we were Canadians, the taxi driver turned around and put in a few words in French, which he spoke rather well. We realized that although the man was neither a B.A. nor an LL.B. nor an M.D., still he spoke French fairly well.

Travelling in Canada, I have at times been unable to find someone who understood me when I spoke French. Once in a Montreal cafe, I had a hard time finding a French-speaking waitress. This shows that we are being taught a lesson in bilingualism, which is not always practised in this country. Travelling through Europe, by either bus or train, we find that in France notices are printed in three languages. In Spain—the Spain that was so much criticized—they are printed in French and in Spanish, while in Italy they are printed in two languages, French and Italian, sometimes even in German. They are always printed in at least two languages.

Thus, when I speak of bilingualism, I am not at all straying from the subject of education. It is our way of showing why every child should be taught in his own tongue. There is no doubt that we will achieve true unity by promoting education of our young people with due regard to creed or language.

That is the main point I wanted to bring before the house tonight, and I trust I have made myself clear. I hope I have not offended anyone. I merely stated my views. Through education we should try to achieve true national unity, and thus become the envy of all those who look at us.

(Text):

Mr. C. W. Hodgson (Victoria, Ont.): Mr. Speaker, having been interested in the question of education all my life I should like to say a few words on the motion before the house. There are three reasons why I am interested. First, I had a tough time getting an education myself. I had to get it the hard way. I had to work at times between school periods. I had to stay out of school some years to work. Second, I have six children of my own, and four of them are yet to be educated. Third, I sincerely believe that every child in the Dominion of Canada has a right to the opportunity of education irrespective of race, creed or colour, where they live, or what vocation in life their parents may follow. If we as parliamentarians fail in our duty to make education available to the children coming after us we are not doing our duty as members of parliament.

We all know that up to the present time education has been carried on in Canada by the provinces and municipalities. I happen to have a little experience along that line. I am chairman of the first township school area to come into being in Ontario at the time when the Hon. Howard Ferguson was minister of education. That move was a great boon to education in the rural sections of the province. I believe it is probably one of the reasons why the province of Ontario has the best educational system in the dominion.

An hon. Member: Except Alberta.

Mr. Hodgson: Ontario's educational system was first organized by Egerton Ryerson, one of the greatest educationists the Dominion of Canada has ever known. The next advance in the province of Ontario was made by the leader of the opposition (Mr. Drew) in 1947 when he was minister of education and premier of the province of Ontario. He put on the statute books of the province legislation which made it possible to have county high schools. I believe the first county in the province to put that system into effect was the county of Hastings, which is so ably represented by my colleague, the hon. member for Hastings-Peterborough (Mr. White). We were either the second or third county to follow suit.

In the township school areas we are able to have graded schools that we otherwise could not have. We are all familiar with little country schools with eight or nine pupils. Those pupils are now brought to larger graded schools in many places where they formerly did not have them. The same

thing applies to the county high schools. We have a better system and are giving the students who attend such schools a better chance for an education. The sparsely settled rural school sections in particular are greatly helped.

When this plan came into being provincial school grants jumped from one mill on the dollar to 50 per cent and as high as 85 per cent of the cost of education. A few schools in the poorer and more sparsely settled sections received up to 90 per cent of the total cost of education from the province of Ontario. The point I want to make is that within the last few years the cost of education has doubled. The cost of transportation has doubled. The cost of school teachers has doubled. All these extra costs have arisen through no fault of the municipalities or the provinces. They have no method of controlling inflation and the rising cost of living such as was exercised by the government in the last war. Therefore that is one definite reason why the government should do something about the cost of education at this time. The provinces have gone as far as they can go, and God knows anybody who lives in a rural municipality today knows that they have gone as far as they can go.

In my own municipality teachers are asking for an increase of $600 for the coming year before they will sign a contract. It means that very few, if any, of the taxpayers in that municipality can afford to pay the school taxes that will be levied next year. Another reason is that this is the third time this matter has been before the house, and I think it is high time that we did something about it.

Mr. G. F. Higgins (St. John's East): Mr. Speaker, I am not going to delay the house long on this matter. I believe the mover of the motion is very anxious to have a vote this evening, and I think he should be given that opportunity. This is the third time this resolution has been introduced by him, and I trust the third time will be lucky. Nobody from the province of Newfoundland has spoken on this subject yet, and that is the reason why I intervene for a few brief moments. Regardless of the party to which we belong—and I feel I am fairly safe in saying I speak for the rest of the Newfoundland members—I think we should support this resolution. At least I hope I am right in saying that about them.

The chief reason I am concerned is that when Newfoundland entered confederation one of the main arguments used was the equality of opportunity with all other Canadians that was going to be afforded to the people of Newfoundland. Included in that opportunity was equal opportunity for education. The educational system in Newfoundland is basically denominational and the churches support the schools. Without the support of the churches the schools would not be able to operate in the manner in which they do at the present time. The burden would be entirely too much for the provincial government to bear. This year Newfoundland has established its first full-time university. It is true it is only granting degrees in a very limited manner, but it is hoped that, possibly as the result of this resolution, we will be able to go further.

The chief way in which we would benefit would be in the salaries that could be paid to the teachers. At the present time they are not by any means receiving what they deserve. As a result they are not able to gain a living from the teaching profession and are leaving it in great numbers. There is great difficulty in securing teachers for the smaller schools in the outports.

I agree entirely with the resolution. I think the contribution to be made should be made in the same way that family allowance cheques are payable now. It should be made on a per capita pupil basis. I am thoroughly in accord with the motion.

Mr. D. S. Harkness (Calgary East): Mr. Speaker, last year a similar resolution was introduced, and at that time I spoke at considerable length, giving in detail the reasons why I supported it. I do not think any good purpose would be served if I were to repeat the arguments I advanced at that time, particularly in view of the lateness of the hour. I would like to say, however, that last year the resolution seemed to receive support from practically everyone who spoke, on all sides of the house. The same thing appears to be true today, so it would seem to me the time has now come to put an end to talk on the matter and let us have some action toward implementing it.

Mr. Jean François Pouliot (Temiscouata): Mr. Speaker, this academic debate reminds me of an example of Latin grammar, *cedant arma togae,* which means "Let arms yield to the gown"—I mean the gowns of the professors. Each year we have an interesting and academic debate on education. What is education? Everyone who speaks of it assumes that the people know what is meant by education. It could be considered from many aspects; perhaps as a kind of polish, a varnish of letters and sciences that gives one the privilege of believing himself superior to his neighbour because he knows more than the other does.

Naturally I bow to my hon. colleagues who have been teachers, school inspectors and even school board trustees, because they have been familiar with the problem of education at large and the bringing up of children in the schools. I profoundly admire the devotion of teachers of every category, who try to mould the minds of the young ones who attend their classes. They help in forming public opinion at the start when they teach these young boys and girls who are the main asset of this country. The Romans used to call the knowledge of letters *litterae humaniores,* the letters that are more human. That is a literal translation. The meaning of the expression is that the knowledge of letters makes a man more human or contributes towards making a man complete from the point of view of intelligence.

Do you remember, sir, learning at school about those who came with the first settlers of this country, to teach the gospel and the languages of Europe to the young people who attended their classes? Not long ago in Rome one of the ladies who came here at the beginning of the colony to educate the young people was beatified in the church of St. Peter for her devotion to youth. All those people who came to this country from the old land with the determination to raise the standard of understanding of the youth of that time, both the civilized and uncivilized youth, deserve to be remembered because they rendered an immense service to this country.

Education cannot be assessed in terms of money, though money is needed to follow certain courses that are very expensive. However, I would not want anyone to believe that if he has lots of money at his disposal he may become better educated than one who is not in such favoured circumstances. And by the way, sir, you know very well that the pillars of the universities and seats of learning are often men who have succeeded in life by their own means, who have been self-taught and who have given part of their incomes or of their fortunes to support institutions of learning. If the universities of Canada had not been able to rely upon the support they have received from provincial governments, where would they be today? I remember that in spite of the millions that have been given by the provincial government of Quebec to McGill university, Chancellor James complained that the government had not been generous enough. I found that ungrateful at the time.

What is the source of income of a university? It is not the meagre amounts contributed by the students. The professors could not live on that, and naturally they deserve to be well paid. Some of them are; some others are not. The greatest contribution toward the upkeep of our universities and seats of learning comes from the pocket-book of the Canadian taxpayer, large or small. It is easy to say the dominion government should be more generous in matters of education. It may be the duty of each of us as a private individual to discuss the matter of education, but as members of parliament it is not our business unless the British North America Act is changed. It is not within the province of the dominion parliament to deal with education.

The debate today, in common with debates in previous years, was premature. We do not know, and no one knows, what agreement will be reached between the dominion government and the provinces with regard to education.

Education may, at times, be a good thing. It is not always a good thing because of that old proverb, "Ignorance is bliss." I know of many men who would be much happier if they did not know how to read or write. I know many who do not know how to read or write, but who are well educated; who are perfect gentlemen with fine manners; who have a most interesting conversation. Why? Because they take the time to think. They express their own views. They try to share their thoughts with other people in an inimitable way.

Science has made great progress, but not always for the good of the world; far from it. Science has been dealing with great problems, problems that may bring about the complete destruction of mankind. I am not very strong for that science. In my humble view, sir, science should always serve mankind for the betterment of life, and not for the destruction of the peoples of the world.

But now, sir, when I speak of education, I mean total education; education of a child on his mother's knee; education of a child by his mother who teaches him the rudiments of his faith; who tells him how to speak clearly, distinctly and well the language of his fathers. Sometimes the mothers teach both languages to their children so as to equip them for the struggle that they will encounter when they grow older. Then, boys and girls go to the primary school. I am astonished at times at the columns of young children who walk long distances in blizzards and all sorts of bad weather to go each day to the little school where they will improve the education that they have received at home. Then, with that training, some boys and some girls can succeed in life and be good citizens. Some others continue their studies. Some make

sacrifices and earn their living while attending lectures. Some work in the daytime, so as to continue their studies at night. Is it not magnificent, the courage, the determination of youth to learn something so as to be better equipped for life? Naturally, the requirements of modern life make it necessary that universities be better equipped. It is necessary for universities to have all the new inventions in order to teach the young ones how to take advantage of the progress of science. All that is very good. It is expensive. As a Quebec taxpayer, I have to pay my share of that, as do all the members in their own province.

If a certain amount is given by the dominion government to the provinces, we will all pay for it but we will have no control. The control will remain within the provinces, and a gift for education without control to ensure the good use of it—what does it amount to? We, as members of parliament, are in duty bound to protect the taxpayers. In my humble view the resolution before us could be submitted to any one of the legislatures in Canada, but I do not see how it can come before the dominion parliament when, as aforesaid, and in virtue of the constitution, we have no jurisdiction over the matter.

Some people are insisting too much upon educational requirements. The member for Royal (Mr. Brooks) spoke about the soldiers and sailors who were not well enough educated to be accepted in any branch of the service. I wonder, sir, how many honorary degrees a British tommy or a French poilu should have? What is the requirement for the army? It is to be in good health and to be willing to fight, to know how to carry a gun and make good use of it. That is all. What is the necessity for a poilu or for a tommy knowing the infinitesimal calculus? It is ridiculous. But there are some people who say that we must have an army of brains, and that each soldier should be a B.A. because, as Napoleon I said, "In each soldier's bag there is a marshal's baton". It is ridiculous.

Another thing that is ridiculous is the number of Ph. D's., et cetera, that we have here in the service. It is incredible, but if anyone looks at the Canadian Almanac, Department of Agriculture, he will see that the head of the fertilizer branch is a B.A., et cetera, et cetera. A cowboy was needed on an experimental farm in the province of Quebec. A B.A. was required. I will add nothing to that. Everybody will understand.

It is not only that. In the Civil Service Act there is a provision to the effect that experts or men of unusual technical ability may be appointed without examination. What happens? Mr. So and So goes to the civil service commission. He is not Mr. So and So; he is Dr. So and So. We have a great many doctors, and I shall have something to say about that matter. Dr. So and So goes to the civil service commission and he tells the head examiner, "You need experts; you need technicians. I am an expert; I am a technician". They say, "What is your degree?" He says, "I am a doctor of laws; I received my degree from the university of Warsaw". They do not ask him to show his parchment with the golden seal on it. They take him at his word. Then they appoint the illustrious Dr. So and So, doctor of laws, science, arts, medicine, with the degree conferred by the university of Warsaw. He is an expert. That is what is done at the civil service commission. I do not exaggerate. Everybody knows that is true. Those lamp posts nearly always mention cities behind the iron curtain as the seats of learning at which they obtained their so-called degree. Not only that, but I knew a man who was secretary of the Canadian Bar Association and who was appointed doctor of laws honoris causa by the university of Manitoba; and in the official records he was mentioned as Dr. So and So, doctor of this and doctor of that—there was a list as long as my arm. There was another man right here in this room who was a doctor. People would say "How are you, doctor?" "Very well, thank you", said the doctor. It was always "doctor"; it was "doctor" in the *Votes and Proceedings*, in *Hansard* and all over. He was given the degree of doctor honoris causa by a university that did not give lectures in law. But he was an illustrious doctor, a well-educated man. This is the progress of education in Canada. We mistake the shadow for the reality. We are young; we are credulous; and we forget that what is most important for all men is to have qualities of the heart and of the mind that are much superior to wrong education, on many occasions.

When I think of the training of children, I cannot do otherwise than bow to the priests of the province of Quebec who earn a meagre salary, one which is less in money than anything that is paid to any university professor. Some of those men have gone to study at Louvain, Paris, and the various capitals of Europe, in order to give to the youth of our country a kind of education that is unparalleled. They do so at a great sacrifice. I remember my father's friend who was exceedingly good to me. I refer to the late lamented Archbishop Mathieu of Regina who

left the Quebec seminary and Laval university of which he was the rector, to be appointed archbishop of Regina. His salary was $120 a year. He performed his duties not to earn money but to help his country, just in the same way as did the pioneers of education when this country was in its cradle. These things cannot be forgotten. The sacrifices that have been made in the past, centuries ago, by men and women of courage, of education at its best, men and women with a big heart, are things that cannot be forgotten—a great many have followed in the tradition they established—and this is why. People come from all parts of Canada to the seats of learning in the province of Quebec in order to get the best education that is given in Canada.

Mr. Knowles: Question.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow is government day. We will take up the resolution in the name of the Prime Minister (Mr. St. Laurent) concerning emergency legislation, then the resolution which is the basis of a bill to constitute a department of defence production; then second reading of Bill No. 5, to amend the Canadian Wheat Board Act, 1935, and second reading of Bill No. 6, respecting the appointment of auditors for national railways. We could conclude the day by taking up the resolution concerning amendments to the Indian Act.

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

80709—32½

HOUSE OF COMMONS

Tuesday, February 20, 1951

The house met at three o'clock.

FISHERIES

NEWFOUNDLAND SHORE FISHING—PRICES SUPPORT, MARKETING AND DEVELOPMENT

Hon. R. W. Mayhew (Minister of Fisheries): Mr. Speaker, yesterday the hon. member for Burin-Burgeo (Mr. Carter) asked two questions on the orders of the day, and I agreed to try to answer them today on motions; with your permission I shall do so at this time.

The first question was:

Will the minister indicate what action, if any, has been taken by the federal authorities to implement this undertaking with the Newfoundland fishermen?

The hon. member was referring to an undertaking that had been made on October 27 last with respect to shore fishing. On October 27 last I made an announcement to the fishermen of Newfoundland regarding Labrador fish. At that time the merchants would not accept this type of fish from the fishermen, and the federal government, through the prices support board, gave a guarantee to the trade that would allow them to pay fishermen $7 per quintal on genuine Labrador fish. At the same time I announced that no immediate action was being taken on shore fish, but an assurance was given to the fishermen that we would review the shore fish situation as the marketing season advanced and as the results of the market operations became clearer. We have every intention of fulfilling this promise to make a comprehensive review of the prices paid to shore fishermen.

In reply to the hon. member for Burin-Burgeo, I am able to say that the prices support board has been making preparations to investigate the shore fish prices. Hon. members will understand that the final export price of this commodity cannot be truly determined until the end of the export season, which normally runs into June. Likewise, with the late fishing last fall the total volume of shore fish was not then known. Accordingly, as I indicated in October, we are preparing our investigation as the season advances.

For the first time in Newfoundland we hope to provide complete and accurate information with respect to prices received by the fishermen for the various grades and sizes of shore fish. We shall ask each fisherman to provide our board, on an appropriate form, with a statement of the prices received from his merchants for the various grades and sizes. Already we have taken steps to prepare the necessary forms, to enlist the services of the dominion bureau of statistics and the post office; and already one of our accountants is in Newfoundland helping to prepare for this comprehensive survey.

This morning I received a wire from the Hon. J. R. Smallwood, premier of Newfoundland, indicating that the provincial government intends to appoint a royal commission to examine fishermen's prices in that province. This is the first intimation I have had of any such intention. I did make a commitment to the fishermen of Newfoundland last October to review the shore fish situation, a fact that was known to all in Newfoundland concerned with fisheries, and we shall proceed to make good this particular investigation. The facts provided should go far to answer the questions raised by the hon. member for St. John's West (Mr. Browne) in the house on the 6th of February. It will be clear that I am in no way defending the prices paid by the merchants in Newfoundland to the fishermen for shore fish. Until the true facts are known, it is dangerous to draw conclusions from only a few cases, and our investigations are designed to produce these facts on a large scale.

The further question asked by the hon. member for Burin-Burgeo was:

Will the minister indicate what action the department has taken for the development of Newfoundland's fisheries?

Because so much of Newfoundland's trade is in salted fish, and because marketing problems proved difficult from 1949 onwards, it was necessary to provide some props to that trade while seeking other means to develop and modernize the fishing industry. A series of steps had to be taken to support the older salt fish branch of the Newfoundland fishery. Arrangements had to be made with the United Kingdom for the sale of Newfoundland salted cod to European markets with payments in sterling. No other Canadian industry, including the maritime salt fish trade, has such a privilege. In March, 1950, in order to relieve the surplus of Newfoundland salt fish, the federal government provided $600,000 to UNICEF as a grant. The entire order, some 38,000 quintals, was filled

from Newfoundland and ordinary Newfoundland markets were relieved to that extent. In June, 1950, because fish was being left in fishermen's hands, the prices support board purchased 11,387 quintals of salted cod from fishermen. Six hundred and sixty-one fishermen had fish left on their hands, and the prices support board paid them $85,243. In October, 1950, the federal government was again requested to assist the trade, and, as I mentioned earlier, the prices support board gave a guarantee on Labrador fish. The federal government's loss on this guarantee cannot yet be assessed.

While providing these aids to the salt fish trade, our department concerned itself with the more general problem of development, and a year ago I recommended to Premier Smallwood that together we establish a fisheries development committee for Newfoundland. This committee has recently been set up, and it begins its operations this week under the chairmanship of the Hon. Sir Albert J. Walsh, chief justice of Newfoundland. This committee is composed of representatives of federal and provincial governments with two representing the trade and two the fishermen. These representatives are Mr. Raymond Gushue, of St. John's, chairman of the Newfoundland fisheries board, representing the Department of Fisheries; Mr. Clive Planta, St. John's, provincial deputy minister of fisheries, representing the provincial government; Mr. H. A. Russell, St. John's, president of Northlantic Fisheries Limited; and Mr. H. A. Dawe, Port Union, president of the Fishermen's Union Trading Company Limited, representing the trade. Mr. George Groves, of Bonavista, and Captain Williams, of Grand Bank, represent the fishermen.

This committee will examine fisheries resources of the province, the economics of the existing methods of fishing and of processing, and will recommend a program capable of implementation by both federal and provincial governments and those engaged in the fishing industry. The recommendations will be based on the respective responsibilities of each party and will be carried through by each party taking an agreed share in the final program of development.

There is a great change going on in Newfoundland. There are new frozen fish plants in St. John's and elsewhere, and indeed the southwest coast is becoming dotted with them. In the salt fish business many plants have installed the mechanical driers, designed by our experimental station in Halifax, for heavy salted fish. There are thirteen of these now on the island. There remains the problem at the northeast and east coasts, the improvement and the greater standardization of the quality of light salted fish. We propose to instal in Newfoundland this summer a pilot plant for the artificial drying of light salted fish.

As these driers get into operation and as frozen fish plants extend, it becomes possible for the trade to buy raw fish from fishermen and then to produce a quality of product under control. Since the fisherman then does not need to make his own fish, he can spend more time fishing if means are resolved to help him equip himself better.

The federal department has given attention to this question also. Last summer we had two Cape Island type boats from southwest Nova Scotia demonstrate their operations in the Bonavista area, and the fishermen there have shown a great deal of interest in this particular technique. We shall continue this experiment this year out of Bonavista, putting the test boats on a purely commercial basis. The improvement of the boats and the gear of the inshore fishermen of Newfoundland is a major problem, and intimately tied in with the whole development program. We in the federal government do have a vote to help finance fishermen in the construction of draggers and longliners, and we are prepared to modify the present regulations to enable the help to go perhaps to boats of the 45-foot class and up.

We shall send to Newfoundland this summer three of our most experienced field technical men to advise industry on all matters relating to the production and preservation of fish. In addition, our top salt fish expert will be there to help answer the problems of drying light salted shore fish and to organize the pilot plant experiment mentioned above.

Since confederation the amount of money spent on fisheries administration in Newfoundland has doubled, and in addition the provincial government is doing its share. Our staff has increased from around 200 to 300 men to help in the administration, inspection and protection throughout the province. We have added several new vessels to the local patrol fleet, these being fitted with echo sounders to help locate herring and other species. We have made considerable improvement to bait depots, and have plans for installing one of the most up-to-date type. We are beginning a daily fishermen's broadcast, in collaboration with the Canadian Broadcasting Corporation, to give fishermen round the island information on market conditions, weather, to provide mercy calls and all other matters of information interesting to them.

We shall co-operate fully with the committee just set up to study and make recommendations for the future development of Newfoundland's fisheries, and our biologists, technicians and economists will be available as working parties. I mention all of these things to indicate the high priority we are ready to give to the people of Newfoundland. Of course there are other provinces also requiring attention, none of which can be neglected. Our resources are not unlimited, but we are ready to co-operate to the fullest to help Newfoundland maximize the great advantages it has in fisheries production.

Mr. Higgins: I was not quite clear whether the minister said that arrangements had been made for convertibility of sterling so far as salt fish is concerned. I should also like to ask him whether he was consulted by the premier of Newfoundland about the matter of the appointment of the royal commission.

Mr. Mayhew: The answer to the second question is no. As I intimated in my statement, we knew nothing about the appointment of this royal commission until we today received a wire from Premier Smallwood and saw also a clipping from a Newfoundland paper. If Mr. Smallwood goes ahead with his plan as suggested, it may do no more than delay our start. We cannot interfere with his plans; we will go ahead and make our survey just the same.

As to convertibility, that was arranged for the current sales.

Mr. Higgins: That is arranged now?

Mr. Mayhew: Yes.

Mr. Browne (St. John's West): I want to thank the minister for his most interesting statement, which contains a great deal of material our people will be glad to get. Did he say who was to be in charge of the investigation into the prices paid the fishermen, and did he say when that investigation will begin?

Mr. Mayhew: Our own fisheries prices support board will be in charge of the investigation.

Mr. Browne (St. John's West): And when will the investigation begin?

Mr. Mayhew: I said we were ready to start as soon as the returns were pretty well in, so far as fish are concerned. Some of the fish is still in the hands of fishermen, and almost two thirds is still in the hands of merchants. As soon as we can get a reasonably clear picture of the situation, we will start.

IMMIGRATION ACT

AMENDMENT TO PROVIDE RIGHT OF ASYLUM FOR POLITICAL REFUGEES

Mr. Bona Arsenault (Bonaventure) moved for leave to introduce Bill No. 23, to amend the Immigration Act.

Some hon. Members: Explain.

Mr. Arsenault: The purpose of this bill is to provide for the right of asylum recognized in international law for political refugees, who may apply to a judge of a superior court to have this right recognized and declared. According to the provisions of this bill, judges of superior courts may decide whether or not this right should be granted in particular cases.

Motion agreed to and bill read the first time.

NORTH ATLANTIC TREATY

CANADA'S CONTRIBUTION TO WESTERN EUROPEAN FORCE

On the orders of the day:

Mr. G. R. Pearkes (Nanaimo): May I ask the Minister of National Defence a question, arising out of the broadcast he made last evening on the program "Press Conference"? Did NATO decide upon or announce the strength of Canada's contribution to the western European force without first obtaining the consent of the government of Canada and a statement that Canada was willing and able to supply the force mentioned?

Hon. Brooke Claxton (Minister of National Defence): No, sir.

Mr. Pearkes: Then would the minister mind saying what was the mistake to which he referred in his broadcast last evening?

Mr. Claxton: I said that the agency of NATO, namely, the standing group, had independently arrived at the figure subsequently suggested to us.

Mr. Pearkes: But they did not announce it?

Mr. Claxton: No.

Mr. Harkness: If I may ask a supplementary question, would the minister mind telling the house what the figure was for which NATO asked?

Mr. Claxton: No, sir, I cannot.

EXTERNAL AFFAIRS

QUESTION AS TO EXPENDITURES UNDER COLOMBO PLAN

On the orders of the day:

Mr. G. F. Higgins (St. John's East): Mr. Speaker, I should like to ask the Secretary of State for External Affairs a question, of

which I have not given him notice. How are the proposed expenditures under the Colombo plan, which were recently announced, to be made?

Hon. L. B. Pearson (Secretary of State for External Affairs): I hope to be in a position to make a statement on this matter tomorrow.

DEFENCE PRODUCTION

DISTRIBUTION OF CONTRACTS—LISTS OF PROVINCIAL FACILITIES AND RESOURCES

On the orders of the day:

Mr. W. Ross Thatcher (Moose Jaw): Can the Minister of Trade and Commerce give any assurance that in future the prairies and the maritime provinces, and I refer particularly to Saskatchewan, will be given greater consideration in the allocation of defence contracts?

Right Hon. C. D. Howe (Minister of Trade and Commerce): That is rather like asking a man if he will stop beating his wife. We endeavour to distribute defence purchasing as equitably as possible as among all sources of defence materials. That has been and will continue to be our policy.

Mr. Thatcher: Does the minister know that Saskatchewan received only one-tenth of one per cent of the contracts let in the first nine months of last year?

Mr. Howe: Perhaps my hon. friend can tell me what proportion of the production of the factories of all Canada could come from the factories of Saskatchewan.

Mr. Thatcher: It would be a great deal more than that.

Mr. A. J. Brooks (Royal): I should like to ask the minister a question, based upon a report appearing in the press to the effect that the premier of Saskatchewan has forwarded to the minister a list of the facilities and resources in his province for the production of defence materials. Has any report been received by the minister from any of the governments of the maritime provinces, similar to the list received from the government of Saskatchewan, outlining the facilities and the resources within those provinces for the production of goods under defence preparedness contracts?

Mr. Howe: We have not received lists from the maritime provinces, for the very good reason that I think the people of the maritime provinces know that the department is well aware of their productive capacity and know that we are in the habit of making use of that capacity. I presume the reason the list was sent in from Saskatchewan is that it is a very large province with very few industries, and we might have overlooked one or two sources of supply in the vast open spaces of that province.

Mr. Brooks: Did not the minister suggest to the premier of Saskatchewan that he send in a list of the facilities in his province?

Mr. Howe: Yes, I did; for the reasons stated.

Mr. Cruickshank: Can the minister say whether any contracts for horse meat have been let in Saskatchewan?

BUSINESS OF THE HOUSE

ASKING OF QUESTIONS ON THE ORDERS OF THE DAY—READING OF SPEECHES

Mr. Speaker: At this time may I refer to two matters which I deem of considerable importance. The first is with regard to questions asked on calling the orders of the day. Until yesterday questions on the order paper were not answered, and accordingly I allowed members wide latitude in asking questions on the orders of the day. As hon. members know, there are two ways of asking questions. One, the normal procedure, is by putting the question on the order paper, the other is by asking a question before the orders of the day are proceeded with. In the latter case only questions should be asked which refer to matters of considerable urgency. A question which can be put on the order paper, to which an immediate reply is not required, should not be asked on the orders of the day.

The other matter to which I would refer is in connection with standing order No. 41, having to do with decorum in debate. I refer to Beauchesne, second edition, citation 293, which reads in part as follows:

> Besides the prohibitions contained in this standing order, it has been sanctioned by usage, both in England and in Canada, that a member, while speaking, must not:
>
> (o) read from a written, previously prepared speech.

During the debate on the throne speech I am sure that a considerable number of members read their speeches. Probably I should have interrupted them at the time, but I did not realize the speeches were being read until quite a number had been read. I did not think it was fair to the house, therefore, that I should interrupt when the debate was half way through. The rule is quite clear, and the practice in our house is quite clear. Speeches, except important declarations made by members of the government, by the leader of the opposition or the leaders of the other parties, or by some members speaking on their behalf, should not be read. If the

members of the house wish me to enforce that rule, I shall endeavour to do so.

Some hon. Members: Hear, hear.

EMERGENCY POWERS ACT

PROVISION FOR ORDERS AND REGULATIONS DEEMED ADVISABLE FOR NATIONAL DEFENCE AND SECURITY

Right Hon. L. S. St. Laurent (Prime Minister) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to empower the governor in council to do and authorize such acts and things, and make from time to time such orders and regulations, as he may by reason of the existing international emergency deem necessary or advisable for the security, defence, peace, order and welfare of Canada subject to the restrictions enumerated in the said measure.

He said: Mr. Speaker, the speech from the throne forecast the introduction of legislation vesting in the governor in council additional powers to ensure adequate defence preparations to meet the present emergency and to prevent economic dislocation resulting from defence preparations.

The question may be asked, what is the nature of the emergency we are facing? In the opinion of the government, it is as defined in the following language in the speech from the throne:

The increased menace in the Far East reinforces the mounting evidence that communist imperialism is determined to dominate the world by force or the fear of force, and that the only hope of maintaining peace with freedom lies in the rapid increase of the combined strength of the free nations.

I should judge that the leader of the opposition (Mr. Drew) would agree with the government's assessment of the gravity of the present emergency, because I feel that no other conclusion can be drawn from the words the hon. gentleman used in the debate on the address. Here is a part to which I might refer, as found at page 17 of *Hansard*:

We meet today at one of the most solemn hours in Canadian history. The immense gravity of the situation is not measured only by those military events which have impressed upon us the urgent need for building the ramparts of freedom with the utmost speed.

On page 19 he said:

The chilling truth is that never since our civilization emerged from the dark ages has that civilization—and even freedom itself—been so gravely threatened with extinction as it is at this very hour.

I believe that both the speech from the throne and the hon. member's speech on the address reflected the prevailing view of most people in Canada about the gravity of this situation. Only this morning the government received a delegation of representatives of the Trades and Labour Congress of Canada, the Canadian Congress of Labour, the Canadian and Catholic Federation of Labour, and the dominion joint legislative committee of the railway transportation brotherhoods, who asserted to us that they represented practically all of organized labour in Canada, and that their membership was something over one million persons. With their dependents they constitute, so they asserted—and I am quite prepared to believe it—more than one-third of the population of Canada. They expressed their view of the situation in forceful and, I think, justifiable terms. Paragraph 1 of their brief reads as follows:

The free world now faces the most ruthless and powerful aggressor in history. The best it can hope for is long years of heavy defence expenditures, a large proportion of its manpower and resources diverted from productive work to a great effort for sheer survival. In this effort Canada must play a major part. We have no choice. The enemy is no longer at a safe distance. He is on our northern doorstep. Our share of the free world's industrial potential is large and important, far larger and more important than at the outbreak of war in 1939. If we fail or falter, our allies may be critically weakened, and disaster may overwhelm us all.

That is the view of a large proportion of the Canadian people at this time. Since that is so, it might afford justification for bringing into effect the War Measures Act, on the ground that we are in a state of apprehended war. I believe the dictionary definition of "apprehended"—perceived or feared—would be met in this instance. There is no doubt that the possibility of war is perceived. There is no doubt that it is gravely feared. If that is so, why not use the War Measures Act?

One reason why we have not proclaimed the War Measures Act is that the government fears such a course might add to the feeling, already too prevalent here and in other countries, that war is inevitable. Since its passage in 1914 the War Measures Act has been used on two very critical occasions, but they were both occasions of actually existing war. It has seemed to us we should do everything possible to avoid any suggestion that we believe war is no longer likely to be prevented. I believe we must increase our efforts to prevent a world war. I repeat what I said the other day about my confidence in the willingness of the free people of the twelve nations, grouped together in the North Atlantic treaty, to build up their strength to a point where aggression will not appear to be likely to succeed. Moreover, the enactment of an emergency powers bill will not prevent the proclamation of the War Measures Act if the situation should become more critical than it is now. Of course it would not prevent the proclamation of the War Measures Act if we got into a state of actual conflict.

There are additional considerations which weighed on the government. The conditions being different from those which have at previous times led to the proclamation of the War Measures Act, the government feels it is preferable that there should be a departure from the normal constitutional distribution of powers, and that a decision as to the emergency should not be made merely on the judgment of the governor in council as to the present situation, but should rest with the people's representatives in this parliament. In view of the possibility that the state of emergency may be of an indeterminate length, the government considers that all the powers transferred by the War Measures Act to the governor in council need not be available immediately. These powers are far-reaching, and they include the capacity to affect not only the ordinary property and civil rights of Canadian citizens, but their personal rights as well. Hon. members know that under the terms of the War Measures Act a proclamation would give the governor in council power to do such things as he might by reason of the existing international emergency deem necessary or advisable for the security, defence, peace, order and welfare of Canada. The courts have had to deal with that language, and have decided that these general terms have their full meaning; that although there is, as an example, an enumeration of things that the governor in council may do, that enumeration is not restrictive; and that the only measure of what he may do is what he thinks is desirable, by reason of the existing emergency, for the security, defence, peace, order and welfare of Canada.

As this resolution indicates, it will provide for restrictions on this general power. While providing adequate powers to deal with the type of situation that may be expected to arise, the government has endeavoured to avoid taking powers of the grave character which no democratic government wishes to have, as a government, unless those powers are really necessary for the safety of the state. I have indicated that the emergency powers sought by this legislation will mean, as does the War Measures Act whenever it is in force, a potential departure from the normal distribution of powers under our federal constitution to the extent that that departure may be deemed necessary for the safety of the state.

There can be no doubt at this time as to the constitutionality of such an action. The courts have even decided that it is the governor in council, when he proclaims the War Measures Act, who is the judge of the emergency; and, when we had the transitional powers provided by legislation after the war, that it was parliament that was the judge as to whether there was an emergency that justified that temporary transfer of jurisdiction from provincial legislatures to the central authority. I reiterate that the constitutionality of the War Measures Act has been repeatedly upheld. The more limited grants of power have also been upheld, from time to time, under the National Emergency Transitional Powers Act of 1945 and the Continuation of Transitional Measures Act of 1947.

The leader of the opposition in his remarks on the defence bill during the last session, made reference to the constitutional consequences of such an emergency, and suggested that there should be a declaration of emergency before even the quite limited powers that we sought under the Essential Materials (Defence) Act were given to the government by legislation of this parliament. Under that act it was felt that the jurisdiction could be justified, without recourse to the emergency doctrine, as being something necessarily incidental to the exercise of jurisdiction for the proper defence of Canada. Hon. members know that section 91 of the British North America Act provides that parliament shall have exclusive jurisdiction with respect to the matters therein set out and enumerated, and that even if, in the exercise of their jurisdiction in that respect, their legislation clashes with something done by the provinces under the provisions of section 92, the federal legislation prevails. The courts have held that anything that is necessarily incidental to the exercise of the powers enumerated in section 91 may also be done and will prevail over provincial legislation.

It was our feeling at that time that it was necessary, for the proper organization of the defence of Canada, to acquire supplies from the production of commodities in this country, and that it was also incidental to the exercise of that power that shortages might be brought about and that allocations or other measures might be required to counteract the effect upon the economy of the creation by the defence requirements of those shortages. But the situation has not improved since that time; and many of us feel, as do these representatives of organized labour in Canada, that the best we can hope for is long years of heavy defence expenditures and the diversion of a large proportion of our manpower and resources from productive work to a great effort for sheer survival. That effort is having consequences on the economy of the country.

The purpose of the delegation which waited upon the government this morning was to

impress upon us the desirability, in the view of those who wrote or subscribed to the brief, of immediate controls being exercised. The initial statement was that all these members of organized labour and their dependents were united in the conviction that rent control must be maintained and that price control must be imposed. I think they went away satisfied that it was rather the wise course to allow the provinces to exercise the power of rent control and to hope that they would, in the exercise of their jurisdiction, maintain a system of rent control that would be sufficient.

As to price controls, they were insistent in their view that over-all price controls would be beneficial. They were reminded of the share they had had in bringing before the royal commission on prices in 1948 their experience and views, and they were reminded of the valuable study that was made in 1948 of the factors which tend to create what their brief called inflation. There is, of course, to a certain degree inflation; but it is not the kind of inflation that developed in other countries where currencies were reduced to one-tenth, and in some cases to one-thousandth, of their previous values. There has been a price spread which has made it impossible to secure for the dollar the same quantity of commodities or the same kind of commodities that it was possible to secure for that dollar before the last great war.

As to the manner in which governments should exercise powers to counteract or prevent increases in prices, there certainly is room for divergence of views, and there is divergence, of course; and, as everyone recognizes, there are many factors at the present time different from those which existed in 1941. But there is no doubt that inflation—if we choose to call it that—with further substantial increases in price levels, would be a serious danger to the economy of the country.

There are those who claim that the promotion of price increases by inflation in the free countries is one of the potent arms of our potential enemies in this present cold war. That is something to which all of us have to give very serious attention. In order to be in a position to adopt such measures as the situation may from time to time require, it has been felt that it would be preferable not to proclaim the War Measures Act, which would cover the whole field, but to ask parliament to confer upon the government powers additional to those enjoyed normally under the constitution, enabling the government to adopt from time to time such measures as we can confidently recommend to the people of Canada as something that will be beneficial to the preservation of our economy.

That has to be the criterion upon which this or any government acts. The fate of this government is not of great importance, but the fate of government in democratic countries is vital to the preservation of our system. Governments must be very careful about recommending measures to the public of which they are the governors unless they firmly believe that those measures are required in the national interest; otherwise they are not apt to have the support of the public in the administration of those measures, and they are apt to undermine the attachment of free citizens to the form of government which thus loses their confidence.

We are therefore asking parliament—or we will after this resolution passes—to declare by legislation that the present situation is such that the ordinary distribution of legislative powers between parliament and the legislatures can to a degree be modified, and that there can be things which require to be done by the central authority uniformly throughout the whole country which would normally be within the jurisdiction of the local legislatures. We are asking parliament to authorize by this legislation the doing of some of the things which were done during the last war under the War Measures Act.

It is my hope that not many of the powers sought by this legislation will have to be exercised. At the present time there is no power in the federal government to control prices, other than those which may be affected by the requirements of defence supplies, which threaten the remainder available to the public and which might force up those prices.

The very existence of the right to intervene and establish regulations sometimes is in itself sufficient as a warning to prevent abuses; and the existence of these stand-by powers may make it unnecessary to deal with abuses that might arise if they were not in existence. It is not possible for us at the present time to say which and when and how these powers to control the economy of the country will have to be exercised. But the legislation which will follow on this resolution, if it passes, will provide that whatever exercise is made will have to be immediately communicated to parliament in accordance with the Regulations Act and can be rescinded by resolution of parliament in the manner in which, in the United Kingdom during the last war, action was taken with respect to orders in council made under similar powers.

There is no desire to by-pass parliament; there is no desire to attempt to maintain anything that parliament would not think was in the interest of the country. We recognize

that parliament is a cross-section of the Canadian people; that anything that is attempted must have the approval, and the conscientious approval, of a large majority of the Canadian people; otherwise it will not work. Nothing that parliament found objectionable would be apt to work or to provide the benefits which those who promulgated it hoped would be derived from it.

If and when the resolution is adopted, the bill setting out the powers will be distributed. There will of course be ample opportunity—there is opportunity now—in view of the specific terms of the bill, to discuss it, to consider its sufficiency, whether or not it goes beyond what the situation requires at this time, whether or not the restrictions it contains are sufficient. The powers of parliament to review and deal with anything done under the bill are, in the opinion of hon. members, a sufficient guarantee that nothing will be foisted upon the Canadian people that is not acceptable to its elected representatives in this house.

I therefore submit the resolution, and I hope that hon. members will agree that something is required. The resolution merely makes way for the presentation of the specific terms of the bill, which I am sure will then be subject to careful and attentive scrutiny and possibly criticism by hon. members.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I am sure that there will be general agreement throughout the house with what has been said by the Prime Minister (Mr. St. Laurent) about the responsibility of parliament and the desirability of submitting to the elected representatives of the people any measure that is to have far-reaching effect upon the public life and economy of Canada.

The Prime Minister has referred to the emergency which has led to the motion now before us and which is the justification he presents for the introduction of the bill which will be before us with the adoption of this motion. He has indicated that the emergency is the increased menace in the Far East which demonstrates the full extent of the threat of communist imperialism. He has quoted from some words I used in the debate on the speech from the throne. I agree that those words were intended to convey my own belief that there is an emergency of the nature which he described.

I would point out, however, that this emergency is not new. I would point out that when another bill was introduced in this house last September we sought to emphasize that there was an emergency of this very nature. True, the seriousness of the emergency is being recognized more generally, but the emergency that exists today was the emergency which existed in just as definite reality last September. I should like to recall some words that I used at the time we were discussing another measure before the house which had as its purpose the enactment of extensive government powers to deal with situations which might arise out of the events then calling for the attention of members of this house. I should like to quote from page 521 of *Hansard* of September 9, 1950, where I am reported as follows:

> That is the issue; and we must gauge everything we do to the importance and to the scale of that issue. The issue is not the fight in Korea, but is one which stands before us, throughout the whole world. We have urged, and we urge again, that the government face that issue with a recognition of an emergency on a scale which has not been interpreted by the government. Having said that, let me add that no matter how much we recognize the emergency, and no matter how much we want it clearly defined, that should never be an excuse for supporting bills which disregard the basic principles of parliament, bills which disregard the responsibility of members, bills which in any way depart from the constitutional authority and responsibility of parliament.

Having said that on that occasion and at a time when we were seeking to point out the dangers of the indefinite and almost unlimited powers which were being sought at that time, I wish to indicate my own support for the proposition now placed before us that such emergency measures as are to be adopted shall be brought clearly before parliament and shall be the results of actual decisions of members of this house.

I am sure that this measure will be adopted without any opposition because it will be possible to discuss the bill itself only when we have it before us. However, there are certain points that have been raised by the Prime Minister which suggest the desirability of presenting certain views to this house as we proceed to deal with this legislation. The Prime Minister has said that in his opinion the emergency is of a nature which would justify the government from a constitutional point of view in invoking the provisions of the War Measures Act. He has said that he does not regard it as desirable that the War Measures Act should be invoked because it might convey the impression that war is inevitable.

Since the Prime Minister has referred to this may I point out that never at any time last September, before then or since then, have I suggested that we proceed under the wide powers of that act. When I referred last September to the existence of an emergency I was expressing my own opinion that if legislation is to be effective which bases

its validity upon the existence of an emergency so that it may give to the government of Canada powers ordinarily within the jurisdiction of the provinces, it is desirable to declare that there is in fact an emergency. I find that the suggestion has been made that on that occasion I was urging that the War Measures Act be invoked. I was not, and I am not now.

I very much prefer that there should be presented to this house legislation which will make it clear what powers are being assumed by the government. I shall go further and say that it is of the utmost importance that such powers as the government seeks and as this parliament is asked to approve should be defined with the utmost clarity so that the public is not left in doubt as to what those powers are. Also, the area of our economy within which legislation of this kind is to operate should be stated clearly so that those who are likely to be affected by legislation of this nature are not going to be in doubt as to whether they will be affected or not, and by that very fact possibly contribute substantially to the inflation which has disturbed this country so much today.

I most heartily endorse the suggestion by the Prime Minister (Mr. St. Laurent) that whatever we say and do here should seek to convey to the people of Canada the thought that a general war is not inevitable. I think that is of immense importance. The spirit in which our people accept whatever deprivations may be necessary as a result of the heavily increased burden of defence will be largely measured by the degree of hope they have in their minds that what is being done now may preserve that peace which every sensible person in the world desires so much today.

I think it is important that here in Canada and in the other free nations continuing emphasis should be placed upon the hope of peace because our people will then accept the burdens and responsibilities which are going to be imposed on them with the hope that by that effort peace may be preserved. Otherwise the things that we do will be carried on in a spirit of fatalism, and, in those homes where there has already so recently been tragedy, perhaps almost in an atmosphere of despair. It is a part of the struggle in which we are engaged to convince our people that there is still great hope of peace as long as the full energy of the free nations is put into this effort at the earliest possible moment and in the most effective way.

Certainly I agree, as I have already indicated, that there should be very clear and definite indications of the extent of the authority that the government will have, and also of the extent of the authority that the government will assume. I must take issue with the Prime Minister with respect to one point in his remarks. He indicated that powers would be sought which might constitute a warning, that they were to be standby powers. I think it is very much better that we know as far as possible exactly what powers are going to be invoked because we have already seen many of the results of the very dangers we suggested last September at the time that the Essential Materials (Defence) Act was before the house.

At that time different speakers, not confined alone to the party to which I belong, indicated that the very generality of the terms employed would in itself create an atmosphere of uncertainty that was likely to invite inflationary action without effective restraint being imposed upon the results of that uncertainty. It seemed to me that we were in little doubt as to the extent of the powers that were being sought last September because at that time the Minister of Trade and Commerce (Mr. Howe) indicated his own belief as to what would be done by the bill then being introduced. When it was brought in last September the Minister of Trade and Commerce said on September 8, 1950, as reported at page 446 of *Hansard*:

> There is, finally, the need to avoid runaway inflation, with its distortions of the wage and price structure and the unrest it brings in its wake. Common sense and self-discipline on the part of all Canadians can go far to avoid excesses which are completely unnecessary. As I explained earlier, we have never been more prosperous. We have never had a larger supply of goods and services and a greater capacity to produce more of these goods and services. Those who are hoarding, those who are raising prices in anticipation of a controlled economy, are doing a disservice to themselves and to the communities in which they live. In fact, by doing so they are directly contributing to a situation which may make it necessary to introduce controls that could otherwise be avoided.

I suggest that the very thing the Minister of Trade and Commerce referred to last September in the words I have quoted took place. He was referring to the fact that it had taken place in his remarks just over a week ago when he said that those who would be most affected by controls had made appropriate adjustments, and he added words which, as I indicated before, did not appear in *Hansard*—"they are all set." These things did occur, and yet in spite of the fact that an assurance had been given that the bill then before the house, if it became law, would be invoked to deal with that situation nothing has been done thereunder. Three orders have been made, and they all deal with certain aspects of the control of steel. On February

8 last, as reported at page 181 of *Hansard*, the Minister of Trade and Commerce said:

> Anticipating that defence preparations would in due course require control over certain critical materials, parliament at the last session passed the Essential Materials (Defence) Act.

Farther down the page he went on to say:

> I think it well to add a warning, however, that further orders may soon have to be issued to assure supplies of structural steel for essential construction projects.
>
> I give this warning so that those who contemplate construction projects which do not relate closely to our defence effort should not commit themselves to building operations unless they have the steel and other building materials, or know where they can be obtained. It would be unfortunate for those concerned, and a waste of valuable labour and materials, for projects to be started and then held up indefinitely for lack of some vital material.

In that statement I come back to this word "warning". I support the statement by the Prime Minister (Mr. St. Laurent) that parliament should have placed before it the details of any powers that are to be conferred upon the government; but I also think that to the utmost degree possible parliament, which is being asked to confer those powers, should know what powers are going to be exercised and what powers are not. I think the time has come to direct the affairs of this country by law, not by warnings. I think the uncertainties created by that method have been in themselves a substantial factor contributing to the inflation that has taken place in this country. That is what I was referring to in my remarks a few days ago. There is the reason I think I should at this time, when this motion is before us, emphasize my own conviction that we should seek in every way possible to retain the rule of law while we are in the fairly early stages of what may be a prolonged struggle, a struggle we all hope will continue to be peaceful, though engaging such a considerable part of our efforts.

For that reason I would refer to the tendency of this government to rely upon warnings. On February 16 the Minister of Justice (Mr. Garson) placed before this house an extraordinary proposition which is directly related to the approach to laws of this kind. At that time he indicated there was to be an appeal to the privy council from the decision of the Supreme Court of Canada in the case concerning the handling of certain grain in Manitoba, and I quote from pages 420 and 421 of *Hansard* for that date:

> Should this appeal not be successful, the government of Canada, being desirous of applying to the decontrol measures in oats and barley the same principles of preventing fortuitous profits as were applied to other commodities, gives notice that it will, in order to carry out the principle of preventing such fortuitous profits, introduce legislation in parliament confirming the settlements with all of the commercial traders in oats and barley, other than Mr. Nolan, and will, therefore, not recognize claims made on behalf of such commercial traders upon the wheat board or upon the government in derogation of the settlements already made.

May I anticipate any suggestion that I am raising any of the issues involved in this case. I am not. I am raising the legal principle and the parliamentary principle which has been put forward in this statement by the minister. What the Minister of Justice says in the statement I have just quoted is simply this: we are going to carry an appeal to the privy council from the decision of the Supreme Court of Canada in the Nolan case. If the privy council upsets the judgment of the Supreme Court of Canada, then all will be well. If it does not, then we will let Mr. Nolan collect his judgment, but we are not going to let anybody else collect, no matter what their legal rights may be.

I suggest, Mr. Speaker, that the sooner we deal with these parliamentary and legal principles without suggesting that we are talking about grain traders or farmers or anybody else, strictly on the basis of the parliamentary principle and the law involved, the more certain we are to retain those basic principles of democracy itself which never assume greater importance than at a time like this. I repeat that I am not concerned with the merits of the case. I am concerned with the extension of this principle of warning. In a statement with nearly all of which most of us would agree substantially, the Prime Minister nevertheless indicated that many of these powers would be used simply as a warning. The Minister of Trade and Commerce (Mr. Howe) wanted powers last September as a warning, and now the Minister of Justice is issuing another warning.

I want to point out that this would not be just a matter of denying the legal rights of those who might avail themselves of a judgment of this kind. It is a matter of public record that many others delivered their oats and barley under formal protest, for the purpose of retaining their legal position which might be determined by any other proceedings that would be instituted. So the effect of this would be of far-reaching consequence once it was established as a principle of this parliament or as a principle of law which we might follow.

To me there is one very ironic aspect to the matter. Many hon. members will remember that there was great haste in introducing in September, 1949, a bill which would terminate appeals to the privy council.

Mr. Deputy Speaker: Order. It seems to me the leader of the opposition is pretty far from the subject of the resolution.

Mr. Drew: I am proposing to suggest why the minister should reconsider the announcement he has made in this house, for two very important reasons: first, because of the impropriety of the principle enunciated; and second, because of the argument that was put forward at the time the bill was passed designed to terminate appeals to the privy council. At that time it was suggested that it might be desirable to withhold action in regard to a measure which obviously would be more effective when there was agreement with the provinces which would make it possible to deal with the whole question of appeals to the privy council completely and at one time. I for one made it clear then that I supported the intent, although I did suggest it should not be done in that way. I recall that at that time some question was raised as to our full recognition of the stature of the Supreme Court of Canada, and that any suggestion that we should go beyond the Supreme Court of Canada was almost an affront to Canadian lawyers. I find on page 197 of *Hansard* for September 23, 1949, the Prime Minister said:

> . . . I have as firm confidence in a judicial body set up and operated in Canada and composed of my fellow Canadian citizens as I would have in a similar body set up and operating in any other country in the world.

On page 199 the Prime Minister stated:

> We lawyers feel a special concern about the courts. It is my belief that we shall find we have added something of substantial value to the profession of law in leaving to Canadian lawyers, elevated in due course to the high office of His Majesty's judges of his Supreme Court of Canada, the responsibility for final decision on Canadian cases.

Although there is agreement between the dominion government and the provincial governments, endorsed by this parliament and by the provincial legislatures, those appeals to the privy council affecting questions of jurisdiction between the governments, which is the type of case that most often goes to the privy council, cannot be terminated. What better time to demonstrate this faith in the strength of the Supreme Court of Canada than at a time when the dominion government itself carried the case to the supreme court, and how better demonstrate their belief in the excellent judgment of that court than by accepting that judgment and acting accordingly? For those two reasons I suggest that, in consistency, the principle is unsound and should be withdrawn, because it is another of those warnings which has rather serious implications. I would suggest also if the government is going to ask us to accept their belief in this principle, that they take this occasion to demonstrate that conviction by their own actions.

Again, let me come to the question of controls as brought forward by this measure. Because of certain things which have been said in the press and elsewhere within the past few days, and because of certain things I have heard stated over the radio, I think it may be desirable to briefly review the position we took in regard to controls. This is the appropriate point to indicate our approach to this subject. I find there is a general suggestion amongst those who take a firm stand against controls of any kind, that by supporting the subamendment to the amendment that I moved we were climbing into the same bed with the C.C.F. party in regard to the idea of state planning, which certainly has been that party's view no matter how much it may be put forward at this particular time. In anything I say I have no thought of making remarks which suggest anything less than the highest purpose on the part of those of the C.C.F. party who presented their own views. But I want to point out that at that time I clearly stated we were voting upon our own amendment which had been subamended by a definition which, where we said that steps had not been taken to deal with inflation and the cost of living, added certain words which indicated that any steps to be taken include controls and subsidies.

I simply wish to recall, for the purpose of clarity in discussing this subject at this time, exactly what I did say. I recognize that it is not possible for the press to report more than a limited part of any speech, but I think that it might sometimes be desirable if those who make later comments concerning matters of this kind would take advantage of the opportunity afforded by *Hansard* to see exactly what views were expressed. I should like to recall that at page 291 of *Hansard* for February 12 I said this:

> On examining some of the statements that have been made in support of that subamendment, Mr. Speaker, it is clear that those who introduced it have more in mind than simply an explanation of the amendment itself and that there is a return to the doctrinaire belief in over-all controls as part of our general economy and not something simply to meet an emergency, and a very real one, such as that with which we are confronted today. This point of view is one which I certainly do not accept. I most certainly believe that part of the struggle in which we are engaged today is to keep within our economy the greatest measure of freedom which can possibly be preserved throughout these difficult years.

At a later stage, I said:

> I believe in a free economy; and I believe that one of the great issues before us in the years ahead will be whether we can preserve that free economy in the face of the threat with which this and every other free nation is now confronted.

I then went on to say that, in my opinion, inflation had reached in this country a point

where that very free economy was threatened, unless emergency measures were taken which would check the rising cost of living and the inflationary spiral. I must say that there are those who, in complete sincerity, suggest that there is some mystical power in complete freedom from any control. I find that there are many who insist that the greatest protection the public can have is that free play of prices within a free economy which will make it possible for prices to go down in competition, as well as for prices to go up. On the occasion to which I have already referred, I stated that I believed it was folly to talk of the free play of prices within a free economy once government spending and government direction was segregating a substantial part of the raw materials and supplies from ordinary free competition. I said that, in my opinion, it was essential that some steps be taken to protect the public against the effect of the pressures which must inevitably be exercised upon the remaining supplies within any of those fields.

May I point out that those who have been put forward as strong exponents of the system of free enterprise have expressed similar views. The only question that has been raised is when this should be done. Mr. Donald Gordon—who was the man mainly responsible for price controls during the last war—speaking in Montreal on February 6 last discussed this subject. I should like to quote short extracts from that speech in order to indicate his own views. One of them is as follows:

> Runaway inflation is so destructive that any method of stopping it, no matter how difficult and clumsy it may be, is surely the lesser evil.

Later in his speech he said:

> In particular, it is plain that there are very powerful inflationary forces at work in this country and whatever the future holds for us we must be careful to chart our course so as to avoid the dangers associated with runaway prices.

Shortly after that he said:

> If our unit of currency steadily loses its purchasing power, the burden will fall on the weaker and unorganized elements in our society, and on those who have been prudent and thrifty.

A little later in his speech he uses these significant words, "it may be later than we think." I am satisfied, Mr. Speaker, that it is much later than the government seems to think at this time. I am referring to those statements now in the hope that, in the introduction of this bill and the interpretation of the course which will be followed, which I think should be placed before us, we would have the government's course charted in relation to the real threat with which we are now confronted.

I also want to quote from another speech made by another economist because we are told so often that the economists believe that price controls would be detrimental to our whole economy. This speech was made by another brilliant economist who was associated with the wartime prices and trade board during the war; I refer to Mr. Walter L. Gordon of Toronto. In a speech delivered there on February 12 he made a number of statements which I should like to quote at some length. Referring to the speech from the throne presented to this house he said:

> In the speech from the throne the government made it clear that parliament will be asked for whatever emergency powers may be required to introduce controls over prices and wages if and when this becomes necessary and to continue controls over rentals. It would seem almost certain that these powers will be granted. Under these circumstances, I presume it will be desirable to continue the present controls over rentals which would otherwise expire on March 31.

Later in his speech he said:

> But this does not mean that in times of stress and turmoil, such as we had during the last war and may have again, some form of price and wage control may not be useful as a stabilizing influence. Even if such measures do no more than slow up the rate of increase, they may be well worth while. And they might very well even cut sharp rises in the prices of particular goods, services or commodities which otherwise might occur.
>
> In any event, no widespread system of price and wage controls should be ordered in Canada until at least a skeleton organization has been built up to administer them and until the basic policies and principles to be followed have been agreed upon by those in authority. Otherwise the controls will not work and their administrators will be discredited in the eyes of the public.

I seek to emphasize that statement, Mr. Speaker, because at the time we are going to consider this bill I would suggest that the government consider the wisdom of setting up at least a skeleton mechanism with which to deal with those measures of control that they propose to employ under the bill that we shall be called upon to consider.

At another point in his speech Mr. Gordon said:

> But the fact that there now are controls over prices and wages in the United States, even though they may not as yet be working effectively, will mean increasing demands for similar measures in Canada. I suggest that, regardless of how some people may feel about it, we might as well prepare for what appears to be inevitable.

Without intending to give offence, Mr. Speaker, I say that that is no argument put forward by any member of the C.C.F. party nor is it anything that we have put forward, even though the suggestion has been made that we have climbed into bed with them. It is put forward by a man who is recognized as a brilliant economist, whose main work is associated day by day with those who believe implicitly in what we describe as the free enterprise system and who, I might add, has assisted the government a great deal not only during the last war but since. In this case

they chose their assistant well. Later in his speech Mr. Gordon had this to say:

> If price controls become necessary, or if there is a universal public clamour for them, which quite properly amounts to about the same thing in a democracy, I would like to see most of the emphasis placed upon the bare essentials of living—food, basic items of clothing and shelter—even if this means subsidies.

Then later he said:

> If price controls are introduced, I would like to see them applied first of all at the producers' and manufacturers' levels. It will be argued that this would be bad psychologically because wholesale and retail prices would continue to rise for some time after price control was introduced. And the public, who are only interested in retail prices, would complain that the administrators were not on their jobs.

Then again a little later he said:

> I do not mean by this that under these conditions there should be no control whatever over retail prices. Obviously, in times of scarcity or of scarce buying, it would be foolish to control manufacturers' prices and to allow retailers to charge what they liked.

My last quotation from this speech is as follows:

> If any system of price and wage control is decided upon, even a more or less flexible system, subsidies will be required sooner or later if the system is to be made to work. Subsidies are costly, as we learned during the war. But this might be a relatively cheap price to pay if it gave all groups in the community, and particularly white collar workers and pensioners, the feeling that they were being fairly dealt with and that those in authority had their interests at heart.

Not to put it forward because they are exponents of the free enterprise system but simply to suggest to some of those who seem to regard the avoidance of controls as the only hall-mark of recognition of the free enterprise system, may I point out that in the United States—which has been regarded by most people in most parts of the world as the great home of free enterprise—the two men who are mainly responsible for price and other controls are two men who, I would imagine, would be generally regarded as the very top-level examples of success under the free enterprise system. I would point out that the two men who have been charged with responsibility, and have accepted it, for exercising controls in the United States are Charles E. Wilson and Eric Johnston. Both of them have wide and extensive experience and both have been lifelong exponents of the free enterprise system. I mention that fact because I am convinced that the free enterprise system is the one that we want to preserve.

I am convinced that freedom applies to enterprise as well as to speech, association, worship and other human activities. But I am convinced right now that at a time that the government, rightly or wrongly, has removed from the ordinary operation of the free play of a free economy a substantial part of the supplies needed by our people, the only way we are going to preserve our free enterprise is to take those emergency measures which may be necessary to prevent the public suffering from the extreme pressures which will develop in the area that remains.

Let there be no doubt about the fact that there are shortages which are creating those pressures. In yesterday's *Globe and Mail* I find this quotation in a report by a very reliable writer for that newspaper, and I should like to quote his words:

> In a limited field, however, notably textiles, the electronics field and the aircraft industry, where allocations are already the order of the day, the climbing prices of raw materials are making it increasingly difficult for the prospective contractor to quote the firm prices on which the government is insisting.

I suggest, Mr. Speaker, that unless some steps are taken to exercise a measure of effective control over those raw materials and supplies which are being forced up by government action, the government itself is going to have the utmost difficulty in making contracts, and the very course it is following is going to be the most inflationary thing of all when it tries to get firm contracts made.

If these people are unwilling to make firm contracts today, the only basis upon which they would make contracts at all would be on a basis which would include a price so far above the present price that they would be safeguarding themselves against changes that might occur. In other words, to use the expression of the Minister of Trade and Commerce (Mr. Howe), they will be sure that they are all set. After all, we must accept that as a reasonable precaution in a legitimate business transaction, as distinguished from any attempt to make exorbitant profits out of a situation of this kind.

I made the suggestion before that the government was primarily responsible for a substantial measure of this inflation. I know the Prime Minister (Mr. St. Laurent) does not agree with me, and that after all is a right shared by hon. members of the government side as well as hon. members on the opposition side. But I was basing that statement upon this fact: Last September when the very loosely worded bill was introduced, which is now known as the Essential Materials (Defence) Act, we sought to point out that any attempt to employ a loosely worded act of that kind as a warning, or as a threat, for the purpose of keeping down prices, and implying at the same time that controls were

likely, would only force up prices and create the very evils which it was suggested we should avoid. That has happened. And a very large part of the inflation here has been the result of that uncertainty.

Everyone in this House of Commons knows what the Minister of Trade and Commerce meant when he suggested that adjustments had been made, and indicated the difficulties that there would be in dealing with this subject now because the element of surprise had ended. He meant that those who would be mainly affected had stepped their prices up beyond the point necessary so that, to use his words, they are all set for whatever may happen. I suggest, Mr. Speaker, that this was the inevitable consequence of the course followed by the government. This was the inevitable result of the repeated suggestion that there might be controls, even, that there would be controls, and an attempt to carry on the necessary restraints simply by a threat that if prices went too high something would be done.

It seems to me that is the one way to make sure that prices will go higher than they should go so that if there are any controls there is still going to be a substantial measure of profit left. For these reasons I do suggest, Mr. Speaker, that the government has been largely responsible for inflation. It is no answer to say that there is inflation elsewhere. I admit that there are inflationary pressures throughout the world today that cannot be stemmed completely in any one country, but I am not prepared to accept the proposition that in this sovereign nation of ours it is sufficient for us to say that we are going to rely on Uncle Sam for whatever legislation is necessary to deal with a situation of this kind.

I suggest, as was suggested by Mr. Walter Gordon, that the very existence of these controls in the United States makes these controls inevitable here. If they are inevitable here, and if the public becomes convinced they are inevitable by reading statements of economists of the standing of Mr. Walter Gordon, then the sooner these controls are put in the better it is going to be for all Canadians.

We are sometimes given to believe that because we buy certain raw materials from the United States we cannot expect to control prices too much here. You would almost think that practically the whole cost of the product here was made up of the cost of the raw materials; but very often the total value of the raw material from the United States in the finished article produced here may be only 15 per cent, 20 per cent or 25 per cent at the outside. It is only upon that limited

percentage that the increases in the United States are operating, so that we have it within our power to do much to deal with our own economy as Canadians.

I can only repeat that in everything I have said I believe that we should advance carefully with recognition of the very point made by the Prime Minister, namely, that this may be a very long struggle, it may be one extending over years ahead, and that in the measures we adopt we should retain the greatest possible measure of freedom. Everything I have said has been said in a firm belief that free enterprise, just like other freedoms, is essential. But I also believe that, just as I do not agree with what may be described as a planned economy—it applies to controls in the making—the other doctrinaire point of view is equally dangerous. May I say that in the remarks that have been made in this debate no one has ever suggested an over-all rigid economy so far as I can recall.

There does seem to be some idea abroad that there is a peculiar sanctity about the right of certain businesses to carry on freely no matter what may happen. I am convinced that many of those people who assert that proposition sincerely believe that there should be freedom of that kind. Too often the name of free enterprise is repeated as though it contained some mysterious quality. There are unfortunately those who seek only freedom to gain advantage out of this desperate situation through which we are now passing. I believe in free enterprise, but I believe free enterprise will be preserved most effectively if the people of this country are convinced that no one has been able to take advantage of the desperate plight in which we find ourselves at this hour.

May I in this case borrow from the Minister of Trade and Commerce (Mr. Howe) and say that I should like to think that the public will best respect free enterprise if it is satisfied that no one is all set for whatever may happen. There can only be complete freedom of purchase when there is complete freedom of production. The moment you restrict a part of the economy you create pressures in the other with which I submit we must be prepared to deal. What is the use of talking about the free play of prices when we know perfectly well just how much free play of prices and competitive play of prices there is in regard to many important articles today.

I have placed these views before the house because I believe that we have had inflation, some of which doubtless was part of a general world-wide pressure but a substantial part of which I believe is the direct result of the government's failure to act under the

legislation it adopted last September with the declared purpose of dealing with these things. We have had inflation by procrastination. I suggest that as we proceed to deal with this bill the government make it clear that it intends to exercise the powers it seeks and tell us, as the representatives of the people of Canada, exactly what measures it is going to employ and what measures it is not. Let us pass from those loose warnings to the rule of law, to the constituted administrative responsibility under the authority given by parliament.

Mr. Howe: The big stick.

Mr. Drew: I realize that the Minister of Trade and Commerce does not believe in any rule of law. Nevertheless I have been reassured, as I am satisfied a great many hon. members of this house have been, this afternoon by the statement by the Prime Minister which carries us far beyond last September to the point where he asserts in the clearest terms that the members of this house should know what powers are being conferred and what powers can be exercised by the government.

I urge the government when it brings in this bill to state that the time is now, that it is going to act, and that by positive action we will restore confidence in our economy, confidence in the Canadian dollar and make it possible once again for the business people of this country to make firm quotations so that the government may be able to make satisfactory contracts for the production of those things which are so necessary for the defence of freedom.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, apparently there is on this side of the house a warm welcome for the measure which is foreshadowed in the speech of the Prime Minister (Mr. St. Laurent). However, I am sure that many were rather disturbed when he said that he hoped it might not have to be used. Looking back over the last few years we have seen year by year since controls and subsidies were removed an ever-rising cost in the living of the people of Canada. We are now faced with a situation in which the government itself is going to spend enormous sums of money which will put in short supply some materials needed for consumer goods. With the government in competition with the individual consumers prices undoubtedly will be forced still higher unless effective steps are taken to prevent it.

I think the government is wise in not relying on the War Measures Act. I agree with what the Prime Minister said in that regard, and also with what the leader of the opposition (Mr. Drew) said. It is much preferable that at this time the government should introduce a bill which we can discuss and which will give them the specific powers that they require to deal with the situation as it now exists or as they apprehend it may exist.

Like the Prime Minister I hope that we are not embarking upon a course which will lead to a third world war. I hope that sanity will prevail among all nations. I hope that the Soviet union and its satellites will realize that if they bring our civilization down about our ears, theirs will crumble with it. Since they are less able to produce the supplies that go into modern war, their defeat is inevitable. I hope that that will prevent the onset of a new world war.

The Prime Minister remarked that certain labour organizations representing some one million workers had presented a brief to the government this morning. I was not aware of that until I heard the Prime Minister refer to it, when I immediately sent out to secure a copy. From what the Prime Minister said I was not aware that the brief was based entirely on the question we are now discussing, that of controls. Having had it in my hands for just a little while I have been unable to make an analysis, but I do notice that it warmly supports the point of view that we put forward in the house a week ago when we were discussing controls, and also some expressions of opinion that the leader of the opposition made this afternoon regarding the present economic situation.

May I say to the leader of the opposition while I think of it that we are not discussing this matter at the moment from any theoretical point of view. It is true we believe that there must be a larger measure of planning in the interests of society than we have had in the past. I noted with a great deal of interest this afternoon that the leader of the opposition admitted that the kind of economy in which we are living, the so-called free enterprise system to which many persons give allegiance, sometimes results in a certain measure of licence to those powerful organizations that we refer to as being monopolistic in character.

I am not this afternoon, nor have I in the last several years, as the records of *Hansard* will show, basing the contention that we should continue beneficial controls and subsidies on any theoretical or doctrinaire basis. Experience in the past few years surely has brought home to us the need for the protection of society against undue profiteering and undue pushing up of prices such as we have seen during the past few years and which

again, as was suggested this afternoon, has been so apparent in the past few months since the government stated in the last session of parliament that powers were being taken so that perchance some control could be exercised.

It has been said on a number of occasions this afternoon that in anticipation thereof certain interests have taken care to see that they are all set for what may happen from now on. Inflation we have. There is no doubt of that at all. We only have to look at the record of rising prices over the last few years. It is not only affecting organized labour but also the white-collar man, or unorganized workers in industry, the pensioner and the person living on a fixed income from savings, but is also very adversely affecting the farming community.

Bureau of statistics figures show that on August 1, 1950, living costs of the average farm family had risen by 43·3 per cent over the 1946 figure as of April 1. I am using a percentage figure. If I used the index figure it would seem still larger. At the same time the cost of living index in urban centres had increased by 42·8 per cent over and above April 1, 1946. In other words, there was a slightly higher increase in the cost of things that enter into the living of farm families than there was in those things that enter into the living of urban families.

This afternoon the leader of the opposition (Mr. Drew) pointed out the fallacy of relying on the United States to prevent further inflation in this country. I think this is a very interesting point. About three or four weeks ago I telephoned the bureau of statistics and asked if they could give me comparable wage rates for the same group of basic industries in Canada and in the United States. I shall quote from memory but my memory is good and I think I can quote accurately within a few cents. The average rate given to me for Canada was $45 and a few odd cents a week, and for the United States was $59. If that is true then why is it that the costs of commodities into which labour enters in this country are so much higher than the costs of the same classes of commodities in the United States? I think that is a question that should be answered.

Moreover, in the answering of that question one would find refutation of the very basis used by the Prime Minister (Mr. St. Laurent) on previous occasions, namely, relying too completely on the United States. I now have before me a later figure for Canada than the one I obtained a few weeks ago from the bureau of statistics. The average wage in Canada is $46.59. Again on the basis of the figures from the bureau of statistics, while we hear a good deal about increased wages in Canada, in terms of the purchasing power of the Canadian dollar the $46.59 last month was only equivalent to what $32.89 would buy in 1946. Therefore the real increase in these wages amounted, in so far as purchasing power is concerned, to some 33 cents a week.

Because I think it could not be said better than it was said by the former prime minister, Mr. Mackenzie King, in a radio address which he delivered in 1941, I should like to draw the attention of the house to what he had to say. His speech was published in the *Labour Gazette* (1941, pages 1362-3) and I shall read therefrom. He said:

> Rising prices unless controlled will make it more costly and therefore more difficult to finance the war.

How strikingly that was confirmed by the Right Hon. J. L. Ilsley when he was minister of justice. He stated to the house, as I quoted him the other day, that by an investment of $200 million the government, by means of controls and subsidies, had been able to save the people of this country, either through their government or individually, $2,500 million. In other words, for every dollar expended on controls during the war $12.50 was returned either to the government through reduced expenditures on armaments and supplies or to consumers individually in the things that they purchased. Mr. Mackenzie King pointed out that unless inflation was controlled it would be more costly and therefore more difficult to finance the war. It may be said that we are not at war now. No, we are not at war in the sense that we were in 1941, and I hope we shall not be, but at least we are making preparations equivalent in some respects, though not in amount, to what we would be doing if we actually were at war, and they are made necessary because of the uncertainty in which we live and the possibilities of war. Mr. King went on to say:

> Rising prices, unchecked, will spread confusion and uncertainty in industry and trade. They will hinder production and the proper distribution of supplies. They will make the cost of living rise more rapidly than wages and salaries. The value of savings will be materially lessened. The result would be hardship to nearly everyone, and hardship in very unequal measure.

I want to say that there is hardship today, hardship that is being felt in a very unequal measure as returns from certain industries to their shareholders will show, and as by contrast the high prices faced by old age pensioners, veterans and others will show. Mr. King continued:

> Rising prices—a rising cost of living—do not have the same effect on all households. The smaller the family income and the larger the family, the more serious the hardship imposed. For those with small incomes rising prices of clothing, food and other

necessaries may mean serious hardship, while for those with larger incomes only luxuries and some comforts may have to be given up.

He went on:

Rising prices thus serve to aggravate the inequalities in society, and to throw the heaviest burdens on those least able to bear them. Wartime experience has shown—

I would like to emphasize this:

—that prices rise faster than wages or salaries, and bear more heavily still on those who live on small pensions or life savings. Nor is the position of the farmer any happier than that of the wage earner. . . . Because of the heavy demands of war on industry, the scarcity of manufactured goods is likely to be greater than the scarcity of farm products. The rise in prices will consequently be unequal, if prices are left to themselves. The things farmers have to buy tend to go up in price, more than the things they have to sell.

As a matter of fact we have seen some farm prices falling while the prices of farm machinery and equipment and farm living costs have been rising steeply.

The truth is that all but an insignificant minority of the population would be worse off as a result of rising prices, if prices were permitted to rise unchecked, and in general, the relatively poor would suffer more than the relatively well-to-do.

If ever words were apropos these are at this time and in this debate. They state precisely what we of this party have been saying for some time, and I think they tell the government what they should be doing now. As I say, no doubt the government will reply that when Mr. King made that statement in 1941 we had been at war for two years. As I have said already, while we are not engaged in war in the sense that we were at war then, we are engaged in a desperate struggle with an adversary who in many respects may prove to be more powerful than the nazi dictator with whom we were struggling in 1941. As I quoted Beverley Baxter the other day as having written, the Politburo in Moscow will watch this inflation, knowing that if the cost of living rises and the peoples of the democratic countries have their standards of living reduced, and inequality and unfairness develop, there will be the seed bed for communist propaganda, and no doubt in some instances for communist revolution. The Prime Minister (Mr. St. Laurent) said that this afternoon, though not in so many words. Should war come I think the emergency we will face will be the most costly in the history of the world, and certainly we should not allow ourselves to be further burdened with high prices for the things we need in order to fight a war.

I suppose some people will raise the argument that if we have price control, then of course we must have wage control as well. I know I have been quoted in the press over and over again as having said I was opposed to wage control. I do not think anyone has heard me say that. What I have said is that I am opposed to the freezing of wages. I have said also that if the proper method is adopted of calling in the representatives of organized labour, as they appeared before the government this morning, and representatives of other interested groups in the community, I believe wage stabilization can be arrived at. Today, however, we have a large measure of wage control. Look at the railway agreement made last autumn. That will run for two years. There we have wage stabilization for two years, while if the government does not take action prices will rise sharply. Indeed, during the fourteen months or so in which that agreement was under negotiation there were steep increases, which were referred to in the report of Mr. Justice Kellock. Believing as he did that in a sense parliament had put a ceiling on the increase that could be granted, the maximum which parliament had suggested was agreed upon; yet it was admitted that price levels had changed and that the increase granted might not be enough to make up for the increased prices.

Those of us who were in the house at the time will remember that wages were frozen early in the last war. My hon. friend from Cape Breton South (Mr. Gillis) may have a word to say about this when he speaks, but it will be remembered that one group of steel workers in the city of Montreal had their wages frozen at an admittedly substandard level, and it took a considerable time to bring them up to something a little more reasonable. Farmers have their wheat prices stabilized and controlled in large measure by an international wheat agreement. Through their agreements workers have their wages controlled for six months, a year, or two years in advance. But the manufacturers, the wholesalers and retailers are under no control. They do not have to negotiate any prices. The farmer, through his farm organization, makes his representations to the government in regard to some of the commodities that have been or are controlled. The worker has to go through the process of a vote and conciliation before he can get an increase. But overnight, without reference to anyone, the manufacturer can get all set for whatever may happen in the way of price increases.

Consequently I say the legislation should not be brought down as a warning, and should not be brought down as stand-by legislation. It should be brought down to be used. Unfortunately, of course, we have let time go by and now an attempt must be made not only to put a ceiling on prices but, as far as we are able, to roll back prices. That may mean, as Mr. Walter Gordon said, that we may have to use subsidies; and I agree with the leader of the opposition in describing Mr.

Gordon as one of the outstanding economists of this country. We used subsidies very effectively during the last war, but bit by bit we discontinued them. We discontinued the subsidies that were beneficial to the farmer and the consumer, but we actually gave more subsidies to some other interests in this country. In 1945 we gave a subsidy on butterfat to keep down the cost of butter, and so on, to the extent of $24 million. In 1949 that subsidy was gone; prices were rising. As a matter of fact in this city today you have the spectacle of milkmen delivering skim milk at the doors of the consumers at a cost of fifteen cents a quart. There is no one to say they should be charging that amount for milk after the butterfat and cream have been taken out of it, leaving only the curds and the whey.

Mr. Howe: What about the Ontario milk board?

Mr. Coldwell: The Ontario milk board I understand does not set the price of skim milk.

Mr. Howe: I rather think it does.

Mr. Coldwell: It sets the price of fluid whole milk, 3·4 or whatever it is, but not for the skimmed milk.

Mr. Knowles: It is probably set by the waterworks department.

Mr. Coldwell: We gave a subsidy on the fluid milk produced of $13 million. We give none today. May I say that was one of the most beneficial subsidies this country ever gave. After parliament had asked the government in August 1946 to continue granting that subsidy, six weeks later by order in council they discontinued it. Then we saw the consumption of fluid milk fall because the price went up and has continued to go up ever since. The consumption of fluid milk, in spite of all the advertising and the educational work done in our schools by the various health departments, has gone down.

We gave a subsidy on hog production which amounted to $11 million. We gave $4 million last year. We had a subsidy on raw cotton and linters which amounted to $13 million to keep down the cost of clothes. I do not see how the father of a small family who is earning from $100 to $150 per month can pay the rents which are requested in this city, buy the food and necessary clothing, leaving out of consideration the larger families which sometimes are to be found in that low income group.

Of course, we had a feed grain freight subsidy which amounted to $17 million, and we have that to some extent, $14 million. The Maritime Freight Rates Act accounted for

$4 million then, and $11 million now. We had no gold subsidy during the war, but we gave a subsidy of $13 million for fluid milk. During 1949 we had no subsidy on fluid milk, but we had a subsidy on gold which amounted to $14 million that year. So, some of the subsidies that we had were wiped out, and the one we did not have is today larger than the subsidy that we gave to milk. It may be of course that the subsidy on gold, because of the manner in which we have been able to use it in the United States, is justified. The point I am making is that we cut out another subsidy which I think was justified to a far greater extent because it affected more people in this country and particularly the children. I refer to the subsidy on fluid milk.

As the prime minister of the day pointed out in 1941, price controls were essential to enable us to do the kind of job we had to do in producing the equipment for war, and in maintaining decent standards of living for peace. But while standards of living have been going down and the costs have been going up, profits have been, and are, at an all-time high. I have not been able to secure all the corporation figures for 1950, but a sampling of those figures indicates that corporate profits in this country for 1950 will be substantially higher than they were in 1949 when, after taxes were paid, they amounted to $1,241 million. We have seen a demonstration of the inequality about which Mr. King spoke several years ago. There is inequality in that the standards of living for the masses of the people are going down, and profits are going up. We have done nothing to prevent that tremendous accretion of money which has gone to some people in our country on account of the speculation that has occurred in our economy over the last several years. Indeed, to some degree, that speculation has been responsible for some of this inflation. As I said the other afternoon I would very much like to see the government siphon off the results of this speculation by means of a substantial capital gains tax.

This afternoon I was disappointed when I heard the Prime Minister (Mr. St. Laurent) refer in the manner in which he did to rent controls. As I say, I have just received this brief and I have had no opportunity of talking to anyone who presented it to the government either before or after it was presented. But I must say that I am surprised at hearing that the delegation which met the government this morning seemed to be in agreement that rent controls might be undertaken by the provinces. It may be that under our constitution—I think it is so—property and rents come under provincial jurisdiction. To my

mind we should provide in the new legislation for a uniform system of rent control from one end of this country to the other. If we do not, what shall we find? We shall find comparisons made by the people in one province as to what has been done in another province. We shall have criticisms by one province of another province. In the matter of these controls, I believe it would be preferable to have them on a uniform basis. Again may I say that when rent control is put into effect, as I believe it should be under federal jurisdiction, it should not be done in the rough and ready way it was done during the war and during the subsequent partial removals. I think that opportunity should be given for revisions on the part both of the tenant and of the landlord, so that justice can be done to both parties to an agreement.

If, under the conditions that prevail, we embark on a measure of control I agree with the leader of the opposition that the more specifically it can be outlined in the legislation which is to be brought before us the better it will be for this house and the country. I have in my hand a copy of the brief to which I referred. I notice that the groups represented include the Trades and Labour Congress of Canada, the Canadian Congress of Labour, the Canadian and Catholic Confederation of Labour, the dominion joint legislative committee of the railway transportation brotherhoods. As the Prime Minister pointed out, they represent a large group in Canada. They ask for these four things. They put it this way, and I had better read what they said at page 11 of their brief. Paragraph 25 reads as follows:

25. The labour movement therefore wants four things: (a) Adequate rent control.

They are not requesting that of the provinces but of the federal authority. The paragraph continues:

If rents are allowed to continue to go the way other prices have gone, the already heavy burden of the increased cost of living will become, for hundreds of thousands of families, almost unbearable. They will be able to provide themselves with shelter only at the cost of severe cuts in other parts of their living standards, including food.

(b) Freezing of prices.

(c) A public board to pass on all applications for price and rent increases.

(d) Labour representation on that board. The absence of such representation on the wartime prices and trade board was a serious error, which should not be repeated.

Those are the four main points made. I should like to see an extension of some of them. For example, in (d), I should like to see labour, farm and consumer representation on those boards so that these groups could understand the viewpoints of one another. In that way we might get more understanding and more unity in the country. These measures are difficult perhaps to work out and to put into effect but I think that the government, under pressure from this parliament and indeed under the pressure of public opinion in this country, must put into effect measures of price control involving the payment of subsidies, in an attempt not only to stabilize but to roll back prices. If you stabilize prices and if you have groups which can discuss the wage levels of the various groups of workers in the country, I am certain that you can come to an agreement. My hon. friend who sits behind me and who has a copy of this brief—as I said, I have not had time to read it—points out that in paragraph 23 of their brief they refer to what I am saying just now. I will read it to the house and in doing so may I say that I shall read it for the first time; I have not read it before. It reads as follows:

The labour movement recognizes that wages could go up fast enough and far enough to break a price ceiling, though it sees no immediate danger of anything of the sort. It believes that the proper way to deal with this question is a government-labour-management conference to work out methods of wage stabilization.

That is what I have been saying for the last year or two, but always having been quoted by the press as being opposed to wage controls. The brief continues:

This offers a prospect of a wage policy which will do two things, both essential: (a) preserve the spirit, the principle, of collective bargaining, and (b) bring the experience of labour and management into the defence effort. If our government institutes a general policy of price and production controls, labour is ready to take part in a joint government-labour-management conference to consider wage stabilization.

There we find an explicit statement of the acceptance by labour of the very policy that we have been urging in this house and indeed across the country. We must of course have wage stabilization if we are going to have effective price controls. No one could believe otherwise. But on the other hand I am not in favour—nor are they, nor I believe is anyone with a semblance of justice in his make-up—of the freezing of wages suddenly so that some wages will be frozen at substandard levels, as they would be. I therefore believe that there is substantial unanimity in this country behind the demand we are making for the institution of price controls immediately and the payment of subsidies so that the producers of primary and agricultural products would not be penalized and so that this great burden upon our people would be eased.

In conclusion, I want to emphasize what I firmly believe, and I have said it so often in this house that I hesitate to repeat it. I believe that the best propaganda for the Labour-Progressive party or the communist party is

the propaganda that will be accepted where people are suffering under depressed conditions. Whether it is here, in Europe, Africa, or in Asia, poverty, misery and want provide the seed bed for communist propaganda. I want to see neither a resurgence—which is quite possible—of what we destroyed during the war, namely fascism and nazism, nor a growth of a totalitarian form of communism—I believe that both are opposite sides of the same coin—threatening the world as they do with recurrent disaster.

Mr. Solon E. Low (Peace River): Mr. Speaker, I am sure that the members of the house were definitely reassured this afternoon when the Prime Minister (Mr. St. Laurent) gave his statement when moving this resolution. I certainly felt reassured by his very sincerity. I want to congratulate the Prime Minister upon conveying to the house a clear-cut definition of what the government proposes to do. I also want to congratulate him on observing meticulously the true democratic process. I think it must be refreshing to everybody to know that our Prime Minister will not try to hide things under a heavy cloak of language but will come straightforwardly to the point and say: We are going to ask parliament to give us additional powers; and those powers will be voted by parliament and none other.

This afternoon I found myself in fairly complete agreement with the leader of the opposition (Mr. Drew). I found that we were standing in a different position from that in which we stood on Friday last. I find that I am ready to defend the Mr. Drew of today against the Mr. Drew of last Friday. He gave an excellent address as did the hon. member for Rosetown-Biggar (Mr. Coldwell). Because they said many of the things that I perhaps would have said, and certainly many with which I agree, I am not going to try to give a long speech this afternoon nor am I going to attempt to cover the ground they have covered. I think it is important, however—and I believe the Prime Minister would want it—to place definitely before the house the position we take with respect to the measure which is to be introduced as a result of this resolution. We agree, Mr. Speaker, that we are living in a time of danger and emergency. The emergency is real to us. Our words up to this time in the session have indicated that we feel that is the situation. Furthermore, we are of the opinion that the present emergency is most certainly of indeterminate duration. I do not believe any of us can see the end of it. It may last for much longer than any of us have any reason to suspect.

We agree too, Mr. Speaker, that it is wise not to invoke the War Measures Act now. We think that this is a far better way of dealing with a situation that is not clearly a war situation. The Prime Minister (Mr. St. Laurent) was very wise in pointing out to the house this afternoon that until we are facing actual war conditions it is better not to bring in the War Measures Act, but to ask for a transfer of certain powers to the central government in order that they can meet the situation as it now exists. But he did promise that if at any time we do face actual war conditions he will bring in and proclaim the War Measures Act.

There is one thing I should like to say at this point, Mr. Speaker, by way of warning. The government must be careful not to impose any measure upon the country unless it is certainly in the best interests of the country as a whole. The Prime Minister gave us assurance that that would be true; but let us not ask now for any more powers than we intend to use, and when we do get those powers into the hands of the government let us immediately put them to use.

Like the two speakers who preceded me, I do not like to see a lot of stand-by powers that may be used as a salutary warning to the country. In my contribution to the speech from the throne debate I mentioned that a spirit of gouge is in the air today, and because the spirit of gouge is in the air there must be some protection for the ordinary citizens of this country. The only way that that protection can be afforded, in our judgment, is to have powers in the hands of the government sufficient that they can take action to see to it that the freedoms of the individuals of this country are preserved. But at the same time, Mr. Speaker, let me emphasize this. We believe there is a definite limit to the freedom of any individual. That limit has been reached when an individual, or a group of individuals, attempts to encroach upon the same liberties of other people, and we feel that that limit has been exceeded in a good many instances by people who are in a position to control supplies and production in this country, particularly the middleman.

An hon. Member: And prices.

Mr. Low: Yes, and prices. We feel that whenever the government asks for unusual powers to deal with a situation of this kind, it is wise for them to put those measures to immediate use.

On two or three different occasions during this session we have said we feel that what the government does about controls ought to be done overnight, and not be spread over a long period of time, a period of waiting and watching, because it just gives the other fellow the chance to push his prices up to

a point where he thinks he is safe, and it is very difficult to start rolling those prices back.

I want to assure the Prime Minister that we in this corner of the house, the Social Crediters, feel with him that war is not inevitable. We hope that by this time next year we can look back and say, well, we are glad we took the view that war was not inevitable. But at the same time I want to say this, Mr. Speaker: I am sure that one of the best ways of preventing the outbreak of a world conflict is to be ready to meet it if it is to come. There is no better way of getting ready to meet it than to have the government bolstered with the powers which it will require if the emergency should burst into open conflict throughout the world.

I agree that the time has come when we should be considering this whole matter of controls. We believe that the place of government in any country is to give protection to the individuals from encroachment upon their freedom, with all that the word "freedom" implies. Let me say, when we speak of freedom, it means more than freedom of speech, freedom of worship, freedom from fear and freedom from want. It means freedom to carry on, as the leader of the opposition said, in a free economy; but it also means freedom to choose, and freedom to consume the goods and services that are produced in a country to be consumed.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

PRIVATE BILL

UNITED CHURCH OF CANADA ACT

Mr. Daniel McIvor (Fort William) moved the second reading of Bill No. 22, to amend the United Church of Canada Act.

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

STATUTORY HOLIDAYS

PROPOSED OBSERVANCE OF DOMINION DAY AND VICTORIA DAY ON MONDAYS FOLLOWING JUNE 30 AND MAY 23

Mr. J. L. MacDougall (Vancouver-Burrard) moved the second reading of Bill No. 2, to amend the Dominion Day Act and the Victoria Day Act.

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

On section 1—*Dominion day.*

Mr. Knowles: I should like to ask a question with respect to this section, which would apply also to section 2. It is clear that the aim of the bill is to provide that these two summertime holidays shall be observed on Mondays in all cases. In the case of Dominion day the provision is that it shall be celebrated on the first Monday following the thirtieth day of June. If June 30 should fall on a Monday it would mean that the observance would not take place until July 7. I wonder if the hon. member has given consideration to providing that this holiday be celebrated on the Monday nearest to July 1?

Mr. MacDougall: I am glad the hon. member has brought that up. The purpose of the bill is not intended to destroy the holiday in any way. It is quite clear that this is not a bill to change the holiday as such; it is simply meant to change the observance of the holiday. I think everyone recognizes that when a holiday falls in mid-week there is a considerable disturbance of industrial output. A man with his wife and family may not be sufficiently possessed of the world's goods to take holidays abroad. There may be relatives within driving distance that he could visit with his family over a long week end, whereas if the holiday falls in the middle of the week he is unable to do so.

With respect to celebrating these holidays on Mondays, I think we should appreciate that in the case of confederation it was first of all enacted on a Monday. As far as May 24 is concerned, which is the celebration of the birthday of our late Queen Victoria, it might be noted that Her Majesty was born on a Monday.

Coming now to the question asked by the hon. member. Regardless of when the holiday itself may fall, mid-week, the first of the week or the latter part of the week, this bill provides that it will be celebrated on the following Monday. It will not take away one iota from the spirit surrounding these holidays. An added advantage will be a continuity of long week end holidays.

One great advantage of this measure is that it will not cost anything. Nothing is added to the cost of government or to the cost borne by the individual taxpayer. Another important fact to bear in mind is that when these holidays are celebrated on dates clearly and specifically set out in a bill we are bringing about something that the ordinary man and woman and their families will appreciate.

Mr. Pouliot: Will parliament sit on those Mondays?

Mr. McIvor: I do not see anything wrong with the bill, and I see some things in it that are good. I should like to ask the sponsor whether these Monday holidays will be paid holidays. I suppose they will.

Mr. MacDougall: Statutory holidays.

Mr. McIvor: The first of July is a paid holiday. I think it is a good thing for the workers to have Monday holidays. Some people think that workers have too many holidays but those of us who have been through the mill know that is not true. With a Monday holiday a man can attend his place of worship on Sunday where he ought to be, and on Monday can take his family out in his flivver and have a happy time.

Mrs. Fairclough: Mr. Chairman, on the face of it I suppose that most hon. members would feel there was nothing very wrong with this bill. I for one have no objection to prolonging any week end in order that we may have a longer holiday than would normally be the case. Nevertheless I should like to draw two or three things to the attention of the house in our consideration of this measure. First of all Dominion day and Victoria day are the two patriotic holidays that are observed generally right across the country. In many parts of Canada there are observances which have some local significance but I think I am correct in saying they are the only two national holidays observed by everyone right across Canada.

In introducing this measure I hope that the hon. member is not thinking of using it as a step toward moving Christmas day and New Year's day to Monday because they are the only other two holidays left that are of a national character, with the exception of Good Friday. Easter Monday is a traditional holiday. In municipalities where they are observed civic holiday and labour day fall on Mondays, and so on. In some businesses the king's birthday is observed, and the celebration likewise falls on a Monday. Easter Monday is observed mainly by banks and legal houses, but nevertheless there are a number of holidays falling on Monday which provide long week ends for workers.

If we have one shortcoming more than another in this nation I believe it is that we pay too little attention to tradition. I should like to see our educational institutions throughout the length and breadth of this land instilling into our children more and more of the history and tradition of Canada, teaching them what it means to live in our land, what it meant to their forefathers, all of whom, with the exception of the Indians who were here before any of us, came to this country from other lands.

I should like our children to be taught about the sacrifices made by those of their forefathers who came to this country, who gave up lands and fortunes in pursuit of liberties of one kind or another, political liberty, religious liberty, privileges we enjoy today in Canada and which a great many of us are prone to forget. Among the privileges that we enjoy probably the greatest stem from that historic day which brought to us as a nation a constitution upon which has been built a great and growing tradition. In all sincerity I ask members of the house if they know of any other nation which would transfer the observance of its national birthday to a fixed day in the week. I ask hon. members whether they would like to transfer the observance of their own birthdays, if they do observe them, to some other day.

Mr. Stick: Don't tell us how old you are.

Mrs. Fairclough: It is no secret in this house. Would they like to transfer their birthdays to another given day in the week? To me the observance of July 1 as a national holiday has a great value far and above that of merely having one day's holiday. I think we might very well ask ourselves what is the purpose of this holiday. Is it to have a day off work or is it to commemorate an historic event? If it is merely to have a day off work, put it on any day at all, and in the space of a generation the purpose of the holiday will have been forgotten. I say to you this evening that what we need is not to transfer our holidays to more convenient times so that we may have more leisure but a resurgence of national spirit that will instil into all our young people some sense of the value of the things which they possess. Dominion day and Victoria day are our only national holidays, and I beg you not to treat them lightly.

There is one other point with respect to May 24, Victoria day. In the schools of this country patriotic exercises associated with what is called Empire day are observed on May 23, the day before Victoria day. I feel very strongly that the value of these exercises would be lost completely if they were celebrated on the 23rd of May or the nearest appropriate day and then a number of days elapsed before the celebration of the 24th of May. Suppose the 24th falls on a Thursday or Friday and is to be celebrated on the following Monday. The school children observe their patriotic exercises in their schools on the 23rd of May, have what almost amounts to a half holiday, and then go back to their normal routine until the 24th of May is celebrated some time in the following week. Where is the value attached to such an

observance? I feel strongly that it is a mistake to pass this measure over lightly. True enough our people need holidays and need rest; we all do. But I am sure that the working people of Canada, if given a chance to consider seriously the effect upon those who will come after us of throwing into the discard these two national holidays, would strongly urge us to raise our voices against such a procedure. I ask members of the house to consider the matter very carefully before they support the bill.

Mr. Pouliot: I am in favour of the bill because I am in favour of long week ends. The hon. member for Hamilton West has spoken about the observance of national holidays by school children. I agree with her so far as Victoria day is concerned. There should be a panegyric of Queen Victoria on that day in all schools in order that the school children may know that there was a queen of England who had a very long reign during which there were very few wars, with the exception of the South African war, and that the world at large was at peace during her reign.

As the hon. member for Hamilton West probably knows, the school year ends about the middle of June. Since Dominion day is on July 1, the children will have been out of school for two weeks before that day is celebrated. I wonder if it is her intention to suggest that the boys and girls should be brought back and the schools reopened just for that day, or that the holidays of the children should be shortened by two weeks.

Mrs. Fairclough: If the hon. member had been listening he would have realized that I said nothing whatever about observing July 1 in the schools. I am quite well aware of the point he had just mentioned, but when referring to the schools I mentioned only May 23.

Mr. Pouliot: I do not want to make it absurd, and I do not want the hon. member to take it in the wrong way. Although she is a woman, she chose to run for parliament and here she must understand that while there are many men, they are friendly toward her and mean well when they ask questions.

Mrs. Fairclough: On a point of order, Mr. Chairman—

Mr. Pouliot: I want the hon. member to keep quiet. I have said nothing out of order and I want her to keep quiet while I am speaking.

The Chairman: The hon member is raising a point of order.

Mr. Pouliot: We are all alike.

Mrs. Fairclough: As all hon. members of this house should know very well, I have not asked nor do I ask for favours of any kind.

Mr. Pouliot: Well, Mr. Chairman, the female of the species is deadlier than the male. We are here to discuss the question of a long holiday or rather two long holidays, one during the school year and one after it. The hon. member may establish subtle distinctions after she is through, but she did not make that distinction in her speech.

Mrs. Fairclough: You are wrong.

Mr. Pouliot: If she did it was in a manner that could not be understood by any of her colleagues.

Mrs. Fairclough: You should listen.

Mr. Pouliot: I sat very quietly listening to the hon. member to see if she got the point, but she discovered it only after I had pointed it out to her. She may find it unpleasant, but she chose to run for this house and she must listen to me.

Some hon. Members: Shame.

Mr. Pouliot: I wonder why the Tories are so touchy. They are touchier than their lady colleague, and I do not want them to frown like that; they may frighten us. I use the language of a gentleman, but I believe in freedom of speech and no hon. member will prevent me from saying what I have to say in this house in accordance with the rules and traditions of parliamentary life. Some people seem to have no humour at times. Well, it is no sin not to have a sense of humour, but they must understand that when they differ with someone there may be that little touch of something which may arouse their feelings, with no offence meant.

To sum up, sir, the hon. member sponsoring this bill should be congratulated. He must not be discouraged because the fairest of all of us disagreed with him on one point, although I have reduced that now to one-half a point. At first the discussion had to do with two long week ends; now it appears that only one-half his suggestion should not be accepted. I may tell the hon. member for Hamilton West that in her city, as in my own and in all constituencies, Dominion day is celebrated by all families. The feeling of the Canadian people on that occasion is one of patriotism and pride in our country. Whether the schools are open or closed there is no Canadian who does not feel on that day that he must be prouder than ever of being a Canadian citizen.

Mr. Graydon: There is one aspect of the clause which perhaps could be improved by an amendment. I was not in the chamber,

through my own fault, while the hon. member made his explanation with respect to the exact wording of those sections in the original bill he proposes to amend; but when one realizes that in some years July 7 could be the date when we would observe this holiday as the bill now stands, it would seem that a change would be advisable. I should think his desires would be carried out very much better if the section were amended to provide that the holiday should be celebrated on the nearest Monday to July 1 or May 24, as the case may be.

Mr. Knowles: That is what I suggested.

Mr. Graydon: You always get in ahead, but sometimes your suggestions are not very acceptable. This happens to be the exception to the rule. I have read the bill very carefully, and this is what it says:

> Throughout Canada, in each and every year, the first Monday following the thirtieth day of June shall be a legal holiday and shall be kept and observed as such under the name of Dominion day.

That is the provision to which I object; I think it should be the Monday nearest the original date. I do not want to be casting obstacles in the way of this bill, but I would move that section 1, clause 2, of the said bill be amended in line 2 thereof by deleting the words "first Monday following the 30th day of June" and substituting therefor the words, "Monday nearest in point of time to the first day of July". I think it would be going a little far to have Dominion day celebrated as far on in July as the 7th, which, as I see it, would be possible under the present act. When the bill first came in I was rather surprised that it did not contain this phraseology. There may be reasons why that should not be done, but it does seem to me this would be an improvement on the language originally employed in the section.

Mr. Hees: I, for one, do not feel that holding these two holidays on the nearest Monday in any way detracts from their significance as important public holidays. I agree wholeheartedly with the member for Hamilton West that these two holidays should not be forgotten. I see no reason why, if they are held on the nearest Monday, our children or anyone else in the country should not recognize how important they are, and what they stand for. I believe, therefore, that the amendment proposed by the member for Peel is a sensible one. I believe that two extra long week ends in the year are extremely important to the working people because, as the sponsor of the bill has said, they do not get very many holidays. They are limited as to funds. On an ordinary week end it is rather difficult for them to get away with their families. If it is a long week end, they can travel by train, car or bus to visit friends or relatives, and in that way leave their present surroundings and get a change, which we are told is just as good as a rest. I, for one, think that sort of thing is extremely important in the lives of working people, from the point of view of their morale and their physical well-being.

The second reason I have for thinking this is a good measure is that when you stop an industrial plant for one day in the middle of the week there is considerable time lost and money expended. If these two holidays are held on the week ends, there will be no loss of time or expense involved. Although this last is not an extremely important matter, it is of some significance.

Therefore, I believe that this measure is a good measure from every angle, and I intend to support it.

Mr. Cruickshank: May I ask a question? I should like to have this matter clarified before I vote. As I understand it, the purpose of this is to guarantee a long week end to the working people. So that I can vote intelligently, I should like to know whether this will interfere with the long week ends now enjoyed by the working people from two provinces, that is from Thursday to Tuesday of each week.

Mr. Hansell: Mr. Chairman, there seems to be in the house a general impression that there is not very much harm in this bill, and that it does not make very much difference what happens to it or upon which day we celebrate these two particular holidays known as Victoria day and Dominion day. I believe it goes further than that. I am inclined to agree with the member for Hamilton West that it does take away from us the spirit of loyalty and patriotism for king and country that has characterized our people over the ages. There are things happening today, and happening right under our noses, that we do not always observe. One of them is the thing I have been talking about, the destruction of our loyalty to our own country in favour of a loyalty to some wider thing that nobody knows anything at all about. As I see it, that is the seriousness of the bill.

Let me take up one or two of the arguments that have been advanced. The sponsor of the bill has laboured a little bit in suggesting that he is now championing the cause of the workingman by giving him a longer week end twice in the year. If that is all the hon. member can do for the workingman, I would suggest he go back home.

An hon. Member: What are you doing?

Mr. Hansell: It is good, Mr. Chairman, for a speaker to pause in order that he may gain the reaction to his remarks. Very often that reaction is manifested by the remarks that come from here and there in the house. It is an interesting thing.

I am all for the labouring man too, Mr. Chairman, but if my hon. friend's argument is logically sound, why single out just two holidays in the year? Why not make all holidays on Monday? The member for Temiscouata, who apparently for this evening at least has been relegated to the back benches, is in favour of the bill. Supposing we extended the bill to include some other holidays in the year? For instance, what about Good Friday? Supposing we celebrated Good Friday on the Monday, would that suit my hon. friend? I fancy it would not, yet there is more justification for changing some of these holidays to a Monday than those days which are the actual birthdays of a king, queen, prime minister or whoever it may be. Would the hon. member like to have Christmas day celebrated on the Monday after the twenty-fifth of December rather than on its historical date? You might just as well. As a matter of fact, there is no evidence whatever that our Lord was born on December 25. If my hon. friend's argument is sound, why not follow it for all holidays throughout the year?

As for being good and kind to those who have not got the wherewithal to take any extended holiday, they say they will be good to them and give them these two longer week ends. Let us be good to them in something worth-while, such as bringing economic conditions to the point where they can afford two or three weeks' holiday every year. That is the thing my friend should be furthering. In most labour circles today employees get holidays with pay.

There is one other matter, Mr. Chairman, which I should like to mention. The member for Fort William is in the same profession in private life as I am, and I usually like to come to his rescue. I am sure he did not mean what he said tonight when he said he believed the labouring man needed to go to his place of worship on Sunday, and take advantage of the holiday on Monday. If he knows human nature, as I believe he does and as we all do, the reason for the long week end is not to encourage that man to attend his place of worship on Sunday, but to encourage him to go fishing two days instead of one. Once again, Mr. Chairman, I am going to say that there is more danger in this bill than meets the eye. Personally, I am against this bill. Why keep juggling the holidays of the year around on the merest and tiniest pretext? I do not suppose people will ever celebrate my birthday; but if they do, I want them to celebrate it on my birthday and not on some other day.

Mr. Graydon: May I ask my hon. friend a question?

Mr. Hansell: Yes.

Mr. Graydon: It is only a matter of clarifying the situation. I hope he has not forgotten the fact that the king does not celebrate his birthday, so far as Canada is concerned, on the day on which he was born. There is some six months between the two days.

Mr. Hansell: Yes, I realize that; but it does not outweigh the argument. Perhaps we do not celebrate his birthday on the day on which he was born, and maybe we should. Personally I would rather celebrate the king's birthday on his birthday than at some other time. That is my position. I am not satisfied that there is not just a little bit of intrigue behind the bill. I recommend that it be killed.

Mr. MacDougall: Mr. Chairman, I feel that I must rise and answer the suggestion made by the hon. member who has just spoken with regard to intrigue. There is no intrigue at all. To any hon. members who think that there is any semblance of disloyalty shown, may I say that they are talking to the wrong cookie pusher when they talk to me. Together with five of my brothers I happen to have upheld democracy for three and a half years in the first world war, and I take second place to no one in this chamber in that regard. More than that, as far as changing the other days that are holidays is concerned, I might add that if my hon. friends who are opposed to this bill would read up the Interpretation Act they would find that it sets out specifically when those days must be celebrated. You will notice, Mr. Chairman, that no Christian holidays are touched in this bill of mine, and they never will be. More than that, the Interpretation Act guards against any such measure being taken in connection with those other holidays that have been spoken of. Speaking personally and on behalf of a great many people throughout Canada and many who are in this chamber, I say: Let us forget about this bogey of democracy and patriotism because it is all bosh so far as the argument against this bill is concerned.

Some hon. Members: Oh, oh.

Mr. MacDougall: Make no mistake about that. I am as patriotic as anybody. There is no question of trying to celebrate something in an aversive manner. I hope that the committee may give sufficiently serious consideration to passing this bill without the amendment.

Mr. Macdonnell (Greenwood): I propose to vote against this bill for a reason that has not yet been given. Apparently it is assumed that few people can ever get away for the week end, that they all spend their week ends quietly at home, and that this is a measure whereby people will be able to get a couple of extra week ends and have a nice quiet time. My experience is that there is a large number of people now—far too many, in my opinion, for my comfort or anyone else's—who go away for week ends. What a time they have, when you consider what happens! They cut into Friday afternoon. They take long drives into the country. They arrive at their country place and find everything in disorder. Then they have an unquiet Saturday and Sunday. On Monday they start back again. My experience with these week ends is that people arrive back thoroughly exhausted and need two or three days to get rested up. If there is anything in that suggestion, it seems to me it is a consideration which should be taken into account before hon. members give their vote.

I should also like to say that I have some feeling—not on the ground exactly that the hon. member for Macleod gave—which may be a silly sentimental feeling, that these days might continue to be celebrated on the actual days involved. But I certainly do not wish to say that in such a way that it arouses the slightest feeling of my having the slightest criticism except, as I say, from the point of view I first mentioned, namely the undesirability of having more people go away and exhaust themselves on week ends.

Mr. Knowles: I should just like to say a few words in support of the amendment moved by the hon. member for Peel. He did not take the words out of my mouth, for they had already been uttered; but he did take the words off my sheets of paper here. I was drafting a similar amendment. May I at this moment, Mr. Chairman, avoid getting into the heated part of the argument, namely as to whether this bill passes at all or not. I would suggest that for a few moments those who are for the bill as well as those who are against it might consider the question: If the bill is going to pass, which way do we want it to read?

In the form in which it is before us as moved by the hon. member for Vancouver-Burrard, Dominion day would be celebrated between July 1 and July 7. In the way in which it is proposed by the hon. member for Peel it would be celebrated between June 28 and July 4. It seems to me that the latter is preferable. At the moment I am not arguing whether we have the bill at all or not. But if we are going to have it, let us have it on the Monday nearest in point of time to the actual day on which confederation was enacted. The same suggestion would apply with regard to the 24th of May. The wording suggested in clause 2 by the hon. member for Vancouver-Burrard would mean that the 24th of May would be celebrated at varying dates from May 24 to May 30. But if we accept the amendment to clause 2 which I presume the hon. member for Peel would make—and if he would not, I would—that would mean that the 24th of May would be celebrated between May 21 and May 27. In no case would the day of celebration be more than three days away from the actual day itself. I submit that it is better to be three days or less away from the actual day than to be six days away. I am not going to get worked up even about the difference between the amendment and the motion. I do not think that we need to get heated up about this matter or to use such words as "bosh" or other words that may have been in people's minds. For the moment I submit that we should give serious consideration to the terms of the amendment put forward by the hon. member for Peel.

Mr. Stewart (Yorkton): As to the amendment, I think the hon. member for Peel has overlooked one important matter. All the public school examinations in the higher grades, and a good many of the university examinations, take place towards the end of June.

Mr. Graydon: That must be the summer course.

Mr. Stewart (Yorkton): The students have to travel home the last few days in June and sometimes the last day in June; I refer to those that are attending university.

Mr. Graydon: That is the summer course.

Mr. Stewart (Yorkton): No. That is the general course in our public schools in Saskatchewan. Our children are not through their examinations in the final grade until the last week in June. I have sent four of them through and I should know what I am talking about. In addition, those who are attending college at Winnipeg from Saskatchewan finish up only in time to get home on the first of July. Those who are attending ladies' schools in Winnipeg are in about the same category. I note the remarks made by the learned hon. member for Greenwood. He says that when you go out on a holiday you get exhausted and played out. That is all right for the hon. member for Greenwood to say because he is naturally slim and can keep his shape. But some of the rest of the members in this chamber who are cooped up in law offices all the time have not been able to get out with

our families as much as we should, and we gradually have lost our shape. If we had had that long week end that tendency would possibly have been to some extent curtailed. I therefore feel that I can support this bill, Mr. Chairman. It will not interfere with the principles of anybody. I find that on Armistice day certain people who lost friends overseas are always out. On church holidays those who believe in their church go to the proper place. Some go fishing, as has been mentioned by the hon. member for Macleod, on the extra day. But they usually do not catch anything on that extra day anyway. I am supporting the bill as it originally stands.

Mr. Sinnott: Having listened attentively to the mover of this bill and the fair member on the opposite side of the house lock horns with the famous member for Temiscouata, it gave me great pleasure, and also gave our famous Barbara Ann Scott, now sitting in the diplomatic gallery, and her party great pleasure.

Mr. Pouliot: Just one word; I am for the bill because the sponsor looks forward to the holiday on the following Monday. I am against the amendment of the hon. member for Peel, because he goes both ways, forward and backward.

Mr. Herridge: I did not intend to say anything in this debate; but most hon. members will acknowledge the fact that as a socialist I certainly have the interests of the working people of this country at heart.

Some hon. Members: Oh, oh.

Mr. Graydon: That does not follow at all.

Mr. Herridge: I want to say this, if my good friends opposite will give me an opportunity. In this matter I am very sympathetic to some of the points of view expressed by the hon. members to my right. We should give careful consideration to what appears to some hon. members to be a fairly light matter. I believe the hon. member for Vancouver-Burrard, who introduced this bill, did so with the best intentions and wants it to serve a good purpose, but I am not convinced, Mr. Chairman, that making provision in this way for just two extra long week ends is justified, without finding out public opinion of the suggested change. I do not think it is worth upsetting the longtime habits, traditions and practices of fourteen million people without further consideration.

The Chairman: Shall the amendment carry?

Some hon. Members: No.

Amendment negatived.

Section agreed to.

On section 2—*Victoria day.*

Mr. Graydon: You are going too fast for me, Mr. Chairman. I have lost my amendment. I want to move another amendment. I move:

That clause 2 of section 2 of the said bill be amended in line 2 thereof by deleting the words "Monday following the twenty-third day of May" and substituting therefor the words "Monday nearest in point of time to the twenty-fourth day of May."

I made a little better job of my handwriting on this and I hope this amendment will finally go through.

The Chairman: Shall the amendment carry?

Some hon. Members: No.

Mr. Gillis: We cannot hear very well down here, and I really did not understand what you were saying, sir. I should like to be clear about it. Would you mind reading it again?

The Chairman: Mr. Graydon moves:

That clause 2 of section 2 of the said bill be amended in line 2 thereof by deleting the words "Monday following the twenty-third day of May" and substituting therefor the words "Monday nearest in point of time to the twenty-fourth day of May."

Mr. Gillis: Mr. Chairman, I listened with a lot of attention to the deliberations on this bill. As perhaps only one of the very few workingmen of the house—

Mr. Cruickshank: Since when?

Mr. Gillis: —may I say that the reasons advanced as to why we should make this change at this time do not impress me very much. I am in agreement with what was said by my deskmate a few moment ago. I remember that during the last war for production reasons many of the statutory holidays of this country were dispensed with altogether. Armistice day was done away with, and so forth. I am not unmindful of the fact that the government is now going into a huge defence program. It is going to require a lot of manpower, and there may be a lot of overtime work. I am also aware of the fact that most of the industries of this country today work a five-day week. They are not working on Saturdays. I did not look at the calendar, and have not had much chance to go over the implications of this bill; but you could run into this. The holidays that you are wanting to change now could very well fall on a Saturday, a day that is not producing anyway. If you lay the holiday over until Monday you will have two days of non-production in a row. I do not think that sufficient attention has been given to this matter by anybody in the committee to make any kind of intelligent decision, and I do not think the bill should go through at this time. I believe the bill should lie over tonight to give the press an opportunity to comment on it and to get some

reaction from the people of this country as to whether they want us without any inquiry or consultation to change the statutory holidays of this country.

I do not claim to be a great patriot, but it does give me a kind of funny feeling to think that hon. members on the short notice that we have had are going to change the day that was fixed to celebrate the birthday of this country. Dominion day means something to a lot of people in Canada, and I am not prepared at this time to vote in favour of the bill. It should be laid to one side for some time, some study given to it and the reaction of the public obtained.

The Chairman: It being nine o'clock, shall I report progress?

Section stands.

Progress reported.

Mr. Speaker: The hour for private and public bills having expired, the house will resume consideration of the matter under discussion at six o'clock.

EMERGENCY POWERS ACT

PROVISION FOR ORDERS AND REGULATIONS DEEMED ADVISABLE FOR NATIONAL DEFENCE AND SECURITY

The house resumed consideration of the motion of Mr. St. Laurent that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to empower the governor in council to do and authorize such acts and things, and make from time to time such orders and regulations, as he may by reason of the existing international emergency deem necessary or advisable for the security, defence, peace, order and welfare of Canada subject to the restrictions enumerated in the said measure.

Mr. Solon E. Low (Peace River): Mr. Speaker, we Social Crediters have always been champions of the free way of life, about which the leader of the opposition spoke this afternoon. Under normal circumstances we believe that the people generally protect themselves and exercise sufficient controls of their own, especially in peacetime, without very much, if any, interference on the part of government; but it must be realized that we are now living in a time of emergency when a good many of our people have been bereft of the means of protecting themselves, and not only themselves but their economic interests.

In the circumstances I believe that no reasonable person could expect us to go through the anxious days ahead, through what the Prime Minister intimated might be an indeterminate period of difficulty without some controls at least.

I believe that the people generally are calling at this time upon the government for controls, particularly price controls. I think the government should respond to that call. As a matter of fact, the government should have moved a year and a half ago to halt the serious decline in the purchase value of the Canadian dollar and restore it to a fair level. I have said already in other debates during this session that there are some measures that could have been taken at the time—I refer to as far back as a year and a half—which would have prevented the rather serious inflationary condition we face today.

It seems impossible to get by with less than over-all price and wage controls. The hon. member for Rosetown-Biggar (Mr. Coldwell) expressed the opinion just before the dinner hour that it will be necessary not only to establish price ceilings but to make an effort to roll back prices. While I am in agreement with at least part of what my hon. friend said I think we shall have to be careful how we undertake to roll back prices. It seems to me that that process might involve such things as the subsidizing of imports, which I suggest would be pretty difficult to do.

You would have to give considerable thought to the primary producer of this country. In the rolling back process we might hurt the primary producer seriously. The primary producer comes nearer to receiving a fair return for his production in times of fairly high prices. That seems to be the history in this country. Rather than attempt to roll back the price level in one stroke, or even in a series of quick strokes, it might be better to turn to the use of subsidies. I am convinced that subsidies will become necessary if we find that we have to impose any comprehensive system of controls. Great as the cost may prove to be, I believe that that cost will be fully justified. Certainly it was justified during world war II. As my hon. friend who spoke before me so well said, the government can ensure that the cost of subsidies is kept within reason if they couple with them sound financial technique.

The government has indicated the intention to balance its budget as one means of combating the inflationary situation. We know that that may be effective for a while, perhaps for one or two years; but if the international situation begins to deteriorate and we have to siphon off more of our production for preparedness, I suggest that the government may then find it impractical to balance the budget by taxation and borrowing from the savings of the people. In that case, rather than borrow from the chartered banks as they did in world war II the government should pay whatever subsidies are

required to bring consumer price levels down to a fair level out of new purchasing power created for that purpose by the government's own agencies and spent into circulation rather than lent.

In order to stabilize Canadian prices in the situation we now face, we Social Crediters urge the government that in the bill to be brought in following this resolution consideration be given to the immediate imposition of these six points. We believe that they constitute a program that would take care of the price situation fairly well. In the first place, we believe that it would be necessary to impose over-all price and wage controls. I am persuaded somewhat by the argument of the hon. member for Rosetown-Biggar that there exists already a certain amount of wage control in that certain contracts have been made covering periods up to two years. Following the first step I have suggested there should be an adjustment of prices to ensure a fair profit, and an adjustment of wages to bring them into conformity with the adjusted price level.

The third step should be the bringing of farm prices into parity with the adjusted price level. Farmers have often been accused of taking more than their share out of the cost of food products, particularly during the past year or two. They have been blamed for the high prices of meat, eggs, milk, butter, cheese and any number of things, but an examination of the facts will disclose that during the period since the war farm income has not kept pace with rising costs of the things the farmer has to buy. It has been established recently that the farm population of this country received no more than 15 per cent of the national income when it composes at least 25 per cent of the total population of the country. That is not parity. The farmer has been squeezed between pyramiding costs and the more or less controlled prices of his production. Something must be done for this very important part of our population. I can think of no better way to do this than to establish a parity relationship between the prices of farm products and the prices of things the farmer has to buy.

The fourth important step that should be taken is the adoption of a system of consumer subsidies in order to maintain the purchasing power of the low income groups so they may be able to buy the necessities of life. These subsidies should be paid as far as possible out of new purchasing power and when it is necessary to expand the purchasing power of the country, rather than to go to the chartered banks to borrow.

The fifth important point to consider would be the rationing of commodities in short supply whose production cannot be increased. That is the only fair way of seeing that all people get their fair share of things in short supply. We know that people do not like rationing, and I hope it will not be necessary during this period ahead; but if it is let us have a program that is fair, just and equitable.

The sixth important point to consider is the giving of every possible encouragement to increasing the production of wanted goods, stressing particularly those things which are necessary for our protection and for total preparedness. It would be tragic if we got into a period of global war and found that we had not induced the production of many things which we could produce but which were found to be in short supply and which could not be obtained from other parts of the world. We think that this six-point program would help Canadians through any difficult period that might be ahead with a minimum dislocation of their economy and with a minimum of suffering.

Let me conclude by offering two simple warnings to the government. I think it can truthfully be said that whenever in the past it has been found necessary to centralize power in the central government in order to meet an emergency there has been a tendency to make at least some part of the program permanent. We should guard against that. The centralization process is the negation of true democracy. We ought to be careful to see to it that whatever powers are transferred—I am thinking now particularly of the transfer of powers from the provincial to the dominion jurisdiction—they ought to be fully returned when the emergent situation has passed. We should not wait too long because such things have a habit of indurating to the point of fixation.

The second point is that it may be necessary for the government to set up boards in this system of controls to meet the emergency. Everybody hates the thought of boards, bureaux, and all that sort of thing, but we cannot seem to get along without some of them at any rate. Let me appeal to the Prime Minister and the government in this way. Whatever boards we find it necessary to set up, let us get good men to fill those positions rather than dictators. The quality of the men whom we put on those boards will determine largely whether or not the public will accept the whole program that has to be imposed. Surely any man who has the interests of his fellow man at heart, any man who has the confidence of the people, is above reproach and is fair in all that he does, would be the kind of man to fill a position on one of these boards.

Let us be careful not to get men who, by their dictatorial methods, will not be able to

keep the people satisfied and help them to get through this period. Especially let us be careful not to get men who have personal axes to grind. I am afraid that the experience of world war II was such as to make some of us a little bit afraid that there are still some men with axes to grind in Canada who would love to secure positions as directors on these boards. I should think that the Prime Minister and the government would feel much encouraged by the unanimity in the house on the principle of the resolution now before us. It ought to be an encouragement for them to go forward and do a good job, and we expect that they will.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, so much of the discussion in this debate concerning the anti-inflation fight has centred on one particular method of meeting the problem that I feel impelled to enter the debate in the hope of setting the problem in perspective as I see it. We have not yet seen the bill foreshadowed in the resolution. For my part I think there is very grave likelihood that a debate of this kind in anticipation of the bill may not be too profitable. It is very likely to become a rather doctrinaire debate. It may be too that the bill will contain some surprises. For my part I am interested in seeing it, examining it, and particularly in studying the safeguards that it may contain.

Let me say at once that, having regard to the existence of a very grave state of emergency, an international emergency as it has been called in the remarks of the Prime Minister (Mr. St. Laurent) and others, the necessity of some such measure as the one foreshadowed in the resolution is, I think, acknowledged. Nevertheless the powers proposed to be vested in the governor in council by the bill must be examined with care in relation to their proposed use, the intended manner of exercise of them, and the extent and nature of the emergency. It seems to me this is a time when parliament must exercise and observe its duty of vigilance, recognizing, of course, that if we are in the twilight of war we must be prepared to take measures commensurate with the emergency.

Today the Prime Minister has very properly put aside the War Measures Act as a vehicle for meeting the present situation. I am sure that all hon. members will approve the course he has proposed and also his reasons for it. There are, of course, other reasons that the Prime Minister might have assigned because it is perfectly obvious that no one holding the views which the Prime Minister has expressed on several occasions could possibly invoke the War Measures Act. As you will recall, that act permits the issue of a proclamation by His Majesty under authority of the governor in council in the event of war or apprehension of war, invasion or insurrection. It is quite obvious that if the Prime Minister still does not expect to see war in his lifetime—and we hope he is right; we all share that hope most earnestly—or if he is still quoting odds of fifty to one against war in his lifetime, then there is no apprehension of war that would justify the present government in invoking the War Measures Act.

Mr. St. Laurent: On a point of order, does the hon. member think that is a fair way of putting it—still quoting odds of fifty to one against war in his lifetime? I do not think that is worthy of the hon. member.

Mr. Fleming: I will readily say to the Prime Minister, as the leader of the opposition (Mr. Drew) said to him in the debate on the address, that I am quite certain more has been made of the Prime Minister's remarks than he ever intended.

Mr. St. Laurent: The hon. member knows I never made any such remark as fifty to one against war in my lifetime.

Mr. Fleming: What the Prime Minister did was to accept odds that were being mentioned to him at the time, and which were apparently understood by those who were questioning him in that way, and certainly by those who reported the observation of the Prime Minister. I have said that we share the hope the Prime Minister has expressed. We all share the hope that he will not see war in his lifetime. That is the earnest prayer of us all. I think I have made that perfectly clear. If there is apprehension of war the War Measures Act could be invoked. The house will welcome the assertion by the Prime Minister of the intention of the government not to use the War Measures Act to meet the present situation.

On the subject of the existence of an emergency the house has heard some statements from the government that have been somewhat belated but are received now as some recognition of reality. I have not forgotten the occasion in the special session of last September when I found it impossible to get from two senior members of the cabinet any expression of opinion on the question whether or not a state of emergency existed. I tried to get an expression of opinion from the Minister of Trade and Commerce (Mr. Howe) but he was too coy to answer such a question. He turned it over to the Minister of Justice (Mr. Garson) who declined to answer, and there we had the situation as it existed last September.

What is the subject matter of the bill? The discussion today, including the statement of the Prime Minister, has treated it as relating

principally, if not entirely, to the battle against inflation. We are not fully informed now whether the bill includes more powers than those designed to provide economic weapons. We will look to the bill with interest to see if it contains other powers than those intended to provide the government with such weapons.

I am not going to spend more time of the house in discussing the imminent and very threatening dangers of inflation. It is not simply that the cost of living index has risen to 172·5. Perhaps more striking in that respect is the fact that in recent weeks the rapidity of rise has been greatly accelerated. The dangers are imminent; the dangers are very great and threatening. In his speech this afternoon I think the hon. member for Rosetown-Biggar (Mr. Coldwell) was not too strong in his statement that soaring inflation, bearing as it does upon the pockets of those of very limited means and income, is a great weapon in the hands of the communists, whether they be communists of the Kremlin or their tools in Canada.

I thought the Prime Minister (Mr. St. Laurent) might have been more direct in his statement today in regard to the existence of inflation. When he wanted to speak about inflation it seemed to me he mentioned "what is called inflation" or "what some people call inflation." I think it is time the Prime Minister made up his mind whether it is inflation or not. I believe most of us, certainly those Canadians who feel the pinch of high prices against low incomes, think there is inflation today. That is not to say it has run its course, but certainly today we have a very uncomfortable measure of inflation.

I said at the outset it seemed to me that in this debate the discussion has been concentrated on only one of the measures currently put forward as weapons to meet the menace of inflation. I do not think we shall be honest with ourselves or with the people of Canada if we allow attention to be unduly concentrated on the matter of price controls or other controls, in summoning to our aid all available weapons to combat inflation. Let us have regard to certain inescapable facts. It may be that we are going to have price control, but let us be fair and appreciate that hopes much too high are being held out for the benefits that may be expected from price control in the situation with which we are confronted today. This is not the situation of 1941. If we are to have price controls, whether of a selective nature or an over-all nature; whether we are going to have controls like those we had during the war or some different kind of controls, let us be quite honest with ourselves and with the people in pointing out that today, unlike 1941, we start with a very high price level.

Then even those who are clamouring most vigorously for controls over prices recognize that they must be prepared to take some action with respect to wages and salaries. I for one am not prepared to give support to measures that contemplate a freeze of wages or salaries. That would perpetuate grave inequalities that presently exist. And looking at some of the things that are already under price control, let us remember that the existence of measures of control has not prevented increases in price. I come from the city of Toronto. The price of milk there is a very serious matter for the householders, particularly those with children; yet we have price control over milk. It has not prevented price increases. It is the same with the freight rates charged by the railways and the rates charged by the Bell Telephone Company. These organizations have had to go before a government tribunal and prove their need for increases, and they have been given those increases.

So let us be quite frank and recognize that if widespread controls over prices are coming, the situation today is very different from that of 1941. In all candour with ourselves and with the people of Canada we have to observe a measure of caution in holding out brave and rosy hopes as to the results of the application of such measures today. The need for some caution in respect to these hopes has been recognized by those who had much to do with the administration of controls during the last war. They caution us against expecting too much under present conditions.

Let us remember also that the farmers are not satisfied with the prices they are receiving for certain of their products today. The Canadian Federation of Agriculture was before the government a few days ago asking for an increase in the price of domestic wheat, for the raising of the butter floor price, and an increase in the floor price on bacon. These are factors that have to be taken into consideration. Today the farmer feels the pressure of rising prices for the things he has to buy. So if we are going to start on a general system of controls we must remember that the farmer is not satisfied with the prices he is receiving for some of his products today.

Look at what some of the former controllers have said in recent days. Perhaps the most recent is the statement by Mr. Graham Towers in the 1950 annual report of the Bank of Canada, which has received some attention in the press. I should like to read a few relevant sentences from page 15 of that report,

to draw attention to the sequence in which Mr. Towers proposes that direct controls might be resorted to. He begins by saying:

> Fiscal and monetary measures plus increased savings, on a sufficient scale to bring total demand and supply into approximate balance, are essential prerequisites for stability, but they may not be enough in themselves to maintain reasonable stability under all conditions. If defence expenditure became so great that it was humanly impossible to finance it on a pay-as-you-go basis, or if at an earlier stage financial measures designed to produce a fair allocation of the burden did not command public understanding and support, it might become necessary to make increasingly general use of direct controls in order to back up fiscal and monetary measures, despite the dangers to economic efficiency and personal freedom inherent in such controls.

The sequence of the measures to which Mr. Graham Towers refers there is worthy of note. Let us recall, too, that we have had statements from those who were charged with the responsibility of enforcing these controls during and since the war, to the effect that this particular expedient of the application of price controls of various kinds is not a solution to the problem. It is an expedient that may have to be resorted to in given circumstances; but as Mr. Kenneth Taylor, who was the last chairman of the wartime prices and trade board, said last November, price control is like trying to cure a fever by fixing the thermometer. In a statement which has been frequently referred to, Mr. Donald Gordon did not put this particular expedient for meeting the problem of inflation on any higher level than the frying pan, in comparing it with the evils it was designed to combat. Then there is Mr. Edgar Burton, who was one of the important controllers during the war, and who on February 6, said in a speech at Montreal:

> The straitjacket of a maximum price and wage ceiling, with all the administrative difficulties, is no answer to the degree of inflation we are facing in 1951. All a price and wage ceiling ever has done is to suppress and postpone the ultimate reckoning.

We also remember the statement by the Prime Minister in his address to the Canadian Construction Association last year, in which he pointed to the difficulty of massing public support in peacetime behind measures which in wartime have depended for their success upon general public support. He said:

> In peacetime the government of a free nation which attempted to control and regulate the whole economy would threaten freedom itself.
>
> The purpose of governmental intervention in peacetime should be to foster economic conditions in which initiative and enterprise will flourish.
>
> Because government directed many aspects of our lives, with conspicuous success, in wartime, is no reason for assuming such direction would be successful in peacetime. We have ample evidence that in countries where the peacetime economy is rigidly controlled, prosperity and a high standard of living do not necessarily follow.
>
> Indeed, the kind of action required to make a wartime economy successful has, in many cases, to be reversed in peacetime.

It seems to me the accuracy of that statement is unchallengeable. Therefore we are confronted with the question: are the conditions we face today typical of peacetime or of wartime? That brings us to what seems to me to be the inescapable conclusion that the success of a program of the kind that has been proposed in this debate will depend upon the extent to which the public mind has grasped the dangers of the present situation and the nature of the present emergency, and that will require the kind of clarion call on the part of the government for which my leader has been asking since the opening of this session, and before. Until that clarion call comes we may expect that in certain areas and with certain people in this country, perhaps a good many of them, there is not as effective and widespread an appreciation of the existence of the present emergency as will be required to make this particular proposed expedient as effective as some seem to expect it to be.

Now, sir, because I said I hoped to try to state this problem in its perspective, and because there are many other expedients that have to be considered, I propose to deal briefly with them and point to the responsibility of the government in relation to them. Some of these are perhaps expedients like the one that has been discussed in this debate. Others of them can claim to be solutions to inflation. Because the government has been so late in wakening up to the dangers of the situation, it may be that the application of some of these measures today would not be nearly so efficacious as if they had been applied some time ago. The whole approach of the government to this question has been a very leisurely one. It has been ineffective. It has been marked by a sort of fatalism, the kind of fatalism revealed by the speech of the Prime Minister (Mr. St. Laurent) in which he seemed to regard the existence of inflation in the United States as making inflation in Canada inevitable.

I am going to touch upon half a dozen of those means that have been largely overlooked by the government. The first, of course, and most important, is the control of credit. It was with no little amazement that we followed the course of the remarks of the Minister of Finance (Mr. Abbott) in the debate on the address when my colleague the member for Toronto Greenwood (Mr. Macdonnell) was dealing with this subject. The Minister of Finance, with some apparent degree of consternation, questioned the member for Greenwood in a manner indicating that the Minister of Finance was not aware that the Bank of

Canada had power to take measures to control credit. He suggested that, after all, that was not quite the function of the Bank of Canada, to undertake the control of credit extended by the chartered banks of Canada. I believe the remarks made by the Minister of Finance since that time, particularly those made on February 16 in reply to a question by the member for Greenwood, do seem to indicate that the minister is now aware that the Bank of Canada has means to control the credit extended by the chartered banks of Canada. This power has been wielded in times past. It certainly was wielded in 1948, as those of us who had the unfortunate experience of sitting on that House of Commons select committee on prices were then reminded by Mr. Towers. The powers have been exercised since, as the Minister of Finance indicated. Those powers have not been exercised as effectively or as soon as they ought to have been. They would have been efficacious if they had been exercised, and could have prevented this runaway with credit.

As a matter of fact, the latest statistical summary of the Bank of Canada, for January, 1951, shows that between December 31, 1949, and December 31, 1950, there was an increase of over half a billion dollars in bank loans and non-government investments in Canada. The figures increased from $3,419 million to $3,950 million. There is the explanation for a lot of our inflation.

In the second place, we have the government's resort to the increase in money supply. I am not going to spend more time on that. At page 297 of *Hansard* the Minister of Finance admitted that the government in effect, by borrowing $200 million, had increased the money supply to that extent. The same issue of the summary of the Bank of Canada of January, 1951, indicates this tremendous increase in the totals in the various components of money supply. Total currency and active bank deposits, inactive chartered bank notice deposits and government of Canada securities increased from $18,077 million at December 31, 1949, to $18,775 million at December 31, 1950—an increase of nearly three-quarters of a billion dollars in that year.

The third method or factor, sir, to which adequate resort has not been had is the reduction of governmental expenditures on non-defence items. The Minister of Finance, I shall give him credit for this, in his recent speech did indicate that this was one of the most promising measures, and certainly one to which resort ought to be had. We complain, sir, that resort has been had to it by the government too late. We shall look for some of the reports that are to be tabled during this session for the proof of the determination of the government really to apply this method. We will put before the Minister of Finance and his colleagues in the government these questions. If you are really earnestly seeking to reduce non-defence items, why do you continue to refuse the establishment of a select committee of the house on estimates, where estimates could really be given a sufficient scrutiny? Why do you also continue to refuse the establishment by the house of a select committee on national defence estimates? You cannot square with the professed determination of the government to reduce non-defence expenditures its obdurate refusal to give the house the means of accomplishing that end.

The fourth method, sir, of course, in regard to taxation involves the adoption of the pay-as-you-go policy. I just have a suspicion that the Minister of Finance, when he brings in his budget, is going to say to some members of the house: You advocated taxing the people, taking more out of their pockets than is actually needed to meet expenses of the government this year on the theory the government can better look after that surplus for the people than the people can look after it themselves. While approving fully of the pay-as-you-go policy, I wish to remind the Minister of Finance that there are some forms of taxation that are directly inflationary. Those taxes that are hidden, indirect, do raise prices. The increase is passed on to the consumer. Those are not taxes that should be resorted to at a time like this to combat inflation.

In the fifth place, there are those two methods that go hand in hand that depend upon the government reminding the citizens of this country of their personal responsibility. I submit that the government has an important responsibility to bring home to the individual in this country his own personal responsibility, and that is a duty in which the government has lamentably failed hitherto. The Minister of Finance did mention the necessity of this in his speech. But oh, he did it in such a coy way, such an inoffensive way, such a feeble way. He talked about the necessity for increasing production. He talked about the necessity for consumer restraint.

Of course, Mr. Speaker, everybody knows, as the Minister of Finance said on page 296, that the fundamental cure for inflation is increased production. Yes, of course, it is the most effective method of combating inflation. Then, when it came to grappling with

that subject, what does the Minister of Finance do? He just peters out and says, on page 296:

> A good deal can be done in that field by increasing efficiency, by getting more elderly people into the working force, by employing more women, by all of us—

Now, note this. If this is not a wishy-washy statement!

> . . . all of us working a bit harder and if necessary a bit longer.

One can just imagine that accomplishing anything in rousing the people of this country to the necessity of increasing production as one of the serious hopes we have of combating inflation! Then, what does he say about the other method? The other method of course is restraint on the part of the consumer. The Minister of Finance, if you please, winds up a speech that was good in places and very feeble in other places, by saying this, as recorded on page 299 of *Hansard*—"if each individual Canadian will make up his mind that he is going to work" . . . this time he does not say "a bit harder", but he says "perhaps a little bit harder". What can you expect from a government that is offering wishy-washy, anaemic advice of that kind to the people of Canada?

An hon. Member: What would you do?

Mr. Fleming: I would do what the leader of the opposition has been calling upon the government to do, namely give a clarion call to the people of Canada; first of all, tell them of the seriousness of the dangers that confront this country, and second, of the need for every individual in this country mobilizing his effort to combat inflation by those two methods that lie within his power: Consumer restraint and increased production. To call upon the people of Canada for anything less than that at a time like this is to abdicate and to fail in the duty of government in days of grave danger. The procrastination that they have evidenced and the kind of fatalistic resignation to inflation that we have seen in the government remind one of the expression used by Mr. Churchill when he said:

> So they go on in strange paradox, decided only to be undecided, resolved to be irresolute, adamant for drift, solid for fluidity, all-powerful to be impotent.

Then we come to the Minister of Trade and Commerce (Mr. Howe). What was his contribution to the needed clarion call to the people of Canada? Talk about fatalistic resignation! He went a step further and indulged in what was unquestionably the most cynical remark and the most cynical attitude yet exhibited in the House of Commons. When dealing with this necessity for taking measures to combat inflation, dealing with this very subject of price control, he just sits back with a grin on his face, if you please, in the face of the dangers that are confronting the people of Canada, and says about the people against whom controls might have been applied: "They are all set." What a response! What a conception of duty on the part of the government! What a rising to a great national emergency! The Minister of Trade and Commerce sits back, smugly smiles and says: "They are all set." There we have more of that fatalistic resignation to inflation on the part of the government. Apparently they are quite prepared to sit there and watch it come, and keep their arms folded all the time. When the government was permitting itself to fall into this attitude of fatalistic resignation, I wonder what the Minister of Mines and Technical Surveys (Mr. Prudham) had to say? I wonder if he offered to the cabinet council those words that he uttered last year in a notable address, when he said:

> We are kidding ourselves to think we can work shorter hours and maintain a higher standard of living and, at the same time, defend our country and help defend the other free nations of the world.

I hope that he was there and I hope that he called upon his colleagues, particularly the Minister of Finance (Mr. Abbott) and the Minister of Trade and Commerce, to rouse themselves out of their apathy and meet the danger that confronts our country.

Something has been said today, Mr. Speaker, about stand-by powers. Let us remember, sir, that the house is in session; and presumably the house is going to be in session for some time. At this stage, in these early weeks of the session, surely it is not the time for anybody to put forward a request for merely stand-by powers. Let the government ask us in this bill for powers that are needed to grapple with the present situation; and if we as members of this house are convinced that the government will really use powers that are adequate for the purpose, and will really apply some energy and some resolution to the problem, then the house will not be slow to give to the government powers that will be effectively used.

The nub of the problem is, of course, the use the government is going to make of the powers it is seeking at the hands of parliament. It may be that the government has not fully made up its mind on the subject, and has not yet floundered through the difficulties to reach a decision as to what use it is going to make of the powers sought, if it does get them. Certainly the Prime Minister (Mr. St. Laurent) today was extremely vague on that subject.

Those of us who have in the post-war years in this house sought to bring to bear on the exercise of any special powers enjoyed by the government our conception of responsibility on the part of the government to this house will examine this kind of legislation closely, looking for those safeguards that in times past we have found to be so abundantly necessary.

I submit that this bill ought to contain restrictions or safeguards. In the first place, it should carefully define the emergency. It should carefully define the powers that are sought and the duration of the powers commensurate with the duration of the emergency. In the second place, it should trespass as little as is required to meet the emergency on powers that are, under our constitution, normally held by the provinces. In times of emergency measures of course have to be taken on a national scale. We will examine the bill with that end in view. In the third place, we shall wish to see that the exercise of those powers is carried out with due regard for the responsibility of the cabinet to this house. We will wish to see publication of all orders in council and we will wish an opportunity for review thereof in parliament. We do not wish to see the government blithely legislating, by order in council while parliament is in session, on matters on which parliament itself ought to be legislating. In the fourth place, as to defence of the rights of individuals in this country, rights that have often been ignored under similar legislation in times past, there must be in this bill provisions to safeguard the rights of the individual, so that he will not be denied access to the courts in the assertion of his rights.

In conclusion I say that the presentation of a measure of this kind to parliament necessarily increases the task of parliament; because when parliament is called upon to give to a government extraordinary powers commensurate with the national need in the light of a national emergency, parliament must see to it that the exercise of those powers is carefully supervised. Parliament must be even more vigilant in the giving of those powers, and in the supervision of the exercise of them after they have been given, than it is in normal times. On the opposition will rest a special task in this regard; because unless hon. members supporting the government really rally to their task in this respect it will be left to the opposition members again to see that the exercise of those powers is kept within due bounds, within the terms of the legislation, and within the principle of responsible government.

Edmund Burke once said, "People never give up their liberties but under some delusion." In vesting extraordinary powers of this kind in the government, it is the duty of parliament to make sure that the rights of the individual in this country are not overlooked: The right to go to the courts with his cause, and not to be denied access to the courts. Those are rights that must be safeguarded when parliament comes to legislate in the terms in which it is by this resolution invited by the government to legislate.

I have said that, in the face of an emergency, some powers obviously of an extraordinary nature must be taken. But I say that an inescapable duty rests on parliament to examine those powers, to scrutinize the terms of this legislation and to exercise the utmost vigilance with regard to the exercise of those powers by the government once those powers have been given to it by parliament.

Mr. W. Ross Thatcher (Moose Jaw): I should like to say a few words about this resolution. Like the hon. member who has just taken his seat, I suppose I am going to have to vote for it, but I am going to vote for it not because I think it represents action legislation. As has been pointed out here today on numerous occasions, this, once again, is an example of government stand-by legislation.

What is the purpose of the legislation which is now before us? According to the Minister of Trade and Commerce (Mr. Howe), speaking several weeks ago, the purpose of this legislation is to confer upon the cabinet powers to impose certain price controls and other controls in order to maintain economic stability in this country. We of the C.C.F. party believe that these powers are needed, but we go further. We say that when these powers are passed they should be used immediately. I think that is where we differ primarily from the government.

The government says, "We are going to pass these powers; we may or may not use them." This party says—"we should pass these powers, and we should use them." I think it is agreed in all parts of the house that there is no domestic issue facing parliament today which is as serious as this runaway inflation. Since April, 1946, the cost of living has gone up 52 points. It is so acute, Mr. Speaker, that today we witnessed, as the Prime Minister (Mr. St. Laurent) pointed out, I think for the first time in history, the four large trade unions of Canada representing, as he said, one-third of our population, getting together to ask the government for remedial action.

The time has come for this parliament to rush some kind of relief to the Canadian

consumer. It has been pointed out on numerous occasions in this debate that this is not a new problem. It has been going on for some years, but it has become particularly acute since the Korean war started, this last six or seven months.

What steps has the government already taken to cope with the problem? The steps which have been taken were outlined by the Minister of Finance (Mr. Abbott), I think it was on February 12, when he outlined them briefly to parliament. These steps included most of the standard, orthodox, financial and monetary weapons which economists recommend in fighting inflation. For instance, the minister told us that ordinary expenditures were going to be curtailed. He stated that there would be higher taxes; that the budget would be balanced. He told us how the Bank of Canada had raised their rediscount rate. He related how the Canadian dollar had been released. He informed us that savings are being encouraged; capital expenditures are being discouraged.

With all of these measures this group takes no particular exception. We know that stern fiscal weapons are needed to drain off surplus purchasing power in this country. But this group does say that these measures by themselves will not work unless they are supplemented by price controls.

The government has hoped that its anti-inflation measures by themselves could keep prices down. Cabinet ministers have told us of their steps to combat inflation; but, as the leader of this party said a short time ago, the proof of the pudding is in the eating. And the failure of these measures which the government has taken is indicated by the fact that while it has been taking this action, the cost of living has gone up another twelve points. The government has failed so far to deal effectively with the inflation problem.

In view of the dismal failure, why even today is the government so loath and so reluctant to embark upon price control?

On February 8, the Minister of Trade and Commerce told us that the government intended to ask for wide and comprehensive powers. Can this parliament have any assurance that if we pass this legislation before us, if we give the government the powers that they are asking for, they will be used? I submit that if past records are any indication we cannot have that assurance. Last year we gave the government authorities which, while not as extensive, were very similar in nature to the ones they are asking for today, and a good many of them they did not use at all.

Can we have any assurance in the future that they will use these powers? Suppose we look at some of the statements which the various ministers have made since parliament opened? I think the Prime Minister was the first minister who spoke about these price controls. Among other things he said this, and I am quoting from page 29 of *Hansard*:

> We are constantly considering the situation as it develops, and we feel that it is wise to proceed cautiously.

Again:

> There will then be the possibility of providing such controls as it may be apparent would be beneficial.

Well, I say, Mr. Speaker, that there is no assurance from these remarks of the Prime Minister that price controls will be brought in.

How long is the government going to "consider" the situation? How long is it going to "proceed cautiously", and what are the circumstances that would make it "advisable" for the government to bring in controls? Certainly the Prime Minister did not give us any indication in his speech two weeks ago or in his speech this afternoon.

The next major speech made by the cabinet regarding price controls was made by the Minister of Trade and Commerce. He said in parliament in one breath that the government was seeking wide and comprehensive powers, but in the next breath he went on to tell us that the government had no intention of exercising those powers. The Minister of Trade and Commerce was magnanimous enough to say in his own words that "there is the possibility that events will develop" in such a way that we might use them. What events, Mr. Speaker? I wish the minister would tell us what events. A revolution? Nation-wide strikes? An atomic bomb on Ottawa? Certainly the minister did not give us much of an outline in his speech as to the government's plans for meeting future inflation.

If a fire is raging, the firemen use all the weapons at their disposal to fight that fire. Surely it is sensible for this parliament, in fighting the inflation fire which is raging in Canada today, to use all the weapons which we have at our disposal. Instead, we are acting like a firecrew which goes to a fire and then refuses to turn on the hose. We are refusing to use our chief weapon, namely price controls, to fight this inflation.

I think it is indeed fortunate for the citizens of Ottawa that the Minister of Trade and Commerce is not their fire chief; because if he were their fire chief, and if he acted in that capacity in the same manner as he is acting tonight, he would probably rush his crew up with their shiny new trucks to a burning building, line the trucks up, and then

watch the building burn. I am sure he would tell his men something like this. He would say: "Let us watch this fire; let us proceed cautiously; let us consider it; let us analyse it, by all means let us have our trucks ready for any eventuality." But if the minister acted as he is acting tonight, the building would be burned down before his men got to work.

That is exactly what this government is doing tonight, Mr. Speaker. They are watching Canada's inflation fire burn, and they are not turning on their main fire hoses to put it out.

A few days later the Minister of Finance made a speech about controls, and what did he tell us? Well, on page 300 of *Hansard*, speaking about controls, he told us that the government—

—will use them to the extent that we believe they may be necessary.

To what extent, Mr. Speaker? When will they be necessary? Must the cost of living index go to 185? Must it go to 190? Must it go to 200? The minister did not tell us. He went on—again I quote from *Hansard*:

This is one of the things you cannot cure by passing a law.

Perhaps the minister is right, but I remember in the war years that they did stop prices going up or they did halt inflation, by passing a law or a series of laws.

Mr. Abbott: No, they did not.

Mr. Thatcher: But I beg to differ; they did.

Mr. Abbott: No, they did not.

Mr. Thatcher: I say to this parliament—

Mr. Abbott: Concealed it for a while.

Mr. Thatcher: —the cost of living index went up very slowly in the war period, compared to the way it is going up today. I say to this parliament that if we pass a law today perhaps we could not stop inflation; but I will venture to say that we could alleviate it a good deal and at least halt the rapidity of price rises. Finally, the Minister of Finance concluded with these words:

I do not believe that a system of over-all price or wage controls would be either desirable or effective at this time.

I suggest that no one can take from such a statement any indication that the passage of the legislation now before us is urgent. There is certainly no assurance that if it is passed it will be used. I say that from the statements made by the ministers it is perfectly obvious that the government does not mean to take concrete action in the way of implementing price controls in the near future. At best this is fence-sitting, pussyfooting, stand-by legislation. It is simply a sop to public opinion. The government's present policy shows complete reluctance to take action unless forced by the pressure of future events.

I will go further, and say that there is every indication that the government will not bring in price controls under any circumstances, if it can avoid them. Why otherwise would they be letting out all the trained personnel of the wartime prices and trade board? Why otherwise would they be dismissing or transferring these men who should know something about the administration of controls? It does not make sense. Either the government has no intention of bringing in controls in the foreseeable future or it is acting in an unbelievably shortsighted way.

I say that something must be done by this government in the near future to deal with inflation, or Canada is going to face grave and serious labour troubles. We have seen serious strikes in other parts of the world. A similar condition may be closer than many of us think in this country. Canadian labour, whether organized or unorganized, whether of the farm or of the factory, will not stand idly by indefinitely, watching its earnings and savings vanish needlessly, because their government shrinks from taking decisive action.

I say that through hard, bitter and practical experience most Canadians do not believe that the anti-inflationary policy of the government will be effective, unless it is supplemented by price controls. Therefore this party suggests to government members that they either stop inflation with their own methods, or adopt methods which are suggested elsewhere in the house. I commend to hon. members the words of Charles E. Wilson, the United States defence mobilizer, as reported in *Time* magazine. Dealing with the United States situation a few weeks ago this great industrialist said:

There is only one answer—controls. I hate the word—so do you. But there is no other way. Voluntary methods will not work. That has been proved. The power of law must be invoked . . . for prices, rents and wages—for whatever controls are necessary to prevent inflation, to promote production for defence, and provide a fair distribution of commodities among all our citizens.

This party concedes that controls are not the final answer. By themselves they will not cure the unbalance between supply and demand. But they will hold the line. They will protect the Canadian citizen while more effective and permanent cures are brought into being. We in this party are under no illusions. Along with controls must come a tough, stern and unpleasant fiscal policy, including above all a steep and heavy program of taxation. Even with the use of all the weapons which we have at our disposal, this parliament may fail to conquer inflation,

but if we refuse to use our most important weapon, then we are almost certain to fail.

I conclude by once again saying that this resolution is no answer to "inflation now". We will vote for it. Nevertheless we would like to hear the government say, specifically: "We want these powers, we need these powers. If you will give them to us, we will use them".

Mr. J. W. Noseworthy (York South): Mr. Speaker, like other hon. members who have spoken in this debate I have no choice but to support this resolution. A bill will be based upon this resolution, but of course we know nothing about its contents at the present time. Anything that we say regarding the nature of the proposed legislation must be based upon suggestions which have been thrown out by ministers and by the Prime Minister (Mr. St. Laurent) in his speech this afternoon. We have heard that the bill to be brought in following this resolution will be stand-by legislation which will not be used at the present time. The Prime Minister expressed the hope that the presence of the legislation on the statute books would in itself be sufficient to halt rising prices and inflation and render the application or implementation of the provisions of the bill unnecessary.

The Prime Minister admitted that inflation is one of the weapons which our enemy is using and will continue to use in the cold war, but he intimates that the government hesitates to take any definite action on this matter, particularly in the way of price control. Why is it that those men who gave such excellent service to the country and did such an efficient job during the last war in administering price control are now deprecating price control, are now pointing out all the difficulties in the way of price control and telling us that price control will not work now as it worked during that war? Why is it the ministers who were for four years shouting from the housetops the benefits of price control have suddenly changed their minds and are now afraid to touch price control? The Prime Minister told us this afternoon that there was no desire on the part of the government to by-pass parliament. He intimated that any measure of control would require public support in order to be a success. Why do the Prime Minister and the government think that they will not have public support in the administration of a price control policy at this time?

I have a feeling that if members of this house who sit on the government benches were free to express their opinions and the opinions of their constituents they would express themselves as being in favour of price control at this time. How does it happen that there is almost unanimity among the opposition groups that the emergency we are in today demands price control, while practically everybody on the government side of the house is opposed to price control? I say again that if government members and those sitting on the government benches were free to express their candid opinions on this subject they would now speak in favour of price controls. The Prime Minister (Mr. St. Laurent) told us that representatives of one million workers in this country have asked for price control, and these same representatives assured him that the workers of Canada would support the government in any measure of price control. What is the government afraid of? I listened with a good deal of interest to the speech of my neighbour, the hon. member for Eglinton (Mr. Fleming). I really thought we had pushed the Conservatives off the price control fence, and that they had come down on the side of price controls. I must say that anyone reading the speech made a little while ago by the hon. member for Eglinton would find it very difficult to decide whether he is in favour of or against price controls at this time.

Mr. Knowles: His leader had better take him in hand.

Mr. Noseworthy: He did an excellent job of balancing himself on that fence, but what I did not like was the insinuation in his speech that only he and his leader were really conscious of and awake to the present emergency. The insinuation was that nobody else was really conscious of the seriousness of the present situation, and that, because we had not followed the advice which he and his leader had given us.

The people of Canada are conscious of the emergency; they are awake. The Prime Minister assured us this afternoon that the representatives of labour gave evidence of their consciousness of the threat of communism in Canada. In a recent poll 75 per cent of the people who were questioned expressed themselves in favour of price controls. Who is it who is opposed to price controls? Who is it that the government is afraid of?

Mr. Knowles: Itself.

Mr. Noseworthy: Who is it who will not give support to a government policy of price control? There were some groups mentioned in the report of the royal commission on prices who were referred to as monopolies and near monopolies. I can understand that probably some of them are opposed to price

controls. I would not be at all surprised if the flour milling industry, referred to in that report, is opposed to price controls today. I would not be at all surprised if the management of the packing house industry is opposed to price controls. It is quite possible that the monopoly which manufactures fertilizer is opposed. It is quite possible that the three large manufacturing concerns that have a monopoly on synthetic yarns are opposed. Probably there are others. You know, there was a time when people across Canada referred to the Conservative party as the big business party.

Mr. Knowles: They have been pushed out now.

Mr. Noseworthy: Of course that was before they adopted the name "progressive" and before they became progressive.

Mr. Knowles: Oh, oh.

Mr. Noseworthy: In name at least. I wonder if it is possible that there has been a sort of political revolution going on in big business in the last decade of good times for big business? Is it possible that within the last decade big business has despaired of getting much help from the Conservatives—

Mr. Ferguson: They will be turning to the C.C.F. next.

Mr. Noseworthy: —and they began to shower their material blessings upon the grand old Liberal party?

Mr. Pouliot: The best party in the world.

Mr. Noseworthy: I have no doubt every big business in Canada agrees with the hon. member. Is it possible that there is any connection between the support that the government is getting from big business today and their fear that they will not have public support for price controls? Other than that I certainly fail to see any logical reason why a government that was so wedded to price control during four years of the war, a government that did such a good job of price control during those years, should now be so reluctant to embark upon any form of price control.

There is another feature of price control to which I wish to refer. I presume that Mr. Towers, who gave an interview to the Toronto *Daily Star* on January 31, 1951, was expressing the official attitude of the government towards the present inflation when he referred to the past five years as a "mild inflation". Apparently the government still thinks of inflation as it exists today as a mild inflation.

Mr. Knowles: I would hate to see what they call the real thing.

Mr. Noseworthy: They are asking for legislation that can be used when an emergency arises, when we really get into an inflationary period. So far as most of the ordinary citizens of this country are concerned, the emergency is here now. Inflation is here now, and it is not so mild. I am going to put certain figures on the record again which no doubt have been referred to by other members. Here is how mild the inflation is for those who have to buy food, and a lot of people in Canada have to buy food. In April, 1946, the cost of living index in the cities for food was 135, and in December, 1950, it was 218.8. That is an increase of 83 points or 62 per cent. In other words, the 1946 food dollar was only worth 48 cents in 1950. I think it was the Minister of Finance who took the leader of the official opposition to task for suggesting that Canadian dollars were decreasing in value. It was the Liberal government which, six days before the election of 1945, assured everyone in this country, in practically every newspaper, that if they were elected they would maintain the purchasing power of the Canadian dollar. Since then the food dollar in Canada has fallen in value to 48 cents.

The index of rents rose from 112 in April of 1946 to 136, an increase of 21.5 per cent. That is not bad. Fuel and light rose by 31.3 per cent. Clothing rose by 50 per cent. In other words you could have bought two suits in 1946 for what you paid for one in 1950. Home furnishings and services increased by 46 per cent. These increases since April 1, 1946, indicate that this is not a mild inflation but a very real inflation for the people who have to buy food and clothing and home furnishings, and pay rent.

Perhaps a few more figures will bring out this point a little more graphically. I am going to compare the prices of certain specific articles of food in April 1946 with the prices of 1950. Beef has gone up 141 per cent since April, 1946; in other words the dollar with which you buy beef is not worth very much today. Coffee has gone up 127 per cent; veal is up 111 per cent. Even milk is up 79 per cent, notwithstanding the control the hon. member for Eglinton (Mr. Fleming) said was exercised over milk prices in Ontario. I have yet to learn what control the government which his party supports has exercised over milk prices in this province. We may get that information from some other Conservative speaker. Flour is up 78 per cent and bread 67 per cent. Those are real increases, which cut into the earnings of every white-collar and industrial worker in the country. They cannot be considered mild.

Then in trying one moment to deprecate price control and the next moment to support

it, the hon. member for Eglinton pointed out that prices had risen in some of those enterprises which were under control. The truth is that the increases in fuel and light, where the rates in many instances are controlled by public ownership and in others by public regulation, were among the lowest of all during the decontrol period. Rents rose only 21 per cent, less than half the increase shown in many other services. That was so because rents remained at least partially under control. The fact is that it is the free enterprise components of the price index in which prices have skyrocketed most. Those components of the price index which were controlled or partially controlled by public ownership or by public regulation of rates increased least of all during the decontrol period. When the government undertook this decontrol policy we were assured that free enterprise would moderate the price increases, that supply and demand would take care of them. Exactly the opposite has been true. In those fields where private enterprise operated uncontrolled we have had the highest telling us of the good things its control period.

The government is a little backward about telling us of the good things its control policy did during the war, I presume because they do not want to undertake controls at the present time. Here is a comparison between the four and a half years during which we were under price control, between December 1941 and April 1945, and the four and a half years we have been under the government's decontrol policy. I will show the difference in food and clothing. During the price control period food prices in the city of Toronto rose nine points. During the four and a half years we have been under government decontrol food prices have shot up 76.5 points. In the city of Winnipeg food prices increased 11 points during the four and a half years we were under control. They increased 85 points during the four and a half years under decontrol. That picture is true in practically every urban centre in Canada. In Vancouver food prices went up 12½ points during the control years and they have gone up 87 points under decontrol.

The situation in regard to clothing is just the same; prices have skyrocketed during the decontrol years. It is often said, particularly by the opponents of price control, that increases in prices are caused by increases in wages that the workers have been receiving. We are told again and again it is because of these demands by trade unions that prices have risen. We are assured that labour is one factor entering into the production of goods which has been responsible for these prices. What is the truth? According to the dominion bureau of statistics in practically every case rising prices have kept abreast of increases in wages. The highest paid wage earners in Canada today, those in the pulp and paper industry, are just about four dollars per week ahead of where they were in 1946. They have made the largest gains of any industrial workers in this country. Most of the other groups who have made any gains at all have made gains of from one dollar to two dollars per week in real dollars.

Actually, as of July 1, 1950, according to the dominion bureau of statistics, there were 234,000 from among twenty-one industries whose real wages, in terms of purchasing power, showed a decrease in 1950 as compared with 1946. In other words, there were 234,000 people who lost more by rising prices than they gained by their increased wages. In another group of white-collar workers employed in retail, wholesale and finance offices, as of that date there were 271,000 who were worse off in 1950 than they were in 1946. For those 271,000 the rising cost of living had outstripped any increases they had secured in wages to the point where the dollars they received in 1950 would purchase less than the dollars they were receiving for their weekly pay in 1946. There were 214,000 people employed in the retail trade in Canada, white-collar workers, who showed an average gain of only 46 cents per week over their 1946 income. In other words, there were 214,000 people for whom the rising cost of living had absorbed everything they had received by way of wage increases except 46 cents a week. That is the situation so far as the wage earners in this country are concerned.

If you want the picture of what it means to families, what it means to those who are trying to make ends meet these days, you only need to read Jack Scott's column in the Ottawa *Citizen*. Here one gains the real picture of what this government's mild inflation means to the ordinary citizen. On February 9, 1951, Jack Scott wrote in his column as follows:

> Consider the familiar undramatic facts. A letter from a Vancouver woman who has three children and a husband whose take-home income is $166 monthly plus $16 family allowance says: "We dress in rags and hand-me-downs. The boys both need winter coats, but they will have to wait. We get our shoes mended so many times I am ashamed to take them to the cobbler. My husband owns one three-year-old twenty-five dollar suit. He still is using his army shirts and socks. Entertainment, don't make me laugh. If we want to go to a show we have to figure on $3.50 at least counting the baby sitter and carfare. We do most of our going out separately. The niggardly cheese-paring methods with regard to food are what hurts me

most. My children are growing up without knowing the taste of juicy steaks. Pot roast is the best they ever taste, and that not often. Under this regime we cannot even think about saving. We have only just enough in the bank to cover our cheques. We are always broke before pay day.

That is the story, Mr. Speaker, of thousands of families in this country at this time. I have dealt with inflation as it affects labour. Other members in this house have already placed on the record the effect of inflation on profits. I do not think it is necessary at this time for me to add to that. I believe that every one of us is cognizant of the fact that the past five years have been five of the best years the larger enterprises of this country have ever known. If you compare their profits during the decontrol period with the effect of rising prices upon wage and salaried earners, you will have no difficulty in deciding which group this government's policy has favoured. It is evident that this government's policy has, year after year, been supporting those who have been profiting out of the inflationary period, as against the million industrial workers and the farmers who have suffered as a consequence of these rising prices.

For the life of me, I cannot understand why we have such a radical change, such a completely different outlook on the part of government towards this matter now and in 1941. It is true that we are not in an all-out war, but our war expenditures this year will exceed our war expenditures in 1941 when we were in an actual war. The expenditures of the United States, which affect us, are several times greater this year than they were then. They are now $30 billion as compared with $7 billion in 1941. Again and again in this house we have been told that in 1941 approximately 10 per cent of our people were unemployed. Today we have at the most between 3 per cent and 4 per cent unemployed. If the situation in 1941 required the drastic action which the government took at that time, there is every indication that the situation today requires action just as drastic as that taken then. Again, I feel that the government has no reason whatever to believe that the mass of people in this country will not support them in a price control measure now as it did during the war years. I have already pointed out the groups that possibly will not support the government in price control. I ask this government to listen to the appeal of 75 per cent of the people of Canada who answered "yes" when they were asked in the last public poll whether they wanted price control. I ask the government to listen to those who represent a million workers in this country. I ask them to find out what is the honest opinion of the members sitting on the government benches with regard to this matter. Having done that, I ask them to formulate government policy on that basis and not on what big business in this country wants.

Motion agreed to and the house went into committee, Mr. Dion in the chair.

Mr. Knowles: I should like to ask the Prime Minister—and I am glad to see that the Minister of Finance is in the chamber with him—what the situation will be under this bill with respect to rent control if the government could be persuaded that the federal authority should stay in that field.

Mr. St. Laurent: The bill as drafted will be in terms that would permit the governor in council to establish federal rent control if that measure was found to be advisable. But of course any such regulation would have to be brought to the house, under the terms of the bill, and would remain in operation only if the house and the Senate did not by resolution choose to invalidate it.

Mr. Knowles: As I understand it, at the present time rent control under the existing legislation will expire as at April 30. That is correct, is it not?

Mr. Abbott: That is right; yes.

Mr. St. Laurent: That is correct.

Mr. Knowles: In other words, if before that date we could persuade the government that it should stay in the field, it would be possible for federal rent control to continue in effect without any gap?

Mr. St. Laurent: If the government became convinced that that procedure was desirable in the public interest, it would be possible for that to be done under the legislation that is to be proposed, if and when this resolution is adopted.

Mr. Knowles: I appreciate the answer that the Prime Minister has made, and I realize that he is protecting himself by making it clear that the government has not yet been persuaded. I should like to take just a moment to argue the case.

Mr. St. Laurent: I am afraid that the hon. member will not be able to do it between now and eleven o'clock.

Mr. Knowles: I was not planning to take the twelve minutes that are left. I was hoping that I could persuade the government in a minute or two that this matter is a serious one that should be dealt with in that light. The announcement made by the Minister of Resources and Development a few days ago cannot but have the effect of cutting down the building of new houses. In fact,

I think that was the desired purpose of the announcement, in view of the shortage of materials. With that happening just at a time when rent controls are coming off in some of our provinces and at a time when prices generally are going up, I suggest that we are heading into a situation that is an extremely serious one. I hope that the government will give constant attention to this matter and will reconsider the whole position before April 30.

Mr. Green: May I ask the Prime Minister whether this measure will enable the government to undertake a national registration?

Mr. St. Laurent: The measure would be drawn in terms that would permit the government to undertake a national registration; and if that were to be taken merely as a precautionary measure, perhaps the government would take the responsibility of attempting to do it under the terms of this legislation, if and when it is adopted. But the policy of the government will not be to do anything of major importance without coming to parliament and declaring that it is its view that it should be done, and allowing parliament to disagree with the government if it finds that its policy is not the proper one. It is not our intention to get legislation to enable us to do things that we will not take the responsibility of doing publicly in the constitutional manner.

Mr. Green: From the answer just given am I to take it that the government would not undertake a national registration without coming back to the house and asking for approval to take that particular step?

Mr. St. Laurent: The manner in which it would be put before the house might or might not be that of seeking approval. But it will not be the policy of the government to make any major change in its policies, as they have been announced up to the present time, without coming to parliament and declaring its change of policy and submitting that new policy to parliament. If, for instance, in connection with the census something were to be arranged that might be preparatory to an inventory of the resources of the country, that is something that we would not consider to be a departure from the announced policies. But if there were to be something new, something that the public would look upon as a major new venture in government policy, we would want to announce that to the house and to take our responsibility before the house.

Mr. Green: What the Prime Minister means then is this. There might be some type of registration taken in connection with the census without having that policy approved by the house; but in so far as what is commonly understood as a national registration is concerned, such a step would not be taken without coming to the house?

Mr. St. Laurent: Unless parliament was not in session and it appeared to be something that required urgency; and even in that case my own disposition would be to call parliament, because I think it is preferable that all these matters that are of such great consequence to the nation should be dealt with in the regular constitutional way.

Mr. Green: What would the procedure be with regard to bringing in some system of national selective service?

Mr. St. Laurent: That would be announced to parliament, and the government would take the responsibility of the verdict of parliament on the propriety of its action.

Mr. Green: There would be some legislation required other than this measure we are now considering?

Mr. St. Laurent: I do not know whether it would really require some legislation, but there would be ample opportunity for it to be considered by parliament and for parliament to make known its views as to whether or not the government was doing the right thing.

Mr. Knowles: Just to get this clear, I take it then the way in which parliament would express its approval or disapproval of a course the government proposed to take would not be by voting specifically on that measure but would be simply our being informed by the government that a measure was to be taken, and then we would show either our confidence or lack of confidence in the usual way?

Mr. St. Laurent: In the bill as drafted any order made in the exercise of these powers would have to be brought before parliament immediately, and would cease to be effective if the houses of parliament resolved that it should not be effective. There will be opportunity for such a resolution to be made and considered.

Mr. Knowles: In other words, there will be an opportunity to show our disapproval in a positive way?

Mr. St. Laurent: Yes.

Mr. Knowles: But if we did not show that disapproval, we would not have the opportunity to show approval?

Mr. St. Laurent: No, we find today that for the consideration of the motion as to whether the Speaker should leave the chair to consider a resolution we used one day of debate; and there are at least six opportunities for

debating any legislative matter. Now, under present conditions it seems to us that these matters should be dealt with expeditiously, but not finally. They should come into force, and if parliament is dissatisfied with them they should cease to operate, but there should not be days and weeks required before they come into force.

Mr. Knowles: Just one other question, Mr. Chairman, do I take it then that there is at least a certain difference between the way in which orders brought in under this act will be pursued and orders brought in under the War Measures Act? In the case of the War Measures Act, an order in council was passed whether parliament was in session or not. It was tabled, and we could kick about it verbally, but that was all. In this instance, there will be provision for parliament to express itself on a substantive motion, if it wishes.

Mr. St. Laurent: There is express provision in the legislation that is intended to be put before the house. Of course, it will depend upon the form in which the legislation is passed by the house, but in the proposals to be put before the house under this resolution there is provision for the invalidating of these orders by resolution of the Commons and the Senate, which did not exist under the War Measures Act.

Mr. Knowles: That sounds like an improvement.

Resolution reported, read the second time and concurred in.

Mr. St. Laurent thereupon moved for leave to introduce Bill No. 24, to confer certain emergency powers upon the governor in council.

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

Mr. St. Laurent: Tomorrow is private members' day, and the business will be that provided for by standing order 15.

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

HOUSE OF COMMONS

Wednesday, February 21, 1951

The house met at three o'clock.

EXTERNAL AFFAIRS

CANADA'S CONTRIBUTION TO COLOMBO PLAN

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, in accordance with the request made yesterday I should like to make a short statement on Canada's contribution to the Colombo plan.

A little over a year ago the foreign ministers of the commonwealth countries met in Colombo, Ceylon, to consider many of the urgent political and economic problems then facing Asia. Out of their discussions a consultative committee on south and southeast Asia was created which was charged with examining economic problems of the area and preparing appropriate recommendations. This committee, which drew its original membership from seven countries, the United Kingdom, Australia, New Zealand, India, Pakistan, Ceylon and Canada, met in Sydney, Australia, last May and in London last September. Its most recent meeting in Colombo, Ceylon, ended yesterday.

The United States, with unanimous agreement of the seven original members, recently joined the consultative committee. In announcing his government's acceptance of this invitation, the Secretary of State in Washington said on January 24 of this year that it afforded his country the opportunity "for further co-operation with the countries of south and southeast Asia in their efforts toward economic and social development". Representatives of the following non-commonwealth countries also attended the recent meeting in Colombo: Burma, Cambodia, Viet Nam, Indonesia, the Philippines and Thailand.

During 1950, when the United States was continuing to carry such a heavy burden of foreign aid, it was, I think, appropriate that the commonwealth countries should examine together some of the pressing economic problems of south and southeast Asia. These were not new problems, but they were ones to which the free world had not previously given adequate attention. The commonwealth countries did good work, therefore, in bringing together in one report an analysis of the needs of the countries which comprise four-fifths of the area of south and southeast Asia.

Since the plan was drawn up, there have already been significant economic changes which are bound to affect its progress, at least in its initial stages. The burden of rearmament which the western countries have been forced to take on is having major economic consequences. The prices of many of the raw materials produced in south and southeast Asia have gone up sharply. This advantage to producers in the area has been offset to some extent by the rising cost of the goods which the Asian countries must import. Even more serious are the difficulties in obtaining delivery of critically needed goods. Most regrettable, there has been a serious falling off in India's food supply owing to drought in some regions, floods in others and locusts in still others. This has imposed a very real human and economic problem upon India.

The Colombo plan calls for a capital development program in commonwealth countries of south and southeast Asia totalling about $5 billion over a six-year period starting this year. Of this $5 billion it is expected that about $2 billion will be raised internally and about $3 billion will come from external sources. Private capital is one source, though in the present international situation it cannot be as important as it should be. We also hope that the international bank will be another source for financing some of the larger projects. So far as government contributions are concerned, the United Kingdom has announced that its contribution over the six-year period will take the form of sterling balance releases, at a high and fixed rate, grants for colonial development, and loans floated in London, amounting to well over 300 million pounds sterling, or more than 900 million Canadian dollars for the six years. Australia has announced that it will provide 7 million pounds sterling, which is nearly 21 million Canadian dollars in the first year, and that over the six-year period its contribution will be not less than 25 million pounds sterling, that is nearly 75 million Canadian dollars.

The Canadian government has been giving very serious consideration to the course of action which should be recommended to parliament. We have been conscious that Canadians, as individuals—and this has been clearly reflected in the press from one end

of the country to the other—wish to contribute to the success of this plan. This desire of the people of Canada to extend assistance has also been clearly shown in the debate on the speech from the throne. It was reflected by the remarks of the leader of the opposition (Mr. Drew) when he expressed his confidence that members of the house would support all practical measures which will bring hope and encouragement to those who are in such great distress in so many parts of the world. It was reflected also in the remarks of the hon. member for Rosetown-Biggar (Mr. Coldwell), when he called the Colombo plan the most imaginative ever adopted by the commonwealth countries.

The government therefore authorized Mr. David Johnson, our high commissioner in Pakistan and our delegate to the recent meeting of the consultative committee, to state that the Canadian government would ask parliament to appropriate $25 million as its contribution to the first year of the plan, provided it was clear that other contributing countries would be making appropriate contributions so that the broad objectives of the Colombo plan might be realized.

The United States representative at the Colombo meeting said that his government welcomed the initiative of the countries participating in the Colombo plan; that the plan itself appeared to offer a basis for genuine economic progress, and that the United States intended to co-ordinate to the greatest extent possible the program it had undertaken or might undertake in the area with those programs under the Colombo plan.

I should also inform the house that we are immediately opening discussions with the Indian government to see whether they would wish that some of the funds we provide this year under the Colombo plan should be spent on Canadian wheat for their famine-stricken country. As yet we do not know exactly what types of wheat, available in Canada, will be of use to India; nor, of course, do we know what next year's crop will be. However, it is our hope that some wheat may be provided to the government of India in connection with the plan. This wheat, I imagine, would be sold by the Indian government to the people of India under its rationing system, where possible, and the money so raised could then be devoted to capital developments. In the Colombo report it is clearly recognized, especially in the case of India, that imports of food as well as imports of capital goods may serve in attaining the objectives of the plan. At the same time that we open discussions with the Indian authorities we shall open parallel discussions with the Pakistan authorities.

In conclusion, Mr. Speaker, perhaps I might read to the house the last sentence of the Colombo report, which summarizes so eloquently our hopes for the success of the Colombo plan:

> In a world racked by schism and confusion it is doubtful whether free men can long afford to leave undeveloped and imprisoned in poverty the human resources of the countries of south and southeast Asia which could help so greatly, not only to restore the world's prosperity, but also to redress its confusion and enrich the lives of all men everywhere.

Mr. Coldwell: If I may ask the minister a short question, do I understand that our contribution is not contingent upon a substantial financial contribution by the United States?

Mr. Pearson: Well, Mr. Speaker, I do not want to begin a discussion of this matter at this time. In reply to the hon. gentleman I would merely say that to carry out the original plan in its entirety, a contribution from the United States will be essential. The contribution we shall ask parliament to make is not in a sense conditional upon anything; but if the plan could not be carried out in its entirety, naturally we would have to re-examine the whole position.

Mr. Higgins: May I ask the minister—

Mr. Speaker: Order. The minister has stated that he will ask parliament to approve the contribution of this sum of money. In the circumstances I think questions should be withheld until that legislation is brought down.

FLOOD CONDITIONS

INQUIRY AS TO REPORT OF RED RIVER DIKING BOARD

Mr. Fernand Viau (St. Boniface): Mr. Speaker, since the orders of the day may not be called, with the consent of the house I would ask the Minister of Trade and Commerce when the report of the Red river valley diking board, outlining the works completed or to be completed in the Red river valley for the protection of that area, including Winnipeg and St. Boniface, which were flooded in the spring of 1950, will be tabled.

Right Hon. C. D. Howe (Minister of Trade and Commerce): The report is now in the hands of the printer, and I hope it can be tabled within a week or two.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 25, for the relief of Isabella Potts Younger Ayton.—Mr. Winkler.

Bill No. 26, for the relief of Margaret Alice McDermid Jones.—Mr. Winkler.

Bill No. 27, for the relief of Jacqueline Moquin Verner.—Mr. Winkler.

Bill No. 28, for the relief of Ruth Chernofsky Shaffer.—Mr. Winkler.

Bill No. 29, for the relief of Florence Lachovitz Michael.—Mr. Winkler.

Bill No. 30, for the relief of Eugenia Jean Diakonuk Cuthbertson.—Mr. Winkler.

Bill No. 31, for the relief of Ruth Moffatt Bell Lansing.—Mr. Winkler.

Bill No. 32, for the relief of Kurt Roberts, otherwise known as Kurt Rosenbaum.—Mr. Winkler.

Bill No. 33, for the relief of Margaret Stevenson Erskine Withenshaw.—Mr. Winkler.

Bill No. 34, for the relief of Cecile Duguay Quenneville.—Mr. Winkler.

Bill No. 35, for the relief of Margarette Marie Hyduk Towstuk.—Mr. Winkler.

Bill No. 36, for the relief of Joseph Maurice Fernando Lemieux.—Mr. Winkler.

Bill No. 37, for the relief of Donald Benedict Cullen.—Mr. Winkler.

Bill No. 38, for the relief of Valeda Ardell Derick Thorley.—Mr. Winkler.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

WAR CRIMES—SUSPENSION OF SENTENCES

Mr. Crestohl:

1. Has the government been consulted about the suspension of the sentences of nazi criminals as announced by United States authorities in Germany? If so, what was the government's attitude?

2. Can the government inform this house whether the suspension of the sentences imposed on nazi criminals is part of General Eisenhower's "Let bygones be bygones" policy, and was the government consulted prior to the general's formation of such policy?

Mr. Lesage:

1. (a) No; (b) answered by (a).

2. (a) No; (b) no.

Supplementary information:

1. Under the London agreement of March, 1945, the United Kingdom, United States, France, and the U.S.S.R. set up a special international military tribunal (which later sat at Nuremberg) to deal with major war crimes. The jurisdiction of the tribunal extended to cases where the apprehension and trial of the offender required international co-operation.

2. The creation of the special tribunal at Nuremberg did not affect the jurisdiction of national military courts over offences of a local character coming within the Red Cross conventions or within the normal military law of the state or occupying power against whom the offence was perpetrated.

3. The courts of individual countries have no independent power to exercise clemency in the case of war criminals convicted by the international military tribunal at Nuremberg. Reduction or remission of sentences passed by that tribunal is a matter for quadri-partite decision. The United States has not taken any initiative in seeking a review of decisions of the international military tribunal.

4. Any action which the United States has taken in response to pleas for clemency has been confined to prisoners convicted by United States military courts, six of which were located at Nuremberg. Without reference to other occupying powers the United States is free to take such independent action by virtue of control council law No. 10 of December 20, 1947, under the authority of which national military courts were set up.

MARITIME MARSHLAND REHABILITATION

Mr. Nowlan:

On what bodies of dikelands in the province of Nova Scotia were moneys expended, pursuant to the provisions of the Maritime Marshland Rehabilitation Act, and how much money was expended on each of such bodies during (a) the period from April 1, 1949, to March 31, 1950; (b) the period from April 1, 1950, to December 31, 1950?

Mr. McCubbin:

(a) Marsh body—Expenditures 1949-50: Annapolis valley project, $8,412.16; Comeau marsh, $23,024.07; Dentiballis, $297.00; Falmouth great dike, $291.67; Grand Pre marsh, $899.50; Queen Anne marsh body, $361.61; Truro dikeland park, $307.50.

(b) Marsh body—Expenditures April 1, 1950 to December 31, 1950: Advocate, $416.05; Allan river, $634.70; Amherst point $34,705.54; Annapolis town, $332.00; Antigonish, $127.00; Barronsfield, $720.20; Castle Frederick, $449.30; Dentiballis, $41,483.17; Dugau marsh, $17,994.71; Falmouth great dike, $37,305.27; Falmouth village, $1,497.87; Grand Pre marsh, $62,226.47; Habitant, $3,249.49; Mount Anne, $921.45; Moschelle, $900.30; Noel shore, $650.25; Newport town, $382.70; Queen Anne marsh body $52,409.58; River Hebert, $389.95; Ryerson, $69.79; Saulnierville marsh, $6,380.78; Selma marsh body, $39.60; Scotch village, $124.85; Truro dikeland park, $39,221.29; Upper Belleisle, $150.80; Upper Nappan, $307.11; Victoria diamond jubilee, $35.751.85; Woodworth, $88.00.

Questions

BENZENE FROM CANADIAN COAL OR COKE

Mr. Balcom:

1. Has the dominion coal board investigated the possibilities of converting coal to an oil pipe-line fuel?
2. If so (a) with what success; (b) in what section of Canada were experiments tried?
3. What quantity, if any, of benzene is derived from Canadian coal or coke?
4. What quantity of benzene was used during the year 1950 in the manufacture of Canadian synthetic rubber?

Mr. McIlraith:

1. No. Governmental technical investigations of this nature would be undertaken by the Department of Mines and Technical Surveys.

2. Answered by No. 1.

3. 6,540,255 imperial gallons in the calendar year 1949.

4. 2,630,000 imperial gallons.

WHEAT BOARD ACCOUNTS—UNCLAIMED PAYMENTS

Mr. Wright:

1. What are the amounts of uncashed cheques remaining in the hands of the wheat board under the various accounts handled by that board from 1940 to date?
2. What are the amounts unclaimed for other reasons in these accounts?
3. What are the statutory or other regulations governing the disposal of these accounts?

Mr. McIlraith:

1. Outstanding cheques uncashed in the hands of producers, as at 31st July 1950, in the various wheat board accounts were as follows:

Wheat—western division:		
1940 crop account—final payment		$ 17,689 44
1941 crop account—final payment		8,984 56
1942 crop account—final payment		10,840 71
1943 crop account—final payment		45,749 12
1944 crop account—final payment		109,053 39
1945-49 pool account:		
10c. adjustment payment, authorized by order in council P. C. 3222 of 30th July 1946		20,892 15
20c. adjustment payment, authorized by order in council P. C. 1289 of 25th March 1948		176,070 41
20c. adjustment payment, authorized by order in council P. C. 919 of 24th February 1949		717,504 49
		1,106,784 27
Emergency wheat receipts:		
1945 crop	$ 3,136 65	
1946 crop	58,016 21	61,152 86
Wheat—eastern division:		
1944 Ontario wheat equalization fund order in council P. C. 1638	2,794 80	
1945 Ontario wheat equalization fund order in council P. C. 4646	2,858 72	5,653 52
Total wheat		1,173,590 65
Coarse grains—western division:		
1942 crop oats and barley equalization funds—P. C. 4450	4,554 74	
1943 crop oats equalization fund—P. C. 4450 and 8898	15,197 36	
1944 crop barley equalization fund—P. C. 5998	13,690 45	
1946 crop oats equalization fund—P. C. 3222 and 1292	13,852 61	
1947 crop oats and barley adjustment payment—P.C. 3375	8,746 86	
1947 crop oats and barley equalization funds—P.C. 1891 and 5207	73,965 44	
1946 crop barley adjustment payment—P. C. 1292	6,387 70	
1947 crop flaxseed adjustment payment—P. C. 829	3,828 04	140,223 20
Total outstanding cheques		$1,313,813 85

Questions

2. Amounts due to producers for which participation certificates or other documentary evidence have not been surrendered to the wheat board as at July 31, 1950 are as follows:

1940 crop account—final payment	110,942 52
1941 crop account—final payment	58,020 62
1942 crop account—final payment	64,965 75
1943 crop account—final payment	270,418 52
1944 crop account—final payment	414,466 83
1945-49 pool account:	
10c. adjustment payment, authorized by order in council, P.C. 3222 of 30th July 1946	124,966 83
20c. adjustment payment, authorized by order in council, P.C. 1289 of 25th March 1948	1,167,706 16
20c. adjustment payment, authorized by order in council, P.C. 919 of 24th February 1949	2,257,767 80
	4,469,255 03
1946 crop—emergency wheat receipts	26,518 23
	$4,495,773 26

Note: In reduction of the amounts shown as outstanding in (1) and (2) above payments were made by board amounting to $1,353,829.48 during the period 1st August, 1950 to to 31st December 1950.

3. These accounts are operated under the Canadian Wheat Board Act and other regulations and are regarded as active accounts by the board. The board is continuously endeavouring to effect payment of moneys due to producers. See also preceding note.

NATIONAL DEFENCE HEADQUARTERS—MILITARY AND CIVILIAN PERSONNEL

Mr. Thatcher:

1. How many officers of all forces are attached to, or stationed at national defence headquarters?
2. How many non-commissioned ranks of all forces are attached to, or stationed at, national defence headquarters?
3. How many civilians are attached to, or stationed at, national defence headquarters?

Mr. Blanchette: Personnel stationed or attached at national defence headquarters:

	1 Officers	2 Non.-Com. Ranks	3 Civilians	Total
Navy	246	8	790	1,044
Army	418	598	651	1,667
Air Force	351	209	294	854
Administration	40	71	734	845
DRB	14	1	252	267
Total	1,069	887	2,721	4,677

NEWFOUNDLAND—SALES TAX COLLECTIONS

Mr. Higgins:

What amount has been collected from Newfoundland in sales tax since the date of union?

Mr. McCann: The amount of sales tax (domestic and importation) collected in Newfoundland since April 1949, to January 31, 1951, inclusive, is $3,379,998.42.

PURCHASE OF T.B. HOSPITAL PROPERTY IN WHITEHORSE

Mr. Noseworthy:

1. Was the government involved in any way in the purchase of property in Whitehorse known as Log House?
2. If so, for what purpose was the property purchased?
3. From whom was it purchased?
4. When was it purchased?
5. What use is now being made of the property?
6. Was a garage built on the property by the federal government?
7. If so, what was the cost of such garage?
8. Where are T.B. patients from Whitehorse now hospitalized?

Mr. Winters:

1. No.

2 to 5. Answered by No. 1.

6. No.

7. Answered by No. 6.

8. This is the responsibility of the Yukon territorial government. However, it is understood that patients are hospitalized in the Charles Camsell hospital, Edmonton, and in hospitals of the governments of Saskatchewan and Manitoba.

SHIPMENTS OF LIVE CATTLE TO THE UNITED STATES

Mr. Catherwood:

What was the total number of live cattle shipped to the United States in the years 1949 and 1950?

Mr. McIlraith: 1949, 417,648; 1950, 456,718.

Questions

COST OF LIVING INDEX—PROTECTIVE FOODS

Mr. Knowles:

1. Does the selection of goods and services used in computing the cost-of-living index, on the basis of 1935-1939 equalling 100, include an adequate amount of protective foods?

2. What protective foods, and what quantities thereof, are thus included?

3. Has the quantity of protective foods been altered to conform to modern health and nutritional standards? If so, in what respects and to what extent?

4. What was the over-all cost-of-living index as at February 1, in each of the following years, 1945, 1946, 1947, 1948, 1949, 1950 and 1951?

5. What was the food index as at February 1, in each of the following years, 1945, 1946, 1947, 1948, 1949, 1950 and 1951?

Mr. McIlraith: 1. The term "protective foods" is not capable of precise definition, and is not widely used currently by nutritionists. It is interpreted by different people to mean different foods. It is not possible to say, therefore, whether the present cost of living index budget includes an adequate amount of such foods.

2. In popular usage, the term "protective foods" appears to be most closely identified with fruits, vegetables, meats, fish, eggs, and dairy products. The cost of living index budget includes the following quantities of these items:

Item—Commodity Weights: Milk, 10·5 quarts; butter, 2·8 pounds; cheese, 1½ pound package, 0·8 package; eggs, 1·4 dozen; sirloin steak, 0·5 pound; round steak, 0·9 pound; rolled rib roast, 0·7 pound; blade roast 1·1 pounds; stewing beef, 1·0 pound; veal, 1·0 pound; lamb 0·3 pound; pork, fresh loins, 1·5 pounds; pork, fresh shoulder, 1·0 pound; bacon, rind-off, 0·7 pound; fish, 0·8 pound; beans, dried, 0·4 pound; onions, 0·8 pound; potatoes, 12·0 pound; canned tomatoes, 2½'s, 29 oz., 0·6 tin; canned peas, 15 oz., 0·8 tin; canned corn, 15 oz., 0·4 tin; cabbage, 1·0 pound; carrots, 1·5 pounds; turnips, 1·0 pound; raisins, 0·3 pound; prunes, 0·1 pound; canned peaches, 20 oz., 0·1 tin; lemons, 0·1 dozen; oranges, 0·7 dozen; bananas 1·2 pounds.

3. All budget item quantities used in compiling the cost of living index were calculated from family expenditure records collected in a survey made in 1938. The budget was designed to measure the influence of consumer price changes upon a fixed quantity of actual purchases of representative urban wage-earner families. Therefore, changes in the cost of living index budget since it was introduced in 1940 have been comparatively few in number and these were not introduced to conform to modern health and nutritional standards.

[Mr. McIlraith.]

4. Dominion urban cost of living indexes (base period: 1935-1939=100)—February 1, 1945, 118·6; February 1, 1946, 119·9; February 1, 1947, 127·8; February 1, 1948, 150·1; February 1, 1949, 159·5; February 1, 1950, 161·6; February 1, 1951, (not yet available).

5. Urban food indexes (base period: 1935-1939=100)—February 1, 1945, 130·6; February 1, 1946, 132·5; February 1, 1947, 147·0; February 1, 1948, 186·1; February 1, 1949, 200·4; February 1, 1950, 201·3; February 1, 1951, (not yet available).

PUBLIC SERVICE—EMPLOYEE ORGANIZATIONS AS BARGAINING AGENTS—LABOUR-MANAGEMENT COMMITTEES

Mr. Knowles:

1. Does the federal government recognize any organizations of its employees as bargaining agents in the terms or spirit of the Industrial Relations and Disputes Investigation Act?

2. What steps are being taken by the government to provide its employees with the same facilities for negotiation with respect to working conditions as are provided for the employees of private corporations under the terms of the Industrial Relations and Disputes Investigation Act?

3. Are any labour-management committees operating in government departments?

4. If so (a) how many; (b) in what departments, or sections or branches are such committees operating?

Mr. St. Laurent:

1. The answer to the question as drafted is no.

The civil service of Canada is carried on under laws enacted by parliament and is supervised by a commission set up by parliament and which reports to parliament. The commission and the government can and do receive representations from organizations of employees, but there is no process of collective bargaining in the sense in which that term is used in industry.

From the very nature of employment in the public service, there can be no bargaining agent for the nation comparable with the employer in industry who has at his disposal funds derived from payments for goods or services. The funds from which salaries are paid in the public service have to be voted by parliament and parliament alone can discharge that responsibility.

2. The answer is that no steps are being taken because it is considered that the appropriate machinery for these purposes was set up by P.C. 3676 of May 16, 1944 which established the national joint council of the public service of Canada and the subsequent treasury board minute of March 8, 1945, approving the constitution of the council.

3 and 4. There is nothing which could properly be called a labour-management committee, but there is a departmental joint

council of the public service in the Department of Resources and Development and there are numerous staff associations in other departments who are concerned with and make representations on working conditions and welfare questions.

POSTAL SERVICE—AIR MAIL—CHURCHILL, MAN.

Mr. Knowles:

1. By what means are the mails transported to and from Churchill, Manitoba?

2. Is there a regular air service to and from Churchill?

3. Has consideration been given to all-up mail service to and from Churchill?

4. If so, what is the result of such consideration? If favourable, on what date will such service commence? If not, what are the reasons for not providing such service?

Mr. Langlois (Gaspe):

1. Rail.

2. Yes.

3. Yes.

4. In view of the additional cost involved and the fact that Churchill enjoys railway mail service to the limit of through passenger train frequency, no action has been taken on the proposal to introduce all-up air mail service.

TRADE WITH THE WEST INDIES—STEAMSHIP SERVICES

Mr. Balcom:

1. Did the Minister of Trade and Commerce within the past two years visit (a) points in the West Indies islands; (b) South America, in respect to trade agreements?

2. If so, were new trade agreements arranged?

3. Was a new agreement made in connection with the government steamship services to the different islands?

4. Has a report been made in respect to these matters?

Mr. Harris (Grey-Bruce):

1. No.

2. A delegation of officials visited northern South America and was successful in arranging *modi vivendi* with Venezuela, Ecuador, and Costa Rica, whereby Canadian goods enter those markets under most-favoured-nation tariff rates.

3. No.

4. No.

BUTTER AND OLEOMARGARINE

Mr. Catherwood:

1. How many pounds of (a) butter; (b) margarine, were consumed in Canada in the year 1950?

2. What was the percentage of increase in the consumption of these commodities in comparison to the amount consumed in 1949?

Mr. McIlraith:

1. (a) 323,083,000 pounds butter (including creamery, dairy and whey butter); (b) 93,648,000 pounds margarine.

2. Percentage increase over 1949:—Butter, 2·5 per cent; margarine, 30·2 per cent.

QUESTIONS PASSED AS ORDERS FOR RETURNS

SEARCH AND RESCUE SERVICES—EAST COAST

Mr. Smith (Queens-Shelburne):

1. What branches of the government departments participate in the search and rescue organization on the east coast?

2. How many vessels of each department are available for this service?

3. Are communication facilities with these vessels available at all times?

4. Where is the co-ordination centre located?

5. During the year 1950, in how many marine distress incidents did the co-ordination centre take part?

6. How many searches, initiated by the co-ordination centre, were carried out by (a) R.C.A.F. aircraft; (b) government-owned vessels?

POSTAL SERVICE—AIR MAIL TO AND FROM NORTHERN POINTS

Mr. Knowles:

1. What points in the northern areas of Canada receive all-up mail service?

2. What was the volume of mail for any recent period for which this information is available, to and from each of these points?

3. What was the volume of mail for the same period to and from Churchill, Manitoba?

NAVAL SERVICE—DEPOT AMMUNITION WORKERS AND TRADESMEN

Mr. McWilliam:

1. What are the rates of pay for naval depot ammunition workers and tradesmen at each of the four naval depots in Canada?

2. What is the location of the largest of these depots?

3. Is the same class of work performed in all four depots?

4. If not, what is the difference in classification and rates of pay?

Mr. Blanchette: Return tabled.

ARMED FORCES—SUBSISTENCE ALLOWANCE—RENTALS

Mr. Nowlan:

1. Has any increase in subsistence allowance been authorized to members of the armed forces of Canada?

2. If so (a) on what date did such increase in subsistence allowances come into effect; (b) what was the amount authorized to each of the respective ranks of (i) the navy; (ii) the army; (iii) the air force?

3. What proportion of each of the amounts referred to in 2(b), (i), (ii) and (iii) is taxable as income in the hands of the respective recipients?

4. Has there been an increase in rental charged members of the armed forces of Canada occupying homes situated on army camps, naval establishments or air force stations?

5. If so (a) on what date did such increase in rentals come into effect; (b) what was the amount of such increase in rental for each of the respective ranks of (i) the navy; (ii) the army; (iii) the air force?

Mr. Blanchette: Return tabled.

NEWFOUNDLAND—ECONOMIC SURVEY—DEVELOPMENT OF INDUSTRIES, ETC.

Mr. Higgins:

1. Has any application been made by the government of Newfoundland for an economic survey with a view to determining what resources may profitably be developed, what new industries may be established or existing industries expanded, as provided by section 45, subsection 1 of the terms of union?

2. Has the federal government made a special effort to collect and make available scientific data about the natural resources and economy of the province of Newfoundland in order to bring such information up to the standard obtaining for the other provinces of Canada, as provided by subsection 2 of section 45 of the terms of union?

3. If so, what is the result of such effort?

FISHERIES—EMPLOYEES, P.E.I.—CATCH FOR YEARS 1949 AND 1950

Mr. Kickham:

1. What was the number of employees of the Department of Fisheries in the province of Prince Edward Island, including all personnel, male and female, in 1949 and 1950?

2. What is the name of each employee employed in each of the three counties in 1949 and 1950?

3. What was the total amount of pounds of all species and value of fish caught in each of the three counties for the years 1949 and 1950?

Mr. MacNaught: Return tabled.

MOTIONS FOR PAPERS

ALLUMETTE ISLAND-NORTH RENFREW BRIDGE

Mr. Proudfoot:

For a copy of all correspondence and other documents in the possession of the Department of Public Works, exchanged between the provincial governments of Ontario and Quebec and the federal government, concerning the proposal to build a bridge on the Ottawa river from Allumette island, Quebec and North Renfrew, Ontario.

Mr. Fournier (Hull): Mr. Speaker, there is no objection to the passing of this motion with the usual reservation that the provinces will be consulted, and if they agree, the correspondence will be tabled.

Mr. Speaker: Carried, with the reservation made by the minister.

BONAVENTURE, QUE., FISHERMEN'S WHARF

Mr. Courtemanche:

For a copy of all payrolls and a statement of materials purchased in connection with the work done to the fishermen's wharf at Bonaventure, county of Bonaventure, Quebec, from April to June, 1950.

[Mr. Nowlan.]

ST. CHARLES DE CAPLAN, QUE., WHARF

Mr. Courtemanche:

For a copy of all payrolls and a statement of materials purchased in connection with the repairs to the wharf of St. Charles de Caplan, county of Bonaventure, Quebec, during 1947, 1948, 1949 and 1950.

ST. CHARLES DE CAPLAN, QUE., HARBOUR PROTECTION

Mr. Courtemanche:

For a copy of all payrolls and a statement of materials purchased in connection with the construction of protection work, during 1950, at the wharf of St. Charles de Caplan, county of Bonaventure, Quebec, in front of or in the vicinity of the Henri Leblanc property or Manoir St. Charles.

SOLDIER SETTLERS

PROPOSAL TO GIVE CLEAR TITLES TO VETERANS WITH UNPAID BALANCES

Mr. Robert Fair (Battle River) moved:

That, in the opinion of this house, the government should take into consideration the advisability of giving clear titles to all soldier settlers of great war I who hold land under contract with the soldier settlement board.

He said: Mr. Speaker, the resolution standing in my name on the order paper, for possibly the sixteenth time in the past number of years, is one with which all members are familiar. On many occasions since coming to this house I have heard members of the government say that Canada will always honour her obligations. I have no argument whatever with that principle, and it has been carried out with perhaps a few exceptions, one of them in connection with the soldier settlers of world war I. A promise was made by the then prime minister of Canada, the late Sir Robert Borden, that certain things would be done for those men after they returned from overseas. This is the speech that was given to those men back in 1917:

> You are men actually facing the enemy day and night. You are suffering greatly from fatigue, overstrain, and lack of rest. The marvel of it is that men could undergo such a strain without breaking; but you have never yet broken, and history will appreciate that in days to come.
>
> You men are about to enter one of the most serious engagements that ever faced the Canadian corps. I cannot, at this moment, give any information as to where this attack will be staged, whether it will be successful or not . . . it is to be borne in mind that it will not be an easy success . . . We feel confident that you will succeed where others failed; for you have never yet failed in anything you have set your hand to, as a Canadian corps.
>
> You can go into this action feeling assured of this, and as the head of the government, I give you this assurance; that you need have no fear that the government and the country will fail to show just

appreciation of your service to the country and empire in what you are about to do and what you have already done.

The government and the country will consider it their first duty to see that a proper appreciation of your effort and of your courage is brought to the notice of the people at home, and it will always be our endeavour to so guide the attitude of public opinion, that the country will support the government to prove to the returned man its just and due appreciation of the inestimable value of the services rendered to the country and empire; and that no man, whether he goes back or whether he remains in Flanders, will have just cause to reproach the government for having broken faith with the men who won and the men who died.

Mr. Speaker, I have read this into the record many times before, because I believe it is always necessary to have something on which to base your case. I believe we have sound grounds upon which to base our case, for giving clear title to the veterans of world war I who settled under the soldier settlement board. After the war these soldiers returned, and I understand that many of them congregated in the cities where there was no employment for them. The government of the day deemed it necessary to provide some of them with farms as a means of solving a portion of the unemployment across the country. As a result of that decision, legislation was passed in 1919 making provision for such loans to be advanced to these men as would enable them to buy farms.

As has been pointed out on several occasions, the move was one without precedence. It was a hastily improvised scheme, and was put into operation by men who had had no previous experience in that line. I am sorry to say that it caused a lot of unnecessary suffering and hardship to the men who made use of it. It may seem strange to us, but before any contracts were signed by those men the legislation provided that in any case where oil rights went with the land, those rights were to be taken away because the men were farmers and not miners or oil operators. In effect, to take away the right to the oil which was under the land amounted to the same thing as taking away buildings that were on the land. I feel that an injustice was done through that provision, which I believe was section 57 of the act.

In 1938 an attempt was made by this house to have those rights restored to the men to whom they properly belonged. The House of Commons, with very little discussion, passed legislation to that end, and it was sent on to the upper house. Some of the members up there who were not farmers thought it desirable to have the legislation sent to a committee. This committee reported that the legislation should be disallowed, and that was done. Thanks to the former minister of veterans affairs, who is now the Minister of Labour (Mr. Gregg), those rights have been restored to the veterans, and at least a part of the injustice has been removed.

As a result of the soldier settler legislation of 1919, some 25,017 veterans were settled on the land. They were given loans averaging $4,358.40 each, which came to a total amount of $109,034,331. The interest rate to begin with was far too high, particularly as applied to men who had gone overseas to fight our battles for us. Had it not been for their service, perhaps we would not be in control of that land today. The rate of interest set out in the bill was five per cent on current accounts. When it came to the time that the men could not make their payments, the interest rate was stepped up to seven per cent on arrears. We might compare that figure with the interest rate charged to veterans of the second world war, when provision was made for an interest rate of 3½ per cent. Personally, I feel, as I have felt right along, that that interest rate is too high.

When these contracts were drawn up, it is not surprising to find that there was a stated sum to be paid by the settlers. In many cases they were charged far too much for their land, their livestock and their farm implements. Yet in spite of this fact, no provision was made for a guaranteed price for the products they grew or the stock they raised. At the time many of those contracts were entered into, wheat was selling at as high as $3 a bushel, and in some cases a little more; but before many years had passed, the price had slipped back to twenty cents a bushel. For milch cows, which most settlers had to have, they paid anywhere from $125 to $150 apiece; yet not many years later the price of those cows had dropped to anywhere from $10 to $15 per head. The settler paid $500 a team, and sometimes more, for horses that were aged and should have been turned out to pasture as being useless; within not many years they were selling for $50 or $60 per team. But in spite of this reduction in the price of the things the settler had to sell, the contract price still held good, and it was impossible for those men to make a living and to pay their debts. Realizing the impossible position these men were in, the government finally decided that they would reduce the amount of the original debt. Later, when that was found not to be enough, there was a cancellation of some of the interest. But in spite of that, during the years following 1929, when a man-made recession was brought about, the men continued to slip back and their debts continued

to pile up. There was therefore not much advantage to be gained by these reductions and cancellations.

About 1934 or 1935 legislation was passed providing for a dollar-for-dollar concession on the payment of arrears. That would have been fine if everybody had had money. But everybody did not have money. In fact few had any money with which to take advantage of that offer; and by 1938 that legislation was discontinued. In 1939 we were still in the depression, and with 1939 came world war II. Many of those old soldier settlers who had been through the mud, the dirt and the suffering of the first war, because of their financial and economic conditions enlisted again in world war II; and many of them took their sons with them. The men who were left at home were those who were unable to go; and they got busy on the land, worked long hours and continued to produce food for Canadians and some for shipment overseas. Many of them also went to the munitions factories and, where their health permitted them to do so, worked until the end of the war. During that time there was shameful treatment of the families remaining on the land, of the men who had gone overseas or had enlisted in the services.

I have here a copy of sessional paper 194A, P.C. 138/1936, certified to be a true copy of a minute of a meeting of the treasury board, approved by His Excellency the Governor General in council on the 19th March, 1941. This is an order in council that provided that the soldier settlement board should collect its pound of flesh from the family of the veteran, even though he was overseas and fighting in the second world war. Under the heading "Soldier Settlement" the order in council reads as follows:

> The board has had under consideration a submission of the Honourable the Minister of Mines and Resources reporting that:

Let me state here, Mr. Speaker, that that minister of mines and resources was none other than Hon. T. A. Crerar, who for some time had under his administration the soldier settlement board legislation; and it would appear that he turned that administration over to Mr. Gordon Murchison, the director —I was going to say the dictator. Perhaps if I leave the two words in, it might be all right. But apparently Mr. Murchison was allowed to go on without any ministerial supervision and to impose his will upon the settlers. The order in council continues:

> 1. A considerable number of persons who agreed to purchase farms from the soldier settlement board or from the director of soldier settlement on long term contracts have enlisted in the Canadian armed forces.
>
> 2. In many cases the dependents of such enlisted persons continue to occupy their farms but no provision has been made for payment of instalments in respect of their contracts or of taxes in respect of their farms.
>
> 3. The director of soldier settlement has no authority to carry such accounts indefinitely and it is considered desirable to provide for deduction from dependents' allowances to cover local taxes and interest due.
>
> Accordingly the board recommend that notwithstanding any provision to the contrary contained in any of the regulations providing for payment of dependents' or marriage allowances in respect of dependents of members of the Canadian armed forces, in all cases where the dependents of an enlisted person continue to occupy the farm for which such person is indebted to the director of soldier settlement and in respect of which the contract terms are not otherwise satisfactorily provided for, there may be deducted from the dependents' or marriage allowance amounts sufficient to provide for payment of taxes levied by the local taxing authority in respect of the property in question and interest accruing annually on indebtedness to the director of soldier settlement, such deductions to be made monthly and in no case to exceed $20 per month except with the consent of the dependents concerned.

That, Mr. Speaker, is one of the most shameful pieces of legislation by order in council that has been enacted in a long time. It did not matter whether the wives and children of the veteran who had gone away for the second time had enough to eat or not; the director of soldier settlement, Mr. Gordon Murchison, had to have his interest accounts and his taxes taken care of. As soon as we found out that some suffering had been caused the settlers—because a great deal of suffering was being endured by many veterans all across the country—that was taken care of and done away with.

I might say that since 1937 I have been interested in this matter because right around the neighbourhood where I farmed for many years we had a number of these soldier settlers. I personally know that prices which were twice what they should have been were charged for land, livestock and equipment. In a short time there was a general demand that a clear title be given to all veterans holding land under the soldier settlement board.

In 1937 an organization was set up at Lloydminster that did quite a little work along that line, and later another organization came into existence in the city of Saskatoon, which carried on from there, known as the Soldier Settlers Association of Canada. It did a lot of work. We had several discussions in the house here in connection with their program; and they also caused a petition to be circulated, which was signed by over 12,500 people who could be reached at that time of the year, because the ground

was all covered with snow, travel was practically impossible, and no provision was made for paying the persons who carried those petitions.

The request was also supported by the Alberta legislature, the Saskatchewan legislature, the Alberta Farmers' Union, the Saskatchewan Association of Rural Municipalities, the Saskatchewan Wheat Pool, the United Farmers of Canada, Saskatchewan section; the United Farmers of Alberta, the Alberta branch of the Canadian Legion, the executive of the British Columbia branch of the Canadian Legion, and many others across the country.

In addition to that we had a brief presented to the veterans committee here in the house on October 26, 1945. Mr. Alex Walker, president of the Canadian Legion at that time, was the spokesman. A part of the brief, under the heading: "Soldier Settlement Act," reads as follows:

A further proposal recommended by this committee relates to the granting of clear titles to aged settlers or to those who had reduced their indebtedness to twenty-five per cent of the original purchase price. A great deal of discussion has been carried on during the past few years respecting soldier settlers of the last war, and strong representations, from time to time, have been made from various sources to solve the problem of these veterans by granting them clear title to their farms. A debate occurred in the House of Commons recently on this subject and many members spoke in favour of the proposal. Representations by soldier settlers through the Legion have followed similar lines, and the following resolution is submitted for the consideration of this committee:

The resolution reads:

Therefore be it resolved that, in order to be fair to our aging veterans and to bring the old and the new settlement acts more into line, the dominion government be asked to readjust the debts of the 6,153 original soldier settlers who have not paid for their lands, such readjustment to take into consideration the difference in interest rates charged under the said acts; and that following such readjustment the government be further asked to cancel the debts of those original soldier settlers whose debt has been, or may hereafter be, reduced to twenty-five per cent of the original purchase price or the reduced purchase price.

In dealing with the interest rates charged, Mr. Speaker, I believe that if the old settlers had been charged 3½ per cent instead of 5 per cent or 7 per cent, there would not be a dollar of debt remaining in most of the cases at this time.

After the brief was presented there were questions and answers, as indicated on page 315 of the report for the day on which the brief was presented. We find the hon. member for Acadia (Mr. Quelch) asking this question:

On page 11 of the brief there is a reference to the old soldier settlers, and the recommendation there is that clear title be given provided a soldier reduces his indebtedness to twenty-five per cent of the original purchase price or the reduced purchase price. I do not think that will go far enough to satisfy the organization that calls itself the Old Soldier Settlers Organization, because they are asking for a clear title for all soldier settlers of the last war. I think we must all agree that the soldiers who are in the most difficult position of all are those soldier settlers who have had no chance of reducing their indebtedness to that twenty-five per cent, the ones who have been up against bad luck. Some of you may call it bad management perhaps, but we know that the situation these men went through in the depression years put them in a position where they could not get the money to buy the farm. I should like very much to see that twenty-five per cent taken out of your recommendation, making it wide open so that title can be given to the old soldier settlers, whether in the fortunate position of being able to reduce their indebtedness to twenty-five per cent or not. I wonder if Mr. Walker would comment on that?

And the witness, who was Mr. Walker, said:

I am sure it will not hurt our feelings if you do give them clear title.

That was the president of the Canadian Legion, speaking for that organization.

Coming back to the soldier settlement organization, we had them here on the 17th of June, 1948, and they presented their final brief on that day. The committee did not consider the brief on that day, but at a subsequent meeting they did consider it, and this is the report that they presented to the house later on, under the heading: "Soldier Settlement Act":

Your committee recommends that all indebtedness of soldier settlers under the provisions of the Soldier Settlement Act, 1918, be remitted, and that they may be granted clear title to their holdings.

That was the position taken by the veterans committee, one of the best committees that was ever set up in this house. There were representatives of all parties on that committee. They did not get down to the tactics that perhaps some of the other committees had been using, namely, trying to get political advantage in that committee. Therefore we should at least take notice of the veterans committee of the house and the brief presented by the Canadian Legion.

Some causes of failure of the settlers may be enumerated. We find that many of them were unsuited for farming, and might be classed as square pegs in round holes. Had they been placed in some other walk of life they would have come out very well. We know that in the house we have square pegs in round holes also; and yet people must be fitted to some line of work which they are able to do. Moreover, land, livestock and implements were purchased at inflated prices. Land was purchased in some instances in dry areas or in areas subject to frost and hail. The prices of agricultural products, as I have already said, went to low levels; in the case of wheat, running anywhere from $3

down to $0.20 a bushel, and the price of other commodities in line with that. Then the interest rates ran from five to seven per cent a year. They became too high. That put a number of these men in difficulties and kept them there, because after paying five per cent or seven per cent interest on arrears, which took a large part of their profit, they found that they were still no further ahead than they were one year prior to that time.

We have made loans to other countries sometimes interest free, and sometimes at as low as two per cent; only this afternoon the Secretary of State for External Affairs (Mr. Pearson) told us about this country giving a grant of $25 million to support the Colombo plan during the first year of operation. It might be well if some of these things were given to take care of our veterans at home.

Titles should be granted because the scheme, as it was admitted by Mr. Crerar, who was minister of mines and resources at the time, was hastily improvised and put into operation or administered by people who had no previous experience. It was intended as a rehabilitation scheme to fit many of the veterans. It has turned out to be a scheme of persecution.

The average age of the settlers at the present time runs over sixty years. Some of these veterans are now nearly ninety, and if they have not been able to pay off their debts up to the present time, how in the world does the government expect them to pay off their debts in the future? Those who have paid off or will pay off in the future have been denying themselves many of the comforts of life. They have been living in shacks that are not good enough, certainly for our veterans, and they have been denying themselves the advantage of medical, dental, hospital and other care, to which they are justly entitled.

In some instances the old settlers went overseas—sent their sons or took them with them. Many of them, as I said before, went to the munitions factories and continued to help out there.

Lastly, while the settlers were bound by contract to pay back a certain amount in return for their land, no provision whatever was made for keeping the prices of their products up to the point at which they should have been kept. That was the faulty agricultural policy pursued by the government.

While there have been many discussions of this matter in the house, the only effective objection I have ever heard is that if the veterans of great war I are given clear title, then the veterans of great war II will demand the same treatment. I do not think that objection is a sound one, and I shall deal with it later.

In 1949 there were 911 settlers who paid in $697,921.98. During that calendar year there were 692 reductions, amounting in all to $269,311.95. In 1950 we note quite a reduction in the number of settlers whose accounts were fully paid up; it dropped from 911 in 1949 to 362 in 1950. The 362 paid in $410,233.76. In 1950 there were 226 reductions made, as compared with the 692 of the previous year; and those 226 reductions amounted to $106,386.34. This amount includes 25 reductions amounting to $13,493.22, authorized before January 21, 1950, which might properly have been included in the 1949 figure.

The average debt of the settlers on January 1, 1950, was $1,125.03, whereas the average debt on January 1, 1951, was $1,122.73. Last year's estimates made provision for the sum of $150,000 to reduce this debt still further. We find that up until the end of December $106,386 had been spent; that would be during the first nine months of the last fiscal year. On January 1 of this year there were 1,272 of these settlers who were still in debt.

The total debt as of January 1, 1951 amounted to $1,428,069.42. Looking back we remember that the daily cost of fighting the second world war was approximately $16 million. If at this time we were to apply the cost of fighting only two and one-half hours of that war, title could be given to all those old settlers. The over-all cost of world war II now runs to more than $21 billion. The interest on the national debt runs to over $450 million; and while many people say, "Give the old veterans something for nothing", we find in this interest on the debt a good example of something for nothing, because much of that debt on which we are paying interest is nothing more than figures in bankers' books. We feel it should not be in that position.

There are fourteen million people in Canada. With the debt of these old settlers standing at $1,428,069.42 we realize that if every individual in Canada paid one dime, one ten-cent piece, the price of a chocolate bar, in addition to his or her other taxes—which, I realize, will be heavy enough—this debt could be wiped out altogether.

In conclusion, let me say that Canada is the best country in the world, and I fear no successful contradiction of that statement. I believe this country has provided a great deal for the veterans who returned from the second world war; and credit for that cannot

be claimed by any one political party, because we know that parties on all sides of the house worked together to bring about good deals for the returned men. I do not believe the treatment they are getting in that respect is any more than they should be getting. They offered everything they had in order to win the war; and they did win it, gloriously.

We should see that those old veterans who settled on the land after the first great war should be given simple justice, even at this late date. Last year's frozen crops were enough to discourage many farmers, even those who are in good financial standing. But what is the effect upon those old veterans when they look at their pile of debt? Let us not forget that they owe money to people other than the soldier settlement board. Their crops in many instances are lying under the snow today, and it remains to be seen whether they will reap any benefit from those crops.

They have been paying on their land for the past thirty-one years and have denied themselves and their families much needed medical attention. In many cases their machinery is worn out, and their buildings are badly depreciated. They are faced with excessive costs of the things they have to buy, and diminishing returns for the things they have to sell. Perhaps, if conditions do not change, in the very near future, we may need the help of those men and their families again to provide food and munitions of war for Canadians and for people overseas. Today we should make them happy and give them title to their lands, because it may be later than you think. I hope it will not be necessary for me to discuss this matter again. I wish to pay tribute to the Minister of Labour (Mr. Gregg), the former minister of veterans affairs, who has been most sympathetic and helpful. I pay tribute also to the hon. member for Winnipeg South (Mr. Mutch), his parliamentary assistant, who, too, has been helpful, and who was one of the first members on the government side of the house to come out openly in support of clear titles as a matter of good business, not just from a sympathetic standpoint. I have not yet had any dealings in connection with this matter with the new Minister of Veterans Affairs (Mr. Lapointe) but I look forward to sympathetic treatment from him of those soldier settlers of the first great war.

Mr. A. J. Brooks (Royal): Mr. Speaker, the subject under discussion this afternoon is not a new one. As the hon. member for Battle River (Mr. Fair) has said, it has been before the house on many occasions.

This resolution, innocent in appearance, reads as follows:

> That, in the opinion of this house, the government should take into consideration the advisability of giving clear titles to all soldier settlers of great war I who hold land under contract with the soldier settlement board.

This resolution simply asks the government to take into consideration the advisability of taking action, and I am satisfied that it will have the support of all members in the house, no matter where they sit. I commend and congratulate the hon. member who has just taken his seat upon his consistency in bringing this matter to the attention of the house over a long period of years. He deserves credit not only from members of the house but more particularly from those whose cause he has been pleading.

I have also spoken in the matter. As every veteran in the house knows, the matter has been before the veterans committee on numerous occasions, and has been recommended by the Canadian Legion to that committee. The history of the matter has been pretty thoroughly covered. The hon. member who introduced the resolution has placed statistics on record and has summed up the situation over the last thirty years, since the inception of the act.

Those of us who served in the first great war will remember the time when the young men came back from overseas in 1918 and 1919. These young men came back with high hopes. The hon. member cited the promise made to them by the then prime minister of Canada, and of course they had reason to believe that they would be well looked after. In 1919, when the act first came into force, 25,000 men took up land under the Soldier Settlement Act. At that time the amount involved was in the vicinity of $110 million. That was to be the cost to the 25,000 soldiers.

We find that in 1951 the figure of 25,000 soldiers, who owed for their farms at that time, has been reduced to 1,272 according to a return brought down the other day. Practically all these men have paid for their farms, and of the remaining 1,272 some of them have paid most of their indebtedness. At the present time the amount owed by these men is only $1,428,000. I am sure that all hon. members will agree that is a very small sum indeed when we consider the millions and billions of dollars this country has to pay in a year in order to carry on our services. From 1919 to 1951 these men have indeed had a long, long trail to travel. It has been a hard and stony road. I think we could very well give every consideration to

the resolution, and I hope that when the minister speaks he will be able to tell the house that there will be an item in the estimates this year to deal with this matter.

As I said a moment ago, most of these men have paid for their farms over the years, and I think those who have not paid have in many cases had good reason for not paying. They were handicapped in many ways. Many of them had poor farms to start with. I think that is a fact, and it is not surprising because out of 25,000 farms there is every reason to expect that some of them would be poor and would be farms on which a man could not make a living. Besides poor farms these men had hard luck. They took up farming almost at the very worst time in the history of this country. They were farming during the poor years of the twenties, during the depression of the thirties, and after that another war commenced. Therefore they did not have a fair opportunity to pay for their farms. Some of these men had large families and found it most difficult, as the hon. member who has just taken his seat said, to look after their families during hard times.

They paid high prices not only for their farms but also for their stock and machinery. The price of stock at that time might not compare with the price of cattle today but $100 or $150 for a cow in 1919 or 1920 was a very high price for those times, and many of these men had to pay such prices. They also had to pay a high price for their farm machinery. In the second great war the government had the benefit of their experience with these men, and I think that was worth a great deal not only to the Department of Veterans Affairs but also to the government generally. They might very well take that factor into consideration when a request is made for the cancelling of the debts on these farms.

We might say that the men of the first war were more or less guinea pigs so far as these farms were concerned, and that in the second great war the experience which the government had gained was of most valuable assistance and no doubt saved the people of Canada many millions of dollars. Again, it was difficult for these men to sell at times when the prices of farm products were at their peak. In my own province many of these men were potato farmers. The agent of the soldier settlement board would come around and say: You must sell your potatoes now. You owe the department so much money. The man would say: If you will allow me to sell in a month or two months' time I will be able to sell at a better price than if I sell now. But the agent was doing his duty. He was always anxious to see that the men paid when payment was due. Therefore in many cases men were forced to sell their potatoes, pigs, apples, or whatever it was, at a time when they could not get the best market price.

The hon. member said that these men have made other contributions besides the payments they have made. As I mentioned before, most of them were men who raised large families. In the second great war sons and daughters of these returned soldiers went overseas to serve. Hundreds of these men served in the veterans guard or in some other branch of the services during world war II. Taking all these matters into consideration, here we have men who have worked on these farms for over thirty years. Today they are between sixty and seventy-five years of age. At this time, when it is practically impossible for them to work on account of their age and it is becoming practically impossible for them to pay for their farms, they are asking the government to give them title so that in their old age they may at least be able to say that they own the land on which they have reared their families and on which they have lived for so long.

I do not think that such action would establish a precedent so far as world war II veterans are concerned. We all know that the veterans of the second world war received about one-third or 33 per cent equity in their land to start with. We also know that, instead of paying 5 per cent as was paid by the veterans of the first world war, they are only paying 3½ per cent. I might add, as has already been stated, that in 1942, I believe it was, the interest rate was reduced from 5 per cent to 3½ per cent for veterans who had joined the veterans guard or some other branch of the services, and for those who had not gone overseas it was made 3½ per cent in 1944.

In changing this contract or agreement, as I say we would not be establishing a precedent. Already that contract has been changed several times, first in regard to the rate of interest and then in the matter of reductions. Several substantial reductions have been made at various times, and I believe the former minister and his predecessor deserve a great deal of credit in that connection. A precedent was also established in regard to the time these men were given in which to pay for their farms. At first it was twenty-five years; then along about 1945 that period was extended for another twenty years, making forty-five years in all. So we have several precedents for making changes in these agreements, and no objection could be taken if we made another change.

I am not going to make any extended remarks on this subject, but it does seem to me that after all these years, considering the men with whom we are dealing, considering the toil, suffering and hard work they have put in, it would not be becoming on the part of the government to stick to logic and statistics. There is always a time when we should let a little sentiment enter into our considerations, and I think this is that time. We have an opportunity to make those old men very happy. I am sure we will not only make the veterans who own these farms happy; we will also make the hon. member for Battle River (Mr. Fair) very happy. For fifteen years he has been fighting this cause, and I would like to see him win. He has been a great fighter, and the soldiers owe him a great debt.

I do not think we would lose so much as far as money is concerned. I remember that a few years ago some hon. member figured out what it cost to carry on debates here in the House of Commons, and it ran to thousands of dollars a day. If we could turn into money the time that has been taken by the hon. member for Battle River and the rest of us in discussing this matter, I am sure it would amount to a very substantial portion of this indebtedness. There is also the cost of administration. I know the soldier settlement board is no longer in existence and that this matter is administered under the Veterans Land Act, but even so I am quite satisfied that it costs a good deal of money each year to administer the land held by these soldier settlers. Taking all these things into consideration I am quite sure it would take only a few years to make up this whole amount, if today, or as soon as it could be done, we gave these men clear title to the land on which they live. The amount involved is only $1,428,000. A few years ago I remember hearing a minister ask, "Why, what is a million dollars?" With the billions of dollars being expended by this country every year; with the hundreds of millions it takes to carry on even our ordinary services, a million dollars is a very small amount indeed.

Without discussing the matter further, I feel that a very strong case has been made out for these veterans of the first war who are on these farms. I believe this resolution should have the support and commendation of all hon. members, and I am sure that people from one end of Canada to the other, whether veterans or not, will feel that we are only giving simple justice to a body of men who have deserved it for a long period of years.

Mr. G. A. Cruickshank (Fraser Valley): Mr. Speaker, I hope I will not take quite as long as the hon. member for Royal (Mr. Brooks), since we have heard how much it costs when we speak in this house. I would rather have my money go toward paying off one of these mortgages. I want to congratulate the hon. member for Battle River (Mr. Fair). I sincerely hope the rest of his party will not be here as long as I am going to be here, but if he does not win out this year I hope he comes back to continue the fight. On behalf of every soldier settler in my riding, and I think every veteran, I congratulate him on the stand he has taken and wish him success.

There are only 1,272 veterans concerned in this, so I do not think anyone can accuse any hon. member of speaking from a political angle. If you scatter 1,272 veterans across the ten provinces of Canada I am sure their vote would not affect any hon. member. But there is such a thing as justice tempered with mercy, and I believe this is the place for it. The only argument I have heard against this proposal is that it would be unfair to those who have paid for their land. Well, I can say with all sincerity that no soldier settler in my riding who has paid his debt will begrudge these men anything they get, nor do I think any veteran in Canada will begrudge them anything.

I do not want to be controversial, but the other day I heard an hon. member mention the amount of money that had been written off in income tax for some large corporations. It would take very little of that to wipe out this amount. I know of one contractor in the province of British Columbia who told me after world war II that he did not have any cash in the bank, that all he had made out of his contracts for building airports was half a million dollars worth of machinery. I would settle for a little less than half a million dollars profit on a few contracts; and if we could afford to give that fellow that much I believe we can afford to wipe out this indebtedness. I repeat that I do not believe any veteran in Canada who has paid his account in full will object in the least if these few old men have their homes given to them. As has been pointed out by the two previous speakers, these men are well on in years now. It would have been a different proposition ten or twelve years ago, and surely we should take that into account.

I have been on the veterans affairs committee since coming here, along with the two previous speakers. I believe every member of that committee was in favour of this action. I cannot understand any hon. member, irrespective of his party, and particularly if he is a returned soldier, not being in favour of it. This resolution merely requests the

government to consider taking this step, and I particularly ask the returned men in this house to vote in favour of it, in order to impress upon the government that we think they could well afford to take this action. As I said the other day in connection with veterans' pensions, I do not believe the people of Canada will object to any tax imposed either to win the war or to see that those who did win the war are properly cared for. I do not believe any taxpayer in Canada would object to any tax necessary to raise a million and a half for a cause such as this.

I am not referring to anyone in close proximity to me, but I should like to congratulate the Department of Veterans Affairs on the way it is handling the Veterans Land Act at the present time. I have never heard any great complaint, within my riding at least, and I believe the officials in British Columbia are doing an excellent job. There are one or two exceptions to that statement, but they are here in Ottawa, this great town where they gild the crows and hang windmills. I could tell them a suitable place to hang those windmills, if they would take my advice.

An order was issued in Ottawa which might be of importance, in view of what has happened in Alberta in the last couple of years. They have discovered oil out there, even if they have not discovered suitable material to represent them at Ottawa. Now, when a veterans pays off his land, if he is fortunate enough to be able to do so, he is handed a beautiful epistle to the effect that if he will deposit $25 the department will have a search made of the title to see if they took title to the mineral and oil rights—mark that, they will have a search made, and if they have taken title to them, they will reconvey those rights to the veteran. The veteran has, however, to deposit this $25 cheque—

Mr. Wylie: That is silly; you do not believe that, do you?

Mr. Cruickshank: The hon. member will have an opportunity of attempting to emulate my great example when I have completed my speech. In the province of British Columbia it only costs 50 cents to search a title. This Ottawa department requests the veteran to deposit $25 in order that they can make a search, and then transfer the title. I had the privilege of selling some land last year. I did not get as much money as I should have, but I got more than it was worth. It did not cost me $25 to transfer the title. Many veterans could not deposit that amount. I am sure every official here could throw out $25 and not notice it. It would mean he would stay home from Madame Burger's one night and not attend the next hockey game, but there are many veterans who are striving to bring up a family who cannot lay out this $25 in order to protect their mineral rights.

I do not want to take up as much time as the member for Royal (Mr. Brooks), because I want that money to go to the veterans. I am appealing to my colleagues from British Columbia, whether or not they are veterans, to support this resolution. I cannot understand why the support of such a resolution is regarded as an attack upon your own party or the government. That is all poppycock. It is merely suggesting to the government what is right. I know that we have a perfect government because it is sitting on this side of the house, but I also realize it would be a finer administration if it paid more attention to my advice. I see no reason why I should not advise the government. If we can take up time talking about holidays, Victoria day—

An hon. Member: And pipe lines.

Mr. Cruickshank: Yes, and you will hear more about pipe lines, because if the pipe lines go through Canada the veterans will be able to pay off their debts and lend money to Ottawa. I do not think any member in this house, particularly a veteran, should hesitate to support this resolution. Generally it is the Scotch people who contribute most to this house and to Canada as a whole, but on this occasion we are being led by an Irishman. I hope he continues to be a fighting Irishman, and I hope he is successful.

Mr. William Bryce (Selkirk): Mr. Speaker, I rise to support this resolution sponsored by the member for Battle River (Mr. Fair) which reads as follows:

> That, in the opinion of this house, the government should take into consideration the advisability of giving clear titles to all soldier settlers of great war I who hold land under contract with the soldier settlement board.

It is rather difficult to say something about this subject that is not a repetition of what other members have said. This is not a political matter. Everyone has sympathy for the soldier settlers. I should like to pay tribute to the member for Battle River for his persistence in bringing this subject to the attention of the house year after year, and to the progress that he has made in getting some concessions. I believe it was in 1948 that a similar resolution was considered by the war veterans committee and recommended to the house. The veterans committee recommended that the soldiers be given clear title. This government did not grant that request but did go some distance towards

it at that time. I believe a lot of the credit for that should go to the member for Battle River.

I do not rise at this time merely because I belong to the Legion or because I am an old soldier; I rise as a Canadian. Most of these settlers went farming just about the same time as I did, in 1920. I know the hardships I encountered, and I suppose they met some of those hardships too. Perhaps they were less able to stand the knocks than I have been. We started out with wheat at $2.50, and everything that you touched or thought about was based on $2.50 wheat. If you bought a team of horses, they were based on the price of wheat. If you bought a farm, it was based on the price of wheat. Within two years the cows for which we paid $150 each were worth about $25 each. The member for Battle River referred to the price of a team of horses as $500. In about two years' time you could not get $100 for them. Those things all worked hardship on the soldier settler. The machinery he had to buy was high priced. He did not pay cash for that machinery, but he bought it on time. He bought his horses and everything else on time. He had to pay through the nose for those things during the remaining years.

Some remarks have been passed to the effect that the settlers who have been more fortunate, and who have paid their indebtedness to the board, would object if effect were given to this resolution. I do not think they would. Nobody would object to this. Most of these men are sixty or over, and they have helped build Canada. Many of them gave their sons in the second world war, and no doubt if they struggle along a while longer they will see their grandsons going away to another war. I want to assure the government that every member in this group is behind this resolution. We appeal to the government to give these soldier settlers a clear title. They deserve it. They have paid for it. The greater portion of what they owe today is compound interest at seven per cent. That was a terrible toll on a man struggling for existence, especially in the thirties, when he started out on the basis of $2.50 wheat only to find that wheat dropped to 35 cents a bushel, barley to 15 cents, and oats to 5 cents. These men were the victims of circumstances. I again appeal to the government to give them clear title, and let them hold their heads high for the few remaining years in which they will be here.

Mr. J. A. Ross (Souris): Mr. Speaker, I shall be brief. On other occasions I have spoken in support of this resolution. In common with other members, I want to congratulate the member for Battle River (Mr. Fair) who has continued this fight on behalf of our less fortunate comrades. As has been pointed out, there were about 25,000 settlers under the original act. This indebtedness has been cut down to the sum of $1,400,000. Surely, some thirty years later if we see fit to recommend to the government this course of action, then they should see fit to grant clear titles to these men.

I listened with interest to the remarks of the member for Selkirk (Mr. Bryce). Some of these settlers were not as fortunate in the type of land on which they settled as he was. I know of one settler who was settled on a very poor half section. He had agreed to pay about $17 an acre, in all about $5,500. Through no fault of his own, in the hungry and difficult thirties, he was advised by the inspector to sign a quit-claim deed. This he did. This fellow was rather a livestock man and he wanted to buy the same farm for pasture purposes. Owing to the regulations the board refused to sell this farm back to the same settler who had signed the quit-claim deed. On the other hand, they sold this half section to a speculator, who is not even a British subject, for less than $1 an acre. That is a concrete example of something that happened during that time under the soldier settlement board. When I think of things like that, I cannot understand why they should be niggardly or sticking with regard to granting free titles to these people who have spent the greater part of their lives on these farms.

I also want to endorse what the hon. member for Fraser Valley (Mr. Cruickshank) has said about this matter of oil or the mineral rights to properties. I had a somewhat similar case brought to my attention the other day. It is true enough that you can make a search in the titles office for fifty cents. But I had a letter back stating that they could not give me the information I wanted and that I would have to have a proper legal search made. That is the point which my good friend the hon. member for Fraser Valley was covering. You require to put up $25 for a legal search. I have knowledge of far worse cases than that. I will admit it is a matter of red tape. I am not blaming the present Veterans Land Act administration for it. But not all the oil in Canada is located in Alberta. Oil has been struck to some extent at least in Manitoba just west of Virden. The irony of the situation is that this oil has been struck on the property of a veteran of the last war, by the name of Rogers. He was overseas during the last war and while he was away his father purchased for him a farm on which the government retained the mineral rights or the oil

rights. Because the young lad did not purchase it through the V.L.A. administration, he is not now able to obtain these oil rights on the property on which they have struck oil. As I say, I realize that it is a matter of red tape through the V.L.A. But if a man can prove that he has rendered service the same as any man who has gone through V.L.A. and has purchased his property, surely he should be granted the oil rights to the piece of property. I think that is only fair and just. I think this is a case of great hardship. The father is not a wealthy man, but he was able to pay for the property and to have it ready for his young son who was being married to go to and settle on when he came back. Why that one man right there should be debarred from getting the mineral rights I do not know, when the other fellow right alongside of him—whose father might have been worth several times as much money but who did not see fit to purchase the property to start the young man on—because he goes through the V.L.A., is then able to obtain these rights.

I just wish to point this matter out to the board and I hope they are able to do something about it, because I think it is rather unjust that he should be treated in this way. This young fellow feels terribly upset about the matter. Certainly he could have refused to take advantage of what his father had done to assist him, could have gone through the V.L.A., and then had the rights. Now these people have struck oil and he is not able to obtain the rights.

Without repeating the lengthy arguments which I have put on the record in past sessions, I just want to endorse all that has been said here today and to express the hope that hon. members on all sides of the house will allow this matter to come to a vote and will vote unanimously to grant these titles at this time. As has been well said here, I am sure there is not any settler I know of who has paid for his property and obtained title to it who will feel aggrieved or in any way put out because these titles are being granted at this time to their less fortunate comrades. I hope that all members of the house will see the matter in this light.

Mr. P. E. Wright (Melfort): Mr. Speaker, my remarks are going to be quite brief because I certainly want this matter to come to a vote; but I felt that I had to say something in support of the resolution moved by the hon. member for Battle River (Mr. Fair). I should like to compliment him, along with other hon. members, on the manner in which he has kept this matter particularly before the house. I think I probably have a closer personal relationship with this matter of soldier settlement board lands than has any other member of the house, because I purchased land under the soldier settlement board and spent some twenty years in Saskatchewan in paying for that land.

In the district in which I live I think there was probably the largest concentration of soldier settlers to be found in any part of Canada, men who were settled there after the last war. Some members have mentioned the conditions under which they were settled there. I remember quite well the Winnipeg strike being on in the latter part of 1919, and trainloads of soldiers being sent out from the city of Winnipeg to the area in which I settled, being taken down and shown certain areas of land there, in order to try to get them away from Winnipeg just for a week or ten days until the trouble there was over. Many of these young men took land in that area, although they had no farming experience. But promises were made to them; offers were made to them; and they accepted those offers. But in a short time they found that conditions were such that they just could not fulfil their commitments under the act. As to the small numbers that are left today —some 1,272 settlers—I know that in my own area they are cases of hardship, in practically every instance: there has been a large family, there has been sickness or accident, or there has been some definite reason why the contract has not been fulfilled or the farm paid for before now. It has not been a case of neglect. It has not been a case of carelessness on the part of many of these men who are left there. It has been a case of something over which they have had no control themselves, in almost every instance.

In cases like that, where this number has been reduced to the point at which it stands today, and where the amount represented is only some $1,428,000, I think that we could well consider wiping these debts out now and getting it over with. I think the government would be well advised to do that. It was the opinion of the veterans affairs committee several years ago that we should have done this, but the government did not see fit to adopt that policy. They adopted the policy of dealing with individual cases, and they have been doing a reasonably good job. But in dealing with individual cases, it costs money, it takes time, and there is always the personal angle which comes into it, where the supervisor may like or dislike a particular person; and we find hardship being created where it should not be created. I think that we should give consideration now to this suggestion and I am sure all members of the house would be willing to do so. I see the hon. member for

Winnipeg South (Mr. Mutch) in his place with a great many books on his desk. I hope that he will not use all those records he has around him there for the purpose of talking out this resolution. I hope he will support it. I hope that the vote will be taken and that the government will accept the vote when it is taken; because I am sure if it is taken the majority will vote in favour of the resolution. I hope that the government will take action on it and cancel these few remaining debts.

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, in the absence on duty of my colleague, the Minister of Veterans Affairs (Mr. Lapointe), and with the approval of his parliamentary assistant, in spite of the books that are on his table, I should like to say just a few words before this matter comes to a vote. I ask that permission because of the fact that the plan for carrying out what my friend the hon. member for Battle River (Mr. Fair) wants done originated I think with me in 1948 when I was Minister of Veterans Affairs. To be perfectly truthful, Mr. Speaker, if the hon. member for Battle River will permit me to change a few words in his resolution, I will vote with him wholeheartedly.

His resolution reads:

> That, in the opinion of this house, the government should take into consideration the advisability—

These are pretty weak words. I continue:

> —of giving clear titles to all soldier settlers of great war I who hold land under contract with the soldier settlement board.

If my hon. friend will permit me to amend the resolution to read as follows:

> That, in the opinion of this house, the government should continue its program of giving clear titles to all soldier settlers of great war I who hold land under contract with the soldier settlement board,

I will go along with him, because that is exactly what we are doing. It is just a matter of time till it is completed, and not so very much time. This plan of orderly, steady liquidation of these contracts began in 1948. There was an item of $150,000 put in the estimates at that time, which was all used. The next year the same amount and the following year the same amount; I am hoping —I cannot of course review what my colleague, the present minister, has done—I am hoping that he is going on from there.

This afternoon I have listened very carefully to the excellent speeches that have been made, and like others I want to congratulate the hon. member for Battle River (Mr. Fair) on his persistence in this matter, because I know he is sincere about it. But I listened carefully to hear if there had been any specific cases of favouritism or of inequity in the administration of the amount which was set aside for the liquidation of these contracts. I have not heard of a single one.

Statements have been made, and I agree with them wholeheartedly, that it has been a long time, the burdens have been heavy, and these men are now pretty old men. They are about the age of my hon. friend and myself, and they are still struggling with these contracts.

I think the hon. member for Royal (Mr. Brooks) did bring up a point which is important, namely, the contracts are not the same today, not one of them, as they were back in 1920 and 1921. They have been arranged, rearranged, amended and improved, and now they are being gradually cleaned out in an orderly fashion.

I am delighted to know that the amount is now around only $1 million. I am sure it will not take very long for the thing that my hon. friend wishes to do to be accomplished. However, in the meantime, in the absence of my colleague, I cannot, as far as I am concerned, in speaking on his behalf and for the government, undertake to do it at one fell swoop this year, which I believe is the desire of my hon. friend. Consequently, I wanted to explain why I would have to vote against his wording of the resolution, which means about the same as mine, except for the time factor.

Mr. Deputy Speaker: Is the house ready for the question?

Some hon. Members: Question.

The house divided on the motion (Mr. Fair) which was negatived on the following division:

YEAS

Messrs:

Balcer	Hatfield
Beyerstein	Herridge
Black (Cumberland)	Higgins
Blackmore	Hodgson
Blair	Johnston
Brooks	Jones
Browne (St. John's West)	Knight
Bryce	Knowles
Cardiff	Lennard
Casselman	Low
Coldwell	Macdonnell (Greenwood)
Cruickshank	McGregor
Diefenbaker	McLure
Drew	Mott
Fair	Murphy
Fairclough, Mrs.	Noseworthy
Fleming	Nowlan
Fraser	Pearkes
Fulton	Shaw
Gagnon	Simmons
Gillis	Stewart (Winnipeg North)
Goode	Thatcher
Hansell	Thomson
Harkness	Tustin

Soldier Settlers

Viau	White (Middlesex East)
White (Hastings-Peterborough)	Wright
	Wylie—53.

NAYS

Messrs:

Anderson	James
Applewhaite	Jeffery
Arsenault	Jutras
Ashbourne	Kickham
Bater	Kirk (Digby-Yarmouth)
Beaudoin	Lafontaine
Benidickson	Laing
Bennett	Langlois (Berthier-Maskinonge)
Black (Chateauguay-Huntingdon-Laprairie)	Langlois (Gaspe)
Blanchette	Larson
Boisvert	Leduc
Boivin	Lefrancois
Bonnier	Leger
Boucher	Lesage
Bourget	Little
Bradette	Macdonald (Edmonton East)
Breithaupt	MacDougall
Brisson	MacKenzie
Bruneau	MacLean (Cape Breton North and Victoria)
Byrne	MacNaught
Cameron	Macnaughton
Campney	McCann
Cannon	McCubbin
Carroll	McCulloch
Carter	McCusker
Cavers	McDonald (Parry Sound-Muskoka)
Chevrier	McIlraith
Clark	McIvor
Claxton	McLean (Huron-Perth)
Cleaver	McMillan
Cloutier	McWilliam
Corry	Major
Cote (Matapedia-Matane)	Maltais
Cote (Verdun-La Salle)	Martin
Cournoyer	Masse
Crestohl	Monette
Decore	Murray (Cariboo)
Denis	Murray (Oxford)
Dewar	Nixon
Dion	Pearson
Dube	Pinard
Dupuis	Proudfoot
Eudes	Prudham
Eyre	Richard (St. Maurice-Lafleche)
Ferrie	Riley
Follwell	Robertson
Fournier (Hull)	Robinson
Fulford	Rooney
Garland	Ross (Hamilton East)
Gauthier (Lake St. John)	Rousseau
Gauthier (Lapointe)	St. Laurent
Gauthier (Portneuf)	Sinnott
Gauthier (Sudbury)	Smith (Queens-Shelburne)
George	Smith (York North)
Gibson	Stick
Gingras	Stuart (Charlotte)
Gosselin	Studer
Gour (Russell)	Tremblay
Gregg	Warren
Harris (Grey-Bruce)	Weaver
Harrison	Whiteside
Healy	Whitman
Hellyer	Winkler
Helme	Winters—133.
Henderson	
Henry	
Hetland	
Huffman	
Hunter	

[Mr. Deputy Speaker.]

Mr. Ross (Souris): I was paired with the right hon. member for Melville (Mr. Gardiner). Had I voted I would have voted for the motion.

BRIDGES

VICTORIA AND JACQUES CARTIER, ST. LAWRENCE RIVER—ABOLITION OF TOLLS

Mr. Roch Pinard (Chambly-Rouville) moved:

That, in the opinion of this house, the government should take into early consideration the advisability of abolishing the tolls imposed and collected on the Victoria and Jacques Cartier bridges over the St. Lawrence river.

He said: Mr. Speaker, I hope that this motion will not meet the fate of the one that has preceded it. It has been presented to the house on numerous occasions. In fact it was introduced for the first time in 1946, and has appeared on the order paper every year since. In view of the fact that most of the members who may have a greater interest in the motion are from the district of Montreal, and in view of the fact that the Minister of Transport (Mr. Chevrier), who is at present in his seat, is also, like the majority in the district of Montreal, of French origin, I am going to deliver my remarks in French.

(Translation):

Mr. Speaker, this resolution has appeared many times on the order paper. It does however command the interest of the people I have the honour to represent in the house, and should likewise interest people in all the constituencies on the south shore of the St. Lawrence, and even those of all the ridings of Montreal and of neighbouring towns.

As I indicated just now, I first introduced this motion in 1946, and since then it has appeared each year in my name on the order paper.

This proves that one has to be patient, because the government is not always hasty in relieving evils brought to its attention.

I very sincerely congratulate the new member for St. Mary (Mr. Dupuis) who, a few days ago, in the debate on the address in reply to the speech from the throne, praised and commended me for having introduced this notice of motion in the house.

I thank him for his interest in this matter. The problem concerns him perhaps more than any other member for the district of Montreal.

When I heard him say in his maiden speech in this house that he was a keen and true Liberal I understood that since he also supported the motion I had the honour to introduce, he wished in this way to associate himself with those keen Liberals: my colleagues from Richelieu-Vercheres (Mr. Cournoyer) and from St. Johns-Iberville-Napierville (Mr. Alcide Cote). He thus displayed his great devotion and I am sure that he will display it again during the course of his parliamentary career.

I do not intend to speak very long. I already have had the opportunity of introducing this motion and of dealing with it in this house.

As I have already said, this matter comes under both provincial and federal jurisdiction. I would not hold it as a heresy against constitutional law to state that anything concerning roads and their extension, that is to say, bridges, comes under the provincial authorities.

Besides, I am sure that, after what happened recently in Three Rivers, the provincial government realized that the matter was within the realm of their jurisdiction. In this case, however, the federal government certainly has its say, since the two bridges concerned are its property and are operated by its agencies: Jacques Cartier bridge by the national harbours board, and Victoria bridge by the Canadian National Railways.

In moving this resolution, I call upon the house to express the view that the toll should be abolished on these two bridges. I held that view in 1945, I held it before I was elected to the house and I still hold it.

I believe that this toll system is discriminatory. It should be abolished because it requires from one group sacrifices which other groups are not called upon to make. In this case, the tolls on Victoria and Jacques Cartier bridges are detrimental to the whole district on the south shore of the St. Lawrence.

I do not intend to recall one by one the arguments that were brought up, especially in 1947, at the time I discussed the matter. I feel, however, everyone will agree that once a bridge has produced enough to pay its cost the toll should in principle be abolished.

As far as Victoria bridge is concerned, well-informed people know that it was erected at the turn of the century, with dominion grants. It has always been a toll bridge. It has produced such revenues that it must surely be completely paid for. We also know that the cost of the motor traffic lanes did not exceed $200,000. I was told, on several occasions, that the yearly income derived from the bridge exceeds that amount.

The situation is more difficult as regards Jacques Cartier bridge. It was built in 1930 and was paid for by means of a public loan in the amount of $20 million. At the time the bridge was erected, the interest rate on that loan was 5 per cent. Therefore the interest charges alone entailed for the nation and the national harbours board, responsible for its administration, an expenditure of over $1 million per year.

It can therefore rightly be claimed, if the interest is taken into account, that Jacques Cartier bridge has, until now, entailed deficits rather than surpluses. Fortunately, and for this I must congratulate the Minister of Transport (Mr. Chevrier), the interest rate was reduced recently when the loan was financed anew on November 1, 1949. I found official confirmation of this information in the annual report of the national harbours board for 1949, from which I quote the following excerpt:

> On November 1, 1949, a $19 million bond issue bearing interest at 5 per cent due to mature on November 1, 1969, and put out to cover the cost of building this bridge was recalled, in accordance with the terms of issue, at 105 plus accrued interest. As these bonds could optionally be refunded in United States dollars, steps relating to their withdrawal were taken at the time a Canadian government bond issue went on sale in New York around September 1, 1949.
>
> The Department of Finance advanced the necessary New York funds to the board and the resultant debt was converted into 2¾ per cent bonds payable in Canadian currency and worth $20,049,750.

I will not read the following lines, for they are of no particular interest at this time.

> As a result of the favourable refinancing of the bridge's capital debt, annual interest charges will be reduced by approximately $445,000, interest, exchange (at current rates) and amortization of repurchase costs being taken into account. This reduction of interest charges will enable the bridge to cover its expenses for the first time since its construction.

Therefore, the re-financing of the debt carried out in 1949 had the effect of reducing interest charges by about $500,000 a year. Accordingly, the bridge having probably produced the same revenue, since traffic increases

every year, it can be surmised that, for the first time, the Jacques Cartier bridge surely ended up with a surplus in 1950.

I would have liked to provide the house with official data but the official report has not yet been issued to the general public. Still I believe I may safely state that this year the Jacques Cartier bridge has produced a large surplus.

As far as Victoria bridge is concerned, I have already explained that for a great many years now it has been accumulating surpluses. This, to my mind, means that these two bridges bring in more than they cost and that there is no more reason to continue to levy tolls on them.

This state of affairs must be brought to as speedy an end as possible. The Canadian National Railways in particular have no good reason to continue levying surplus-producing tolls on Victoria bridge. There is no reason either why the Jacques Cartier bridge should not be made toll-free.

I stated a while ago that these were matters of joint provincial and federal concern.

Consequently it is impossible to solve this problem without the co-operation of the two administrations concerned. When I was discussing this matter before the house in 1947, the Minister of Transport gave me to understand that he had approached the provincial government for the purpose of settling this problem, one that cannot be settled without the co-operation of the provincial government.

Under a three-way agreement between the provincial government, the federal government and the city of Montreal, no term of the agreement can be changed without the consent of the three parties involved. The federal government must therefore again approach the provincial government. For that reason I call upon the Minister of Transport to take this matter up again with the provincial authorities and seek final settlement of a problem which is a nightmare for my whole county and all residents of the south shore of the St. Lawrence, who have to use that bridge every day.

In the case of Jacques Cartier bridge, the government met with another difficulty. For years the city of Montreal and the provincial government refused to honour the arrangement by which they had agreed to pay their share of the deficit, provided such share did not exceed the sum of $150,000 per year. These amounts were not paid for a few years. Finally the national harbours board sued the city of Montreal and was recently awarded about $700,000. The case now being under appeal and sub judice, I would rather not discuss it further.

There is another matter which I would like to draw to the attention of the house. In a talk that he gave in Montreal and which I had the pleasure of hearing, the Minister of Transport discussed the St. Lawrence waterway project.

In that talk he held out some hope for all who are interested in the matter when he stated that the Lachine section project of the St. Lawrence seaway would lead to settlement of our problem. In this same talk, whose French text I have here in my hand, the Minister of Transport stated that under the Lachine section project a tunnel for railway traffic was to be built below Victoria bridge. Here are the very words the Minister of Transport used on that occasion as he listed the projects involved in the St. Lawrence seaway and gave all the details of the main project itself. In paragraph 4 of a review of those projects he made the following statement:

> The plan provides for the construction on the north shore of one or two locks designed to overcome the difference in level and to make navigation possible from Montreal harbour to and above the new industrial area which is to be established. Thus, the level of lake Saint Louis would extend as far as below Victoria bridge and would provide a maximum fall for power development. One of these plans considers diverting railway traffic from Victoria bridge to a tunnel. Thus, Victoria bridge could be used exclusively for motor vehicles. This would improve markedly transportation on the south shore.

As for the project itself, we can judge the reaction of the American press on the discussions now taking place with regard to the St. Lawrence seaway. The project must be approved by the government of the United States before it may be implemented. It is to be hoped that our neighbours will give their approval this year, because Canada has long been awaiting a favourable reply.

Mr. Charles E. Wilson, former president of General Electric, who has been appointed by the American government director of mobilization, came out strongly for this project.

An American senator also stated that, if Mr. Wilson was in favour of that project, he would express a similar opinion. It seems that many people joined hands in an effort to compel the American government, under the leadership of the President, to favour the project. It therefore seems probable that this project will materialize at last, and the hon. Minister of Transport concluded his talk by a sentence that, with his kind permission, I would make my own:

> In the interest of national security and our own economy the joint development of power and navigation facilities on the St. Lawrence should be started at once.

I do not claim that the St. Lawrence waterway project should be proceeded with simply to bring about the abolition of tolls on the Victoria and Jacques Cartier bridges. But by this greater achievement the less important problem we are confronted with would be settled.

In closing I beg the hon. Minister of Transport to appeal to the authorities concerned in order that such practices, so unfair to tourists, may finally be abandoned. Indeed tourists find it strange to have to pay 25 cents to be allowed to use an old and dangerous bridge perhaps doomed to the same fate as recently befell another bridge. I want to say that that injustice must be corrected. I therefore urge the Minister of Transport, whose energy and talent are known to all of us, to bring pressure to bear on the government of the province of Quebec, which thus far has been reticent about the matter, so that my electors may be treated fairly and that the people of Quebec may no longer have to pay burdensome tolls on those two bridges.

Mr. A. Phileas Cote (Matapedia-Matane): Mr. Speaker, if I use the French language to speak on this matter, it is because I was not told of this beforehand, and also because, after the brilliant explanation given by the hon. member for Chambly-Rouville (Mr. Pinard), I believe I should speak in my native tongue; besides, it is apparently not lucky for me to use the English language, judging from the experience I had on Monday.

My friend from Chambly-Rouville simply asks that people, wherever they come from, may reach the south shore of the St. Lawrence without having to pay for the privilege. That is right. Naturally Montreal is on the north shore and Arvida also. I can understand you, Mr. Speaker, preferring it to be that way. But there is an important thing. Those who come from the states, as we say, going through Montreal, and who like to go as far as Riviere-du-Loup, then to Matane, and around the Gaspe peninsula, have to pay a toll to cross the St. Lawrence. Why? Is it because the south shore of the St. Lawrence has become, under a decree issued by my friend the minister, an area of strategical importance. I know that is not his intention. Perhaps if there were only myself, it would be all right; but there are others.

Gaspe is probably the place which the Americans find the most interesting. Why should they be asked an admission fee? Why?

The prime minister of the province of Quebec, Mr. Duplessis, has just announced the discovery of very important mines in the Gaspe peninsula. The Noranda people have already put twelve million dollars into this venture, I am told.

Shall we also have to pay to visit that place? It seems to me unreasonable that we should.

They are turning now to Gaspe because in Abitibi and elsewhere things went wrong. Fortunately, we were assured by Mr. Duplessis and Mr. Gagnon that they would succeed in Gaspe. Praise be to God!

Whether it be Mr. Duplessis, Mr. Onesime Gagnon or others who develop Gaspe, I take my hat off to them for that district was the first discovered and the last to be recognized.

My friend says people should at least be able to cross the St. Lawrence at Montreal without having to pay. It is because he wants to go to Chambly county. I do the same thing to reach Gaspe, to go to Matane. It is such a rich and beautiful country.

After having thus spoken of the beauty of that district, there is no reason for not visiting that territory where all that wealth has been left, to sleep, alas, for three hundred years. Do not laugh. Go down to Gaspe. Go to Matane, visit the rear concessions, you will see that I am serious.

Thirty years ago they shut the gate; today, Duplessis and others say: Come to Gaspe.

Mr. Speaker, I remember something that happened when I was very young and made me liberal, open-minded. When the Price

Brothers company erected a fence twenty feet high one had to pay to have it opened. Well, father used to tie Dr. Ross, the Liberal M.P., to his horse so that he might jump over. Those days are gone, thank heaven!

If we still have to buy a ticket at the Jacques Cartier bridge or the other bridge to go to the Gaspe peninsula, I really believe we should not be asked to do so. Going down, you know, there are along the shore very nice places; they have surely contributed in a large measure to the development of Canada.

I shall say nothing of Rimouski, but come down and see for yourselves. If it is true that the proposed scheme will further the development of the district, why put up a fence similar to the one the Price Brothers erected thirty years ago? We are told that it will cost 20 cents, 30 cents or 50 cents; I don't know. But why, I ask you?

It is about time that the government should realize what this means. At all events, let the Quebec government build bridges that will not fall down, so that we may have no fear about crossing the river.

Mr. Hector Dupuis (St. Mary): Mr. Speaker, I am pleased to support the motion submitted by the hon. member for Chambly-Rouville (Mr. Pinard). I wish, from the outset to thank him sincerely not so much for praising me as for trusting my word when I said I was a true Liberal.

We are considering a motion concerning the Jacques Cartier and Victoria bridges. As the hon. member for Chambly-Rouville pointed out, the matter is not new. For many years we have been calling for the abolition of tolls on those two bridges. Quebec has long resolved that in future there would be no more toll bridges in the province.

Mr. Speaker, I have but very few arguments to submit besides those already put forward by the hon. member. May I draw the attention of the house, however, to two other aspects of the matter. The hon. member could have mentioned them but I thank him for having left this at least to me. It is nothing new but just the same I would like to add them myself to the rightful claims he has expressed so strongly in this house. For many years, the city of Montreal and the province of Quebec have not ceased paying for the deficits resulting from these two bridges, especially Jacques Cartier bridge.

I believe we should draw the line somewhere. I find it quite unfair that Montreal people should still have to put up with this indirect tax while even on the Quebec bridge, which, I believe, comes under the jurisdiction of the same department, it was found advisable, some years ago, to do away with the toll system.

Why should people in and around Montreal pay this tax when the toll system no longer exists anywhere else in the province?

Let us not forget that when the bridge was built in 1930, the south shore was not as fully developed and settled as it is now.

Especially since the war, villages and even towns have sprung up there in a few months time. And now the south shore residents, on whose behalf the member for Chambly-Rouville and other members from that part of the province have spoken so well, must cross this bridge daily and even several times a day. Those people are therefore paying more than their fair share of taxation.

I think that to promote the development of the south shore, known as greater Montreal, it is time to abolish this indirect taxation which is proving a burden on those who have to pay it.

I would point out once again that the city of Montreal assumed a substantial burden of debt when the three-way agreement was suggested. In my opinion, it would be easy for the hon. minister, during his talks with the Quebec administration, to reach a new agreement. I have no authority to speak on behalf of the provincial government of Quebec, but it should be possible to reach some new agreement, some new deal by which the province of Quebec would pay part of the deficit on the same basis as the city of Montreal.

I do hope that the very justified request submitted by the hon. member from Chambly-Rouville will be well received by the government and that further talks will be held so as to put an end, as the member from Chambly-Rouville stated, to this discrimination.

There are possibly three or four places in this country where tolls are levied on bridges falling under joint federal and provincial jurisdiction. I hope therefore that the

request made to the government by the hon. member for Chambly-Rouville will be heard and that we may soon rejoice over the decision taken by the government.

A few years ago I was able to have tolls levied on pedestrians abolished. Originally, when the Jacques Cartier bridge was first opened, pedestrians had to pay five cents for the privilege of crossing the bridge. However, thanks to an agreement between the federal government and the Montreal municipal council, on my request and that of a number of other aldermen at the time, this nuisance was removed.

I bank on the well-known public-spiritedness of the hon. member for Chambly-Rouville and other hon. members to obtain from the government the abolition of that extra tax of toll fees on Jacques Cartier and Victoria bridges.

I will not refer to Victoria bridge in particular, but the injustice there is still more glaring, for that bridge has been paid many times over.

Removal of toll fees on Jacques Cartier bridge would transfer costs to the whole country, but it would be a very moderate cost considering that the bridge is used not only by the people of Montreal but also by people of nearby communities as well as by the tourists who use it all the time.

Under the circumstances I am sure that the government will give sympathetic consideration to our request.

Mr. Gerard Cournoyer (Richelieu-Vercheres): Mr. Speaker, I am pleased to support the resolution moved by the hon. member for Chambly-Rouville (Mr. Pinard). May I congratulate him upon his interest in the welfare of the people, not only of his county but also of mine and of the eastern townships generally.

He has given a very good outline of the problem and he has distinguished between the two bridges. For my part, I am more interested in the Victoria bridge.

In connection with the Jacques Cartier bridge, my hon. friend has shown what has happened to the request for the abolition of tolls. Everyone knows that a matter of jurisdiction is involved. Everyone knows that the federal government made representations to the provincial authorities with a view to having the tolls abolished on Jacques Cartier bridge. Unfortunately, as we also know, these offers brought no reply.

For my part, I can understand Mr. Duplessis, the prime minister of the province of Quebec, not being in a mood to discuss bridges now. That might give him nightmares.

I believe that the position of the federal government, which took upon itself the entire cost of building Jacques Cartier bridge, should be made clear to the public. As stated by the hon. member for Chambly-Rouville, certain agreements were made between the provincial government and the city of Montreal on the one hand, and the federal government on the other.

It is not the first time that tolls have been done away with on a bridge built by the federal government. I might mention Quebec bridge as an example. Tolls had been levied on that bridge which was built by the federal government. But under an agreement between the federal and provincial governments tolls were abolished at the same time as they were removed on all other bridges in the province of Quebec.

In the light of that precedent where the case was settled to the satisfaction of all concerned, I submit most respectfully that it would be easy, indeed very easy, for the government of my province to negotiate an agreement with the federal authorities.

On the other hand, I believe the dominion government has exclusive jurisdiction over the levying of the tolls.

Over a period of years, there have been important changes in the rates charged the people who use those bridges. I remember the time when motorists did not have the advantage of buying a booklet of tickets; they just paid 25 cents to get across. Today, they can get books of tickets allowing them to cross at low rates.

On the other hand, I feel the present discrimination should be remedied. It does seem that motorists are paying too high a rate for using the bridge. This is especially hard on merchants who have to deliver goods to Montreal. Then there is the case of dairymen who buy their milk from farmers in the constituencies of Chambly-Rouville and Richelieu-Vercheres and also in the eastern townships. They often pay a toll charge of $1 or $1.50 on their tank trucks. If one con-

siders the number of trucks owned by these people, it is easy to realize what this represents in the way of operating costs.

I do not wish to discuss the matter any longer at present. It would be useless to repeat the reasons so ably stated by my learned friends who spoke before me, but I must say that I heartily endorse their recommendations.

Mr. Marcel Boivin (Shefford): Mr. Speaker, first of all I would like to congratulate my hon. colleague the member from Chambly-Rouville (Mr. Pinard) on the brilliant account he has given the house on this matter.

As a member from the eastern townships, it is my duty to state that this motion has my unqualified support. We of the eastern townships are particularly concerned with this matter, because we are interested in both bridges, although someone has said that we are concerned only with the Jacques Cartier bridge.

That the people on the south shore have long been the victims of such discrimination is quite true. The hon. member for Richelieu-Vercheres (Mr. Cournoyer) stated, a few moments ago, that tank trucks had to pay toll fees of $1, $1.25 or even $1.50. Let me tell him that he understated the case, for there is in my constituency a co-operative dairy whose tank trucks must pay much more than that for the privilege of crossing that bridge.

Some have mentioned the tourist trade. I really believe that because of the 25 or 40 cents exacted from them, a large number of American tourists cross the bridge leading to Lachine, on their way north, so that they do not come in our district. Ours is a lovely district, yet tolls on Victoria and Jacques Cartier bridges prevent tourists from visiting it. That is unfair to us. Many people from Montreal would spend week ends with us if they did not have that 25 cents to pay. Instead they go north, whereas we have, on the south shore, the finest country in Canada. Furthermore it is even more unfair to the tradesmen on the south shore, who have to pay up to $1 or $1.25 to cross the bridge.

I would ask the Minister of Transport (Mr. Chevrier) to try to plead with Mr. Duplessis —even though the latter has been stricken with the bridge disease lately—in order to convince him to remove that toll. I believe that the Minister of Transport's tact would be equal to the task of convincing the three interested parties to settle the matter, in all fairness to those who live on the south shore and in the eastern townships. And so I ask the Minister of Transport to take the matter up with the authorities as soon as possible so that our people and those from the south shore may obtain justice.

Mr. Leon Balcer (Three Rivers): Mr. Speaker, it is with some caution, in my capacity as member for Three Rivers, that I rise to support the very interesting arguments brought forward by the hon. member for Chambly-Rouville (Mr. Pinard), and by the hon. member for Matapedia-Matane (Mr. Cote). I feel I must bring my humble support and ask the Minister of Transport to kindly accede to the request made by the member for Chambly-Rouville.

In my opinion, the toll system on those bridges is altogether obsolete; it is a source of injustice and hardship for the residents of the various municipalities who have to use them. The population of the city of Montreal has not always been what it is now. Today, a large number of people working in Montreal have to cross those bridges, two and even four times a day, so that the money spent on tolls amounts to a tidy sum.

It was said a while ago that this matter came under provincial as well as federal jurisdiction. As regards tolls levied on bridges, I think that the provincial government set a good example long ago, since these are the only two toll bridges left in the province of Quebec. I am sure that if the dominion government approached the provincial government on this matter, the latter would maintain the tradition of removing tolls.

That is why it gives me great pleasure to support the request of the hon. member for Chambly-Rouville.

Tourists have also been mentioned. No doubt most of those who visit our province can easily pay the small sum asked of them to cross these two bridges. But I believe that this is a nuisance rather than a real hardship and that such things give our tourist system a bad name. We know that any time

we ourselves must find change to cross a bridge, we cannot help criticizing this system and the government responsible for it.

I sincerely believe that in taking the first steps, the hon. Minister of Transport would, in general, receive really hearty support from the provincial authorities. Such steps would be useful not only to the people of Montreal but also to all the people of the province of Quebec who have to use those bridges. They would also help promote the tourist trade in the province. Let us not forget that this is one of our most profitable industries.

As the member for Three Rivers, on the north shore, I would like toll fees abolished in order that American tourists motoring to the St. Maurice valley and areas north of Montreal can be rid of this nuisance.

As I said a moment ago, the government's persistence in charging toll fees on a bridge as obsolete as the Victoria bridge is rather ridiculous. On Jacques Cartier bridge, a modern and a very sturdy structure, we at least have something to offer. I do feel that tolls on these two bridges should be abolished, that the federal government should shoulder its responsibilities in this matter, and pay for the upkeep of these bridges out of its own treasury instead of pestering the people of Quebec and the public in general.

Mr. Speaker, I see that there are only five minutes left and I would ask you for permission to call it six o'clock.

Mr. Paul E. Cote (Verdun-La Salle): Mr. Speaker, I rise on a point of order. I see that my hon friend is requesting the adjournment of the house although it is not yet six o'clock. As I have only a word to say at this stage, I ask the privilege to support the resolution now under consideration.

Being the representative of a constituency which is affected by this deplorable situation, the people in my constituency would expect me, I know, to join with those who have already voiced an opinion on this matter. I am in favour of abolishing the tolls on Jacques Cartier and Victoria bridges. Victoria bridge is the nearest exit for the people of Verdun who wish to cross over to the south shore.

This matter is very important from both a regional and a national point of view. It is regrettable that, in the most important city of Canada, people should be prevented from coming and going as they wish because of these tolls. There is no reason for it.

I ask the Minister of Transport (Mr. Chevrier) and the government to adopt this resolution, for the abolition of those tolls became necessary many years ago, more particularly as far as the toll on Victoria bridge is concerned.

(Text):

Mr. Deputy Speaker: It being six o'clock, the house stands adjourned until tomorrow at three o'clock.

Mr. McLure: Mr. Speaker, you have not put the vote, have you?

Mr. Fournier (Hull): Six o'clock.

Mr. Cote (Matapedia-Matane): The question should be put.

Mr. McLure: I should like to make a few remarks with reference to the resolution.

Mr. Deputy Speaker: It is six o'clock.

Mr. Fleming: There are a few minutes left.

Mr. Deputy Speaker: Order.

KOREA

FURTHER ELEMENTS IN BRIGADE GROUP TO JOIN BATTALION OF P.P.C.L.I.

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, I should like to make an announcement. Yesterday inquiry was received from the unified command of the United Nations forces in Korea as to whether training of the balance of the 25th Canadian Infantry brigade was complete, and if so, could it be sent to form part of the United Nations forces in Korea?

This training is almost complete, and the government agreed today that the other elements in the brigade group should shortly proceed to Korea and join the second battalion of the Princess Patricia's Canadian Light Infantry there.

Korea

Mr. Green: Does that mean the second battalion of the Royal Canadian regiment and the Royal 22nd regiment, with supporting troops?

Mr. Claxton: Yes.

Mr. Green: It does not mean the third battalion?

Mr. Claxton: No, it does not mean the third battalion.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow is still private members' day.

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

HOUSE OF COMMONS

Thursday, February 22, 1951

The house met at three o'clock.

NORTH ATLANTIC TREATY

CANADA'S CONTRIBUTION TO WESTERN EUROPEAN FORCE

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, with the consent of the house I should like to address a question to the Prime Minister based upon the statement made to this house at six o'clock yesterday afternoon by the Minister of National Defence (Mr. Claxton).

In view of the fact that a decision has been reached to comply with the request to send the special brigade group to Korea, will the Prime Minister inform the house what steps the government is taking to create the forces which it has undertaken to send to Europe under the agreement with the North Atlantic treaty organization?

Right Hon. L. S. St. Laurent (Prime Minister): It is rather unusual, I think, to have questions at this stage; but since the question has been asked I will say that I was handed the hon. gentleman's letter just as I came into the house. It is practically in the terms of the question he has formulated, and I can only say that at this time there is nothing I can add to the information communicated to the house on February 5 by the Minister of National Defence. The decision to complete at an early date the sending of the special brigade to Korea is in accord with the announcement made in the house at the end of the last regular session. When decisions about special formations have been arrived at by the government, they will be communicated to the house, in accordance with the undertaking I gave hon. members on June 30 last.

PRIVATE BILLS

SENATE BILLS—FIRST READINGS

Bill No. 39, to incorporate Traders General Insurance Company.—Mr. Robinson.

Bill No. 40, respecting the Dominion Association of Chartered Accountants.—Mr. Jeffery.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

NATIONAL FILM BOARD—MOVING PICTURES

Mr. Fraser:

1. How many feet of movie film were processed in the laboratories of the national film board of Canada during the year 1949-1950?
2. Of this footage processed, how many feet were processed for departments of the government?
3. How many feet for each department of the government?
4. Was any footage processed for commercial purposes or for individuals outside the government service? If so, what amount in each case?
5. What footage was processed for the film board's own account?
6. What footage was discarded or not used?

Mr. Winters:

1. 10,746,861 feet.

2. 1,159,521 feet.

3. Agriculture, 93,619; Bank of Canada, 10,131; Fisheries, 7,925; Labour, 111,209; Mines and Resources, 86,703; National Defence, 105,848; National Health and Welfare, 584,193; Post Office, 52,834; Reconstruction and Supply, 106,094; Resources and Development, 814; Trade and Commerce, 52; Transport, 99; total, 1,159,521.

4. Yes. (a) For commercial purposes, 334,417; (b) for individuals, 159,596 (including processing of 149,623 feet of film produced for other governments in collaboration with the national film board).

5. 8,673,683 feet.

6. 419,644 feet.

NEWFOUNDLAND—MIGRATION TO THE UNITED STATES

Mr. Higgins:

Are statistics being kept of migration of Newfoundland residents to the United States?

Mr. Harris (Grey-Bruce): Statistics of emigration from Canada or from any province are not kept by the federal government.

POSTAL SERVICE—REDUCTION IN URBAN MAIL DELIVERIES

Mr. Knight:

1. Will any postal employees in Saskatoon lose their positions as a result of the proposed economy in mail deliveries? If so, how many?
2. Have any letter carriers there been moved to inside positions? If so, will they replace inside help, and in how many instances?

Questions

3. What plans, if any, has the government for the reabsorption into the Post Office Department of displaced employees?

Mr. Langlois (Gaspe):

1. Survey not yet complete—no definite answer possible.

2. See answer to No. 1. Any reduction in staff will be spread over whole personnel.

3. Civil service commission is co-operating with Post Office Department to absorb in other departments post office lay-offs and to reabsorb in Post Office Department where this can be done as result of normal staff turnover.

IMPORTS OF CRANBERRIES

Mr. Nowlan:

What was the quantity and value of all cranberries imported into Canada from the United States during the calendar year 1950?

Mr. Howe: 3,743,573 pounds; $406,433.

BUREAU OF STATISTICS—MONTREAL BRANCH—MR. ZAPPA

Mr. Pouliot:

1. Has Mr. Saba (or Sapa), of the Montreal branch of the dominion bureau of statistics ever lived in the town of Chicoutimi in the Saguenay district, or in the district of lake St. John? If so, where, when, and for what period on each occasion?

2. How many persons does he know in the said town or districts, and what are their names?

He said: Mr. Speaker, I should like to amend this question by adding two words, so that the first part will read: "Has Mr. Saba (or Sapa, or Zappa)"—

Mr. Speaker: Question stands.

QUESTION PASSED AS ORDER FOR RETURN

VETERANS—PENSIONS—CORONARY THROMBOSIS AND SILICOSIS

Mr. Brooks:

1. As at January 1, 1950, how many veterans were being paid pensions of 50 per cent or more, due to coronary thrombosis and silicosis?

2. How many of the above were paid on the basis of 100 per cent entitlement as at January 1, 1950?

3. During 1950, how many enlistment records of those in No. 2 were checked to ascertain if they had any pre-enlistment disability?

4. As a result of No. 3, how many suffered loss or partial loss of entitlement?

Mr. Mutch: In asking that this question be passed as an order for return, I might say that it may happen that records will not disclose all of the information sought by the hon. member. However, the several parts of the question will be answered to the fullest possible extent.

[Mr. Knight.]

BANK LOANS

ARRANGEMENT RESPECTING CREDIT POLICY—MEETING BETWEEN CHARTERED BANKS AND BANK OF CANADA

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): I should like to direct a question to the Minister of Finance, of which I have given him notice. Can the minister advise the house of the progress made at the meeting between the governor of the Bank of Canada and the representatives of the chartered banks, of which the minister advised the house on February 16, towards stopping the increase of money through increased bank loans?

Hon. Douglas Abbott (Minister of Finance): I thank my hon. friend for giving me notice of his question. As I said the other evening, the meetings referred to were between officers of the Bank of Canada and representatives of the chartered banks. I believe it would be appropriate that a statement should be issued by either one or the other, and I believe the Bank of Canada will be issuing a statement within the course of a day or two.

EXTERNAL AFFAIRS

PACIFIC DEFENSIVE ALLIANCE—DISCUSSIONS BETWEEN UNITED STATES, AUSTRALIA AND NEW ZEALAND

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, apparently discussions have been taking place in Australia between representatives of the United States, Australia and New Zealand concerning the possibility of establishing a defensive alliance in the Pacific. Can the Secretary of State for External Affairs give the house any information about these discussions, and what the attitude of Canada would be if she were invited to join such an alliance?

Hon. L. B. Pearson (Secretary of State for External Affairs): My hon. friend was good enough to give me notice of this question It is quite true, as he suggests, that discussions have recently been taking place in Canberra between Mr. John Foster Dulles, representing the United States, and the governments of Australia and New Zealand, concerning the possibility of a defensive alliance between those three countries covering the Pacific. We have had some preliminary information concerning these discussions, but are now awaiting a report from our representatives in Canberra and in Tokyo.

We have not been asked to participate in these discussions, nor have we yet received any information about them from the United States authorities. Until we receive fuller information on this very important matter I would prefer not to say anything more about it.

TUNGSTEN

QUESTIONS AS TO REPURCHASE OF EMERALD MINE IN BRITISH COLUMBIA

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): I should like to direct a question to the Minister of Trade and Commerce. Is the government repurchasing the Emerald mine in southeastern British Columbia for the production of tungsten, and if so could the minister give us a brief statement on the matter?

Right Hon. C. D. Howe (Minister of Trade and Commerce): During the last war the government opened up a deposit of tungsten in a property known as the Emerald mine. A makeshift mill was erected, and tungsten ore was mined until the end of the war. Upon the conclusion of the war the price of tungsten would not permit the mine to carry on as a commercial operation. After tenders had been invited, it was sold to the Canadian Exploration Company for $950,000, which has been paid.

The demand for tungsten is again active, and we have repurchased that portion of the property which contained the known tungsten values, for a price of $328,000, which is exactly the same amount as was included in the sale price to the present owners. In other words, we bought the tungsten property back at the same price as that at which we sold it. We are now building a more suitable mill. The owners of the Emerald property have been mining lead and zinc, as well as conducting other operations on the property, and they will supervise the installation of the new mill on the tungsten property and operate it for government account.

Mr. Green: What is the cost of the new mill?

Mr. Howe: I do not know.

STEEL

QUESTION AS TO EXPANSION OF PLANT AT SYDNEY

On the orders of the day:

Mr. Clarence Gillis (Cape Breton South): In view of the shortage of steel and the urgency of the defence program, can the Minister of Trade and Commerce tell the house whether his department has any plans for expanding the basic steel plant at Sydney, Nova Scotia?

Right Hon. C. D. Howe (Minister of Trade and Commerce): About two years ago the department asked all the primary steel producers of Canada to submit plans to the department for expanding their facilities. Suggestions were made. If the plant runs short of basic steel, the suggestion was that it expand its basic steel facilities. If it was short of finishing capacity compared to basic steel, it was asked to expand the finishing capacity. A suggestion was made to Dosco. Since then I have had several conversations with the president of the company. During the course of the last conversation he assured me that a definite proposal would be in my hands shortly, but so far I have not received it. The expansion will take the form of additional finishing capacity, particularly for making rods and wire.

FISHERIES

NEWFOUNDLAND SHORE FISHING—PRICES SUPPORT, MARKETING AND DEVELOPMENT

On the orders of the day:

Mr. G. F. Higgins (St. John's East): Mr. Speaker, I wish to ask a question to clear up a misunderstanding arising out of the statement made by the Minister of Fisheries on Tuesday last. At that time I asked him as to the convertibility of sterling in 1951, and I received the wrong impression from his reply. As reported at page 495 of *Hansard* he stated:

> As to convertibility, that was arranged for the current sales.

By that I understood 1951 was meant. I wish the minister would clarify the matter.

Hon. R. W. Mayhew (Minister of Fisheries): The hon. member for St. John's East gave me notice of his question. On February 20 I made a statement to the house about Newfoundland's fisheries, referring in particular to the shore fish caught in the 1950 season and now moving to market. Following the statement the hon. member for St. John's East asked if "arrangements had been made for convertibility of sterling so far as salt fish is concerned." I presumed that he was referring to the subject under discussion, namely, the current stocks of salted fish, and not fish still swimming in the sea to be caught in 1951; and I therefore replied, "yes". This reply appears to have been taken in some quarters to mean that arrangements for financing next year's exports have been completed. That is not so. The government of course has to look ahead, and I can

assure the hon. member that action is currently being taken to find a satisfactory solution to the financing of exports to Europe from the production of the 1951 season.

Mr. Higgins: May I ask the minister if he expects that convertibility will be arranged?

Mr. Mayhew: Mr. Speaker, the hon. gentleman evidently wants to get into trouble again. I would therefore advise him to read my statement in *Hansard* tomorrow, and he will get his answer.

VETERANS AFFAIRS

INQUIRY AS TO APPOINTMENT OF SPECIAL COMMITTEE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): In view of the statement made by the Minister of Veterans Affairs to this house last year as to the establishment of a special parliamentary committee on veterans affairs at this session, will the minister inform the house when it is the government's intention to proceed with the establishment of that committee?

Hon. Hugues Lapointe (Minister of Veterans Affairs): It is still the intention to set up such a committee. Legislation is in the course of preparation now, and the hon. member can be assured that the committee will be set up in time to deal with the matters referred to it by this house.

NATIONAL DEFENCE

INQUIRY AS TO APPOINTMENT OF SPECIAL COMMITTEE

On the orders of the day:

Mr. W. Ross Thatcher (Moose Jaw): I should like to direct a question to the Prime Minister. Has the government considered further the setting up of a special defence committee? If so, can the Prime Minister say definitely whether such a committee will or will not be set up at the present session?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, the Prime Minister cannot say definitely whether such a committee will or will not be set up during this session.

WHEAT BOARD

INQUIRY AS TO REPORT FOR 1949-50

On the orders of the day:

Mr. J. A. Ross (Souris): I wish to direct a question to the Minister of Trade and Commerce. Can he say when the Canadian wheat board report for 1949-50 will be available?

[Mr. Mayhew.]

Right Hon. C. D. Howe (Minister of Trade and Commerce): I cannot say. I hope it will be available within the next two or three weeks.

BRIDGES

VICTORIA AND JACQUES CARTIER, ST. LAWRENCE RIVER—ABOLITION OF TOLLS

The house resumed, from Wednesday, February 21, consideration of the motion of Mr. Pinard:

That, in the opinion of this house, the government should take into early consideration the advisability of abolishing the tolls imposed and collected on the Victoria and Jacques Cartier bridges over the St. Lawrence river.

Mr. W. Chester S. McLure (Queens): Mr. Speaker, when the house adjourned last evening I was about to make a few remarks on this resolution, which was so ably presented by its sponsor, the hon. member for Chambly-Rouville (Mr. Pinard).

The resolution has already been read. I am not going to go into the details of it. I want to speak only on the principle of the resolution. Its sponsor certainly excelled himself in his speech. He is well known to the house as one of the greatest debaters the province of Quebec has ever produced; and I congratulate him on his presentation of the subject. The others who followed him spoke in the same language as he did, their native tongue. I am not going to try to make any remarks in that language, because I know that if I got started, someone would shout: *ne touchez pas!* I am going to try to keep to my native language, be my speech good, bad or indifferent.

The principle of this resolution is the abolition of tolls that have been imposed and collected on certain bridges. What is a toll? On looking the word up in the dictionary I find that a toll is a charge payable for permission to pass a barrier. Any bridge or highway connecting two other highways or towns or villages is always known as a king's highway, whether it is owned federally or provincially; and there can be no barrier, even at any price, placed on a king's highway.

The principle that I want to vote for is the abolition of an old, obsolete system, that of tolls on the king's highways. It matters not who built this bridge, but it does matter who at the present time owns it and where the tolls are going. From what has been said by some of those who have spoken, I understand that it is a three-way division: municipal, provincial and federal. However, the principle of the resolution which has been under discussion is the abolition of the toll; they do not want tolls any more. It is certainly obsolete to have them.

The reason I am supporting the resolution is this. One of the hon. members who spoke said that if on these two bridges the tolls were abolished, there would be no other bridges in Quebec exacting tolls from the people; there would be no more toll bridges in that province. The point I want to make —and I wish it had been attached to this resolution—has to do with the toll bridge across the Hillsborough river between Charlottetown and Southport, Prince Edward Island. Prior to the building of that bridge there was a ferry system for the accommodation of the public. The bridge was built to accommodate the railway that was built from Southport to Murray Harbour, and it was supposed to be wide enough to take care of vehicular traffic as well. When building this bridge for the railway, the government said that it would be a toll bridge. The provincial government of that time did not wish it to be a toll bridge. However, the toll had to be paid, and the provincial government, rather than discriminate against people living on the south side of the river, decided, out of the taxpayers' money, to pay the toll and also to keep in repair the planking on both sides of the rails for a length of over a mile. That toll, together with the repairs, amounts to some $10,000 a year. The principle is wrong, just the same as it is with reference to the Victoria and Jacques Cartier bridges.

During the last forty-six years this bridge, which was obsolete when it was put there because it was a secondhand bridge from some place up the Restigouche, has cost $10,000 a year. The bridge was obsolete forty-five or fifty years ago; today it is condemned as unsafe for heavy traffic, and freight traffic has to be routed over another line down through Murray Harbour.

As a province we should not have to continue paying this amount of almost $10,000 annually, as we have done for nearly forty-six years. In other words, we have paid the cost of the bridge twice over, and have nothing in the end but a bridge condemned in the first instance for heavy traffic, and now condemned for automobile traffic and trucks as well.

I urge upon the Minister of Transport (Mr. Chevrier), although it does not come within the scope of this resolution, that he consider giving us the right to do away with the payment of this $10,000 a year for a bridge that is now condemned by the railway people themselves.

Mr. T. P. Healy (St. Ann): Mr. Speaker, I listened with interest yesterday to the complete and eloquent plea made by the hon. member for Chambly-Rouville (Mr. Pinard) regarding the toll payable on the Victoria bridge. This bridge is in my riding. I believe toll has been collected on it for the past seventy-five years, and it would be a great benefit to the people of Montreal if this toll were eliminated.

My purpose in rising is to support the resolution of the hon. member. I hope that the Minister of Transport (Mr. Chevrier) will make a special effort to give this important matter every consideration. I concur in all the remarks which have been made by hon. members from Montreal in support of this resolution.

(Translation):

Hon. Lionel Chevrier (Minister of Transport): I listened with deep interest to the speeches made yesterday and this afternoon in connection with this resolution which appears on the order paper and reads as follows:

That, in the opinion of this house, the government should take into early consideration the advisability of abolishing the tolls imposed and collected on the Victoria and Jacques Cartier bridges over the St. Lawrence river.

This resolution was very well discussed by the hon. member for Chambly-Rouville (Mr. Pinard) who has been requesting such action for several sessions, as well as by the other members who have supported it. The hon. member for Chambly-Rouville put this motion on the order paper several times because he believes the settling of this matter is important to his electors and to the great many people living on the south shore who use these bridges to cross the St. Lawrence river.

However I must point out to the house that there are two sides to the question involved in this resolution. There is the legal side and the practical side.

Before going any further on this matter I wish to offer the hon. member for Chambly-Rouville my special congratulations for the manner in which he has introduced his resolution. It makes it unnecessary for me to repeat the arguments he has advanced and which I could very well make mine under the circumstances.

But let us consider the two aspects of this matter. First, we must examine the legal aspect. It should be borne in mind that there is an agreement between three parties: the national harbours board, through its predecessor the Montreal harbour commission, the municipality of the city of Montreal and

the province of Quebec. Certain members seemed to forget, in the discussion this afternoon and yesterday, this agreement whereby three governments, federal, provincial and municipal have undertaken to pay one-third of the cost of maintenance providing it does not exceed the amount of $150,000 a year.

As was so ably stated last night by the hon. member for Chambly-Rouville, the city of Montreal stopped paying its share at least since 1944. It was therefore necessary to take action against the city of Montreal. A decision was brought down in favour of the national harbours board, but the matter is now before the court of appeal.

It is now a matter of deciding whether tolls should be abolished and if from now on costs should be charged to the federal government, the provincial government, or the city of Montreal.

I also wish to congratulate the hon. member for Three Rivers (Mr. Balcer) on his speech, in which he said something to the effect that the toll system is detrimental to the people of the province of Quebec and that the dominion government should assume its cost.

I do not think there can be any disagreement in principle as to the elimination of tolls. In principle we favour doing away with the toll system. There is no difficulty on that point. But we have to decide who should bear the costs. As regards jurisdiction, moreover, the three parties have already come to an agreement. To my mind, tolls cannot be removed unless there is some agreement on the procedure to be followed. It goes without saying that, for the time being, this agreement concerns only the Jacques Cartier bridge. Nor should hon. members forget that the agreement which related to the building of the Montreal bridge, the Jacques Cartier bridge, was signed following the enactment of a statute by the house, the passing of legislation by the provincial legislature and the approval of a minute by the city of Montreal.

Therefore, I submit that the suppression of the tolls would necessitate the agreement of the three parties concerned.

We must also consider the practical side of the matter which is no less important than its legal aspect. In 1950, the national harbours board collected, I believe, $1,200,000 in tolls on Jacques Cartier bridge. As for Victoria bridge, I cannot give you any idea of the amount collected since it is buried in the accounts of the Canadian National Railways.

What I mean is this. It is not easy for the national harbours board or for the Canadian National to give up without further ado revenues exceeding a million dollars.

Hon. members are constantly asking that we reduce expenditures. How would they explain the relinquishment of such an important source of income? That is the practical side of the matter. The money would have to be found elsewhere.

If we give up this source of revenue, the house will have to find means of collecting the money needed to wipe out the deficit that would inevitably follow. In other words, we would have to impose an additional burden on every citizen.

As regards Victoria bridge, I have already informed the house that, on the condition mentioned in *Hansard*, the Canadian National Railways were ready to consider the removal of tolls now levied. The Canadian National has already indicated its approval of legislation that would do away with tolls for non-commercial passengers. The removal of tolls is based on the contingency of a satisfactory agreement with the province. This agreement would compensate the Canadian National for monetary losses sustained and would also protect its interests.

I do not believe the house would wish to proceed on any other basis because, after all, if we gave up revenue adding up to $1 million or $2 million, we would have to find it elsewhere.

(Text):

Perhaps, Mr. Speaker, I might sum up briefly and rapidly what I have said, so that the house may know the nature of the resolution which seeks the abolition of tolls on two bridges crossing the St. Lawrence river at Montreal, namely the Victoria and the Harbour bridge.

The reasons I have submitted, one the legal and the other practical, indicate that it is impossible to consider the abolition of these tolls at this time unless there is some agreement with the parties concerned, namely the province of Quebec, the city of Montreal, and the national harbours board.

I have already stated in the house on one occasion, if not on two, that the federal government, through its agency, the national harbours board, is prepared to receive representations and, if need be, to enter into negotiations for the abolition of these tolls. But

it must be understood that the abolition could not be made at the exclusive expense of the federal government.

The hon. member for Chambly-Rouville, who has so well presented his motion, ably supported by other members from the south shore and elsewhere, may feel that the object they had in mind, namely, a full discussion of the important question of the abolition of tolls on these bridges, has served its purpose. If the hon. member for Chambly-Rouville feels that the motion has served that purpose, perhaps he would give consideration at this time to withdrawing it.

Mr. Pinard: Mr. Speaker—

Mr. Deputy Speaker: I must inform the house that when the hon. member for Chambly-Rouville speaks, he will close the debate.

Mr. Roch Pinard (Chambly-Rouville): Mr. Speaker, after hearing the remarks of the Minister of Transport (Mr. Chevrier), and upon his assurance that the two agencies of government involved, namely, the national harbours board and the Canadian National Railways, are both ready to negotiate with the other parties concerned for the abolition of the tolls; and in view of the further fact that the Minister of Transport has renewed the assurance that he intends to renegotiate the question with authorities in the provincial government, I am ready to withdraw the motion.

I know that in speaking now I close the debate; but I should like very much to learn from the minister whether he has already received from the provincial government any information as to the possibility of negotiations for the abolition of these tolls.

Mr. Chevrier: Since the delegation waited upon me, some two years ago I believe it was—it may have been only one year; the hon. member will recall—there have been no representations made by anyone in connection with the abolition of the tolls. I believe it would be unwise to attempt representations with one party, at least until the litigation has been settled.

Mr. Pinard: I would add only this. The city of Montreal has already passed numerous resolutions asking the federal government, and I believe also the provincial government, to negotiate for the abolition of the tolls. So far as one of the parties to the agreement is concerned, therefore, the city of Montreal, the expression of opinion has been clearly given. I will accept the assurance that negotiations will be entered into with the government of the province of Quebec to the end that a solution of this problem may be brought about.

In withdrawing my resolution I wish to say that if nothing has been done by that time, I shall propose the same resolution next year.

Mr. Deputy Speaker: Has the hon. member leave to withdraw his motion?

Mr. Knowles: No.

Mr. Deputy Speaker: Is it the unanimous wish of the house that the motion be withdrawn?

Mr. Knowles: No.

Mr. Fournier (Hull): Question.

Mr. Deputy Speaker: Those in favour of the motion will please say yea.

Mr. Knowles: Yea.

Mr. Deputy Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

Motion (Mr. Pinard) negatived on division.

EDUCATION

EQUALIZING OF OPPORTUNITY—ASSISTANCE TO PROVINCES

The house resumed, from Monday, February 19, consideration of the motion of Mr. Knight:

That, in the opinion of this house, the government should take into consideration means of expanding and equalizing educational opportunity across Canada, by the granting of financial assistance to the various provinces for that purpose.

Some hon. Members: Question.

Mr. Knight: Mr. Speaker—

Mr. Deputy Speaker: I must inform the house that when the hon. member speaks he will close the debate.

Mr. J. A. Ross (Souris): Mr. Speaker, I wish to say a few words before the debate closes. First of all, I fully expected some member of the government would make a statement before the vote is taken.

An hon. Member: Ready, right here.

Mr. Ross (Souris): I will take my seat if any minister wishes to speak now on the resolution.

Mr. Fournier (Hull): Go ahead.

Mr. Ross (Souris): Mr. Speaker, the purpose of this resolution is to bring to the attention of the government the desirability of equalizing educational opportunity across Canada.

This matter has been debated for several sessions, and I have spoken at some length on every similar proposal that has been before the house. I might say that I was disappointed on May 22 last to hear the Minister of Agriculture (Mr. Gardiner) and the Minister of National Health and Welfare (Mr. Martin) speak at some length in opposition to a similar resolution. It was disappointing to hear members of the government express themselves as they did at that time.

I do not need to tell you, Mr. Speaker, that the cost of education has been a vital issue for many years in the province of Manitoba from which I come. The municipal corporations have had to provide for the cost of education by a levy on real estate that averages $3 for every $1 provided by the government of Manitoba. Everyone must realize that you cannot have equality of educational opportunity under such a system. It is just impossible.

This has been a vital issue at the last three annual gatherings of the municipal convention of Manitoba, and also at the annual convention of the trustees of Manitoba. It has been a vital issue for some years. By contrast I should like to indicate what has been done in Ontario. I would remind the house that the leader of this party, when he was premier of Ontario and minister of education, provided for very progressive legislation for education in the province of Ontario. In some school districts the province finances as much as ninety per cent of the cost. We have an important comparison right there. I should like to quote one paragraph from a speech made by my leader in this house on a similar resolution, to be found at page 944 of *Hansard* of October 19, 1949. He said:

> There is, however, this important consideration which cannot be emphasized too often. Even if we built in Canada the finest schools that have ever been constructed anywhere, we would have done nothing to advance our educational standards unless those who are teaching in those schools are highly qualified to teach the children that come under their direction. For that reason, wherever the school may be and whatever type of school may be under consideration, the effort of all those concerned with the advancement of education in Canada should be to raise to a level that is in keeping with their responsibility the salaries of those to whom we are entrusting to a considerable extent the whole future of Canada.

There is a lot of meaning in that statement which was placed on the record by the leader of this party when a similar resolution was before this house on a previous occasion.

I do not want to take time to repeat the arguments that have been made in this debate and that I have placed on the record in the course of debates in the past on similar resolutions. But I want to emphasize the fact that real estate cannot properly provide for the cost of education, and certainly cannot provide for equality of educational opportunity in this country. It is just an utter impossibility, and it should not be expected to do so.

I support wholeheartedly this resolution. I hope that we are to be permitted to vote on it this afternoon, and that the house will endorse it. It is one of the most important matters that can engage the attention of Canadians in these times. It is important because it aims at the providing of equality of educational opportunity for the young people of this land. They are the people who will be responsible for this country in the years to come, and I know of nothing more important.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I have a few remarks I should like to make on this resolution. Perhaps I have an obligation in a personal way, as I happen to be on the board of trustees of a university which hopes to be one of the beneficiaries of the plan which we hope is under consideration. In passing, I should like to associate myself with what has been said previously about provincial responsibility in connection with education. To put it mildly, we have been encouraged to hope that the time will soon come when consideration will be given to us and to other universities.

I might say just one word about our university, to indicate the problem which affects us and which in varying degree affects other people as well. More than a century ago Queen's university at Kingston was founded by the Presbyterian church. I am quick to say that there never has been any religious test, except that for the first few decades the university constitution required that the principal should be a minister of the Presbyterian church. As time went on it became difficult to carry on the affairs of the university, although we were receiving generous assistance from people of all creeds. Some forty years ago the difficulties of financing became so great that the Presbyterian church, with great generosity, handed the university over to the public. Since then there have been no religion tests of any kind, not even of the principal.

We have tried to paddle our own canoe as best we could. We believe we have a loyal body of graduates. Sometimes I fear we become a little tiresome to other people by talking about the loyalty of our graduates. But it is a real thing, and they have helped us, not merely with words but with deeds. We have received generous subscriptions; in fact

at the present time we are trying to get the beneficence of the graduates on an annual basis by having them make annual gifts.

Notwithstanding all that, great difficulties still exist. Not only do they exist, they are increasing. Taxation of all kinds makes it more difficult as the years go by to get outside assistance. Since we separated ourselves, almost forty years ago, from any technical connection with the Presbyterian church, we have received generous aid from the province of Ontario. As I have indicated, we have done our best to increase our own resources, and of course fees also play a large part. But the difficulty is still great.

I should like to take a few minutes to indicate a special form that that difficulty has taken. I do this because it is something that alarms me. I think I can best indicate what I have in mind by referring briefly to a remark made not long ago by the president of the university of Toronto, Dr. Sidney Smith, in connection with the ever-recurring question of university salaries. I think we all ought to feel responsible for the fact that our teaching profession is not treated better than it is. I think one of the best tests of the level of the civilization of any community is the way they treat the teaching profession. If the teaching profession is well treated, that is evidence of a high state of civilization. Dr. Smith recently made a statement in connection with salaries, and said that he was afraid they were going to be driven to paying less to those professors who deal with what might be called the non-vocational subjects, that is, subjects which you do not cash in on the day you leave the university. These are the subjects, of course, which once were regarded as the extreme and almost the exclusive object of education.

I am sure Dr. Smith made that suggestion only with the greatest regret. Dr. Cyril James of McGill university said that a double standard, as he called it, would be a matter of grave loss to Canadian universities; and from communicating with him I know that our own principal at Queen's university, Dr. Wallace, who is well known in university circles, has exactly the same feeling.

I want to develop this a little because the very fact that this could happen suggests to me that our attitude toward education might well be very carefully considered. Let me remind you too, Mr. Speaker, that professors other than those teaching what we usually call the humanities find it much easier to supplement their university salaries. Doctors teaching in universities for the most part have their professional incomes as well. Engineers and other vocational teachers have a much greater opportunity to add substantially to their incomes by doing various kinds of expert work during the vacation. Not only are they to have that advantage, but Dr. Smith is even constrained to suggest that in addition they might perhaps have higher salaries than other professors.

The best teachers, of course, do not teach because of the money. I remember an old professor of mine who was getting me to help him with his income tax one day. He was then getting the munificent salary of $6,000 a year; that was in Toronto. He said, "Think of that, Jim. We never got that at Kingston in those days. Think of me getting $6,000 a year. Why, in the old days at Queen's I would have been glad to have $2,000 and to be sure that would not shrink." I said, "I don't agree with that at all. You should have the salary of a bank president." He replied, "But look at the kind of work I am doing. Why, if I were a man of means I would pay a premium to be allowed to do it." That spirit is not universal, of course; nevertheless it is present, or we would not have the men we have carrying on this work.

I want to take just a few minutes of the time of the house to say a word about this subject, and to quote a remark made by the hon. member for Cariboo (Mr. Murray) the other day, part of which I applaud most heartily and with part of which I want to disagree. After referring to various minerals which the Minister of Trade and Commerce (Mr. Howe) had said we needed, the hon. member went on to add, at page 473 of *Hansard*:

> Our war effort will fail if we do not secure supplies of these vital strategic war metals from some place in the world.

Of course that is true. Then he went on:

> I think we might very well encourage the mining schools at Queen's university—

And of course that is true.

> —the university of British Columbia and elsewhere across this country, so that research might be carried on—

And that is true, too; I would not disagree with a word of it. Then this is the part I want to question, if I understand the hon. member correctly. He went on to say:

> So my suggestion is that we leave these academic discussions and speeches, which were popular in the earlier days when we were not faced with the severe trials now ahead of us, and become more objective.

I am very glad the hon. member was so frank, because I believe that view is widely held. If I understand the hon. gentleman correctly he is really saying, by implication, that life is real and earnest now; that we have to deal with these material things, and have to set the other things aside. If that

were to happen for three months or six months, though it is extremely difficult to see how it could be done, one might feel that perhaps it had to be considered; but in the situation in which we find ourselves, when we do not know how long it is going to last, I would suggest two things to the hon. member. First of all I would suggest that, perhaps to an extent we can hardly realize and certainly we can never prove, the present plight in which we find ourselves is due to the fact that for some time we have disregarded these things. I say to him further that if this testing time through which we are passing now should last five years or ten years, as it may, then it seems to me there never was a time when we were in so much need of these things which the hon. member says in effect cannot now occupy the attention of serious men in an emergency. I do not wish to press his words unduly because I think I understand the way in which he meant them.

Pursuing that subject just a little further I should like to quote some words, grave words, you may think exaggerated words, which nevertheless come from a high source, Mr. Walter Lippmann, a man whose opinions we value. These comments were made some years ago with respect to education in the United States. I stress the fact that it was education in the United States. I am sure also that what I am about to read will not apply to certain universities that have tried to keep the flag of real education flying, but I ask hon. members to listen to these comments, which are quite brief, and ask themselves whether in fact Mr. Lippmann does not utter a grave warning.

I want to digress for a moment, because I wish to read the words used by Dr. Sidney Smith of the university of Toronto before I quote Mr. Lippmann. This is Dr. Smith's last report, which appeared just a few weeks ago. He deals with this matter, and I want to refer briefly to what he has to say so that when I read the quotation from Mr. Lippmann hon. members will have in mind the words used by Dr. Smith:

> Any claim that the university is offering a liberal education to all its students must be based in considerable measure on the emphasis given to the humanities. It is relatively easy to obtain financial support for the physical and biological sciences. Public interest in the social sciences, for example, economics, is high and it is increasing. Canadians pay lip service to the humanities but frequently their tribute ends there.

Now, reiterating my warning that these comments by Mr. Lippmann are directed to education in the United States and also that I think many universities, particularly those which have maintained close association with churches, do not come under this condemnation to anything like the extent others do, I read these short passages. Mr. Lippmann says:

> The thesis which I venture to submit to you is as follows:
>
> That during the past forty or fifty years those who are responsible for education have progressively removed from the curriculum of studies the western culture which produced the modern democratic state.

I think you will agree, Mr. Speaker, that that is a plain statement of fact; that the institutions by which we live were produced by this western culture which Lippmann argues we are now disregarding. Then he goes on:

> That, deprived of their cultural tradition, the newly educated western men no longer possess in the form and substance of their own minds and spirits, the ideas, the premises, the rationale, the logic, the method, the values or the deposited wisdom which are the genius of the development of western civilization.

Then he adds:

> That the prevailing education is destined, if it continues, to destroy western civilization and is in fact destroying it.

Again I remind hon. members that those words were not addressed to us, but I suggest we might well consider them. There is only one other short quotation I should like to read:

> Modern education, however, is based on a denial that it is necessary or useful or desirable for the schools and colleges to continue to transmit from generation to generation the religious and classical culture of the western world.

As I say, those are grave words, and I have read them to the house because I believe we live in grave times. We talk quite often about our way of life, and equally often in vehement phrases of detestation of this strange new madness, as it seems to us, that has arisen and to which we are opposed. We speak of it as fanaticism, but if you look up the dictionary meaning of "fanaticism", you will find that there is a kind of belief, even though it is a mistaken belief, included in it. This recalls to mind some very searching words used by a well known journalist in western Canada, Bruce Hutchison. Speaking about this very problem some eighteen months ago he uttered words which I have never been able to get out of my mind. I hear people talking about our way of life, and I have often wondered whether it means motor cars, hockey matches, and all that kind of thing. What else does it mean? Incidentally, Mr. Hutchison pointed out that in this strange and horrible fanaticism, as we regard it, there is a certain element of faith—I believe he used the word "faith" and if not I adopt it as my own. Then he

said that we may be in danger of finding that we are opposing the communist something with a nothing.

I should like to add one thing, Mr. Speaker. It seems to me that those of us who are older have inherited a kind of spiritual legacy from our fathers, a legacy of the rule of law, and all the other things which have gone into making up life. We have now drifted into a situation where these things are no longer as clear as they used to be. I have often thought of a wise remark made by a former governor general, Lord Tweedsmuir, to the effect that our difficulty is not to choose between right and wrong, but to choose between two rights. It seems to me we are now confused by the number of problems that are facing us. As the member for Cariboo (Mr. Murray) said, we have to have regard for all those material things which are necessary for our salvation. I suggest also that in the end it is morale that is going to count, and in the end morale depends on morals. It depends on having something we really and truly do believe. I go back therefore, Mr. Speaker, to this question of education, and I do urge that we remind ourselves, as Lippmann says, that true education does not exist without a real knowledge or understanding of this civilization in which we live, and which is based on western culture.

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, it has been said by members from the opposite side of the house that they do not wish to have this resolution talked out. During this session, however, according to my calculations there have been twenty-two speakers on this question, and about eighteen of them have been from the opposition. I do not propose to take very much of the time of the house, therefore, because I may be accused of attempting to talk out the resolution. Certainly, there is plenty of time ahead of us, so we can be sure it will not be talked out.

I did not come prepared to speak on this question this afternoon. I thought a labour bill would be coming up, and I was prepared to discuss it. I regret that it has been subordinated to this other important question of giving the provinces assistance in the matter of education. Everyone who has spoken from the Conservative party benches, and the C.C.F., has spoken in favour of this resolution. Being in favour of it, they have not advanced any of the reasons why the members who support the government should have any objections to such a resolution. I am opposing this resolution at this time. In opposing the resolution I do not wish to indicate in any way that I feel education is not of primary importance. I believe, in fact, that it has been the No. 1 factor in our survival as a great nation. Throughout the discussion no one has attempted to separate their arguments on the value of education from the manner in which it should be administered.

I cannot see how it will be possible to reduce the cost of education and, at the same time, increase the opportunity for education merely by putting the responsibility upon the federal government. The B.N.A. Act provides that education is a provincial responsibility. Everyone is familiar with the principle that a line has no end, and can be extended to any length. If education is the primary responsibility of the provinces, then by extending this line we would be creating a precedent, and we have no reason for assuming that other provincial responsibilities may not, at some future date, be brought to the door of the federal authority. It is my humble opinion that the federal government should raise sufficient funds through taxation to carry out its responsibilities as a federal authority, and not to interfere in such matters.

Who are the people who are requesting this federal aid? We have resolutions from school boards, and we have resolutions from the teachers' associations. In many instances school boards have found that in building new schools they have to expend more money than the fields of taxation now open to them will allow. I know that the teachers' federations fully appreciate the difficulties of the school boards. They are the employee group, however, and I have a feeling that their primary concern in the matter of federal aid is the hope that it will increase the rate of pay to their profession. If the federal authority is to make grants directly for educational purposes, have we any assurance that the cost to the taxpayer will be less? It will merely mean that the money will be taken from him by the federal authority, paid into the national treasury, and returned to the provinces.

Is that necessary? If the federal authority is raising more money or is bringing into the treasury more money than it finds necessary for purely federal matters, I would suggest either that they relinquish their tax fields to the provinces or reduce certain direct taxation which will leave the individual taxpayer with a little more money with which he can pay his land or property taxes. The fact that the people in the municipalities are going to be responsible for the raising of the money which they spend on schools is a natural deterrent in the matter of the ways in which they carry out these

responsibilities. They claim now—and possibly with truth—that they cannot raise enough money by taxing property and land. However, if the federal authority were to leave just a little bit more money in the hands of the property owners, through a reduction in taxation, there is no reason why the municipal authorities cannot increase their mill rate and obtain more money in that way. As I say, however, they are deterred, because they know it is a tax which appears on their statements from year to year and they find it hard, possibly, to raise it. As I say, there is a certain curb there and we can be assured that money will not be spent too recklessly in any of these ways.

The hon. member who introduced this resolution suggested that the reason given by the government for not putting forward a proposal for federal aid to education was that there would be a dominion-provincial conference. The hon. member for York South (Mr. Noseworthy) asks some questions of the minister; I presume it is the Prime Minister (Mr. St. Laurent), as we have no minister of education at this time and presumably we shall not need one unless we carry out the suggestions that have been brought forward from time to time by the opposition. As reported at page 472 of *Hansard* he asked the Prime Minister these questions:

> Were any suggestions put forth by the federal or provincial governments? Is the government in favour of or opposed to federal support for elementary, secondary and university education?

That indicates that it is his intention that this resolution will go down to the very basis of our education, to grade I. In reading over the minutes of that meeting—I may be wrong; I have not had time to go through it all again—I do not recall that any provincial premier asked directly for federal aid to education. I hope—and I feel quite confident that this is so—that our Prime Minister did not search and try to find ways in which he could spend more money out of the federal treasury by offering assistance to the premiers with regard to their various problems. I do not think that was expected of him, and I am quite sure he did not do so. If he were looking for ways of disposing of the funds in the federal treasury, I am sure he would not have the confidence that he now enjoys.

The hon. member for Saskatoon (Mr. Knight) who introduced this resolution gave us one reason why some members oppose it:

> One argument that I have heard raised is the fear of the provinces that the federal government will begin to meddle with education in the provinces if it supports general education. I fail to see any validity in that argument. Through the war years the government co-operated with the provinces in numerous educational enterprises.

And so on.

Mr. Knowles: That just happens to be the hon. member for York South (Mr. Noseworthy). It is perfectly all right. Give it to the right member, though.

Mr. Byrne: That was a quotation from the hon. member for York South, and it may be found at page 472 of *Hansard*.

I do not share the apprehension of other hon. members that the federal authority will meddle with educational matters in the provinces. As a matter of fact, I would not fear if they were to take over the full control of education. The British North America Act, however, does not provide for such an eventuality and it certainly is not what is being asked. It is, however, quite possible—and indeed probable—that should a socialist government take over in Canada, they would immediately assume the full responsibility for the matter of education throughout the entire country. To carry out their doctrine, they would of necessity control the entire education of Canada.

Mr. Wright: Will the hon. member permit a question? On what authority does he base that statement?

Mr. Byrne: The necessary and common law of socialism. They would in every country.

Mr. Wright: You mean that is just a private expression of opinion.

Mr. Byrne: They would exercise authority over the thinking of the people. If the hon. member will excuse me, I should like to continue. When I am through, if there are any questions, I should then be glad to answer them.

Mr. Knowles: Go back in off that limb.

Mr. Byrne: As I said, Mr. Speaker, I believe that education is of primary importance. I do not see how we can at this time increase the possibilities for young people to obtain more education by simply granting assistance to the provincial authorities. The hon. member for Saskatoon who introduced this resolution also stated, as reported at page 463 of *Hansard*:

> But I believe that co-operation between the dominion government and the provincial governments can bring about now some measure of that for which I speak, and we shall all be looking forward to the day when, quite irrespective of marking or tagging funds for any particular purpose, there will be an equitable arrangement in Canada for the distribution of public funds.

That possibly is a desirable situation. By "public funds" I presume he means funds

from the national treasury. That statement would indicate that the hon. member for Saskatoon feels that the federal authority should become a collecting agency to hand money to what, in my opinion, in some cases may be irresponsible provincial authorities.

Mr. O. L. Jones (Yale): Mr. Speaker, I should like to say a few words in reply to the hon. member who has just taken his seat (Mr. Byrne). I have been amazed to hear the declarations made by him, particularly as to the situation in British Columbia with respect to our municipalities. I am surprised that the hon. member for Fraser Valley (Mr. Cruickshank) or the hon. member for New Westminster (Mr. Mott) or both have not risen in their places to expound to you the truth regarding education in our province.

Mr. Ross (Souris): The hon. member for Fraser Valley did.

Mr. Cruickshank: On a question of privilege, Mr. Speaker, may I say that I have already spoken once. I should be delighted to answer the hon. member for Kootenay East (Mr. Byrne).

Mr. Jones: This suggested resolution deals with assistance to the provinces. I would go further. I would like to see tagged onto it the proviso that the bulk of the money should be earmarked for the use of the municipalities. I feel that, in British Columbia particularly, we have a problem that is probably greater than that of any of the other provinces in Canada, because of the rapid growth of the population of that province in the last ten years. Both our climate and other physical conditions of the province have brought numerous people to that part of the country rather than settling on the flat lands of the prairies, with the result that our school needs have exactly doubled in the last ten years. The different districts have formed themselves into what are known as school districts in order to consolidate the educational facilities in the area.

They have made a marvellous job of consolidating. In British Columbia today we have possibly the best schools on the North American continent. This state of affairs has come about through the excellent work done by the board of education in its consolidating program. The schools that we are building are modernized; their equipment is modern, and the teachers' standards are far improved over what they were ten or twenty years ago; but we are still trying to finance our modern education by the horse and buggy method of the red school era of financing. That is, we are trying to finance basically from the land. It is true that was the best method, and possibly the logical one, years ago when land was considered the basis of wealth. But land is no longer considered the basis of wealth. Bonds, stocks, shares and other valuables have replaced land as the basis. Therefore, we should reconsider whether land is a sound basis for levying taxes for any purposes, especially for education. It has no relation to the ability of the owner of the land to pay. It bears no relation to the earning capacity of that piece of land to produce revenue to pay, and is a cause of constant discontent in every province in Canada on the part of the farmer, the home owner, and the land owner who must bear the cost of education.

Some municipalities in our province—and I take it to be true all across Canada—find that from 50 per cent to 75 per cent of their imposed taxes are levied for school purposes, leaving a very small percentage of the levied taxes to carry on other work such as road work, improvements, sidewalks, development works, water works, and so on, so that municipalities are very hard pressed.

The last speaker suggested they could raise the mill rate. I assure you, Mr. Speaker, that the municipalities of British Columbia have not only raised the mill rate in many cases to the limit allowed by law, but they have also increased the assessed values of the properties so taxed, so that the people cannot bear the burden much longer.

In the first place, for the reasons I have expounded, I do not believe that a tax on land for education is a fair one. The only taxes that should be a direct charge on land are those charges such as roads, supplying that land with access, sidewalks, sewers, water mains, light and so on. The direct charges on land should be those services rendered to that land, and not something negative, as far as land is concerned, such as education. But I am afraid that those school taxes on land will remain until the federal government comes to the assistance of the various provinces.

I hold in my hand a copy of *Saturday Night* of January 30 which contains an article written by a gentleman who I understand is a teacher. His name is Percy J. Kennedy. He has given a good summing up of the situation so far as my point of view is concerned. Not only are the municipalities hard pressed and incapable of meeting their obligations to the full, but they are suffering, as a result, as are our whole educational systems, plus the personnel who are carrying on a notable work

in educating our children. I should like to quote from this article as follows:

Taxation levied on property assessment only, for school purposes, is no longer adequate. Glaring inequalities in educational opportunity exist among the provinces and between different parts of the same province and municipality.

These inequalities result from differences in tax-paying ability, wealth, income, and the relative number of children to be educated.

Not only have the provinces very unequal abilities to support education, but also they have very unequal educational burdens. The poorer provinces have more children in proportion to the adult population. Consequently, the poorer provinces and communities make a proportionately much greater financial effort to pay for schools than the richer ones. In spite of this greater effort, the results are totally inadequate and are reflected in poorly-trained teachers, low salaries, barren curricula, and wretched school buildings. This situation is illustrated by some pertinent facts contained in a brief submitted to the dominion government by the Canadian Teachers' Federation in February, 1949.

I quote from the brief:

(a) One out of every ten teachers in Canada holds only a permit or temporary certificate.

(b) The average salary of rural teachers throughout Canada is $1,207 per annum while urban teachers' salaries average $2,120. (These figures do not include Quebec or Newfoundland.)

(c) The median teachers' salaries for the year 1947 range from $816 in Prince Edward Island to $2,042 in British Columbia.

(d) At the end of 1947 there were 1,700 fewer teachers in Canada than there were in 1939.

(e) In April, 1948, approximately 22,000 pupils in two provinces were receiving their education through correspondence courses because of the lack of teachers.

One of the standard arguments against federal aid for education is "Where are we going to get the money?" Well, in these days of billions for armaments and widespread public spending for other purposes, it would be strange indeed if the federal government could not provide the relatively small amount needed.

I would recommend the complete article to any hon. member who is interested enough to read it later on. I entirely agree with the article. I agree that if you want to get teachers of a high calibre in the teaching profession you have to pay the price. While $2,000 sounds high in British Columbia, a man with the qualifications of a teacher, the holder of a B.A., an M.A. or some other degree could easily go into industry and get three times that amount for possibly easier and steadier work and a better pension.

Yesterday, the hon. member for Eglinton (Mr. Fleming) mentioned that 130,000 veterans had been taught through government assistance since the last war. He commended the effort of the government in that regard. I also commend it. I think the government did an excellent job in training the returned men through these university courses, but I also reflect this way: If the incidence of war and its conclusion discloses the fact that we have 130,000 young men thirsting for knowledge and capable of absorbing it, and the government recognizes that fact and gives them facilities to acquire that knowledge, it is a splendid thing. But the government's policy of assistance ends immediately when the veteran has completed his education, and the excellent idea involved in training our youth and giving them a higher education is lost sight of. My case is that we have the same thirst for knowledge from approximately an equal number of young men and women in peace as we had in war, and we should take the same care and accept the same responsibility for having them sent to our universities. However, in this instance they meet with frustration because they have not the means to carry on their ambition to enter university life.

It may be said that our universities are not capable of taking care of any more than they have at the present time. I would draw attention to the fact that in British Columbia we had a university capable of taking care of only 3,500 students; but immediately students were available and the need was there the funds were available, and in a few months the university increased its capacity so as to take care of 8,000 veterans and to give them a first-class education. The same can be done in peacetime, if the need is there—and I know it is there—if the wherewithal is given by the federal government to meet the cost of this type of education. This will make not only fine students but eventually much finer citizens of those young people who can absorb that education.

There is no legal barrier. I believe the hon. member for Eglinton (Mr. Fleming) made it quite clear that the legal barrier is non-existent. It was overcome in the case of the veterans and in the case of technical schools, and in connection with other assistance already rendered by the government.

I can assure the house that any type of aid in any form, whether to the junior classes or to the universities, will be welcomed across the country. It will be welcomed not only by those people who will receive the benefit of that help, but by every land owner in the whole dominion whether in urban or rural areas. I am not suggesting how much should be given, or in what way, but I do ask the government sincerely not to turn the bill down but to accept the challenge it offers. It asks the government only to consider the subject, and I think that the least the government can do is to accept that challenge on behalf of its young citizens, whom they recognized immediately after the war and have proceeded to forget in peacetime.

Mr. P. C. Black (Cumberland): Mr. Speaker, it is not my intention to make any extended remarks at this stage. May I first express my sympathy with the resolution. No province in Canada has contributed more to education in proportion to its resources than has Nova Scotia. Nearly one hundred years ago Sir Charles Tupper established free schools there. For a time it was a serious political problem. Many families who had educated their members privately were taxed so that others might become educated. Even to this day we see in families of Nova Scotia political sympathies which originated at that time.

For many years education in Nova Scotia was at a low ebb. I recall that in 1925 school teachers' salaries were as low as $300 a year. They accepted teaching positions only for a short time so that they could get better positions later or until they were married.

Standards in the teaching profession have been greatly improved, and the teachers require higher relative salaries so that they may make teaching their life's work. In 1925 and thereafter not only were the salaries low but the standards of education were low, and no pension fund was available. Having regard to the limited revenues of Nova Scotia, large contributions have been made to education.

Nova Scotia has taken pride in the educating of its families, but unfortunately for us many who have received the benefits of that education go to other provinces and other countries, at the expense of their native province.

In the early days of confederation Nova Scotia contributed its part toward acquiring the lands in western Canada where certain sections of each township were set aside for educational purposes. However no school benefits came to our provinces.

While teachers' salaries have increased to a considerable extent in recent years, living costs have increased in greater proportion. Because those who enter the teaching profession must spend such a long time securing the required qualifications, if they intend to make teaching their life's work, they are entitled to payment on that basis.

I do not intend to take up more time in a discussion of the motion, but I must state that I am in complete sympathy with the purpose of it. Anything we can do to assist education and our teachers should be done. Many of them are carrying on at great personal sacrifice. Some hon. members have pointed out that members of the teaching profession have felt it their duty to make sacrifices by way of salaries in order that they might continue teaching. Taxation on lands and property for educational purposes is very high and should not be increased. Help must come from federal sources. I am in sympathy with the purpose of the resolution.

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, we have listened with keen interest to the discussion on a resolution that comes before the house not for the first time. Without in any way detracting from its high calibre, as one listened to this debate I am sure one could not help thinking that many of the arguments heard before in favour of the resolution have been repeated on this occasion.

If I may say so, I believe most of the speeches have dealt with the subject in such a way as to win wide acceptance in every section of the house. For instance, the hon. member for Greenwood (Mr. Macdonnell) made a passionate plea for the adoption of the resolution, if western civilization, as it is called, is to be preserved. Other hon. members have pointed out the low incomes received by teachers. Many have said that because of the near-saturation point in taxation on real estate, which is fundamental in the provision of resources for education in various communities throughout the country, municipal governments find difficulty with this problem.

With all of that, and with much more that has been said, I am sure every one of us in the house is in full accord. No one will deny the importance of education, particularly its importance in maintaining the proper functioning of a democratic country or democratic society. No one will deny the importance of education. One recognizes too, as the hon. member for Greenwood (Mr. Macdonnell) has said, that the great battle of ideologies that is now on in the world will in the final analysis be won not by arms alone but by the attitude of the peoples of the world towards the validity of those ideologies. There education will play its great role. With all of that I am sure no one need spend much time in insisting that we are in full agreement.

What we have to decide is not whether education is a valuable thing but what is the best way in this federal state of ours to see that we have the best of education and that our citizens, our children, rich and poor alike, are given the best opportunities to enjoy the heritage which comes from a good educational system. That is the problem. Since in my judgment that is the problem before us at the moment, I would invite the house to consider again the terms of the resolution before us, which reads:

That, in the opinion of this house, the government should take into consideration means of expanding

and equalizing educational opportunity across Canada, by the granting of financial assistance to the various provinces for that purpose.

We have to face this resolution in the light not of what we would like it to mean but of what it actually says. It calls for a program which I shall endeavour to show is not within the competence of this parliament. It calls for a program that in no way can be said to be opposed by those who take issue with this motion. We on this side of the house who take that position do so because we regard the adoption of this particular motion at this particular time in this federal state of ours as one that would be calculated to hinder the progress of education and educational opportunity rather than to further it.

Before stating the two main arguments I wish to offer, may I say that we have yet to hear from the Massey commission. I do not know exactly when that report will be brought in, but I imagine the time is not far distant. While I presume that the report will not deal with all the aspects of education envisaged by this particular resolution, I think one may reasonably expect that it will deal with a number of matters that are germane to the resolution under discussion.

That commission has had the opportunity of listening to representations by all sorts of bodies, educationists, provincial authorities, voluntary associations in this field, labour organizations and the like. The commission carried its sittings into every one of our ten provinces. I submit that before we make hasty judgment it would be well for us to await the recommendations which that commission will make.

It was suggested the other day that one of the reasons I had given last year why we should not consider a similar resolution was that a dominion-provincial conference was to be held, and that since this was a matter that clearly came within the competence of the provincial authorities we should await their views, which presumably might be expressed at that conference. The hon. member for Eglinton (Mr. Fleming) took me to task in the speech he made the other day. All I have to say in defence is that when the conference did take place on December 4 no province raised that question. Undoubtedly, if they had desired to do so, they were influenced largely, as we all were, by the seriousness of the international situation and our consequential obligations. But the fact is that the provinces themselves did not initiate any discussion or put forward any proposals that would deal with the matter covered by the resolution now before us.

Be that as it may, I want to emphasize as clearly as I can that we do not want to give the impression to teachers and to young men and women who wish to acquire an education but who find it difficult for financial reasons that in opposing this resolution we are not interested in the objectives which undoubtedly the proposer had in mind. Speaking on a similar resolution, the Prime Minister (Mr. St. Laurent) is reported on page 946 of *Hansard* of October 19, 1949, as follows:

Personally I have no doubt that it will be necessary to find some way in which these institutions can continue to be supplied with that which is necessary to them to maintain that high standard in their educational activities.

Although we are in full sympathy with the resolution as regards the objectives which the hon. gentleman has in mind, the words of the Prime Minister indicate that we will have to devise methods. Those methods must be orderly. They must not be so created as to destroy the very purpose which I am sure the hon. gentleman had in mind.

Mr. Knight: Is it not a fact that the Prime Minister was speaking about the universities?

Mr. Martin: I think he was confining himself to that aspect of the problem. He was referring to the Massey commission, but what helps one phase of educational activity certainly helps another. We have to approach this question in an orderly way.

In 1941 the Sirois commission had to deal with this important matter and they went into this very problem. They listened to the representatives of the provincial governments and of other agencies throughout the country who were proposing that because of the reduction in educational expenditures by the provinces owing to the severe depression the federal government should provide some assistance to supplement the general budgetary obligations of the provinces. At page 51 of book II of the recommendations of that commission, these words appear:

It has even been contended that the dominion is bound to see that there is equal educational opportunity (as far as is practicable) for every Canadian child. We have the deepest sympathy for these views which have been advanced by many of the organizations most closely associated with education in Canada, and we share to the full the regret that, especially in recent years, education has been terribly neglected in many of the poorer parts of the country and that wholly disproportionate sacrifices have been imposed on those who have devoted their lives to this important public service.

That represents, if I may digress for a moment, another argument that has been put forward in favour of the resolution in its present terms. Then the commission goes on:

But the representations appear to us to go too far in denying the right of each province to decide

the relative importance of expenditure on education and expenditure on other competing services. It is our hope that provision can be made for the fiscal needs of all provinces, including within those needs provision for the education of the young. Our financial proposals aim at placing every province in a position to discharge its responsibilities for education (on a scale that is within the means of the people of Canada) if it chooses to do so. Once this position is established it seems to us best that education, like every other form of welfare service in a democratic community, should have to fight for its life, and that a generous provision for the education of the children of the nation should depend, not on an arbitrary constitutional provision, but on the persistent conviction of the mass of the people that they must be ready to deny themselves some of the good things of life in order to deal fairly by their children.

Then the report concludes:

Hence we do not think that it would be wise or appropriate for the dominion to make grants to the provinces earmarked for the support of general education.

I am aware that no one must accept the findings of this commission as an infallible declaration on the subject, but at least they do represent a considered view, and one to which we must pay the strictest attention in discussing this important matter. The resolution says nothing about consultation with the provinces. One would have thought that before the resolution could reach the stage—I was going to say of responsibility, but I will not use that word—of wide acceptance in this house, some indication should have been given as to the means by which the provinces were going to be consulted, the means by which their views could be made known and the means by which the views of the municipalities could be expressed, because through their school boards the municipalities have a tremendous stake and a tremendous interest in this problem.

It would be wrong to suggest, in answer to what I have just said, that the federal government should initiate the matter. I am sure anyone who has had responsibility, as the leader of the opposition (Mr. Drew) had when he was minister of education in Ontario, will realize the position any federal government would be in if it suggested that this government or this parliament should take a direct interest in matters which under the constitution are specifically reserved for the provinces. And it is important, irritating though it may be to some in the house who would like to see this question finally disposed of, to remember that we are citizens of a federal state, and undoubtedly it is the desire of the people of Canada that this federalism should continue in its present form. I am sure no one in this house would suggest anything else. Well, the implication in the recommendation of the Rowell-Sirois report to which I referred is clearly that if we are going to maintain the federal character of our state we must clearly observe the principles of action that have been envisaged for the preservation of that federalism. Section 93 of the British North America Act is of the greatest interest in trying to decide which side one should take with respect to this resolution. In the principal paragraph section 93 reads:

In and for each province the legislature may exclusively make laws in relation to education, subject and according to the following provisions—

The ensuing provisions have no relation to the subject under discussion. The important thing is that not only have the provinces been given jurisdiction in this matter; the word "exclusively" is used, and some significance must be attached to the inclusion of that word in the section, for it is not widely or generally used throughout most of the other sections of the act. This clearly indicates that the intention was, as in fact we know it still is, that education was and, as we all believe, should be the domain of the provinces. We know the national unity of this country is predicated in very large measure upon the preservation of that constitutional fact; and any interference with it I submit would greatly impede the cause of education instead of furthering it.

During the past year, together with a number of my colleagues of the government, I had the opportunity of attending conferences with the provinces with respect to agreement on constitutional matters, as well as the conference on December 4 on wider terms of reference. Anyone who has followed those proceedings will realize, I think, how sacrosanct, not only in legal fact but in desire, is this competence given the provinces regarded by provincial governments at the present time. For that reason among others we must take issue with and oppose this resolution.

Some may say that we are already assisting education in a specific manner for a specific purpose. That is true, and I propose to deal with that point in some detail. Before doing so, however, let us look at the terms of this resolution again. It does not call upon the federal government to provide moneys to assist for a particular purpose. It calls upon the federal government to provide financial assistance so that we may expand and equalize educational opportunity across Canada. In other words its purposes are general, for general education. No one would argue successfully, I am sure, that you could expand or equalize educational opportunity without going into the whole matter of educational policy; and I submit with great confidence it would be a most serious mistake to argue

that we should pass a resolution which so obviously, on the face of it, is not within our competence. The hon. member for Cape Breton South (Mr. Gillis) said this was an important matter; that it was important that we should expand and equalize educational opportunity, and that right here and now in this house we should amend the constitution if that is a stumbling block. Well, I have great respect for the hon. member, but I am sure that upon reflection he will see how impracticable his suggestion is. He will see the position in which we would be placed, not only as a government but as a parliament, by passing a resolution which would require as an initial step the amendment of the constitution in a particular which the fathers of confederation intended should be reserved exclusively to the provinces and which present provincial governments, at least for the most part, are very jealous in seeing maintained in the division of powers as between the two senior levels of government in Canada.

Having said that, one should not get or give the impression that the federal government is not interested in supplementing educational effort in a way which brings that effort within the purview of section 93 of the British North America Act. I doubt if hon. members have given sufficient attention to one of the most effective ways, within the constitution, of providing the means of expanding and equalizing educational opportunity across Canada. We are doing that now in a constitutional way through family allowances. We have put at the disposal of parents, as trustees for over four million children, moneys by which, among other things, the opportunities of education have been more readily granted and secured than at any time in our history. If one really wanted to find a measure that was constitutional, and that did provide the means for expanding and equalizing educational opportunity, one could see it in the Family Allowances Act itself. I am sure the leader of the opposition (Mr. Drew) will agree with me when I say that, as a result of the passage of the family allowances measure, the school attendance record in all of our provinces, not less so than in the province of Ontario, has been strengthened and has reached a peak never exceeded before. This is due simply to the fact that, in so far as the education of children until the age of sixteen is concerned, the parents do not draw family allowances unless the children complete the statutory period at school.

I submit that in calculating what we are doing to assist education in the constitutional way afforded us we have in the family allowances measure the most effective means of expanding and equalizing educational opportunity in Canada. But that is by no means the full story of what we are doing here through the federal government to make it possible, for specific purposes coming within the ambit of the constitution, to expand and increase educational opportunity. I have calculated that, in addition to family allowances, the federal government is spending now about $35 million a year in the field of education, apart from educational courses that are connected in some way with the training of the armed forces. In the federal programs nothing has heretofore been done for the purpose of formulating policy or dealing with basic fundamentals of education in any province. We have simply provided grants for specific purposes that conform precisely with the policies already formulated by the provinces in the field of education. Under the decisions of our courts such acts are constitutional for the simple reason they do not seek to intervene in a field over which we have no legislative competence.

We have various measures. I start with one that, perhaps in terms of full effect, is not as great as some other measures, but it is a significant contribution. I refer to the grants we make to nine of the ten provinces, amounting to about $3 million a year, that are extended under the Vocational Training Co-ordination Act for youth training, apprenticeship training, vocational school assistance and so forth. Hon. members will recall that at the end of the last war a program of assistance to technical schools in Canada was arranged. This program had a ten-year duration. While it has not been carried on since, it has been carried on in another way through the grant that I have just mentioned, and through others to which I shall refer later.

The grants made for youth training under this act include, for instance, student scholarships under federal-provincial agreement. Then, we have an expenditure of around $2 million a year to provide for payment to the provinces for capital expenditures for vocational school buildings and equipment.

Another indirect but important contribution is that made by the federal government arising out of the fiscal agreements that were entered into in 1945, and the fiscal agreement which it is anticipated will be entered into this year. Assuming full agreement with the offer made by the Minister of Finance (Mr. Abbott) to the provinces last December, the provinces will be given by the federal government over $300 million a year to enable them to supplement their own resources and carry out projects and work which, under the constitution, are given to the provinces.

Now, of the $100 million, for instance, that was offered to the province of Ontario under the agreement proposed by the Minister of Finance in December, undoubtedly a good portion would go to bolster up the exchequer of the department of education of that province. I believe that in a federal state, where you want to preserve the true federal character of that state, one of the best ways for doing this is to let the provinces decide what portion of the moneys under their control shall be spent for a particular purpose. If we want to destroy the character of federalism in this country, and I know that none of us do, all we have to do is to say to the provinces that we are willing to give them so much money, but that money must be spent for a particular purpose, to wit for educational purposes. Out of the $100 million, let us say, in the case to which I have just referred, we would say so much is for education, provided you adopt a certain program in respect of education. How long would the cordial relationship between the two levels of government prevail in Canada if those conditions were attached to the moneys paid, under fiscal agreement or otherwise, by the federal government?

Then one should not forget the grants made, for instance, for schools of social work to which the member for Eglinton referred. He expressed the hope that such a worthy project would find additional support in the estimates this year. One will have to wait and see what happens in that regard, but I may say to him that I am very hopeful there will be an increase in that amount.

Mr. Knowles: That makes it unanimous.

Mr. Martin: But that is an important contribution made to education by the federal government in the only way we have the legal power to do it, to give this money, in this particular instance to the university for a particular purpose and not for the kind of general purpose, laudable as that general purpose may be, as is envisaged in the resolution we are now discussing.

Under the national health program, projects providing for the training of health personnel will call for the expenditure of more than $2 million during this fiscal year. Hon. members may be interested in knowing that under that program up to this period over three thousand five hundred individuals have received financial assistance to enable them to obtain training in various fields of health activities. No one will for a moment deny the importance of that contribution, but it is important to recognize that the contribution is being made for a specific purpose by a government that is charged with not being interested in seeing that there is an expansion and an equalization of educational opportunity in Canada. Thousands of dollars are being spent through grants made directly to the provinces for the purchase of teaching equipment, the purchase of films, the purchase of projectors that are being used in schools; the purchase of all sorts of modern equipment which it is thought brings home more aptly than otherwise, and more efficiently than formerly, the subjects taught in our schools and in our universities. I do not have the exact amount of money that has been provided by the federal government for equipment.

A large part of the funds under the national health grants is going to institutions of higher learning through the federal grants for research. Last year when the leader of the opposition (Mr. Drew) spoke on this matter, he referred to the importance of research; and I agree fully with what he said. But just think of the tremendous expansion that has taken place in the amount of money which the federal government is now making available to various bodies for research in this country. In the field of medicine alone, the amount of money has increased to more than one million dollars. That covers grants to universities and grants that are made by the national research council for purposes somewhat analogous to the one I have just mentioned. That is assistance to education. It is perhaps not assistance to every boy and girl but it is assistance made to education and in the only way in which the federal government can, constitutionally, give assistance.

Again, under the national health grants program, nearly $300,000 has been committed this year, for instance, to assist Canadian universities in research. This is a project of great significance, in that it involves research workers from every province making a co-ordinated scientific attack on health problems.

Then there are the funds that we provide for Indian education and grants for residential schools for Indians, which amount to more than $6 million a year. While the outlays on veterans educational training has declined from its post-war peak, in the last fiscal year close to $19 million was expended in the form of allowances, tuition and fees, and supplementary grants for vocational and university training. Large sums of money are being spent on training by the Department of National Defence. While it is true that money is for the training of members of the armed services, nevertheless they are Canadians to whom I am sure would apply

the reference made in the resolution to educational opportunity. One could go on reciting the federal contribution that is being made to the provinces, in a constitutional way, in order to strengthen education in this country.

For the reasons that I have given we cannot support this resolution. No one has better expressed our point of view than has the Prime Minister (Mr. St. Laurent) himself when he spoke in this house on October 19, 1949. His words are to be found at page 946, volume 1 of *Hansard,* second session, for that year. He said:

> I am sure all hon. members have welcomed this opportunity of focusing their attention upon this assertion . . . that there should be across Canada the greatest possible degree of equality of opportunity for the education of our young Canadians, the Canadians of the next generation.
>
> Whether or not the granting of financial assistance by the federal government to the various provinces could be arranged in such a manner as to avoid exercising any direct or indirect control over the field of education, which is essentially within provincial jurisdiction, is a question offering greater possibilities of controversy.
>
> There is no doubt that every one of us, as a Canadian citizen, is vitally concerned with the necessity of there being maintained in this country adequate educational facilities to produce the kind of citizens who may be able to make the best possible use of the bountiful resources with which Providence has blessed our great country. And there can be no doubt that, since the cessation of hostilities, the program devised to provide educational facilities for veterans of war has been of great assistance in the maintenance of the efficiency of our educational institutions. I think many of us feel that, without the assistance it was possible to provide during that period, many of our institutions would have found it very difficult indeed to maintain their activities to the high degree which is so satisfactory to the Canadian public.
>
> Personally I have no doubt that it will be necessary to find some way in which these institutions can continue to be supplied with that which is necessary to them to maintain that high standard in their educational activities.

That statement I am sure represents the feeling of all of us. We all want to see the objectives of this resolution carried out; but those of us with responsibility in government at the moment must take the position: What is the most effective way by which that objective can be achieved? We feel that it can best be achieved in the way that we are doing it now, constitutionally, namely by giving assistance for specific purposes, not in any way in opposition to declared policy of education in any one of our ten provinces. The only other way would be by doing what the hon. member for Cape Breton South (Mr. Gillis) suggested but which, as I said a moment ago, I am sure he would, on further consideration admit was an impractical solution. Therefore in opposing this resolution we would not want anyone in this house or in the country to think that we do not recognize the need for and the desirability of giving to every child in this country the best possible opportunity for education in accordance with her or his talent. But we believe the way to bring that about is to do it within the terms of the constitution, in that way preserving the cause of federalism as we understand it in Canada and in that way more effectively promoting the cause of education. We believe it is better to do it in that way than by following a suggestion which cannot be accepted because it is a matter wholly within the competence of another legislative authority and alien to our own.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, there seems to be general agreement with regard to the importance of education and with regard to the desirability of respecting the constitutional basis upon which the educational systems of this country have proceeded for so many years. Having said that, I must say that I find it difficult to follow the reasoning of the Minister of National Health and Welfare (Mr. Martin), who has just taken his seat, in connection with some of the points he has put forward. He emphasized the fact that it would be most undesirable that there should be any interference with the constitutional authority of the provinces in the field of education. I have already expressed myself so vigorously on the subject that I certainly would have no thought now of expressing any other opinion. I have been a strong advocate of the exclusive jurisdiction of the provinces in the field of education, for historical and other reasons. I can think of nothing that would be so likely to disturb the friendly relationship between the various governments of this country as to seek, directly or indirectly, to interfere with the authority of the provincial governments over a field which, for many obvious reasons, is regarded jealously as their exclusive right and responsibility.

I would point out, however, that ways have been found of assisting in different fields, including the field of education, without in any way interfering with the division of constitutional responsibility. I do not wish to labour the subject because it has been referred to several times, but I do think that the reference that has already been made to the extremely satisfactory co-operation between the dominion and the provincial governments in the education of veterans of the last war is something that might well be remembered by Canadians in the years ahead.

As has been pointed out, more than 130,000 Canadian veterans received education in the higher levels, and without exception that met with the satisfaction and approval of the

veterans themselves as well as the general public. In that instance the dominion government provided the money for the education, and the educational program and the actual administration of the education itself were carried out entirely by the departments of education of the different provinces under a comparatively simple and workable agreement between the Department of Labour and the department of education of each of the provincial governments. That form of education carried on through the war years and afterwards in a very satisfactory way. There are other examples of co-operation of that kind.

The minister who has just spoken is one who has reason to know that these exclusive fields do not always present the constitutional barriers where there is an attempt or where there is a definite plan to assist in a particular way. Having said that, I concede that many of the things he has mentioned, which are being handled by the dominion government, contribute their share to the general opportunity for education in this country from the financial point of view. But I would point out that just as education is the exclusive field of jurisdiction of the provincial governments so is hospitalization, except for marine hospitalization. Nevertheless, no insuperable barrier has been encountered by the Minister of National Health and Welfare (Mr. Martin) in finding a way to assist the hospitals of this country, and hospitalization generally, where it was found that the provincial governments did have some difficulty in that field. I would point out to those who are interested in the strictly constitutional aspect that section 92, subsection 7, brings under the exclusive power of the provincial legislatures the establishment, maintenance, and management of hospitals, asylums, charities, and eleemosynary institutions in and for the province, other than marine hospitals. We have had evidence of the fact that plans could be made under which assistance could be given in some of these exclusive fields which do not invade the jurisdiction and authority of the provinces.

I would go further. These plans have been carried forward in many instances without any suggestion that directly or indirectly there was interference with the administrative responsibilities of these provincial departments which handle these particular activities. Having said that, I would point out that no matter what measure of assistance there may be to the public through these various contributions, which are being made by the dominion government in the many fields already mentioned by the Minister of National Health and Welfare, the inescapable fact remains that from one side of this country to the other university presidents, those responsible for university and college education, as well as representatives of school boards, and municipal authorities are making the emphatic statement that they simply cannot carry on under the situation which exists today, with the mounting costs and with the legitimate demands of professors and teachers for higher pay in the face of the increasing cost of living.

That is the situation with which we are confronted. Whether it is true of every province or not, there can be no doubt about the fact that a number of the provinces are not in a financial position today to meet these added demands. Whether this subject was specifically discussed at the last dominion-provincial conference or not, the fact remains that this is a problem which is very much in the mind of each of the provincial governments. They have no opportunity to forget it. They are being pressed by universities, colleges, technical institutions, school boards, municipal councils and others for further assistance in this field so that they may meet the increasing cost of education in these institutions and in the various communities.

The minister has stated that this would mean the entry of the federal government into the field of education. I for one would argue very strongly against any such invasion. That is one reason why I do not agree that direct grants by the dominion government to universities or other institutions would be an extremely difficult problem, and one which could only create grave difficulties in many instances. Unless there were some department of government here in Ottawa which was in a position to examine the qualifications and standards of each of these institutions the government would hardly be in a position to determine what grants it should or should not make. For that reason I am satisfied that in that case as in other cases it would be well to leave the responsibility for education in the hands of the departments of education of the different provinces.

However, I do not read the resolution now before us in the same limited way in which the minister has read it. When I use the expression "same limited way" I do not mean that there is any limitation in his capacity to read it, but rather that he has placed a limitation upon its meaning which I do not see in the actual wording of the resolution. I think that when we read that there should be "financial assistance to the various provinces for that purpose" we can take that as meaning that this would be

under some arrangement agreeable to the provinces whereby some measure of equalization would take place; so that those provinces which today are less fortunate from the financial point of view than others would have some measure of equalization, and so that they could extend opportunities in the field of education comparable to those afforded by any other province.

Each province in this country is not equally capable of meeting these responsibilities, from the financial point of view. That is no reflection on any province which finds itself in that position. Because of a smaller percentage of industrial and mercantile activity, the maritime provinces undoubtedly would find it more difficult to meet these responsibilities. Newfoundland, our newest province, also will have great difficulty in bringing up its educational standards, unless it receives some special assistance that will make it possible to equalize opportunities in that province, or to bring them to a point where they will compare favourably with those in the more highly industrialized parts of the country.

Without going into further detail I would go back to the Rowell-Sirois report, to which the minister has referred. The Rowell-Sirois report did suggest that it was not desirable that grants be specifically earmarked; and in doing so it recognized the fact that indirectly the dominion government could exercise influence over education if that were done. This was not considered desirable; it was resisted strongly by most of the provinces at that time, and would be resisted just as strongly today.

But then the Rowell-Sirois report went on to say and to recommend that there should be made available a fund which would be allocated to those provinces with a financial capacity to meet this and other similar obligations which was not as great as the financial capacity of the provinces with greater revenue opportunities. The recommendation for the creation of such a fund was put forward at the dominion-provincial conference in 1945. The term which I believe was used in the Rowell-Sirois recommendation, and also at the conference, was that such a fund should be used for the purpose of making grants in aid to those provinces which needed additional financial resources for these purposes.

It may be that a fund of that kind which, after all, would be made available from the general revenue of the country and which, because of that very fact, would draw more heavily from those provinces with the highest revenues, would meet a situation of this kind. I do not think the resolution now before us in any way precludes full examination of such a plan, and I have not heard any suggestion made in arguments supporting the resolution that any such plan which would be acceptable to the provinces would not be contemplated by the resolution, which simply asks that those steps be taken which will equalize educational opportunities across Canada.

I do think we should do everything we can to equalize educational opportunity. Democracy is perhaps facing its greatest dangers at this time. Democracy is based upon the principle of equality. There is no single thing which will assure equality to as great an extent as will education. A child with no financial advantages, but who receives the best educational opportunity, can go forth into life with the greatest measure of equality any state can give.

We have in Canada primary, secondary, college, technical and university education, all of which are part of the educational systems of the country. It seems to me the target at which we should aim is to make sure that every child of every race or creed, and from every part of the country, no matter what the financial circumstances of that child's parents may be, shall be able to advance through every stage of our educational system, dependent only upon the ability, the capacity and the initiative of the child concerned. That target, that goal, may be difficult to attain; but it seems to me that is the goal. It seems to me that is the thing toward which we should all be striving.

We do know that when the opportunity was afforded the veterans to take college, technical and university education, many young men and women took that education who never could have taken it if the facilities had not been provided as one of the options offered to them after the last war. I commend the government for what it did in that respect. I am sure no investment was ever better made and no money ever better spent than that which gave to the young men and women education to equalize their opportunity for the years ahead. It did more than anything else could have done.

It seems to me that should be the ideal toward which we should all work. There are distant parts of the country where special arrangements will have to be made. The less developed those areas are, the greater the task will be and the more heavily the cost will fall on those very provinces least capable financially of meeting the extra burden.

It is for that very reason that I would not advocate any uniform system of grants which would provide the same amount for the

children from every province of this country, because I recognize the fact that there are provinces in Canada which have great financial advantages, and that what we need is an equalization which would make it possible in those provinces with more limited financial resources to carry forward education to the very highest level, where children are able to avail themselves of that education.

There is plenty of evidence of the increasing interest in higher education. Different members have spoken, and properly, with some measure of pride and some measure of advocacy, in regard to the universities in which they were interested. We have within a very short distance of the House of Commons one of the new and growing universities, which stands as a demonstration of how rapidly interest in higher education is increasing today. Carleton college, located not far from where we are now, opened its first classes in June of 1942. In its last school year it had an enrolment of 1,570 pupils who received a very advanced type of education in the general line of arts and also in such specialized lines as journalism and business administration, which it seems to me is particularly appropriate in an institution reasonably close to the seat of government. Carleton college is not only demonstrating its own vitality and vigour, which commands the respect not only of this community but of the whole country; it is demonstrating the great interest on the part of young people of this country in that higher education which is made available to them by the new institutions which are opening up in this way.

While I have some personal interest in other institutions and while I respect the antiquity of the universities referred to by the hon. member for Greenwood (Mr. Macdonnell) and by the hon. member for Annapolis-Kings (Mr. Nowlan), as well as by other hon. members who have spoken, I think we should have regard to the new universities which are extending opportunities in areas where those opportunities have not previously been presented.

I should like to refer to another point made by the minister who has spoken. He left the impression that in reaching a decision on this subject the government was waiting for the report of the Massey commission. I must confess that I am wholly unable to see what subject in the terms of reference of the Massey commission has the slightest bearing on this resolution. The Massey commission was given four general terms of reference. One was to inquire into the principles which should guide Canadian policy in radio and television. Another was to make recommendations as to the policy to be followed by agencies of the government, such as the national film board, national gallery, national museum and agencies of that kind. The next was the methods by which relations could be carried on with the United Nations educational, scientific and cultural organizations and similar organizations of that nature. The fourth was the relations of the governmen' of Canada with various national voluntary bodies. It does not seem to me that any of those terms of reference embrace the subject matter of this resolution.

I should like to point out a matter that has been referred to in the earlier discussions. I believe this is a subject of great urgency. Even at this time I urge the government to reconsider its decision simply to vote against this resolution and by doing so to defer any action in regard to this problem which has emerged and which must be dealt with unless education in this country is going to be restricted seriously in many fields. I would ask them to recognize that our primary and secondary school systems, our technical schools, our colleges and our universities are all suffering from the fact that our teachers are not today generally receiving a financial return which is in any way comparable to the education they must possess in the first place and the effort they must put into the important task which is before them.

In saying this I know I am not saying anything with which the minister or any members on the opposite side of the house will disagree. I wish, however, to emphasize the urgency of this problem. Teachers are not just people of another occupation. I hope I shall be pardoned for repeating something I said in this house on an earlier occasion. I believe that next to the ministry itself—I am talking now about the ministry in the churches—there is no higher calling to which men and women may devote their service than the calling which is going to guide the destiny of this country through the moulding of the character of our youth. To an extent that we seem so reluctant to recognize, the whole future of this country, the standard of life of the people in the days ahead, will depend very largely upon the character and also upon the spirit and the measure of personal confidence which our teachers have in their own future. That will in itself impart something to the children, whether they intend to impart that spirit or not.

I shall refer once again to words of mine which were quoted this afternoon. We can build the most magnificent structures that any nation ever built to house its educational activities, but that will be of little avail unless

the education of the teachers and the spirit in which they carry on their work are such as to develop in the youth of Canada not only higher character but also that confidence which will give to them the vitality and initiative which are so essential in a nation with such challenging opportunities as we possess in Canada today.

I want also to point out, Mr. Speaker, that while we are confronted with heavy costs, which none of us must ignore, there are some aspects of education which can compensate somewhat for the dollars that are spent. I am sure that every dollar spent on providing a really good education will be a dollar saved in our prisons, our reform institutions and the various corrective establishments across this country. Even if you cannot measure it in actual dollar savings in these very costly institutions, we can see the value that will be gained in what might be regarded as the capital investment in skill and character of our people.

Then there is the value of health itself. There is an old Latin maxim, *mens sana in corpore sano*. A healthy mind may naturally be in a healthy body. Also I think that a healthy mind will contribute greatly to the development of a healthy body. I feel sure that no one will support me more vigorously in that than the hon. member for Fort William (Mr. McIvor). After all, there is no provision for health which will have more effect than to instil in the minds of our youth a healthy respect for their own bodies, a healthy mental discipline which will guide their course of action, and some acceptance of those standards of life which in themselves will most effectively protect them against many of the infirmities and many of the dangers which all of us must encounter in this complex society of ours.

Now before I conclude my remarks I want to refer to just one other statement that was made this afternoon. I must confess some surprise at the statement by one hon. member that he would be very greatly concerned about a system that would pass on additional money to irresponsible local bodies. Our whole educational system right across Canada, in every one of the provinces, is based upon the idea of local authority in intimate contact with the local problems of the people themselves. I believe one of the most disastrous things that could happen would be to try to direct educational activities from some central point, where these human contacts would be broken and it would become something like an industrial production line.

Mr. Byrne: On a question of privilege, Mr. Speaker, I did not make the statement attributed to me by the leader of the opposition (Mr. Drew). I said "some irresponsible provincial authorities."

Mr. Drew: Well, Mr. Speaker, I do not think the hon. member has improved the situation very much by his remark. I thought he had said local authorities, but if he says he said provincial authorities I certainly accept that statement. In that case I would express even greater concern, because these are the authorities that guide the educational system of this country, and which the minister has been emphasizing must continue to guide it.

Without enlarging upon this further, Mr. Speaker, I believe we do not need to examine too closely the precise wording of the resolution and ask ourselves whether we would like to change it a little. What is the purpose of this resolution? The purpose is to emphasize the need for an immediate attempt to meet what has already become an urgent situation. The urgency of that situation is being emphasized by municipal authorities, by college authorities, by representatives of universities and by people generally across Canada. I believe our target should be to equalize educational opportunities so that every child may really have a chance to go as far as that child's mental capacity makes possible; and I believe passing this resolution would emphasize our belief that this should be done. The government could then sit down with the provincial authorities and lay plans for an equalization of opportunity which does not exist today.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. W. J. Browne (St. John's West): Mr. Speaker, since my colleague and I, in common with many other members in this house, have received representations from the various organizations concerning federal government support for education, I feel that I should make a few remarks at this time. We have received messages from three of the most prominent organizations in Newfoundland, the Newfoundland teachers' association, the Newfoundland federation of labour, and the Canadian Legion, Newfoundland command. I have reason to know something of the work of the teachers in Newfoundland, and I believe there is no finer body of men and women in the country. Because of the geography of the country they often have to undergo severe hardships and make great sacrifices in carrying on their profession for

a small remuneration. It has often been said that the salaries received by teachers do not compare with those received by people in the lowest class of labour.

This afternoon the Minister of National Health and Welfare (Mr. Martin) delivered an interesting speech in which he summarized all the arguments that were used, and stated that most members in the house were in agreement that education was the sort of thing they could all support. He expressed the view that the government was sympathetic with the idea which the sponsor of this resolution has brought forward. Then he laid down two grounds of objection: first, that it was not within the competence of the federal government to give assistance; second, that it was calculated to hinder rather than to help education. He gave no arguments that I can recall to support this latter ground, but he did argue that it was not within the competence of the federal government to give this assistance to education.

He stated first of all that during the recent dominion-provincial conference in December, no province ventured to raise the question of support for education. I believe I am quoting him correctly when I say that. At the time I had in front of me the proceedings of the conference, so I looked up the index and found that the premier of Manitoba had made several remarks on the subject, and had suggested methods by which the federal government could give assistance to such worthy objects as education. The premier wound up his remarks with a list of seven principal points which he considered essential to the discussion, and the seventh one was this:

> Recognition that the national interest in education, both because of its nature and its cost, has reached the point that substantial contributions from the federal treasury are required and justified to provide an adequate standard of education throughout the country.

Probably the minister had forgotten that the premier of Manitoba had made education an issue at that time. I believe that the premier of the newest province also felt that was the sort of subject which those attending the conference should be considering when they met. The minister then analysed the resolution in a sort of academic way. It seems to me, Mr. Speaker, that all these resolutions should be construed in a broad way. They lay down a general principle. For example, in this case, the principle is that it is a desirable thing, in the opinion of this house, that assistance should be given by the federal government to such a worthy object as education. He stated that the provinces and the municipalities had not been mentioned specifically in the resolution. It seems to me it should not be necessary to do that. Undoubtedly it was intended by the mover of the resolution that the aid go to the provinces as the repository of the responsibility for education.

Mr. Knowles: The provinces are mentioned in the resolution.

Mr. Browne (St. John's West): The minister said that they were not mentioned. Then, Mr. Speaker, he read from section 93 of the British North America Act to show that the provinces had exclusive jurisdiction in the matter of education. Following that, he proceeded to show us that they did not have the exclusive jurisdiction in the proper meaning of the word "exclusive", which means to which there is no exception. The minister showed that the federal government, during this fiscal year, was spending as high as $35 million directly for aid to education, in addition to the vast amount of money that has been spent for many years in family allowances which undoubtedly do contribute almost directly to the promotion of education.

It is a prerequisite that the children of families receiving the allowance shall go to school. There are many cases of families who do not receive the allowance because their children are not attending school. The minister deserves a great deal of credit for the interest he has shown in the promotion of family allowances. I believe he has given us a great example of one method by which the federal government has given tremendous assistance to education. He then cited a number of instances in which the federal government had aided education, but he did not mention them all. He did refer to the help given universities; the help given health personnel in attaining higher qualifications; the help in research and medicine; the work done for veterans, and so on. He could have referred to the assistance given in the fisheries department and the Department of Agriculture, and the educational documents pouring out in such a stream from his own department, which some people are unkind enough to call propaganda.

The minister referred to the assistance given in youth training and physical fitness. Let me call to the attention of the house the one serious phase of education in this country in which I believe the federal government is taking considerable interest, and in which the minister has shown considerable interest. I refer to the question of medical education. I believe the minister recently made a speech in which he stated that there are only 116 more practising dentists in Canada today than there were five years ago. I believe the minister will acknowledge he made that statement. If that is so, what does

it mean? It means this, that the universities have not the facilities to cater to those who are looking for a dental education. I am only surmising that. But I do know this with regard to medical education. I believe that at the university of Ottawa this year there were over 300 applicants for entry into second year medicine and there were only six vacancies. The registrar wrote to the 360 applicants—I believe that was the number—saying that they were sorry but they could not accept them as they had only six vacancies but that, if they liked, they could apply for first year medicine. As a result, all the 360 applied for first year medicine, but they could not get in there. Some of them have gone into other studies when they could not get into medicine; some of them are working in laboratories. If it is true that in one university, in one city of this vast country, there was such a large number of applicants turned down, how many people are there across the country who are interested in obtaining a university education in such a valuable profession as medicine, but are unable to obtain the qualifications they require and are unable to obtain that training which would make them so beneficial to the country as a whole?

It seems to me, Mr. Speaker, that someone must take charge of the situation. If the federal government, which has such vast revenues at its disposal and has such a variety of means of obtaining funds, is not going to take a greater interest in the promotion of higher education in fields such as medicine and dentistry, then who is able to do it? The example I gave referred only to the city of Ottawa. As I say, right across the country there must be thousands who have been prevented from obtaining higher education in those fields and perhaps in other useful fields as well.

It seems to me that the work which was done in connection with veterans affairs has been so useful that it provides a good example of what the government can do in promoting education through vocational training. I know that in our province we have great need of vocational training. We have need of special training for our fishermen and special training in agriculture. I should like to see some vocational schools set up. Unless the province gets assistance from the federal government, however, I feel confident that it will not be able to carry on the work being done at the present time, let alone embark on any of these ventures that are so laudable and so desirable. It therefore seems to me that the minister, who is so familiar with these deficiencies in our university education, is in a position to recommend to the government that assistance of the kind that we have had in the past for so many things that he has mentioned be carried on. .

He stressed the constitutional question. Criticizing the hon. member for Cape Breton South (Mr. Gillis), he said that we could do it either constitutionally or the way that the hon. member suggested, which would be unconstitutional. I hold no brief for the hon. member for Cape Breton South. But after all, as the minister said, who wants to do it otherwise than constitutionally? I point to the statement made by the premier of Manitoba and I suggest to the minister that it represents the feeling of most of the premiers of the provinces of Canada. They feel that the federal government must come to the assistance of the provinces if education is to receive the assistance that this resolution envisages.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, it seems that miracles will never cease. I witnessed two this afternoon. The first was that my whip suggested that I should be brief.

Some hon. Members: Hear, hear.

Mr. Knowles: That applause is for me.

Mr. Herridge: The second was hearing the hon. member for Kootenay East (Mr. Byrne), a representative of miners and workers, oppose this resolution which is aimed at giving greater opportunities to the children of miners and workers in Canada; then in contrast with that, hearing the eloquent appeal in support of this resolution made by the leader of the official opposition (Mr. Drew). Truly, Mr. Speaker, the educational policies of the Conservative party have changed a great deal throughout the years. I remember reading, when I was a boy, about a great and noble Conservative lord in Great Britain who had painted many great brush strokes on the canvas of British history. Speaking on education, this is what he had to say: My noble lords, as a Conservative, after having spent fifty years in the service of my country and having witnessed during that fifty years the great and popular demand for wider education, I have come to the conclusion that the only results that have been obtained are that the vulgar writings on toilet walls are about twelve inches lower. That, Mr. Speaker, shows the progress that has been made in less than fifty years in the thinking of all parties with respect to the necessity for a broad base for education.

I want to congratulate the hon. member for Greenwood (Mr. Macdonnell) on his speech this afternoon. I am going to be brief. I

must say that when he dealt with the purpose of education I heartily agreed with a great deal he had to say. I congratulate the hon. member for Fraser Valley (Mr. Cruickshank) on the sturdy stand he has taken. Regardless of our political differences, he always indicates to this house that he is close to the thinking of his constituents; and he represents a farming community.

Before proceeding to make my brief observations on this resolution I want to deal for a minute or two with the remarks made this afternoon by the hon. member for Kootenay East, because I, who happen to be the member for Kootenay West, must do something to redeem the reputation of that part of British Columbia. If I heard him correctly, he implied that this resolution and previous ones of this type were more or less the result of a campaign on the part of groups of teachers whose ulterior motive was actually that of obtaining higher salaries. Surely, Mr. Speaker, he must know that the purpose of this resolution has been endorsed throughout the years by labour organizations, farmers' organizations, by veterans' organizations and by some of the highest educationists in this country. I am sure it was purely through lack of knowledge that he made that unconsidered remark. The hon. member for Kootenay East completely missed the intent of this resolution. He did not realize that it is not aimed at interfering in any way with the constitution as it now stands or at interfering with the rights of he provinces to control and administer education. It is simply aimed at expanding and equalizing the opportunity for education in this country so that the children of the nation, many of whose parents he represents, will have opportunities that have been denied to them in the past.

The member suggested that the implementation of this resolution would demand the establishment of a ministry of education in the federal parliament. No one has suggested anything of that sort. All that is suggested by this resolution is that the government give consideration to making grants in aid to the provinces for the purpose of education, not only as the result of arguments put forward by members of this house but as a result of the difficulties the provinces find themselves in and of the widespread demand for consideration of some action in this direction. This afternoon I listened with a great deal of interest to the tortuous and honeyed eloquence of the Minister of National Health and Welfare (Mr. Martin). I always listen with interest. He based his opposition mainly on two grounds. The familiar ground of the constitutional argument was one which I think was very well answered by the leader of the opposition (Mr. Drew), and the hon. member who has just preceded me.

We have family allowances, old age pensions, and a great deal of legislation that has been given effect in exactly the same way as the content of this resolution would be given effect. The use of the constitutional argument, as a matter of fact, is becoming rather obsolete when dealing with a question of this kind.

The second argument was the present international situation. A resolution similar to this one was presented in this house in 1946, in 1947, in 1948 and in 1949, before we had the present tense international situation. At that time the minister and his associates refused to take action as was suggested. I might say, Mr. Speaker, that we all realize the very tense and serious international situation, but that is not a valid excuse.

Almost immediately after declaration of the second world war the government of Great Britain greatly expanded its vote in the House of Commons for educational service in that country. The only other serious opposition that we have had, shall I say, to what could be termed the harmonious symphony in support of this resolution, came from the hon. member for Temiscouata (Mr. Pouliot). I can say, Mr. Speaker, knowing his outlook on life, we could expect that, but I did not expect it from the hon. member for Kootenay East (Mr. Byrne). The hon. member for Temiscouata sang his usual medieval folk song. I support this resolution the purpose of which is to expand and equalize educational opportunities in this country, because I believe it is a necessary thing at this time.

Occasionally strong characters rise above circumstances. There are few who have not required the assistance implied in this resolution. For instance, we have the hon. member for Cape Breton South (Mr. Gillis) who, I am told, rose from a miner 6,000 feet under the sea to the top of parliament hill. We have other hon. members in the house who have, shall I say, been wafted here on the winds of Liberal oratory, but those are few in relation to the total need.

The intention of this resolution, Mr. Speaker, is to assist the average boy and girl in this country, regardless of residence. The argument in support of it was well developed by the hon. member who introduced it, namely, my colleague the hon. member for Saskatoon (Mr. Knight). He presented his argument in excellent style and in his usual enjoyable dulcet tones, and there is no need to repeat that. Other hon. members have

also presented excellent arguments, not only on this occasion but on previous occasions, in support of this proposal. Outside the house there is widespread support for the purpose of this resolution. So far as I can find out, Mr. Speaker, the first collective effort to organize public opinion in this matter was taken by the Canadian teachers' federation in the presentation of a brief in 1941.

Since 1945, as I said previously, we have had resolutions presented to the house by hon. members in this group and supported by hon. members of other groups along the same lines. When these resolutions were first introduced in 1946 and in 1947 there was no widespread support in the house for them, but the support has been increasing from year to year until it is very widespread in the house and in the country, so widespread, Mr. Speaker, that I rather suspect the government will not permit it to come to a vote tonight. I see an hon. member sitting opposite who I think intends to speak at length if the occasion requires it.

Why is that support increasing? It is increasing because conditions are changing. The present income tax arrangement with the provinces, and the present heavy income taxes which are required, are lessening the ability of the people to meet the costs of education from sources that have served in the past. I have had some experience with school boards, and was on a school board for a good many years. I know local administration, as do many other hon. members. I can speak only from my experience as a resident of British Columbia. I do know that in British Columbia two of our major problems at the present time are the cost of building hospitals and the cost of educational services.

As far as the provinces are concerned, the present bases of taxation for educational purposes are most unfair. They are placed largely upon land and property. That was all very well in the past but it is not equitable today under these circumstances. Why? In the first place, I say it is unfair because capital in bonds, securities, or cash is not taxed for school purposes. If I have $20,000 in bonds, or $20,000 in securities or $20,000 in wealth in that form, it is not taxed for educational or school purposes. If I have a $20,000 farm my capital is taxed every year, and I fully appreciate that fact, Mr. Speaker. I believe that the provinces have to set their own houses in order and approach the federal government. This question can only be solved as a result of a study of the whole situation in a co-operative manner by the federal and provincial governments.

I believe the provincial governments have to find a more equitable basis of taxation. I would suggest, Mr. Speaker, that we should have taxes in the provinces on a provincial basis rather than on a regional basis. On the present basis land and property are taxed for educational purposes within the school districts, so that the school districts' rates vary from district to district.

A great deal of wealth escapes taxation in that way. In British Columbia you will find certain school districts that do not require a great deal of taxes. Within those districts you may find a huge power plant worth many millions of dollars; but because of the limited revenue required to operate the schools in that district a very low rate of taxation is set for those industries that happen to be within that school disrict; whereas in larger school districts with a large population, shall I say, a farming school district, with no great industries situated therein, they have a heavy rate of taxation because of the heavy cost of education in relation to the total assets in the districts. Therefore I suggest that taxation for education in the provinces should be on a provincial basis. In that way we would have an established rate of taxation for the province as a whole on land and property which would be fair and just.

To illustrate my point, that the provinces, shall I say, are not tackling the matter as they could, I was talking with a very wealthy American lumberman from Minneapolis a year or so ago who happens to own large holdings in my constituency from which tremendous profits are made every year, and have been for many years. But the holdings are out of any school district. The operations are not contained in a school district. I said to him: "Why should I, as a farmer, and all my friends around here who have, as pioneers, built the roads, provided the facilities in the district, schools, hospital, and all the other services, have to carry this burden of taxation while your vast holdings outside the school district are allowed to escape without taxation?" He said to me, "Well, more fools you".

I believe that in the first instance there has to be a great revision of the basis of taxation in the provinces, because land and property cannot continue to carry the load on the present basis. If we have an over-all provincial tax for education, which would be considerably lower because of the bringing of tremendous assets into the taxation picture for school purposes, and then if we have some grants in aid where required from the federal government, I believe we will be beginning to establish the financing of our educational service in this country on a sound financial basis so as to

render justice to every boy and girl in the country, wherever he or she may reside.

Therefore I heartily support the resolution. Those boys and girls for whom the legislation is required cannot speak for themselves. We are here in the house to do that for them. In supporting the resolution I believe I am speaking for the boys and girls in Canada who expect the House of Commons to do something to expand and to equalize educational opportunity in this country.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, several times during the fifteen years I have had the privilege of representing my constituency in this house I have spoken in support of the idea of federal assistance for education, realizing that the provinces generally have responsibility for heavy services which, in most cases, because of limited sources of revenue at their disposal, they are quite unable to discharge.

I have always supported a resolution of this kind when it has come before the house, and the same can be said for every member of the Social Credit group. Judging from the discussion which has thus far gone on, it would appear to be generally agreed in the house among all parties that federal assistance for education is urgently needed, manifestly fair and financially practicable. I believe only one member has suggested that the federal government might not be able to afford the money with which to discharge the responsibility of educational costs in Canada.

I endorse all that has been said by those who thus far have supported the resolution. The debate has been commendable, on a high plane and in every way advantageous.

I should like to give a certain amount of attention to the minister's observations. He raised the constitutional objection. May I put before him and the house three simple suggestions. Supposing now the federal government were to allow the Bank of Canada to be used as a source of low interest loans for long periods for the construction of buildings, and for the purchase of buses and vans for the conveyance of boys and girls: in those circumstances is there anyone in the house, no matter how skilful he may be in respect of the constitution, who can show any constitutional objection to that procedure?

If the use of the Bank of Canada were to be permitted through the provincial governments, with the consent and agreement of the federal government, I think I can safely challenge anyone to show that that would be unconstitutional, or would be in any way derogatory to the absolute provincial sovereignty every person demands.

If this were done, one of the major sources of financial hardship which at present afflicts the provinces would to a large extent be eliminated. All the districts where I live are almost at their wits' end to know how to finance enough suitable buildings with suitable equipment to provide the education boys and girls require in these days, particularly in the matter of shop work, domestic science, household arts, agricultural skills and the many other things which progressively-minded people realize ought to be in the schools today.

It is not so bad in the larger cities, where students can be taken from one school to another. However, I would ask hon. members to visualize the ordinary rural area endeavouring to build and maintain a school building equipped to provide all the various kinds of education I have indicated, and then to ask themselves whether they feel it would be possible for such an area to finance the construction of such a school.

Mr. Prudham: Why does not the Alberta government help them?

Mr. Blackmore: The Alberta government does help them.

But we are not discussing the question of Alberta; I think probably what Alberta is doing in the matter of assisting in the construction of schools will compare favourably with what any province in Canada is doing and far surpass what most of them are doing. However, at the moment we are not discussing that.

I have made one suggestion, and I ask whether or not that sort of procedure would be unconstitutional. I say it certainly would not. School districts would be able to obtain money over long periods of time, possibly fifty years, at an interest rate of not more than two per cent—because the Bank of Canada could easily finance a loan of that sort at the two per cent rate.

May I suggest another device. Supposing the dominion government were to say to the provinces, "We will grant you money to cover the maintenance of your schools, janitorial services, repairs, and amounts required to cover the cost of driving the vans, which are coming into use more and more with the introduction of the larger school units, especially in the rural areas": I ask whether a plan of that sort would be unconstitutional. It would be impossible to interpret that as being unconstitutional. If the whole thing were done through departments of education in the provinces concerned, once again the sovereignty of the province would be completely safeguarded.

May I direct the attention of the house to a further proposal. It is well known that the

federal government has been trying for a considerable number of years to get away from the provinces the lucrative taxation fields of corporation taxes, succession duties and personal income tax. The first very definite move in that direction was the appointment of the Rowell-Sirois commission no doubt with explicit instructions from the then prime minister, or someone else, that they were to find as they found. The report of the Rowell-Sirois commission was that these three fields of revenue should be surrendered by the provinces to the federal government. Suppose the dominion were to say, "We now have considerable revenue from these fields which the provinces are now leasing to the federal government and we will remit to the provinces a certain percentage of the money we derive from those fields": I wonder if the minister can find any evidence in the constitution to indicate that the federal government has no constitutional right to remit to a province a portion of the revenues collected from that province. If he can he will enlighten me on the constitution and I believe I know something about it already.

Suppose the dominion were to say, "We will remit a certain portion of this revenue derived under these three main heads so you may use it if you choose in defraying part of the cost of teaching in and administering your schools." It looks to me as though a procedure of that sort would safely sidestep the constitution even if it were interpreted by the Minister of National Health and Welfare (Mr. Martin).

Just a word concerning the excessive costs to which I have alluded already and which are rapidly increasing. I refer to the cost of constructing school buildings and educational institutions which the people across Canada feel they ought to have and are demanding that they have. I refer to the expenses of building gymnasiums and all that kind of thing. You do not need to go very far from this building to find an example of the magnificent structures which the Ottawa people in their wisdom are providing for their youth. They are literally temples of learning and yet not a bit better than they ought to be. If the people of Ottawa can enjoy such institutions I know that they would be the first ones to say that the people in the remotest areas of Canada ought to be privileged to enjoy similar blessings.

This gives us a reason for the urgency in the federal government providing adequate assistance to the provinces in the matter of education.

I believe everyone who was in the house was delighted with the superb flight of expression in which the leader of the opposition (Mr. Drew) indulged just before six o'clock. He expressed a noble idea, but the money which would be required to attain the objectives which he portrayed so beautifully would be quite an impressive amount. The question will be asked: where will the money come from?

I am not going to deal with that aspect of the matter just at the present time, but I should like to point out something with which I think every hon. member will agree. Canada's ability to provide schools and other facilities depends upon Canada's ability to produce coal, wheat, and all the other things that Canada can produce. Those are the things which manifest the wealth of the nation. Is there anyone who will question that Canada can produce enough wheat, coal and every other kind of Canadian commodity to enable her to support educational institutions of the standard we all have in mind and which the leader of the opposition so eloquently suggested? I do not think anyone will say that we cannot.

Not only can we do that, but we can fight a war in our stride and at the same time give our people a high standard of living. If you judge of our financial ability by our physical ability to produce real wealth, which is goods and services, then all of our attempts to approach these problems of finance will be based upon our physical capacity to produce the goods and services which are the basis of our wealth and which should be the basis of our financial ability. What is physically possible should be financially possible.

If hon. members do not know how to bring such a happy condition to pass, that our physical possibility should become our financial possibility, let them devote themselves scrupulously to the problem of how that might be done. As every hon. member knows, and as a good many people in the country know, Canada's production potential has been indicated as $17 billion this year. I think the Minister of Trade and Commerce (Mr. Howe) ventured the suggestion that we might reach $20 billion in the year to come. We have just got nicely into our stride in the producing of goods. While many say we have reached our capacity, I do not think that is so. With a production of $20 billion worth of goods a year we would have ample financial capacity to provide desired things like educational institutions and educational systems.

Because of the reasons I have set forth, I am going to support the resolution and every member of the Social Credit group will do likewise.

Mr. W. F. Carroll (Inverness-Richmond): Mr. Speaker, I have only a few words to say on this resolution, which reads:

That, in the opinion of this house, the government should take into consideration means of expanding and equalizing educational opportunity across Canada, by the granting of financial assistance to the various provinces for that purpose.

It will be seen that the object of the resolution is to equalize educational opportunity in this country of ours. I think that the people of this country who want to send their children to school have an equal opportunity in every province of Canada. As far as I recollect, the mover of the resolution has been the only one who has made a specific recommendation, and I quote from page 461 of *Hansard* of February 19, 1951:

I would say that the two greatest needs are money for the payment of teachers, and money for the erection of buildings for educational purposes.

The hon. member kept clear of assistance to universities and his reason was that that question is under advisement and consideration at the present time by a commission of this country. So far as those two objectives are concerned, I should like to point out that stone walls do not a prison make nor iron bars a cage. No more do magnificent buildings in the shape of school structures or a great array of teachers provide the things that make for equality of educational opportunity in this country.

I want to give credit to our province and its present government for having given first place to education. I believe the mover of the resolution made some mention of the salaries being paid in Nova Scotia. Well, I think the teachers in my province, according to their qualifications, their experience and their grades, are more or less on an equality with the civil servants in Canada, certainly with those in Nova Scotia. Since the provincial pension fund was put on a better footing the province has been contributing $300,000 for that purpose. So, while I believe the teachers of Nova Scotia are not getting sufficient, like the civil servants in Ottawa, conditions have improved.

As to the equalization of opportunity, a great deal has been done in that connection also, particularly in the industrial areas where the unions have had something to do with it. Years ago I lived in industrial centres in my province where the fathers and mothers of families did not have incomes sufficient to enable them to send their children to school. They were not able to clothe or feed them properly. Many years ago I had occasion to look into the situation in two industrial towns in the eastern part of Nova Scotia, and the children were not going to school for the reasons I have mentioned. I cannot give to the unions all the credit for the improvement, but they did help bring about conditions under which people have been at least able to provide their children with sufficient food and clothing so they may go to school; and of course our industries co-operated with the unions toward that end. The same conditions existed in our fishing ports in the dark days; the people did not have sufficient income to send their children to school regularly. That was why, years ago, the children of Nova Scotia did not have an equal opportunity.

I am very proud of the educational system of my province. This evening I was glad to hear the leader of the opposition (Mr. Drew) make reference to Carleton college, that fine institution which has been developed in Ottawa. I would point out to the house that the first president of that college was born, bred and educated in Nova Scotia. He contributed a great deal toward raising the necessary funds to organize that institution. The present president of Carleton college is also a Nova Scotian and, better still, from Cape Breton. These men were not subsidized in getting their education. They received no bonuses from the local government or the dominion government. It took them a long time to get through their university courses, but they were the better men for it.

I have a fairly close association with three of Nova Scotia's universities. For some years I was a governor of Dalhousie university, the principal university in my province, where the professions are taught. It has the greatest law school in Canada; I cannot say much about the medical school, because I do not know enough about it. I am also a governor of St. Francis Xavier university, which has been doing wonderful work in Nova Scotia. They were not satisfied to just sit back and take in the young men and women who could afford to attend that college. They instituted a system of adult education, under which they sent field men throughout the province, as well as into New Brunswick, giving instruction to the people. They brought in older men who in their earlier days did not have much education; they gave them a course in adult education, and sent them throughout the province; and that work is still going on. I am also on the senate of St. Mary's university, which is doing good work in the city of Halifax. All these universities, of course, are financially embarrassed; they are all looking for money. For the reasons given by the hon. member who introduced this resolution, however, I am not saying anything about assistance to those three universities. We also have Ste. Anne's university down at Church

Point, which is doing marvellous work and which over the years has turned out some of the most brilliant men we have produced in Nova Scotia.

I am not saying these things to praise Nova Scotia, but because I have always been proud of the educational facilities there. I have had a good deal of experience in these matters, and I do not think there was ever a man or woman in that province who set out to get a higher education, in the professions or otherwise, who was unable to accomplish that purpose. They have gone out and earned money for themselves. I can take my own case. I was a long time getting through law school. I was thirty years of age before I graduated from Dalhousie university. I did not have any money. In my undergraduate days I did manual labour for three years in order to help myself through. Speaking of school teachers, I was one; a very poor one, I am told. I taught school for two years, and I would be ashamed to tell this house what my salary was. Nevertheless I made enough to take another year at law school, and was able to dress fairly well in addition. When I got through university I had a bachelor of arts degree and went to teach school. I had every grade from 1 to 11. I taught them Latin and French. I stayed with them after school hours. I had a first class licence. My B.A. did not amount to anything in those days; and as a matter of fact, as far as practicability is concerned, it does not amount to much today. I was paid $150 by the section and $120 by the province for my first class licence. That was my salary, $270, and I did such a good job that they offered me an increase of $25 the next year. I wanted to go to law school, and I figured out that I would probably succeed in getting through my law course when I was about thirty-eight years old. I was twenty-two at the time.

So, Mr. Speaker, in every province of this country there is opportunity for higher education if the young people want to grasp it, if they have the courage and perseverance and the will to get along in the world. As I said, I never saw a man in Nova Scotia who wanted to become a lawyer, a doctor, a clergyman or anything else, who did not succeed whether or not he had money.

Mr. Browne (St. John's West): A lot of them are trying to be doctors now, but they cannot get into Dalhousie medical school.

Mr. Carroll: What is your question, sir?

Mr. Browne (St. John's West): I was saying that many people are trying to get into the medical school at Dalhousie who cannot get into it.

Mr. Carroll: That is not the fault of the young man who is trying to get in.

[Mr. Carroll.]

Mr. Browne (St. John's West): Oh, no.

Mr. Carroll: I know something about that. After the war preference was given to the veterans, and I think properly so. If we want to do something to give equal opportunity for education across this country we have to start at the bottom, as the minister told us. I had it in my notes before he started his speech, but the greatest impetus that was ever given to education in my own province was the family allowance. This enabled the mothers and fathers across the country to give a fair amount of clothing and proper nutrition to their children so that the children could go to school. The immensity of this family allowance is something that is perhaps not well understood. I shall tell you my idea of the reason for inaugurating family allowance. John Jones and I work in an industry. We get the same pay. I have one child and Jones has five or six. With my one child I am just able to get along in some sort of decency. How is my friend going to get along who has four or five children? I think that is the philosophy behind these family allowances.

Another thing that has done a great deal for the province of Nova Scotia in the matter of education—I can only speak about my own province—is the government's action with regard to health. Throughout the years hundreds of children across this country have been unable to go to school because of bad eyes, bad tonsils or bad throats. This government—I am not saying "this government" because it happens to adhere to the same political principles I have, because any government would have done the same thing—has contributed to health matters throughout this country. Not only that, but four or five years ago some of the universities in the maritimes started a course for social workers. This government came to the assistance of that program. How does a social worker fit into the educational program? A social worker goes around under the aegis of the province of Nova Scotia, assisted by money from this government, not for the purpose of detecting crime, not for the purpose of ascertaining whether or not the woman of the house is looking after the little money she gets from the family allowance, but to investigate the health and economic conditions under which that family is living. These workers report to headquarters, with the result that the health of these people is improved. In addition to that, there are nurses going throughout the province. Now, all these things give the people a greater opportunity of securing an education.

So far as I am concerned, I would be glad to see this government give all the money

it could possibly give to the various provinces for the purpose of assisting education. It would not be very much out of my pocket, one way or the other. This resolution was on the order paper last year, and has been on the order paper for some time. I received no message from the authorities in the province of Nova Scotia requesting me to support this resolution. I do not know if many members in this house have received encouragement from their provincial governments to give it their support. Perhaps some have. There was a good reason for that, and I think the reason was explained by the minister. I believe that before any assistance could be given to the provinces, especially along the smaller scale I am talking about, there has to be an agreement between the provinces and the dominion government. Other matters have been worked out that way in the past, and I see no good reason for adopting a different course today. Unless there was such an agreement, no results could be achieved.

At the moment I am not taking the constitutional question into account. I know nothing about constitutional law because I did not study it very much. A knowledge of constitutional law is not of much assistance to a man in a country practice. The less he knows about it, the better practice he will get. I am not putting that forward as a bar at all, but there are ways and means of entering into an agreement with the provinces from which there will be no aftermath of disagreement. Good results can be achieved if the provinces co-operate with the dominion. So far as helping out the universities is concerned, all I am going to say is that I think it is in good hands at the moment if I am correctly informed. So far as the province of Nova Scotia is concerned, the universities are doing splendid work and they are all in need of substantial financial assistance.

There were other things that this government, and other governments, have done concerning health matters in the various provinces which have enabled the children to go to school. There have been things done by this government and other governments in the way of family allowances. In the province of Nova Scotia we have a widows' allowance, which is something apart from this government altogether. All these are the best things that could have been done by this and other governments to equalize the opportunity for education in this country. I really did not intend, Mr. Speaker, to take up so much time tonight. I thought in justice to my own province that I should say something to indicate that, after all, we are not in the wilderness down there. I want to say that there is no province in the whole country that has sent abroad to the various provinces of Canada, and the border states, as great a number of well educated professional men, that is, proportionate to population, as the province of Nova Scotia.

Mr. W. Chester S. McLure (Queens): Mr. Speaker, I am not going to take up very much time tonight. It was not my intention to speak on this resolution, but I received several telegrams from various associations in my province stating that they would like to have someone speak for the province of Prince Edward Island. I believe in that old saying that silence is golden, but I also believe that it pays a politician to keep talking.

First of all, Mr. Speaker, I should like to congratulate the sponsor of this resolution. He has endeared himself to the teachers of my province more than any other man. I might say that if he were running on the Conservative ticket in an election down there, he would secure the vote of every schoolteacher in the district. I am sure also that he is receiving the highest congratulations possible from many of the teachers in my own constituency. One remarkable thing in connection with this discussion is the number of men who have spoken here and who still hold to the profession of public schoolteacher. Many of those who have spoken have had years of experience in teaching. Two of those who spoke, the hon. member for Peel (Mr. Graydon) and the hon. member for Spadina (Mr. Croll), said they had a particular reason for speaking on this resolution in that they had married schoolteachers. That was a good reason. I went a step further and married one of my pupils; and over the years I found out what an excellent schoolteacher I was. I therefore think I have a right to say something tonight with reference to this subject. As I said, however, I shall be brief.

Our province has nothing to boast about with regard to the salaries paid to public schoolteachers. In fact, I have heard it stated by various speakers that the schoolteachers of our province are paid the lowest rate of salary that is paid in any province in Canada. I regret this situation, but it is owing to the fact that our province, financially, is not in a position to pay that extra amount that our teachers should be getting.

The hon. member for Inverness-Richmond (Mr. Carroll) told about the conditions when he entered the teaching profession. I might say that some twenty, thirty, forty or fifty years ago, or thereabouts, when I took on this noble work, I had the wonderful salary of $225 paid by our provincial government. However, I continued in the work for a couple of years and then retired from it,

having reached the maximum for rural schoolteachers, which was $650. That, however, was before the dawn of this century. Things have now changed. Our teachers are of course now getting a higher salary; but it is not commensurate with the work they are performing. I was pleased to hear the leader of the opposition (Mr. Drew) today speak about schoolteachers and their work. He placed them next to the clergymen of our country. He said that, next to clergymen, they were doing the greatest work for civilization that was being done by any class of people.

I want to say this with regard to our teachers. While they are not as highly paid as are teachers in other provinces, there is not an institution of any standing from the Atlantic to the Pacific in which you will not find Prince Edward Island schoolteachers teaching and spreading the knowledge they possess among the pupils under them. The same statement holds true to a lesser extent with regard to the United States. Five of the largest institutions of learning in the United States up to a few years ago were headed by Prince Edward Island teachers. To you, Mr. Speaker, and to this house I say that if we were able to pay a sufficiently high salary to keep those high-class teachers in our own province, our educational system would be still better.

I do not want to say anything about the schools and their curricula, because the province can take care of the buildings and the curricula. Our great problem is with regard to the payment of teachers, so that people can go into teaching and make a life profession of it.

I am not going to take up the time of the house further except to say this. I want heartily to support this motion, as I am sure all will who consider it in the light in which it should be considered, namely that the teachers today, especially in some of the provinces, are not receiving a living allowance. I think we should all vote for the resolution and see what the government can do to further the interests of education on an even basis throughout Canada.

Mr. A. J. Bater (The Battlefords): Mr. Speaker, in rising to speak for just two or three minutes in connection with this resolution, may I say that my remarks may be quite in contrast with those of the hon. member for Inverness-Richmond (Mr. Carroll) just as I myself may be in contrast with him. I think about the nearest I ever came to having achieved a high degree of education was when a boy in the province of Saskatchewan, in the year 1949, qualified for a Rhodes scholarship, and his name happened to be Bater. I did not find out until later, after he had qualified for that scholarship, that he was a relative of mine.

As to this resolution I would say that as a result of pouring from the federal treasury millions of dollars into the coffers of the provinces of this dominion, it might not necessarily follow that this resolution would be carried out. This resolution states that this money should be used for equalizing educational opportunity. That word "opportunity" is the one I wish to stress. In our province in the last five or six years our government in Saskatchewan set out, by changing our school system entirely, to do possibly some of the things that are mentioned in this resolution; but I think they found that they just could not be done in that way. I think that the changing of the school system and bringing in the larger districts in our province did not afford any better opportunity for the children down at the bottom of the monetary class, as the hon. member for Inverness-Richmond described them. I think they are the ones who should be encouraged if this government is to spend a nickel in furthering education in the provinces. I contend that some of our provinces —and probably this is true of Saskatchewan— could possibly use for that purpose some of the money that the federal government is now giving them in lieu of taxes which they have forfeited. Possibly they should do so, if education is such a serious matter, as I consider it is. I think probably a little bit more along that line could be done by the provinces at the present time. I think that possibly in the not far distant future this government might embark upon a scheme of scholarships in order to expand the system they are now using with regard to vocational training and that sort of thing. I think that the boy or girl who really needs a helping hand up the ladder is the boy or girl who has just finished grade VIII. If we are going to decide which province is indigent or which is the poor relation—and this resolution says that opportunity must be equalized—then I consider that only the local authorities in the local districts know which boy or girl should be assisted. I think it is at the time when the family allowances stop that help should be given to the boy or girl who has proved that he or she has the God-given talent to go forward to higher education and has given evidence that the money would not be wasted on their behalf. I think probably that is an endeavour that this government might embark upon in the not too distant future. In conclusion, Mr. Speaker, may I say that I

am voting against this resolution. I want it understood that I am just as interested in education as many who may have spoken of it. I spent some twenty-nine years on a local school board. On many occasions I have driven home from school board meetings when my neighbours were in bed. We were interested not only in the boy or the girl and the teachers, but in education from all angles. We were interested not only in higher education, universities and teachers' salaries but we were interested in the whole system of better education in our country.

Mr. R. R. Knight (Saskatoon): Mr. Speaker—

Mr. Speaker: If the hon. member speaks now he will close the debate.

Mr. Knight: I had to take the responsibility for starting this debate and I thought I might say a few words in bringing it to an end. I am now assured that there will be a vote taken on this matter. That is a matter of delight to me after the attempts that I have made in this house in previous sessions to bring about just such a consummation.

I should like to say a word or two about one or two of the speeches that have been made here today. The principal speech offered on behalf of the government by the Minister of National Health and Welfare (Mr. Martin) was, in my opinion, adequately answered by the leader of the opposition (Mr. Drew). I shall leave that one alone.

I should like to say that I enjoyed the autobiography of the hon. member for Inverness-Richmond (Mr. Carroll). I congratulate him upon having reached his high eminence from what he described as a humble start. There are many people in this country, though, of his age, who have not, may I say, reached that particular scale of eminence. The hon. gentleman came out with the flat statement that there was equality of opportunity in the matter of education for the children in this country. While I have learnt from experience that it is not safe to speak anything derogatory of any part of the maritime provinces without being publicly rebuked for it, I want to assure him before I say anything that what I have now to say has no such intention. I am interested of course in the maritime provinces as I am interested in my own province; but as to the actual equality of opportunity in the province of Nova Scotia I am sorry that I shall have to quote my own speech. At the moment I have no better authority because I have sat pretty conscientiously at my desk here all day today. Quoting from my own speech of October 19, 1949, at page 932 of *Hansard*, I find this statement:

> In 1943 the average salary of city teachers in Canada was $1,784, while that of rural teachers was $852.

The house will excuse me, of course, for this rather spotty quotation. I am just jumping from place to place in my speech to quote the parts that I think are germane to the question. I continue:

> Dr. Argue's report shows that while one province was spending $31 per child for educational purposes, another was spending $83.

Skipping again a little bit:

> Let me prove that statement by pointing out that in 1945 there were 4,550 people teaching—and I do not call them teachers, because they did not hold teaching qualifications.

My hon. friend says that there is equality of opportunity in education all across Canada. These were people who were teaching not on a certificate, but on what they called a permit. Another quotation from the same speech further down:

> One learns from the census that 668,000 people in Canada over five years of age are totally illiterate.

I presume that is the last decennial census. I should like the hon. gentleman to notice this. I continue:

> In 1941, the last year for which I have the figures, only 85,000 living citizens in Canada had university degrees, while at the other end of the scale there were 360,000 between the ages of six and sixteen who were not at school at all.

I take it that is what the hon. gentleman calls equality of opportunity in the matter of education.

As to the province of Nova Scotia, I should like to endorse what he said. Some of the greatest students and some of the greatest scholars have come out of the province of Nova Scotia. Will you note, sir, the words "come out of". They have scattered across this country, and they have made a tremendous contribution to the education of this country, but I submit that has nothing to do with the argument we are engaged in tonight.

May I say, too, that the Nova Scotia teachers are fine people. I met a lot of them. I spoke to a thousand or so of them last fall at various places, but I find this in the statistics of the dominion bureau of statistics. Of the teachers engaged in teaching in rural schools in the year 1948 in the province of Nova Scotia, from which my hon. friend comes, and a constituency of which he represents, 47 per cent were substandard. Forty-seven per cent of all the rural schools had teachers who were substandard, in that they had not any proper teacher's certificate at all but were teaching on some temporary basis. At

this moment while I speak, unless my figures are wrong, one-eighth of all the teachers of Nova Scotia are teaching on permit. So much for Nova Scotia. I think I have made it perfectly plain that I have nothing against either the fine people, the fine scholars or the fine members of parliament who come from that province. When my hon. friend says there is equality of educational opportunity across this country I beg to differ with him and I think I have proved my case generally in regard to Canada, and in particular in regard to Nova Scotia.

One other point and I shall leave this matter. This is a rather significant one. The member just referred to says that there is now equality of opportunity. Statistics show almost a hundred per cent of the children of the professional classes attending high schools. At the other end of the scale, of the children of those doing unskilled labour only fifteen per cent attend high school. Clothes, books, the need for earning money, for transportation to or board at school, all enter into the picture; and my hon. friend says that there is equality of opportunity.

I should like to pay a tribute to one who made a speech which moved me rather deeply, although it was very short. I refer to the hon. member for Greenwood (Mr. Macdonnell). He brought this debate up to a very high level and kept it on a high plane, but the speaker who came after him, the hon. member for Kootenay East (Mr. Byrne), "what a fall was there, my countrymen", got down to a rather low level. I shall come back to him.

The hon. member for Greenwood mentioned three points with which I was particularly sympathetic. The first was when he spoke about Queen's university. I happen to be a graduate of that college. The second was when he spoke of the need of the humanities, and the danger that we will get away from the humanities by force of the stress of war or emergency and will be persuaded that education and vocational training are the same thing. He spoke afterwards in favour of a liberal education. He could not talk too long or too much in that particular regard to suit me.

I also noticed his reference to Buchan. Perhaps like myself he is a lover of anything that Tweedsmuir ever wrote. I was thinking of a line or two from Buchan which perhaps is not too applicable to education, not as applicable to education as it is to the hereditary greatness of which Buchan was speaking when he said: "The spark once transmitted may smoulder for generations under ashes, but the appointed time will come and it will flare up to warm the world". So much for the hon. member for Greenwood. I should like to develop his argument somewhat along the same lines. This matter we are now discussing is largely a matter of money, a matter of finance and how that finance will be raised, how it will be applied constitutionally to the thing to which we want it applied.

A great many people are confused about the purposes and aims of education. People put their money into a business and expect to receive dividends in cash; but they are impatient if an investment of cash brings them merely a dividend of the mind and spirit. No money spent on education is to my mind ever wasted.

Now, sir, I could go on to speak about the speech of the hon. member for Kootenay East which, in my opinion, was one of the worst speeches I have ever heard in the house. It was excelled only by one that the hon. member made in my hearing before. I think I shall merely leave it alone. He credited me with two observations of my seatmate—that is forgivable. However, he failed to understand, and he misinterpreted to the house completely, the closing paragraph of the speech I made in opening this debate. He sneered at what he called the irresponsible provinces in Canada, and he sneered at those who introduced and spoke in favour of the resolution in that, as he said, they were doing it for ulterior motives in order to make their salaries better or their living conditions better. If that is not a slander on the teaching profession of this country, then I do not know what it is.

So that there may be no doubt as to my opinion in the matter, I shall leave on record, in the last speech of the evening on this particular subject, one or two further ideas which I did not develop in my opening remarks. Apart from their own convictions, members of the house must have become conscious of the rising tide of popular support for the intent of this resolution. The hon. member for Inverness-Richmond (Mr. Carroll) said he had not received any such report from his home constituents. If he will come up to my office he will see a pile a foot thick consisting of telegrams and letters from organizations and teachers in Nova Scotia.

Mr. Carroll: I rise on a question of privilege. I did not say that I did not have any correspondence with any educational parties in Nova Scotia. I did say I had not received anything from the provincial government regarding this matter.

Mr. Knight: While I am prepared to accept the hon. member's explanation I would say that we in the House of Commons do not represent provincial authorities. We represent

the people of Canada in the constituencies of Canada. However, in so far as I misinterpreted what the hon. member said, I apologize to him for it.

Let me lay down now in regard to the whole subject two or three main points. First, federal aid herein referred to implies in no way any interference with either the administration or curriculum of education in the provinces, or any other matter in regard to education which comes entirely within provincial jurisdiction.

Second, since the burden of education has become so heavy upon certain provinces and municipalities, and taxation upon real estate for purposes of education has about reached its limit, has indeed become wellnigh unbearable, therefore the dominion government is the only organization with sufficient means to come to their relief.

Third, in view of the inequalities which exist as between province and province, and as between town and country, and because there is a distinct difference in the efficiency of education in urban and rural schools, the sole purpose of this resolution so far as I am concerned is to bring about in the affairs of education in this country an opportunity for education for all the children of the country, and that it should be more nearly equalized, without any consideration of the place of residence of the children, the country of their origin, or the economic status of their parents.

There is one more speech about which I should like to say a word or two—and I approach it more in sorrow than in anger. I refer to the speech of my hon. friend, the popular member for Temiscouata (Mr. Pouliot), who did little credit to his undoubted ability. He is so kind to us; he is so courteous to us; he is so polite to us that we find it difficult even to disagree with his opinion. But the hon. member himself I am sure would be the last to say that we should refrain from criticizing his opinion or disagreeing with him for any such reason.

I would say that his opinions with regard to education, as I see them, are the opinions of a feudal baron, perhaps in England, or a seigneur of France in the 17th or 18th centuries—certainly in some period prior to 1789. There can be no doubt about that. As I interpret his ideas, rightly or wrongly, they are long out of date. He conjures up a pretty and pastoral scene, the little child receiving its instructions at its mother's knee, in the shadow of the village church.

Those of us in favour of the resolution believe, of course, in instruction by the mother. We believe of course that a child should be grounded in the faith of his father. But that is not enough. The potential mothers of the nation must have some education which they can hand on; education is no longer a matter of folklore.

My hon. friend has told us that science may destroy us. I agree with him. Science may destroy us—nay, will destroy us—if we do not join to it a sense of moral values; and education should help the process of building values. I believe education will help promote that mutual understanding that works for peace in the international sphere, and in the domestic field that national unity of which the hon. member for Portneuf (Mr. Gauthier) spoke so eloquently on Monday last. I had set aside a quotation from his speech, with the intention of reading it, but at the moment I have mislaid the copy of *Hansard* in which it appears.

I cannot agree with the hon. member for Temiscouata in his misquotation, or his partial quotation, "ignorance is bliss". That, of course, is not the quotation. He has said that ignorance is bliss. No doubt the cow is a happy and contented animal; but neither my hon. friend nor I, I think, would be prepared to change places with her.

As to his assertion that a soldier needs no more education than enough to teach him to handle a gun—I cannot agree with that either. My hon. friend seems to think that education is something for the privileges. I believe it should be the common right of all. For the hon. member for Temiscouata, whose superior education is so evident in his speeches, education seems to be one thing; but for the common man or, as he said, for the poilu, it is something else. I use that word because it is the one used by my hon. friend. In his opinion that is quite something else.

Indeed he goes so far as to declare that lots of people would be happier if they could not read or write at all. They would then, he says, have time to do some thinking. I suggest that some knowledge is necessary on which thought may be based, or around which it may revolve.

There is perhaps some confusion in my hon. friend's mind as to the purposes of education. To me education and vocational training—and I wish for a moment to follow the line taken by my hon. friend from Greenwood—are two separate things. No doubt education will assist a man in getting a job, or after he has attained to a position, but that is not its ultimate purpose. If my son is to be a soldier—he was one temporarily—then I want him to be an educated soldier. If he is to be a farmer, then I want him to be an educated farmer. If his occupation is to be one of those classed as humble, I want him nevertheless to be an educated man. In

fact the more humble and less interesting his occupation is, the greater need there is for him to possess an education. If he wishes to live a full and happy life, education can assist him to live it more abundantly. Because a little girl is a dressmaker, should she be denied an appreciation of poetry or of that language which is universal to all races, namely, music? Because a boy is to be a farmer, is that any reason why French or English literature should be a closed book or the arts should have no interest?

I shall say no more. I am thankful that there is no need to convince the majority of members of this house of the benefits of education. There is a greater need to convince them that the federal aid for it which I visualize is for the benefit, not only of our sons and daughters, but of the whole nation.

The house divided on the motion (Mr. Knight) which was negatived on the following division:

YEAS

Messrs:

Aylesworth
Beyerstein
Black (Cumberland)
Blackmore
Blair
Brooks
Browne (St. John's West)
Bryce
Casselman
Catherwood
Charlton
Coldwell
Coyle
Croll
Diefenbaker
Drew
Fairclough, Mrs.
Fleming
Fraser
Fulton
Gillis
Green
Harkness
Hatfield
Hees
Herridge
Higgins
Hodgson
Johnston
Jones
Knight
Knowles
Lennard
Macdonnell (Greenwood)
McGregor
McLure
Murphy
Nowlan
Pearkes
Quelch
Rowe
Stewart (Winnipeg North)
White (Hastings-Peterborough)
Winkler
Wright—45.

NAYS

Messrs:

Abbott
Anderson
Applewhaite
Arsenault
Ashbourne
Balcom
Bater
Beaudoin
Bennett
Boisvert
Bonnier
Breithaupt
Breton
Brisson
Brown (Essex West)
Bruneau
Byrne
Campney
Carroll
Carter
Cauchon
Cavers
Chevrier
Claxton
Cleaver
Cloutier
Corry
Cote (St. Johns-Iberville-Napierville)
Cote (Verdun-LaSalle)
Crestohl
Darroch
Demers
Denis
Dickey
Dion
Dube
Eudes
Ferrie
Fournier (Hull)
Gagnon
Garland
Garson
Gauthier (Lapointe)
Gauthier (Portneuf)
George
Gingras
Gosselin
Gour (Russell)
Gregg
Harris (Grey-Bruce)
Harrison
Healy
Helme
Henderson
Hetland
Huffman
Hunter
James
Jeffery
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Digby-Yarmouth)
LaCroix
Lafontaine
Langlois (Gaspe)
Lapointe
Larson
Leduc
Leger
Lesage
MacDougall
MacNaught
McCann
McCulloch
McCusker
McDonald (Parry Sound-Muskoka)
McLean (Huron-Perth)
McMillan
Major
Martin
Masse
Mott
Murray (Cariboo)
Murray (Oxford)
Mutch
Picard
Pouliot
Proudfoot
Prudham
Ratelle
Richard (Gloucester)
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Rinfret
Roberge
Robertson
Robinson
Rooney
Ross (Hamilton East)
St. Laurent
Sinclair
Smith (Moose Mountain)
Smith (Queens-Shelburne)
Smith (York North)
Stick
Stuart (Charlotte)
Studer
Thomson
Tremblay
Valois
Weaver
Whiteside—112.

Mr. Ross (Souris): I was paired with the right hon. member for Melville (Mr. Gardiner). Had I voted I would have voted for the motion.

Mr. Cardiff: I was paired with a member on the government side. Had I voted I would have voted for the motion.

Mr. McCubbin: I was paired with the hon. member for Middlesex East (Mr. White). Had I voted I would have voted against the motion.

STATUTORY HOLIDAYS

PROPOSED OBSERVANCE OF DOMINION DAY AND VICTORIA DAY ON MONDAYS FOLLOWING JUNE 30 AND MAY 23

The house resumed from Tuesday, February 20, consideration in committee of Bill No. 2, an act to amend the Dominion Day Act and Victoria Day Act—Mr. MacDougall—Mr. Dion in the chair.

On section 2—*Dominion day.*

Mr. Gillis: When we last debated the amendment to this particular section I adjourned the debate, and I am now going to conclude my remarks. Mr. Chairman, many of the speakers who are supporting this particular bill have done so on the ground that it is going to be beneficial to the workingmen of this country, and that most of the labour bodies in the country support the idea. The riding which I represent is perhaps one

in which labour is most highly organized in the Dominion of Canada. Steel and coal have been organized one hundred per cent for a good many years. The riding is completely organized in co-operatives and credit unions. To date I have not received any representation from any of these bodies as to the desirability of this particular measure. My riding is pretty well on its toes in seeking legislation which it feels would be beneficial to the men earning a living.

I am not prepared to accept this bill and make changes in the lives of fourteen million people in this country without at least more opportunity of discussing it with the people I represent. As I have said, to date I have received no intimation from any of the organized bodies in the riding as to the desirability of this particular piece of legislation. I have seen, however, articles and advertisements from the tourist association urging this particular change in the interests of United States tourists who may be coming to this country, so that they may have more time to spend in the country. This same agitation is going on in the United States for changes in some of their statutory holidays. I understand that the move started in the United States, and is being carried on by the tourist association in Canada. I do not think there is any large body of opinion in this country in favour of this particular change.

So far as I am concerned I am not prepared to change Dominion day. As I said on a previous occasion, I am not a great patriot but I am a Canadian and I am proud of the fact. I am not prepared to change the day on which this country was given birth just because someone moves a bill in this house. I believe the sponsor of the bill is absolutely honest about it, and I have no intention of imputing anything but honest motives to him. I am not so sure about the background of this change, and it may go deeper than the hon. member or I realize. I think commercial interests are behind it. I should like to see anyone go over to the United States and tell the government to change the date for celebrating the 4th of July holiday. I believe he would get rather rough treatment. While I am not greatly interested in the Victoria day portion of the bill, I am not prepared to support it until I have had an opportunity of consulting my people.

Mr. Lennard: Mr. Chairman, as one who is connected with a concern that employs labour, I am opposed to this bill. I am opposed to the amendment, and I intend to vote against both.

Mr. Byrne: I should like to remind the house that there is quite a large group of organized workers who have been successful in obtaining statutory holidays with pay in their agreements. In most cases the first of July will be one of those holidays. However, in those agreements there is a provision that when the statutory holiday falls on a scheduled day off, such as Saturday or Sunday—Saturday now being recognized as a rest period for workmen—the employees do not receive pay for that holiday. I believe, therefore, that this amendment has some merit in so far as those people are concerned. If the holiday is declared on Monday, rather than on Saturday or Sunday, then they will receive an additional rest day and be paid for it. I thought perhaps the member for Cape Breton South might want to consider that point.

Because of the critical situation which exists today, I realize that it may be necessary for employees to work extra time. However, most of these large corporations are making sufficient profits to enable them to pay time and half or double time, should the employees have to work on Saturday or Sunday to make up for the holiday on Monday. I thought that should be brought to the attention of the house before a vote is called.

Mr. Pouliot: Mr. Chairman, my main objection to the amendment is that, although the amendment accepts the suggestion for a change, it is altered in such a way that there will be no holiday for those who are trying to calculate on what day the holiday is to be.

Mr. Knowles: I realize that it might be difficult to produce a calculation that would satisfy the member for Temiscouata. Speaking in support of the amendment, I do not think there is any more difficulty about computing it in the manner suggested in the amendment than there is in the way suggested in the original bill. Originally, it was suggested that the celebration of the 24th of May might be on the 24th, 25th, 26th, 27th, 28th, 29th or 30th. But if the amendment carries, the 24th of May would be celebrated on the 21st, the 22nd, the 23rd, the 24th, the 25th, the 26th, or the 27th. It is just as simple as that. The main difference between the original bill and the amendment is that under the original bill the day is celebrated on the original day or as much as six days thereafter. But under the terms of the amendment the day would be celebrated either on the original day or not more than three days previous or three days after. It seems to me to be common sense that if we are going to make a change, we should make the change to the Monday nearest to the day, not as would be the case in some years, to the Monday farthest away from the day.

Mr. Pouliot: There are few who would be bright enough to understand the matter as well as does the hon. gentleman.

Mr. Coldwell: I am sure the hon. member for Temiscouata understands it.

Mr. Macdonnell (Greenwood): I want to take one or two minutes of the time of the committee to stress one or two points which were made by the hon. member for Cape Breton South, which I thought were eminently sound and which, so far as I know, no one has attempted to answer. First, if I remember aright, he said the other evening that this matter had just been brought forward and that we had had really no opportunity to test public opinion or to find out what the people back home thought about it. I agree with that statement. I would feel greatly embarrassed to go to my constituency and have my constituents say to me: You passed this measure but you never discussed it with us. You never had any opportunity to bring it to our attention at all. Second, I should like to say this, and I think everyone in the committee will feel as I do. I think it was an excellent point made by the hon. member. If you went to the Americans and asked them to celebrate the 4th of July on another day, as the hon. member for Cape Breton South said, I think you would get short shrift. For us to take this step in what seems to me to be a rather casual way is a rather curious commentary on our feelings with regard to our nation's birthday.

Mr. Coldwell: I am going to support the amendment. I think there is a great deal of import in the bill. After all, anniversaries are not so sanctified as to be unchangeable, as we find when we think of His Majesty the King who was born on December 12 and whose birthday we celebrate about six months later, in June. I am sure that it quite leaves me cold as to whether we celebrate the 24th of May on May 24 or on the Monday nearest to May 24. As long as we celebrate the birthday of this country on a day that will give most people the opportunity to get away for a week end's rest, I think we shall be doing more for the people of this country than by celebrating it on a Wednesday when they have to leave on Wednesday morning and get back on Wednesday night. They will enjoy celebrating the day over the week end more than they will on a day in the middle of the week.

The Chairman: Shall the amendment carry?

Some hon. Members: Yes.

Some hon. Members: No.

The Chairman: In my opinion, the nays have it.

Mr. Coldwell: We had better stand.

Amendment (Mr. Graydon) negatived: Yeas, 12; nays, 35.

The Chairman: Shall the section carry?

Mr. Herridge: I want to say a word in support of the point of view put forward by the hon. member for Cape Breton South. I am not in favour of our passing this type of legislation without having some direction from the people we represent. If organized labour and the people I represent think that this is a move to their advantage, I am quite willing to support it. But I think we are doing something here to change the habits and the customs of the Canadian people, without giving it due consideration. Before I sit down, Mr. Chairman, I might say that when it comes to a question of changing the day on which we celebrate the 1st of July, it does not leave me cold. I believe that in this nation we must give some consideration to the things we stand for and not be governed entirely by considerations of comfort and convenience.

Mr. Byrne: For the benefit of the hon. member for Kootenay West, I should like to suggest to him that I believe I could, in all conscience, interpret the wishes of a large union organization in his riding. It is a union that is affiliated with the same organization that I have in my riding. They have an agreement which I have already outlined. I do not know on what day the 1st of July falls this year; I will use the 1st of July as an example. Should it fall on Saturday or Sunday, the men will not be paid for that holiday. But if Monday is declared a holiday, they will receive one additional day's holiday with pay this year. I am sure that is a union principle—holidays with pay.

Mr. MacDougall: Mr. Chairman, I presume that when I speak I close the debate.

An hon. Member: This is in committee.

Mr. MacDougall: I think the answer to my good friend the hon. member for Cape Breton South has been given by the Vancouver and New Westminster district trades and labour council. I received a copy of this bill several months ago. As to the allegation of lack of opportunity to study this bill, it just does not seem to add up; because this bill has been before the house for approximately ten days. When I suggested to the president and the secretary of the Vancouver and New Westminster district trades and labour council that I should be happy to discuss this bill with

them at any time they were desirous of calling a meeting, those gentlemen, who were certainly not of the same political stripe as I, said that there was no occasion to do that because as far as they were concerned their organization was wholly and solely behind the bill. The hon. member for Cape Breton South stated the other evening that he wanted to have some word from his constituency or that he wanted to see what was said in the editorials appearing in the press the following day. If we as members of the House of Commons are going to pass legislation entirely upon what is said in editorials in the press which appear on the day following the discussion of measures, I say that we are losing our sense of responsible government. I could have read, the other night, several extracts for the edification of hon. members as to the favour with which this bill is being received not only in my own city of Vancouver but in the cities of Toronto and Saskatoon. But we do not particularly feel that that is apropos of this bill. We have agreed to the bill in principle. I do not think that the argument of the hon. member for Cape Breton South is a sound one. If he wants to abrogate responsible government, then he is going about it in the quickest and shortest way, if we are to allow ourselves to be governed by editorials. Surely we are adult people with adult minds, capable of making them up in connection with this bill without reading editorials.

Mr. Gillis: Mr. Chairman, I do not want to delay this measure because I realize the hon. member wants to get a vote on it and get it through. I cannot understand the attitude of the hon. member for Kootenay East. He says that he can interpret to this house the opinions of the mine, mill and smelter workers union of British Columbia. I do not think he can; at least he has not presented any documentary evidence to the house showing that he has ever been consulted by that organization upon this particular question.

I am just as closely in touch with a larger section of the trade union movement of this country as he is, and as far as I am concerned I do not know what their wishes are on this particular matter because they have not made any representation on it.

Mr. MacDougall: Silence gives consent.

Mr. Gillis: No, it does not. The hon. member who has just taken his seat got off on his left foot when he suggested that I was guided by editorials, and so forth, in regard to this matter. That is not true.

This is not ordinary legislation. This is something that affects every man, woman and child in this country. It is changing the day that was fixed by the fathers of confederation, and it deserves more consideration than has been given to it.

The hon. member says that he received a copy of this bill two months ago. Where did he get a copy of this bill two months ago, and who sent it to him? Who drafted that bill? These bills are generally drafted in the House of Commons after consultation with the law officers of the crown.

Mr. MacDougall: I drafted it.

Mr. Gillis: Where did this bill come from two months ago, and who urged the hon. member to bring it up in the house?

I am informed that this matter was brought to the attention of the trades and labour congress last September; that is the national body. It went to the floor of the convention, went back to the resolution committee and the trades and labour congress in its last national convention brought in a recommendation against this particular thing. I think the attitude of the hon. member for Kootenay East is an irresponsible one—I do not like to say that, but I cannot help thinking it—when he says that the unions of this country are looking for more holidays with pay. That is not true. By agreement the workers of this country today are working a forty or forty-four-hour week. That applies to most of them. By agreement some of them have statutory holidays, but a lot of them have not statutory holidays with pay.

When you stop for a moment and think that this country is going into a terrific defence program, with a very tight manpower situation and with the possibility of hours of labour having to be revised in order to meet that production, it is a very irresponsible attitude to take to suggest that we are going to provide more holidays with pay and disregard the wishes of the great majority of the people of the country.

As far as I am concerned, I am prepared to support anything in the house that is reasonable and fair after due consideration; but I am also mindful of the fact that in the house I represent people; that I do not just come here to use my imagination and throw my weight around in any direction that I see fit. I come in here and try to interpret to hon. members the wishes of the people of my constituency. That is my job.

Mr. MacDougall: I am doing the same thing.

Mr. Gillis: I try to interpret the attitude of this house to my people whom I represent. I am prepared to make a decision on any matter that comes before this house in the field of legislation dealing with economic matters and that kind of thing, because

these things are discussed from time to time. You have a guide on them; you have some knowledge of what the desires of your people are; but I am not prepared to vote in this house, with the information I have at the present time, that we should change the present statutory arrangement for holidays in this country which may mean, as my hon. friend over here says, less production, more holidays, more pay. The hours of work in this country today are not so unreasonable. I am going to vote against this. I am not fussy about what the editorials in the newspapers say, but I am particular as to what the reaction of the people whom I represent will be on this particular matter. As I said before, I have not had any intimation as to what the steel workers, the miners or the fishermen in the part of the country from which I come, think on this particular legislation, and until I have some intimation that is going to be my attitude.

Mr. Herridge: I should like to thank the hon. member for Kootenay East for his kind suggestion and attempted guidance; but in view of the record I do not feel safe in accepting it. All the unions in my constituency wanted union dues deducted for income tax but the hon. member voted against it. All the unions in my constituency wanted price control; the hon. member voted against it. Most of the unions in my constituency have supported the teachers federation of British Columbia in their plea for federal aid to education; the hon. member voted against it. Therefore, in view of the hon. member's record with respect to requests of the unions that I have the honour to represent I had better make certain and consult them before I support this bill.

Mr. Fleming: May I ask the sponsor of this bill a question? If the bill is reported by the committee tonight, is it his intention to ask the house to give it third reading tonight?

Mr. MacDougall: Absolutely.

Mr. Fleming: The hon. member indicates that it is. In that event I propose to oppose the bill, and for various reasons. I share entirely the views expressed by the hon. member for Cape Breton South. In the first place, sir, I think that the house has not given this matter adequate consideration; and if we are to be asked to report the bill out of committee tonight and give it third reading tonight, it seems to me we shall have done an act in haste that the house may well yet repent.

I am suggesting that this matter should not be pressed, but that it should be allowed to stand for further consideration. The committee knows perfectly well that when this matter came before the house earlier this week, on Tuesday evening, it got practically no consideration. There was no debate at all. The house was actually caught off guard. The bill passed second reading and slipped into committee without hon. members fully realizing what had happened. Very few members were in the house at the time. The first section was passed in committee before many hon. members realized what had happened. It was just when we reached the second section that the full impact of what was happening really struck some hon. members.

To rush the bill through its remaining stages tonight makes a travesty, or comes very close to making a travesty, of the procedure in the sovereign parliament of Canada. This, sir, is a more serious matter than some hon. members have undertaken to treat it. In the course of the debate within the last few minutes there has been a rather striking levity, and shall I say light-heartedness, demonstrated in certain quarters of the house. I do not think it reflects any credit on the bill or on the way the house is addressing itself to its duty with respect to the bill.

If the bill has merit, then those who may be supporting it should have no fear that the merits will be able to stand up this week, next week or at a later stage of the session, after members have had an adequate opportunity to consider the bill and, principally, after the people of Canada have had an opportunity of appreciating precisely what is involved in the bill, and making the weight of public opinion felt through their representatives in the House of Commons.

Public opinion has not been felt in the house yet. The matter has had relatively little publicity. There are few members in the house, probably not more than a very few, who have had any reaction whatsoever from the public with respect to the public's view on the bill. My belief is that the public is not, generally speaking, aware that such a bill is before the House of Commons at the present time.

To those who express such confidence in the merits of the bill I would just suggest this, that if their confidence is well founded there need be no hesitation on their part in allowing the matter to stand until public opinion in this regard is known.

Was there any expression of opinion prior to the introduction of the bill? We all know there are people who, when a fine day comes in the spring or in the early summer, will always say—if it happens to be the 24th of May or the 1st of July—"Is it not a pity that it does not come on a Monday so that we could have a long holiday?" But, sir, I am

not so sure that if many of the people who react that way to fine weather were to sit down to deliberate seriously on the question as to whether they wished the natal day of their country changed by act of parliament, they would not say, "Wait a minute, now; this is something more than just choosing a day of fine weather."

Mr. Pouliot: What about bad weather?

Mr. Fleming: The hon. member for Rosetown-Biggar spoke about having "a week end of rest". How many people get much rest out of week ends, when they go up to the country and spend hour after hour driving, bumper to bumper, on the main highways outside some of our cities? "Week-end rest" is often not rest at all. For many people it is just a week-end lark from which they come home dead tired.

Mr. Pouliot: Physically tired, mentally rested.

Mr. Fleming: But that is not the principle before the house. The principal consideration in the matter ought to be public opinion. If the people of Canada want to have Victoria day celebrated on the nearest Monday or on the Monday following, then, very well, I think it is the duty of the house to conform to the wishes of the people. If the people of Canada wish the natal day of this nation to be observed on a day other than the 1st day of July, then the wishes of the people should be carried into effect in this parliament.

But I do not believe in running ahead in a slap-dash way, and enacting this bill before the people of the country are aware that the bill, with the implications it has, has come before the House of Commons. And, sir, if I had no other reason for recommending caution to the committee, and recommending delay so as to permit public opinion to be known, and to give time to consider the bill adequately, that lack was supplied a few moments ago in a remark made by the hon. member for Kootenay East when, in a most jocular and light-hearted way, he said that what certain people in his riding wanted was more time off with pay.

Sir, if that reflects responsible opinion in this country, under conditions such as we face today, then I say, "God help the country." Yes, it is just as serious as that. And here is a remark by the Minister of Mines and Technical Surveys which I commend to the house, and to the hon. member for Kootenay East particularly, as being worthy of his consideration. It is a remark the minister in question reiterated in another speech today. This is what he said on the first occasion:

> We are kidding ourselves to think we can work shorter hours and maintain a higher standard of living and, at the same time, defend our country and help defend the other free nations of the world.

Mr. Dickey: Oh, oh.

Mr. Fleming: Sir, if this country, along with the other nations of the free world, is facing an emergency of the serious proportions described to us by the Prime Minister only the day before yesterday, and by other members in the house—I have no time to listen to the gibberish of the senior member for Halifax (Mr. Dickey). If he has no serious contribution to make to the debate, then he had better contribute nothing. Silence would be a constructive contribution on his part to the debate, and perhaps that is all we will expect from him under the circumstances.

But I say that if the Prime Minister was right in his picture of the emergency facing this country—and I think he was right—and if other hon. members were correct in giving endorsation to the resolution the Prime Minister sponsored—and I think they were right in doing so—then they cannot honestly, faced with an inflationary condition such as was described in the house, and the pinch of which is being felt by a great many people in this country today, come out with light-hearted remarks like those, in a time like this, and say, "What we want in this country is more time off, with pay."

What we need to do, if we are going to beat inflation in this country, and play the part that each of us should play in combating inflation, is to knuckle down to this job so that each of us will contribute his part toward increasing the productivity of the country.

It seems to me that for many reasons which have appeared during the debate it would be a grave reflection upon parliament, and our estimate of our parliamentary duty, to press this legislation swiftly before seeking to ascertain public opinion. We ought to wait. We ought to give public opinion time to make itself felt. We ought to give the public a chance to know what is being done here. I urge the sponsor of the bill, for whose sincerity I profess the highest respect, not to press the measure now, and to rely upon the merits he sees in the measure, and let those merits speak for themselves next week or the week after, rather than invite the house to do something which I think would bring discredit on the bill.

If there is merit in the bill, then let us not in this parliament bring discredit on that merit by proceeding hastily and thus denying to the bill the serious consideration it ought to have.

Mr. Drew: Mr. Chairman, there is one consideration of some importance which has not been mentioned, and which really should

preclude the possibility of this bill's being dealt with at the present time. Has it occurred to hon. members that right across this country organizations of every kind have made arrangements for holidays, right through until the latter part of the year? Has it occurred to those hon. members that thousands of hotels, which render a valuable and continuing service to the people of Canada, have already made commitments to serve various organizations on dates which have been fixed in relation to holidays already settled? Those holidays have been settled by thousands of calendars printed some time ago and which are in the hands of the people of this country. The bill would have the effect of changing those holidays right away and would cause a measure of confusion which I hope all members will bear in mind, and which would affect many people who may perhaps believe in this idea but who would not wish to have it come into effect this year.

I must say that this bill is in a position somewhat different from a number of bills which raise new but extremely important principles, where we are actually called upon simply to exercise our judgment in relation to what may be right or wrong in principle. Here we have a simple and practical problem. Do the people want these changes made? These holidays have been celebrated on these particular days, in one case for eighty years and in the other case for a shorter period although for a great many years. People have become accustomed to that.

It is quite possible that the people of Canada want this change. For the first reason I have mentioned particularly, and for the second as well, I do not think that the people who would be affected have had an opportunity to express their opinions in regard to something that is deeply embedded in the habits of our people. I for one propose to oppose this bill, not because it may not be a good idea but because I do not think we know yet what is the feeling of the people. In any event it should not go into effect until next year.

Mr. Coldwell: The leader of the opposition has raised a point that deserves more than passing consideration. There is no doubt that people have made arrangements for May 24 and July 1. However, this difficulty could be easily remedied by amending the bill so that it would not come into effect until January 1, 1952.

Mr. MacDougall: Agreed.

Mr. Coldwell: The matter could be left as it is this year.

[Mr. Drew.]

Mr. Pouliot: Mr. Chairman, I listened to the hon. member for Cape Breton South with the utmost pleasure, as I always do, because he has the gift of speech. He reminds me of a former member, H. H. Stevens of Vancouver. I wonder if he will like my comparing him with a Conservative. However, it is only as to his manner. Unfortunately I must say that I think he was wrong because he led us to assume that there would be additional holidays. There will not be one hour more than there is at the present time. The date will be changed, that is all. If my hon. friend, who is such a gifted speaker, had considered that, he would not have spoken as he did. I now come to the hon. member for Eglinton.

Mr. Knowles: Whom does he remind you of?

Mr. Pouliot: He reminds me of Cicero when he spoke against Catiline. Apparently he lost all sense of proportion. He gave us a fine Lenten sermon on our duties as members of parliament, on our standards of life and on the ethics of the sponsor of the bill. Why did he waste his energies like that? I believe in making the least effort at any time. Why did he show such indignation over a matter like this? He had no reason to be indignant.

I am glad the storm is over and we have come back to sunshine. The hon. member spoke of sunshine. Is it necessary to have bad weather in order to celebrate Dominion day and Victoria day properly? The hon. member said that members of parliament were not serious. Let me tell him that one may not be serious even when one is speaking solemnly. He knows that.

I am in favour of the bill and I hope it will be passed. Whether it is to be brought into force now or on January 1 does not matter to me. I seldom agree with the leader of the opposition, but let me tell him that he has offered the first sensible argument against the bill. I am glad to be able to say that, because this bill does not entail a matter of major policy. The same argument could have been used by a Liberal. Even if it was used by the leader of the opposition I must admit that it carries weight.

Mr. Higgins: Mr. Chairman, why is a hen and what is the difference between a piece of string? That is a foolish question, is it not? I have heard that conundrum for many years and the answer is: Because St. Patrick's day is on the fourth of July.

Mr. Knowles: Confederation day for you is April 1.

Mr. Higgins: As the hon. member for Winnipeg North Centre has said, All Fools' day is our confederation day.

Mr. Knowles: In Newfoundland.

Mr. Higgins: That is right, in Newfoundland. The question and answer I have just propounded is as ridiculous as the purpose of this bill. In saying that, I do not cast any reflection upon the hon. member who has proposed that bill nor do I doubt his bona fides in offering the bill to the house. We must remember that a country that has no sentiments or traditions is never going to be a nation. All we have in any country or in any nation is its sentiments and traditions.

I am a brand new Canadian, as you all know. I like it. As we used to say back home, I am as green as a var bough. Perhaps I should say I am now as green as a Canadian var bough. The Canadian traditions and Canadian sentiments which I have adopted are as important to the people in this country as they are to those at home who have their own sentiments and traditions.

One of our traditions, which is quite new, is Memorial day which falls on July 1. That is in memory of soldiers killed in the first world war. It was on July 1, 1916, that the Royal Newfoundland regiment suffered such terrible losses. Ninety per cent of those who went into battle were casualties. That day has been celebrated ever since. We now call the same day "Dominion day", but as far as Newfoundland is concerned it is still Memorial day. That day is going to be kept by us whether the date is changed or not.

Coming back to the main point, as I said before, tradition and sentiment must be considered. Unless that tradition and that sentiment are fully respected I cannot see how hon. members of this house can consider voting in favour of this bill. My personal feeling is to vote definitely and positively against it. I am not particularly interested in the clause of the bill dealing with the other holiday, but I am interested in Dominion day. Newfoundland came into confederation —and I think this is the feeling of all Newfoundland members—ready to accept all the traditions of Canada. I understood Dominion day was the biggest day of the year. If that is so and you are going to do away with that day by this bill, you must remember that you are not only doing away with a holiday; you are doing away with a day that marks the birth of this great dominion. And you are going to do away with that tradition for what—to give people a holiday? People do not need holidays as badly as that.

I do not think the sponsor of this bill really has given the matter the consideration it deserves. Either that is the case or the people out in his part of the country are not the Canadians I thought they were. I say quite honestly and sincerely, Mr. Chairman, that I believe Canada should preserve all the traditions it has. It is not a particularly old country, but if it is going to be the great nation we all believe it will become then the day marking confederation should be observed in such a way that succeeding generations will feel that we have kept faith with the founders.

For these reasons, reasons of sentiment and tradition if you will, I oppose this measure, and I feel sure that at least the other members from my part of Canada have the same view about it. I feel that the reasons given by the hon. member for Cape Breton South could be very well incorporated into my remarks. I see no reason for going further into the matter, since the hon. member has done it for me very well indeed. I also believe the remarks of my leader, as the hon. member for Temiscouata has just commented, should be given very great consideration. So, Mr. Chairman, I am definitely and positively opposed to this bill.

Mr. Knowles: May I ask the hon. member a question just before he sits down?

Mr. Higgins: I was not going to sit down.

Mr. Knowles: Does the hon. member know on what day of the week July 1 will be celebrated this year?

Mr. Higgins: No.

Mr. Knowles: This year July 1 will be celebrated on Monday, July 2. That change is provided for by chapter 49 of the revised statutes of Canada. Already the law has changed it to July 2 for this year.

Mr. Higgins: Well a famous judge once remarked, "The law is a h'ass", and that might very well be the case here. However, even if the formal holiday is held on Monday, the occasion is celebrated on Sunday.

An hon. Member: Question.

Mr. Higgins: You mean you are questioning whether it is?

The Chairman: Order. Since Dominion day is dealt with in section 1 the hon. member is out of order, because we are on section 2.

Mr. Higgins: I am dealing with clause 1, Mr. Chairman.

The Chairman: But we are on clause 2.

Mr. Higgins: Clause 2 reads:

Throughout Canada, in each and every year, the first Monday following the thirtieth day of June

shall be a legal holiday and shall be kept and observed as such under the name of Dominion day.

The Chairman: That is part of clause 1.

Mr. Higgins: I am indeed sorry; I thought we were dealing with the second paragraph of the first clause. I did not know it had been passed. According to one clock, Mr. Chairman, it is eleven o'clock; I do not know which clock we are going by. Clause 2 reads:

Throughout Canada, in each and every year, the first Monday following the twenty-third day of May shall be a legal holiday and shall be kept and observed as such under the name of Victoria day.

The Chairman: Order. It being eleven o'clock, I now report progress.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow, government day, we shall take first the resolution in the name of the Prime Minister to constitute a department of defence production; then the second reading of Bill No. 24, to confer certain emergency powers upon the governor in council. After that we shall move second reading of Bill No. 5, to amend the Canadian Wheat Board Act, 1935, and if time is left we shall proceed with Bill No. 6.

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

HOUSE OF COMMONS

Friday, February 23, 1951

The house met at three o'clock.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 41, for the relief of Martin Raymond Quinn.—Mr. Winkler.

Bill No. 42, for the relief of Kathleen Beatrice Denman Blackadar.—Mr. Winkler.

Bill No. 43, for the relief of Dora Greenwell MacKinnon.—Mr. Winkler.

Bill No. 44, for the relief of Albert Edouard Desjardins.—Mr. Winkler.

Bill No. 45, for the relief of Raymond Boyer.—Mr. Winkler.

Bill No. 46, for the relief of Aline Alina Buka Allaire.—Mr. Winkler.

Bill No. 47, for the relief of Margaret Beatrice Tynan Dossin.—Mr. Winkler.

Bill No. 48, for the relief of Kathryn Louise Morrison Ralston.—Mr. Winkler.

Bill No. 49, for the relief of Gerald Tudor Parrott.—Mr. Winkler.

Bill No. 50, for the relief of Marie Leontine Juliette Henriette Giguere Fiset.—Mr. Winkler.

Bill No. 51, for the relief of Esther Marie Henning Ober.—Mr. Winkler.

Bill No. 52, for the relief of Elmsley Alexander Leftly.—Mr. Winkler.

Bill No. 53, for the relief of Ruth Landan Goodman.—Mr. Winkler.

Bill No. 54, for the relief of Yvonne Michaud Telford.—Mr. Winkler.

Bill No. 55, for the relief of Edward Albert Flewitt.—Mr. Winkler.

Bill No. 56, for the relief of Mary Margaret Lillian Phillips Campeau.—Mr. Winkler.

Bill No. 57, for the relief of Mary Zientek Latkowski.—Mr. Winkler.

Bill No. 58, for the relief of Olga Kushner Dolny.—Mr. Winkler.

Bill No. 59, for the relief of Joseph Taite Connor.—Mr. Winkler.

Bill No. 60, for the relief of Doris Dominiqua Sernuk Wardell.—Mr. Winkler.

Bill No. 61, for the relief of Ann Galganov Schwartz.—Mr. Winkler.

Bill No. 62, for the relief of Doris Mayoff Weinstein.—Mr. Winkler.

Bill No. 63, for the relief of Jean-Maurice Martel.—Mr. Winkler.

Bill No. 64, for the relief of Ann Astroff.—Mr. Winkler.

Bill No. 65, for the relief of Margaret Elizabeth Audrey Midgley Bennett.—Mr. Winkler.

Bill No. 66, for the relief of Kathleen Agnes Margaret Saddleton Pout Boon.—Mr. Winkler.

Bill No. 67, for the relief of Bill Oleschuk.—Mr. Winkler.

Bill No. 68, for the relief of Eileen Haswell Houghton.—Mr. Winkler.

Bill No. 69, for the relief of Saul Samuel Goldsmith.—Mr. Winkler.

Bill No. 70, for the relief of Brigitte Dorothea Felicity Gutmann Lowenbach Brooks.—Mr. Winkler.

Bill No. 71, for the relief of Violet Edith Hack Findlay.—Mr. Winkler.

Bill No. 72, for the relief of Cerna Segall Bercovitch.—Mr. Winkler.

Bill No. 73, for the relief of Paulette Charbonneau Lanthier.—Mr. Winkler.

Bill No. 74, for the relief of Ernest Churchill.—Mr. Winkler.

STEAMSHIP SERVICES

CANADA-AUSTRALIA-NEW ZEALAND—SUBSIDY TO S. S. "AORANGI"

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): I should like to direct a question to the Minister of Transport. Apparently some arrangement has been reached between the governments of Canada, Australia and New Zealand under which it will be possible for the steamship *Aorangi* to continue operating between Vancouver and the south seas. Can the minister give the house an explanation of the arrangement that has been made?

Hon. Lionel Chevrier (Minister of Transport): The arrangement is to the effect that for one year, pursuant to an agreement between the three governments concerned, a subsidy of $400,000 will be made available to the company operating the *Aorangi*, one-third of which shall be paid by Australia and New Zealand and two-thirds by Canada. This is substantially upon the same basis as the subsidy which was paid by the three governments prior to 1940.

Mr. Green: That is very good news for the west coast. Did I understand the minister to say that the subsidy is only for one year?

Mr. Chevrier: Yes.

Mr. Green: Does this agreement involve landing rights in New Zealand for Canadian Pacific Air Lines?

Inquiries of the Ministry

Mr. Chevrier: It does not, but as I indicated to the house earlier, the prime minister of New Zealand stated when he was here that he would give favourable consideration to that matter, and in fact felt that there would be no difficulty about stopover rights so far as C.P.A. was concerned. There has not yet been confirmation of this, but I have no doubt it will be forthcoming before very long.

PUBLIC BUILDINGS

CHARLOTTETOWN EXPERIMENTAL STATION—REPLACEMENT OF SCIENCE SERVICE LABORATORY

On the orders of the day:

Mr. W. Chester S. McLure (Queens): I desire to direct a question to the Minister of Public Works. When will work be commenced on the building to replace the science service laboratory at Charlottetown experimental station which was totally destroyed by fire a short time ago?

Hon. Alphonse Fournier (Minister of Public Works): Offhand, Mr. Speaker, I would not know; but I will give the hon. member an answer in the near future.

CANADA SHIPPING ACT

REQUEST FOR TABLING OF EXCEPTIONS TO SAFETY RULES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I ask the Minister of Transport whether he has yet tabled the exceptions to the safety rules under the Canada Shipping Act, which have been made by the minister under the provisions of the order in council?

Hon. Lionel Chevrier (Minister of Transport): Yes. They were tabled as amended under certain regulations at the last session. But if my hon. friend has reference to anything which should be tabled this session—

Mr. Knowles: That is what I am referring to.

Mr. Chevrier: They have not been tabled.

Mr. Knowles: If there are any, they will be tabled in due course, will they?

Mr. Chevrier: Yes.

INFLUENZA

QUESTION WITH RESPECT TO PERSONS ENTERING CANADA FROM EUROPE

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to address a question to the Minister of National Health and Welfare. Can the minister say if any check is made on people coming into Canada in connection with this influenza epidemic that they are bringing from Europe?

[Mr. Green.]

Hon. Paul Martin (Minister of National Health and Welfare): Yes. A close check is made.

Mr. Fraser: Will the minister say what it is, or what they do?

Mr. Martin: That I have already indicated to the house.

GERMANY

INQUIRY AS TO TERMINATION OF STATE OF WAR

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): I should like to direct a question to the Secretary of State for External Affairs. What steps, if any, is the government taking with a view to terminating the state of war with Germany, about which a good deal was said in the press some time ago?

Hon. L. B. Pearson (Secretary of State for External Affairs): No special steps have been taken with respect to this matter since I spoke to the house about it last some time ago; but the possibility of a termination of the state of war with Germany by action other than through a general peace treaty is under consideration.

POSTAL SERVICE

TRAINING OF EMPLOYEES—OPENING OF SCHOOL AT PETERBOROUGH

On the orders of the day:

Mr. G. A. Cruickshank (Fraser Valley): I wish to direct a question to the Postmaster General. According to a press report, a school is being opened in Peterborough to train postal employees. If this is correct, why Peterborough, of all places?

Mr. Fraser: The hon. member ought to know. It is the best place in the country.

Mr. Cruickshank: I should like to know whether that report is correct or not.

Hon. Edouard Rinfret (Postmaster General): I shall have to check on that matter. I know we have opened a number of schools for the training of our employees. I do not know whether one was in Peterborough.

DEFENCE PRODUCTION ACT

CREATION OF NEW DEPARTMENT—MOBILIZATION OF ECONOMIC AND INDUSTRIAL FACILITIES

Right Hon. L. S. St. Laurent (Prime Minister) moved that the house go into committee to consider the following resolution:

That it is expedient to present a bill (a) to constitute a department of defence production, to be

presided over by a minister, with appropriate provision for the employment of officers, clerks and employees; (b) to provide that the minister shall take steps to mobilize, conserve, and co-ordinate all economic and industrial facilities in respect of defence supplies and defence projects, and in connection therewith, to buy or otherwise acquire defence supplies and to construct defence projects, and for these purposes to confer appropriate powers on the minister and to provide for the establishment of a defence production board revolving fund; and (c) to provide further that the governor in council may do and authorize such acts and things, and make from time to time such orders and regulations as he deems necessary to control and regulate the production, processing, distribution, acquisition, disposition, or use of materials, or the supply or use of services deemed essential for defence purposes.

Mr. Green: Will the Prime Minister make a statement on this resolution?

Mr. St. Laurent: Yes, Mr. Speaker.

This resolution, and the bill to be introduced if and when the resolution is adopted, are to implement the following announcement in the speech from the throne:

> You will be asked to approve a bill to establish a Department of Defence Production to act as a procurement agency for the defence forces of Canada and also for such defence requirements of our allies as may be met from Canadian production.

In moving this resolution I do not think it is necessary for me to take very much of the time of the house. That such a department is essential will be quite apparent, I think, to all hon. members.

On February 5, in the debate on the address in reply, the Minister of National Defence (Mr. Claxton) referred to the necessity for a separate department to deal with all matters of production and supply that were entailed by the increased defence program that he was announcing at that time. The Minister of Trade and Commerce (Mr. Howe) also spoke in the same vein on February 8.

It seems obvious that a defence supply program of the magnitude already indicated requires for its execution wide powers, and we have endeavoured to indicate in the terms of the resolution the extent and scope of those powers. We feel that the implementation of that policy cannot properly be left to agencies or branches of any of the departments which already have important functions to perform, but that it requires a full-fledged department of its own dealing exclusively with those matters.

Hon. members will recall that, at the beginning of the last war, legislation was enacted to provide for the establishment of a department of munitions and supply. This department was to have responsibility for the production and the procurement of all the ammunition, vehicles, clothing and other supplies required by the three services of our armed forces. The department was not set up at once. At first those functions were carried out by the war supply board, but the new department soon became necessary, and it was set up in April of 1940. That was done notwithstanding the fact that at that time the procurement program was not, in magnitude, anything like the one we are undertaking at the present time.

After the close of hostilities with Germany and Japan, the powers connected with defence supply were transferred to the minister of reconstruction and supply and were carried out in co-ordination with the demobilization that was proceeding at that time. Then, still maintaining the principle of non-military procurement of the requirements of the armed services, these functions were transferred to the Minister of Trade and Commerce, and the responsibility for procurement rested with the Canadian Commercial Corporation, while the nucleus of a production organization was maintained through Canadian Arsenals.

The arrangements I have just mentioned were quite satisfactory for the post-war period and entirely adequate for the size of the defence program that was then being carried out. Now, however, the situation has changed. The greatly increased defence program not only calls for greater purchases, but, what is more important, requires some direction of the production program in such fields as production, aircraft, shipbuilding, vehicles, armament and ammunition. The present high level of demand for practically all major commodities has already made it necessary for the government to take a certain measure of direction and control or allocation of such an essential material as steel, for instance. The action taken so far has been under the Essential Materials (Defence) Act passed at the special session of parliament held last fall.

It seems to us that a point has now been reached where the authorities and arrangements that have been satisfactory so far are no longer felt to be adequate to handle the situation we are in today or to deal with the problems that are apt to arise in the immediate future. I am sure most hon. members will agree that these greatly increased demands should not be superimposed on a civilian department already charged with responsibility in other fields. It seems to us, in the interest of good administration and efficient operation, that all those activities relating to the procurement and production of defence requirements should be co-ordinated in one department.

Until such time as the legislation has been passed and the appropriate recommendations made to His Excellency the Governor General, it would of course be technically

discourteous to the crown to forecast who is likely to take the responsibility of administering that department. But in view of the experience of the Minister of Trade and Commerce during the last war, we have relied to a very substantial degree on him to draft the legislation which might be appropriate for such a department; and I have asked him, when the resolution has been adopted and the bill is under consideration in its details by the house, to make himself responsible for giving the reasons for the provisions that he has recommended should be in a bill that would provide for the kind of machinery which would be apt to do the job this department will have as its great responsibility.

I do not think that there is much more that I should say. I have no doubt that hon. members will want to give careful and perhaps critical consideration to the various provisions of this bill. But I imagine that there will be no diverging views as to the advisability of having one department made responsible for carrying out the procurement and production part of the very large program that was outlined to the house by the Minister of National Defence on February 5; and I would hope that most hon. members would wish to have the bill before them before entering into any long debate about the advisability of such a course of action.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, because of the very serious situation which Canada is facing at the present time, and because of the ever-present threat of war, members of the official opposition have no intention of opposing this particular resolution or the bill which will follow it, unless that bill turns out to be in terms which are objectionable.

From what the Prime Minister (Mr. St. Laurent) has said, I take it that there is no doubt this department will be under the present Minister of Trade and Commerce (Mr. Howe), and judging from press reports, and also in the light of what has happened in years gone by, that he will continue to be the Minister of Trade and Commerce. Such being the case, one might perhaps question whether this defence production could not have been carried on as a branch of the Department of Trade and Commerce rather than setting up a new department; because we all know that once a department has been set up, it is very difficult to do away with it, no matter how little it may be needed. As a general rule I think it is unwise to set up more departments of government.

However, as I have indicated, we do not intend to oppose this resolution; but I believe it would be as well for the minister who is to have charge of this department to make some explanation to the house today, rather than act under the fiction that he has no authority whatever and knows nothing about this new department prior to the introduction of the bill. The house and the Canadian people would be helped by a statement from the Minister of Trade and Commerce setting out the present position with regard to defence production. It is perfectly obvious that there is to be a drive to increase our defence production. That drive will require the wholehearted support not only of hon. members but also of the Canadian people generally. In these circumstances it would be as well for the minister to give us a statement showing the present state of defence production in Canada and outlining his plans for the future. He did that during the war years, and the practice was very helpful.

There are several questions on which we should like to have a statement of government policy. For example, what is to be the policy with regard to dispersing industry in Canada? We were all startled to read in the press just a day or two ago that there is to be a new defence headquarters outside Ottawa, built underground at a cost of $30 or $40 million; and I believe a precaution of that kind is very necessary. But there are other centres in Canada which would be obvious targets in an atomic attack. Some of them have already been listed, such as the locks at Sault Ste. Marie, and the great industrial centre of Hamilton; the west coast area of greater Vancouver; I presume also the city and island of Montreal, and the city of Toronto, and probably the city of Windsor. These have all been pointed out by government officials as probable targets in the event of an atomic war. The Americans have been told very frankly by the chief of their air staff that it will be impossible to prevent at least some planes from getting through in the event of war, and that they must expect atomic attacks. Canada must certainly expect them also. Therefore some statement should be made by the government as to its policy with regard to dispersing industry. New industries will be established; there will be expansion of present industries, but there will be very little chance of these new industries being placed away from the present large centres, unless that is government policy and direct steps are taken by the new department to bring about that result. I believe that in the United States there is a policy of dispersing industry, and the Canadian people are entitled to know whether a similar policy is to be adopted in Canada.

Then, there should also be a statement, either by the Prime Minister or by the Minister of Trade and Commerce, as to

whether it will be the policy of the government, acting through this new department, to strengthen parts of Canada which were not strengthened industrially during the last war. This involves spreading out our industries. It would involve, for example, establishing industries in the maritime provinces, on the prairies, and in British Columbia, away from the great centres of Ontario and Quebec where at the present time most of the industrial strength of Canada is concentrated.

We learned during the last war that a great deal could be done by the government in the way of placing industries, because of the powers exercised by the government over those industries. I do not know to what extent the government has in mind the policy of building up various parts of Canada, but we already hear complaints, for example, in connection with sustaining contracts. Those are the contracts which enable firms to try out types of production to see what they can do. The complaint is that such contracts are not being placed away from the large centres in Ontario and Quebec. My information on the point may be correct or incorrect; but there has been the suggestion that the government is not making very much of an attempt to spread out industry in Canada.

We should also like to know whether it is the intention of the government, acting under the powers to be given to the new department, to build up Canada for the future. Let us for a moment consider the use of our iron ore, of which we now have huge reserves. The Americans are very much aware of those reserves. Hon. members will have noticed that now almost the whole of the argument in the United States in support of the St. Lawrence waterway development is based on the need to get Canadian iron ore down to the American steel plants on the great lakes.

Has Canada any plans in mind for the use of that iron ore in the development of Canada? Is there any plan to use it for the purpose of steel production in Cape Breton island, or anywhere else in the maritime provinces? Is it to be used to develop plants on the St. Lawrence to produce steel, or to produce it in Canadian centres on the great lakes? Here again there cannot be the development there should be in Canada unless an aggressive lead is taken by the government. Out on the west coast we are greatly concerned as to whether a large aluminum industry is to be established in the Prince Rupert district. Apparently the final decision has not yet been reached. It is known, however, that aluminum will be badly needed, not only by Canada, but also by her allies. The minister should tell us whether it is the policy of the government to give every encouragement to the establishment of that aluminum industry on the west coast.

Then, we should be told the relationship of the new Department of Defence Production to the Department of National Defence, and also to the Department of Trade and Commerce. Just where does the Department of National Defence fit into the picture? During the last war the department of munitions and supply was really a branch—a very strong one; perhaps I should have called it a partner rather than a branch—of the Department of National Defence. It would now appear that the new Department of Defence Production is to be closely allied with the Department of Trade and Commerce, and that relationship should be explained by the ministry.

I believe the businessmen of Canada are most anxious to co-operate with the government in a defence production plan. That is certainly so on the west coast. A day or two before we came east to attend this session the members from greater Vancouver, some of whom I see in the chamber today and who, I am sure, will confirm my remarks, were invited to a meeting of the council of the Vancouver board of trade for the purpose of learning the steps the council thought could be taken to enable them to help the defence production program of the country.

Today I should like to tell the Minister of Trade and Commerce about one or two of the suggestions made by that council. Most of their suggestions, may I say, had to do with the Canadian Commercial Corporation, which I presume will play a large part in handling the defence production program. It was pointed out to us that, under the present practice of the Canadian Commercial Corporation, tenders in most cases are asked on a basis of price f.o.b. point of destination, and that in practically every case the point of destination is the central ordnance depot in Ottawa or the sub-ordnance depot at Montreal.

That policy worked out in this way: the Vancouver manufacturer produced his goods and was able to offer them at a certain price. But because contracts were called f.o.b. point of destination he had to add the freight. On the other hand the manufacturer in Montreal had a much smaller amount of freight to add to his tender. He had the same production price, but had to add a much smaller amount of freight to bring his product from Montreal to Ottawa. In arriving at his tender he would add the cost of freight from Vancouver to Ottawa, deducting perhaps ten or fifteen cents

—just enough to bring him under the Vancouver tender—with the result that he would get the contract and also the benefit, with the small allowance I have indicated, of the difference in freight between Vancouver and Ottawa and Montreal and Ottawa. In effect the government was paying the Montreal manufacturer the greater portion of a freight bill from Vancouver.

That sort of thing is just ridiculous, and it is most unfair to the manufacturer out in the more remote parts of the country. In addition, it is a waste of the country's money.

Mr. Howe: May I ask the hon. member a question? Is that his own theory, or is it the theory of the Vancouver board of trade? I can tell him that if all supplies were bought f.o.b. factory those supplies would practically all be supplied by firms in Montreal and Toronto, regardless of destination points.

Mr. Green: I am pointing out some of the complaints made by these businessmen. They were not speaking in a partisan fashion; there was nothing political about it.

Mr. Howe: Oh, I understand that.

Mr. Green: They were simply suggesting that some action should be taken by the government to remedy what they considered an unfair practice.

Another suggestion was that in some cases at the present time tenders are called by the Canadian Commercial Corporation for the complete production of a firm over a certain period. The result is that a firm making a successful tender must give up its production for civilian purposes during that period, and so many cannot afford to tender on government contracts. The suggestion was that tenders should be called for the whole or part only of the production. For example, they pointed out that tenders might be called for 25,000 battledress outfits. Apparently the Canadian Commercial Corporation has been calling for large quantities of them. The goods are shipped to the depot here and then shipped out again, some perhaps back to Vancouver. I believe that this has also been happening in the case of some of the other things about which I spoke a few minutes ago. Some of the goods that are purchased are sent back to the different depots across the country. Why should it not be possible for a firm to tender on the requirements of the depot in the particular area in which it is located? It was represented to us that it would be far more reasonable if, for example, tenders for 10,000 uniforms were called for in British Columbia and Alberta; more firms in those provinces would tender on that basis.

Another complaint was that in some cases it is only possible to get essential materials by using quotas for civilian goods. A firm will have a quota for civilian goods, but if it tenders on defence requirements it has to use that civilian quota. We were told that it would be wiser to give a priority to the particular firm for defence needs and leave the quota for their production of civilian needs intact.

The suggestion was also made that before defence installations are placed in a city there should be consultation with the municipal authorities. Most Canadian cities now have planning boards, but the practice seems to be for the government to walk in and put in its installations without any consultation with those boards. That practice could well be altered.

One other statement we ask from the minister is with regard to the checking of expenditures to be made by this new department. The resolution provides for a defence production revolving fund. That is an unusual provision in connection with a government department. I am sure the Minister of Public Works (Mr. Fournier) would like to have such a fund for the operation of his department. This is obviously an unusual provision. Unless some method is devised to check expenditures I am afraid that they may well run wild.

There is no doubt that there will be hundreds of millions of dollars involved. Under the present law there is no effective way in which parliament can check such expenditures. It may be we could get around the difficulty by authorizing the public accounts committee to check current expenditures, or perhaps additional powers could be given to the Auditor General. But some method should be devised under which there would be an adequate check of the expenditures to be made by this department. I have no doubt that the minister in charge would prefer to have some such provision in the law. We are now in a time when it is difficult to get firm tenders. Prices are rising rapidly and many companies will not tender on a fixed price basis. There would appear to be far more danger of war profiteering under present conditions than there was during the second world war. Therefore we ask that some explanation be given of the means proposed for checking the expenditures by this new department.

These are the recommendations we have to make at this time. I repeat that it is of great importance that there be a full explanation of all these semi-mobilization measures, for the benefit of hon. members here in the

house as well as the people across the country. It is most difficult for Canadians to realize that they may be facing a third world war tomorrow; in fact it is also difficult for me to realize that, and I think for everyone in this house to realize that such could possibly be the case in A.D. 1951 after we have already been through two world wars.

Because it is so difficult to be realistic under present conditions, there is a greater necessity than ever before to have these policies made crystal clear, to have them explained fully to the Canadian people. I hope that either the Prime Minister or the Minister of Trade and Commerce will take the time to answer the questions I have placed before the house.

Mr. J. W. Noseworthy (York South): Mr. Speaker, we shall not oppose this resolution, nor do we question the efficiency of the Minister of Trade and Commerce (Mr. Howe), who, it is intimated, will head the new department to be set up under the bill following the adoption of the resolution. The fault we find is not with the star performer of the government in the person of the Minister of Trade and Commerce, but with the general government policy as it pertains to the purchase and extension of military facilities. There are two or three points pertaining to that policy on which we should like some information when the minister speaks to the bill.

Last week end I met a crowd of great war veterans in my riding. One question they asked which was not easy to answer was this: How is it that the Minister of National Defence (Mr. Claxton) is finding it so difficult to house service personnel at this time? They had read his statement in the newspapers about the great scarcity of housing for military personnel. I read the following in his report for 1949-50:

> In 1948-49 we let contracts for 2,160 married quarters and in addition there were 273 housing units under construction at the end of the year. This year our housing program includes the expenditure by this department of nearly $17 million on married quarters with a considerably larger sum to be expended through Central Mortgage and Housing Corporation on houses earmarked for service personnel. Over $90 million was allocated for all construction for defence purposes this year, which may be compared with the total expenditure on defence construction of $219 million in 1942.

Then the minister goes on to say in his report:

> For a good many years to come, expenditures on construction will constitute a major item in the defence program. We have to accommodate seven or eight times the numbers we had before the war, and have much larger requirements for operational units, stores, hangars, training establishments—indeed every type of construction in every part of the country.

The question that arises in my mind, and in the minds of a great many taxpayers, is why the building program has to be compared with our position before the war. We read here that in one year during the war, 1942, we spent $219 million on defence construction. The taxpayers of Canada, whose money paid for that construction, are asking—and I think quite rightly—what has become of all the construction provided during the war years, and why we now have to start all over again from scratch to construct all the various types of buildings needed for national defence.

In contrast with the minister's report, when he was crying for hangars, housing accommodation and buildings of all kinds in all parts of the country, in the same year when the Minister of National Defence was allocating $90 million for building construction, War Assets had a very efficient department solely occupied with the demolition and disposal of every type of building that had been constructed during the war. That is not something that happened three or four years ago, but last year. In the same year in which the Minister of National Defence was asking for $90 million and crying for all kinds of buildings, War Assets was demolishing and disposing of the same type of buildings that the minister was calling for.

I find, for instance, that they disposed of ten hangars last year at the same time that the minister was crying for hangars. Most of them were disposed of to private industrial companies, a few to municipalities and universities. I find that in the same year there were forty-one different parcels or lots of buildings sold, the type which the minister is now wanting for the purpose of housing military forces. I should like to bring a few of these to the attention of the house. There was a lot of ten buildings sold at Chebucto military camp, Halifax. There were sixteen buildings sold at the army camp at Saint John, New Brunswick; thirty-five buildings at West Camp, Yarmouth, Nova Scotia; two buildings at Toronto airport; eight buildings at the former R.C.A.F. station at Boundary Bay, B.C.; fifty-five buildings at the former Sussex, New Brunswick, military camp.

Those fifty-five buildings were disposed of for $10,000, or at a price of less than $200 per building. I was in some of them when I visited there during the war, and it would seem to me that somebody got a fairly good bargain when he purchased that block of fifty-five buildings for $10,000.

There was a hangar sold at Jarvis, Ontario; another hangar at Jarvis; thirteen buildings at a former Quebec airport; buildings at division headquarters area, Prince George;

buildings at Mount Pleasant airdrome, P.E.I., a hangar at Neepawa, Manitoba; another hangar at Jarvis; twenty-six buildings at the air force station at Stanley, Nova Scotia, and so on down the list. Altogether there are forty different lots of buildings. The taxpayers of my riding are asking how it is that, in the same year when the government was disposing of these buildings, the Minister of National Defence was crying for buildings and suggesting that we should have to appropriate possibly hundreds of millions of dollars for more construction.

Incidentally, while we spent $219 million in 1942, War Assets, which has been very busy through the years disposing of properties, indicate on page 10 of their report for 1949 that total sales of property from July 12, 1944, to March 31, 1949, realized $53,943,274. In other words, $53 million was realized over a period of five years from the sale of these properties on which we had spent over $200 million in one year alone, and last year $90 million was allocated for this particular type of construction.

I think some explanation is due the Canadian taxpayer who provided the money for these buildings during the five years of the war. He is asking how it is that we now have to start again where we were in 1939, and build all over again. He is asking why it is that, when the Minister of National Defence needed the same type of buildings in all parts of the country, another department of the government was disposing of such buildings. That is one phase of policy on which we would like some explanation.

The second point I want to discuss briefly is one that has been already referred to, the question of the decentralization of war industries and war contracts. Much has already been said on that subject. I should like to refer to a report of an address by Mr. H. J. Carmichael, chairman of the Canadian industrial defence board, found in the *Evening Citizen* of January 25, 1949. The report reads in part:

> . . . in an address prepared for delivery to the Canadian Construction Association he further advised that thought be given to dispersal of industries among smaller centres as a safeguard against the atom bomb and fast flying jet propelled bombers. This trend toward decentralization has manifold benefits other than that of national security.

Others have spoken of the need, but the fact that defence industries were centralized during the war is, I think, best shown by the number of employees who were engaged in war industries at that time. We get these figures from a document published by the department of reconstruction and supply, entitled "Location and effects of wartime industrial expansion in Canada, 1939-44." These figures indicate the increase in wartime industrial employment from 1939 to 1944 by geographical divisions.

In September, 1939, there were 88,014 wartime industrial employees in the three maritime provinces. On July 1, 1944, there were 144,791, an increase of 7·8 per cent. Over the same year, the increase in central Canada —

Mr. Howe: Just for clarification, would the hon. member repeat what he said about maritime employment?

Mr. Noseworthy: According to the table given in this booklet the three maritime provinces had 88,014 engaged in wartime industrial employment—that is the heading used.

Mr. Howe: In what year?

Mr. Noseworthy: In September, 1939.

Mr. Howe: There was no war then, was there?

Mr. Noseworthy: In July, 1944, that number had risen to 144,791, an increase of 7·8 per cent.

Mr. Howe: An increase of 7·8 per cent over what?

Mr. St. Laurent: It is 72 per cent.

Mr. Howe: The hon. member's mathematics are sour.

Mr. Noseworthy: I am reading directly from this government publication.

Mr. Howe: You are not reading it correctly.

Mr. Noseworthy: I am reading it correctly, and I shall pass it over to the minister afterwards so that he can see for himself. In Ontario and Quebec the number of employees rose from 829,000 to 1,323,515, and the comparison given here is 71·4 per cent.

Mr. Howe: And in the other case, it is 72 per cent.

Mr. Noseworthy: For the prairie provinces the number increased from 154,426 to 210,332, or 11·3 per cent; in British Columbia, from 103,878 to 176,296, or 9·5 per cent. The figures showing the increase in those employed in war production in those provinces during those years indicate quite clearly, I think, the extent to which war industries were centralized in the three provinces.

Mr. Howe: May I point out to the hon. member that the largest increase he mentioned was in the maritime provinces. He called it 7·8 per cent, but if he will analyse the figures he will see that it is obviously 72 per cent.

Mr. Brooks: I would say that is the most ridiculous statement I ever heard in this House of Commons.

Mr. Howe: I agree with the hon. member; nevertheless I am taking the figures just given.

Mr. Noseworthy: Well, we shall have to check the government's mathematics. Evidently no steps are yet being taken to decentralize the war contracts now being given by the Department of National Defence and the Canadian Commercial Corporation.

From the figures given in the *Financial Post* I have selected at random two different periods, the first from December 18 to December 30, 1950. I find during that time there were six contracts let in British Columbia for $164,000; six let in Alberta for $106,000—I am giving the even figures—one in Saskatchewan for $35,000; thirteen in Manitoba for $584,000; eighty-six in Ontario for $8,858,000; sixty-four in Quebec for $4,336,000; thirteen in Nova Scotia for $518,000; three to New Brunswick for $292,000; one to Prince Edward Island for $5,000; and one to New Brunswick for $12,000.

In the period from January 2 to January 13, 1951, we have very much the same story. British Columbia secured eleven contracts worth $143,000; Alberta three, worth $78,000; Saskatchewan none; Manitoba six, worth $207,000; Ontario eighty-four, worth $2,440,000; Quebec thirty-nine, worth $2,363,000; Nova Scotia ten, worth $94,000; New Brunswick four, worth $34,000, and Prince Edward Island and Newfoundland got no contracts during that period. I give those figures simply to indicate that it is quite evident the government is following the same policy today that was followed during the war years so far as the distribution of war contracts is concerned. When the minister speaks, we should like him to outline to us whether there is to be any change in government policy in this respect.

The third feature of the government's program which we call into question is just what is to be the government's policy concerning the profit from war expenditures or from defence expenditures. We certainly approved the policy adopted by the government during the war years when the excess profits tax was instituted. For instance, I find that the following figures appear in *Hansard* in the appendix to the budget speech of April 29, 1947. In 1942-43 the government collected $454,581 in excess profits taxes; 1943-44, $468,718; 1944-45, $465,805; 1945-46, $494,196; 1946-47, $448,700, a total during the five years of $2,332,000. During the last session the question of an excess profits tax was brought up in this house, and it became fairly clear from the statement we received that the government was not considering the introduction of such a tax. If we are again embarking on a period of large expenditures for defence purposes, then we think that the taxpayers, who in the final analysis pay the bill, are entitled to know just what limitations, if any, the government intends to place on those profits. Is there to be a ceiling of any kind on profits? Is there to be an excess profits tax? We ask the minister, when he speaks, to discuss that feature of the defence program with us.

A fourth phase of the government's policy that we have objected to—and we objected during the war years—is the amount of money that was spent by the government or given by the government to private enterprise by way of subsidies and by way of accelerated depreciation. The Minister of Trade and Commerce, when he spoke to the house on February 8, had this to say as reported at page 180 of *Hansard*:

> To date, it has been possible to place defence contracts without any material expansion of industrial facilities. It is now obvious that growing requirements will make it necessary to expand Canada's present industrial capacity. It is hoped that this expansion can be financed privately. A plan for accelerated depreciation is being worked out, to apply to that type of expansion required for war that will have a greatly diminished peacetime value. In addition, and as a last resort, it may be necessary to provide capital assistance for a few types of expansion. Where capital assistance is used, the facilities so created will remain the property of His Majesty.

A great many people are wondering just what happened to all the plant extensions, to all the new buildings, and to all the machinery that was installed in many of those buildings during the war years. I remember visiting many of those factories and seeing rows of new, up-to-date machines, all carrying a plaque saying that they were the property of the Canadian government. The Canadian people—hundreds of thousands of whom worked in industry and who operated those machines—are concerned to know just what has happened to those machines and to many of the buildings which housed them.

On page 2 of this particular government paper which the Minister of Trade and Commerce finds to be inaccurate, I read:

> Up to V-J day the government had spent $706 million on industrial plant expansion, excluding tooling costs. Of this amount, seventy-five per cent represents investment in plants wholly owned by the crown.

Again, we should like to know how much equity the government has today for the $706 million that was spent on industrial plant expansions during the war. Before the Canadian taxpayers are asked to provide

more hundreds of millions of dollars for building and equipping plants for the production of war material, I think they have a right to know what happened to the plants on which that sum of $706 million was spent. They also have a right to know who owns those plants now. That information is not available. I have looked through a number of sessional papers, according to which members had asked for information with regard to these plants on which subsidies were paid.

Mr. Howe: The hon. member has not been around these last few years.

Mr. Noseworthy: In several instances the question was asked: Who owns those plants now? The answer given in every instance was: Information not available. If we may believe the information contained in those sessional papers, apparently the government does not even know who owns those plants on which the government spent so many hundreds of millions of dollars during the war.

Then of course there is the whole question of the machinery that was installed in those plants during the war. I have been able to find no estimate of what the government spent for that purpose or what the government realized on the sale of that machinery after the war. If the minister can give us that information I am sure it would be appreciated across this country.

Then there is the question of special and accelerated depreciation which I think comes in for some little study. In one sessional paper, No. 239-C, tabled in the house on January 1, 1939, a copy of which I have here on my desk, I read the following:

> The amount of special depreciation authorized to Canadian Industries between 1st January, 1939, and 31st December, 1946, is $444,949,665.18.

I want hon. members to note how the return goes into detail, down to eighteen cents. On page 2 of this book that is entitled "Location and effects of wartime industrial expansion in Canada, 1939-1944" I also read:

> An additional $500 million of war industrial expansion was undertaken directly by private industry and represents the amount authorized under the War Exchange Conservation Act and by the war contract depreciation board.

So that if I may rely on the figures quoted in that paper, private enterprise invested $500 million in war expansion on which the total depreciation, according to this return covering the same years, is $444 million.

Mr. Howe: I wish I could rely on the hon. member to be correct to the same extent that he can rely on the figures to be correct. In one case he was taking the figures from 1939 to 1946 and in the other case he was taking the figures from 1939 to 1944. When he talks about being correct—and he is talking a great deal about it—if he would himself be correct about fifty per cent of the time, it would not be too bad.

Mr. Noseworthy: Granted, Mr. Speaker, that the period quoted for the depreciation may not coincide exactly with the period in which the $500 million was spent, may I say that they both take in a period of the war. While the $444 million may not apply directly to the $500 million invested by private capital, it does indicate so near as I can get information—

Mr. Howe: As near as you can get it.

Mr. Noseworthy: I would be very delighted if the minister would give us the exact information showing just what depreciation was allowed over a specific number of years as compared with the private investment in war expansion over the same period of years.

Members of parliament find it extremely difficult to get very much of this information from the department. I have gone—

Mr. Howe: Speak for yourself. I think other hon. members get on pretty well.

Mr. Noseworthy: I have studied practically every sessional paper bearing on the subject and such statistics as I can find. However, we will get to a few things about which we can be more exact. One of the questions asked in sessional paper 239-D is:

> What loss in the revenues of Canada, either by way of loss on excess profits or otherwise, was caused by allowances of the said depreciation?

The answer is:

> No loss of revenue was caused.

The answer went on to say:

> These allowances were made to cover the cost of facilities for the production of munitions and other war supplies which facilities otherwise would have had to be paid for out of the government revenue.

Apparently, if the government had not given private enterprise this $444 million by way of accelerated depreciation, the government would have been obligated to put its own money into the construction of the buildings and providing the plants which were necessary for the maintenance of war production in a time, I may say, of great national emergency.

Another interesting statement in sessional paper 239-D is as follows:

> The facilities were adjudged by a competent independent tribunal to have no value except for the production of war material. This total is purely a war cost and cannot be viewed fairly in other light.

I do not think we need statistics. This publication to which I have already referred

covers the years 1939 to 1944, and was published November 1, 1945. Concerning that $500 million private capital investment, we read:

Information available (in 1945) indicates that at least seventy per cent of this investment will have a post-war value.

Place against that the statement contained in the sessional paper to the effect that a competent independent tribunal claims that this has no production value except for war materials. I suppose that even after 1945 many of these plants were used for the production of war material. Anyone who knows the industrial picture across this country knows that most of these plants which were built with taxpayers' money by way of subsidy or depreciation went back to the owners at a very greatly reduced price, and that most of them remain in production.

There were a few special cases of accelerated depreciation to which I wish to call the attention of the house. I refer to sessional paper 239-A. A question was asked for a break-down as follows:

What amount of accelerated depreciation has been allowed to individuals or firms for the purpose of (a) erecting or extending or improving buildings; (b) other purposes?

The answer was:

Information not available.

Then the following question was asked:

What were the amounts of the ten largest allowances for (a) buildings; (b) other purposes?

The answer was:

Information not available.

Some questions were asked regarding the depreciation allowance made to two firms. Probably we can take these as samples. The firms were Massey-Harris Company, Limited, and Cockshutt Plow Company, Limited. We find that for the years 1939 to 1946 special depreciation for the Massey-Harris Company, Limited, amounted to $1,367,525.35 and for the Cockshutt Plow Company, Limited, for the same years, 1939 to 1946, the accelerated depreciation amounted to $1,936,943.99. Then the following question was asked:

What use is now being made of each such plant?

The answer was:

No information available.

Mr. Deputy Speaker: I must inform the hon. member that he has exhausted his time.

Mr. Noseworthy: In conclusion, Mr. Speaker, I would ask the minister, in replying or speaking to the bill, to indicate to us government policy; to give us an explanation of the housing situation that I raised and government policy regarding the question of decentralization of contracts and war or defence industries. I should like a statement regarding the government policy on profits in the period into which we are now entering, and whether the government intends to follow the somewhat generous policy of accelerated depreciation and subsidy to industries in the future as it did in the last war.

Mr. Solon E. Low (Peace River): Mr. Speaker, I do not think it would be wise for me at this time to enter into any extended attempt at criticism. We feel that we should like to wait until the bill is before us to see what it contains, and also to take a look at the statement which the Minister of Trade and Commerce may make in reply to the questions that have been asked him thus far.

I think the hon. member for Vancouver-Quadra (Mr. Green) has placed before the house and the government a number of considerations in which we are interested. I should not like to take the time of the house to repeat them now. Let me just say that we agree with the policy outlined in the resolution. We think that the problem of procurement and production for defence purposes will be big enough to require a department. Certainly when one is seized with the immensity of the emergency that does face us, he can understand why the Prime Minister (Mr. St. Laurent) would want all of the work of procurement of defence production centralized into one department.

I think it is only fair to say that Canada is fortunate at this time to have available the services of a man of as great experience in this kind of work as the Minister of Trade and Commerce (Mr. Howe). Whatever one's personal views may be about what he has done in the past, we cannot help feeling that here again is a case of the man and the hour coming together. I would say that, from my own personal point of view, I thank God we have the brains, the experience and the integrity necessary to meet the situation that does face us.

I listened with some interest to the hon. member for York South (Mr. Noseworthy), and I must say that many of the points he brought out this afternoon have crossed my mind. But the fact is that in times of emergency and war unusual means do have to be taken to ensure production, and we have to take unusual risks to get that production. After all, the production is the thing that counts, and the delivery of the goods at the time and place required is of the most importance. I realize all too well that that must be the guiding influence in whatever the government does.

Such things therefore as accelerated depreciation and subsidization by government loans, it seems, have to be used to induce the effort to make the production available quickly, so

as to meet an emergency. What are the alternatives? That is the question I would ask. I suppose hon. members to my right—and I say this with all respect—would say that there ought to be more government enterprise. My own feeling toward that alternative would be that we would probably suffer greater losses. That has been my experience in the past.

There is only one other alternative, and that is sufficient assistance for private enterprisers, private producers—because they will not take a chance on losing their shirts. Something has to be done to guarantee that they will come out of a war period in at least no worse condition than they went into it. Otherwise they will not come forward to give assistance in meeting the emergency.

Those are the only two alternatives. We grant that the government will probably have to take a hand; it may have to do what it did during the last war and set up some industries itself. If that becomes necessary, then, go to it—and I think the people of Canada will back you.

However, we have committed ourselves in Canada to a system of private enterprise. That being so, it seems to me the government is bound to use whatever means may be available to get the production from private enterprise required to meet this emergency. I for one will support the government in doing that. It is true that one could go back through the records of the last war and find instances, such as those cited by the hon. member for York South, where there was accelerated depreciation, thus putting into the hands of certain people after the war plants for which the taxpayers of this country may have put out large sums of money. But I am going to say right here and now that if such a plant as Canadair happens to be one of them, then I thank God we have Canadair.

After all, we have to take these things relatively, so far as we can. What would be the relative loss between the way the government did it and the way some others have done it? That is what we have to consider. I will say for the hon. member for York South that I believe he has drawn to the government's attention the necessity for using extra precautions, and for seeing to it that the taxpayers' money and interests are safeguarded. I go along with him one hundred per cent in that. I advocate that in whatever we do the taxpayers' interests shall be safeguarded so far as is humanly possible.

Then the hon. member for Vancouver-Quadra (Mr. Green) issued warnings, and I agree with them, too, one hundred per cent. He mentioned one point about which I should like to speak briefly, and that was the revolving fund sought in the resolution. Unless one has had some experience with a revolving fund of that kind it is easy to see how there may be fears in people's minds in connection with its control. I believe however that it is a wise provision. I do not see how in the world a huge department of this kind could procure or could induce the production of the things we will need to meet this emergency without having some kind of revolving fund.

I have helped to operate revolving funds before—not as large as this one of course by any means—but we feel that one of the important things in its favour is that it cuts down to a minimum the competition for goods in short supply. I do not see how in the world we could get along without it, if every department which required, for example, building materials went out to buy those materials on the market. Such action naturally would push prices up to the extent of perhaps twenty, thirty or forty per cent. But, having the purchases concentrated in one department, under a revolving fund, a supply of such goods can be laid in and then allocated to the various departments as required, having regard to proper priorities. It seems to me that in this procedure we would certainly save money and keep prices within reason.

Another point is that of allocation. I do not know how in the world we could allocate unless we had a stockpile. How could we allocate to the various departments requiring these goods, at the time they require them? That is the purpose of the revolving fund, and I am sure that is what the minister has in mind.

There is only one point to remember, and that is that even if the revolving fund does make for more orderly purchasing, we do have to take unusual care in seeing to it that the controls are set up in a way so as to safeguard the interests of the taxpayers. I think that is what the hon. member for Vancouver-Quadra had in mind.

Just one more point and I shall have finished. In any effort made to decentralize industry during this emergency, no matter how long it may last, I hope the government will not lose sight of the natural advantages offered in those various parts of the country where there are few industries at the present time. I believe the far east and the far west ought to have more industries—and in this I speak for both of them. If I say something in particular about the part of the country from which I come, it is only because I am more familiar with that part. I believe we may safely lay down the principle that in a

time of war or danger it is wise to have our industry dispersed as far as possible over the whole country. That is prudent action, for the safety of the people.

Secondly, it is wise not only in wartime to have industrialization spread so far as possible throughout the country, because in the various economies we have had in the provinces in the past there has been a lopsidedness which has not redounded to the welfare of the people of those provinces or to the country as a whole. The country cannot be any stronger than the provinces comprising it. The weakest of them will certainly tear down the strength of our country considerably. I recall that not very long ago my own province of Alberta had an almost entirely wheat economy. Under that wheat economy we suffered a great many reverses that could have been avoided had there been industrialization on anything like a commensurate scale. Now we are emerging into a period where we could be a great industrial province if our natural endowments were used as they ought to be used. We are not suggesting that this belongs entirely on the doorstep of the dominion government—not by any means—but we do say that in the period ahead the government could do a great deal to see to it that provinces like Alberta, British Columbia and the far eastern provinces—perhaps others if I have not named them—get a fair share of the industrial growth that always comes through war and wartime.

I should like to point out just one specific example, and I think the Minister of Trade and Commerce (Mr. Howe) and perhaps the Prime Minister (Mr. St. Laurent) may know about this. The minister is familiar with the shortage of sulphur that has developed. I am told that as the years go by it will become more difficult to get supplies of sulphur. One of the results of the shortage of sulphur in Canada is that pulp and paper manufacturing cannot go ahead as rapidly as the orders come in.

Some of our oil wells and gas wells, particularly in the southern part of Alberta, contain a high sulphur content. It would not cost a great amount of money to separate that sulphur from the gas. In order to have gas in the quantities that would make it possible to produce sulphur economically it would be necessary to have an accumulation of industry, either in the province or nearby, to use the gas from which the sulphur has been separated.

Mr. Howe: Or export it.

Mr. Low: Yes, or export it. I am glad the minister brought that up because it gives me an opportunity to say that the province of Alberta is prepared to export gas just as soon as it has the assurance that there is a sufficient reserve to safeguard the people's interests for, say, thirty years ahead and to maintain a supply in the pipe lines that may be built to other places. It is only a question of what the reserves are.

The next important question is: Why take the gas away from the province when you can perhaps build industries more cheaply right in the province? Stop and think what it costs to build a thirty-inch pipe line to go 2,200 miles. Put a fraction of that cost into the development of factories and industry within the province and the people will save a lot of money. On the other hand, when we do find that there are sufficient reserves I am sure we will be glad to share our good fortune with other parts of the country.

I am simply saying that the government most certainly can use its influence and wisdom to see to it that there is a balance of allocation of the new industrial effort that may be required to meet this emergency. I am making this appeal, not only on behalf of Alberta but on behalf of those other parts of Canada that have not been developed industrially. We shall reserve any criticism we have to make until we see the terms of the bill, and in the meantime I assure the Prime Minister and the Minister of Trade and Commerce that we support the principle of the resolution.

Mr. W. Ross Thatcher (Moose Jaw): Mr. Speaker, I should like to say just one word on this resolution. As has been stated, we are going to support it. There is one feature which has been mentioned time and again in this house to which I should like to refer again—the problem of decentralization. I think there are obvious reasons why we should decentralize. Up to this point apparently the policy of the Canadian Commercial Corporation has been not to decentralize its defence contracts.

In an order for return which I received the other day in reply to a question I had asked I find that Saskatchewan got only about one-tenth of one per cent of the contracts for defence which were let in the first nine months of this year. I find also that three maritime provinces, excluding Nova Scotia but including Newfoundland, and three prairie provinces, a total of six provinces, got only 4.5 per cent of those contracts.

The minister can easily say that there is no industry in those parts of the country, but I say to him that all we want him to do is to use the industry already there. My own province got only $450,000 worth of contracts in the first nine months of this year, which is just a little better than what the

Yukon got, but not much. I got a wire from the chairman of the industrial development council in my province who wanted to know what that $450,000 was for because he could not find a trace of it. He thought it must be for airport buildings or something. I have not been able to get a break-down of it as yet. This is a situtation which concerns me very much.

Hon. members will recall that during the last war the population of the prairie provinces and of some of the maritime provinces dropped rather drastically. It was probably the worst in Saskatchewan. In 1939 Saskatchewan had 906,000 people, but because so many of our young men joined the services or had to come east to go into industry, by 1945 our population had dropped to 845,000, a net loss of 61,000 people. It is only within the last few years that those people have come back and we have recovered our population. According to the Canada Year Book our population is now 861,000.

If there is another war and the same process starts over again Saskatchewan is going to see its population depleted. If that process is repeated we are likely to see our province remain an agricultural province for the years to come. I ask the minister to use whatever industries we have. I hope that in the future this new department will be able to give us much more than we obtained in the first nine months.

There is only one other thing I should like to mention, that is the committee to go over defence expenditures. I am sorry the Prime Minister (Mr. St. Laurent) will not set up a special defence committee and I do hope that when the public accounts committee meets next Thursday they will go into defence expenditures, including the expenditures by this department, in some detail. I agree with other hon. members who have said that the interest of the country as a whole would certainly be served if that were done.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to take just a few minutes to emphasize a couple of points in connection with this matter while we have the ears of the Prime Minister (Mr. St. Laurent) and the Minister of Trade and Commerce (Mr. Howe), who we all expect will head up this new department. It has been made clear that parliament as a whole will support this resolution and will also support the bill which will follow the resolution providing there is nothing objectionable in it.

The points of emphasis I wish to make have been made time and again on the floor of this house. Some hon. members may think that we have worn them threadbare. That is only because we have lived such a large part of our lives either in times of actual war or in times when we have been concerned over the outbreak of war. Nevertheless, we should not forget the strong feeling in the minds of the Canadian people against profiteering, either in time of war or in connection with defence preparations.

I shall take a moment to repeat this emphasis because in addition to my own conviction about it, in addition to my feeling that it is the view of the Canadian people that we do not want profiteering in defence production, there is the fact that we have in the Minister of Trade and Commerce (Mr. Howe) a man whose yea is yea and whose nay is nay. He is a man who, when he wants to get something done, gets it done. We know that, and I think there are probably members of the Liberal party who know that if he is against something they do not get it.

Mr. Browne (St. John's West): Since when?

Mr. Howe: Always open to reason.

Mr. Knowles: I hope the minister will not spoil the characterization I am drawing of him because I am satisfied that if there is any attempt at profiteering, if there is any attempt at patronage in connection with defence preparations, we have in the Minister of Trade and Commerce the man to stand up and say no and, if I am not mixing my metaphors too much, the man to put his foot down.

Mr. Brooks: What are you looking for?

Mr. Knowles: I am looking for a firm stand by the minister, and I am going to quote as an authority in support of the contention that we have got to watch this sort of thing none other than the late Right Hon. W. L. Mackenzie King. This is a quotation that has been given to the house a good many times. In fact the volume of *Hansard* from which I am reading is well worn through members turning to this page. However, I think it is well to quote it again. Mr. King was speaking in the debate on the address in reply to the speech from the throne at the opening of the special war session in September, 1939. I well remember being a visitor in the south gallery and hearing his speech on that occasion. At page 22 of *Hansard* for September 8, 1939, Mr. King said:

> I come to profiteering. I believe I have already stated in this house that I know of nothing in the world more contemptible than that any man should seek to profit from the sacrifices which others are making. And if the laws and other measures which this government may introduce and seek to enforce are not sufficiently strong to destroy anything in the nature of profiteering, I hope hon. members of this house will bring to our attention, in a way that will also bring it to the attention of this country, what we ought to do to achieve that all-important end. There are some things that are very difficult

of accomplishment. Unfortunately human nature has its weak and its bad sides as well as its strong and good sides. Sometimes it is very difficult to cope effectively with the underworld and its methods. But let me say this: I care not who the individual may be, how respectable in his own eyes or in the eyes of others he may appear, or what position he may hold; if in this crisis he seeks to profiteer he belongs to the underworld and should be treated as one of those who menace all that is sacred in human relations.

I have other quotations but I shall not take the time of the house to give them. Notably there are remarks of the late Ian Mackenzie at the time that he was piloting through the house the bill that established the defence purchasing board in March, 1939. If I may paraphrase him, he at that time made statements similar to those of Mr. King, namely, that the government was absolutely against profiteering in time of war or in a time when the nation was preparing its defences.

As the government knows, at one time there was on the statute books what was known as the Defence Purchases, Profits Control, and Financing Act. It was passed in 1939, and contained a clause, well known to all members of the house, known as the 5 per cent clause limiting profits to that figure. Hon. members know that when the Department of Munitions and Supply Act was passed the provisions of that clause were superseded, and in June of last year another act was passed, namely, the Defence Supplies Act of 1950, which superseded entirely the Defence Purchases, Profits Control, and Financing Act.

That means that no clear-cut profit limiting legislation is now on the statute books. We have to depend for the limitation of profits and for steps to prevent profiteering in defence contracts upon the government itself, and we have to depend in particular upon the minister who will head this department. Therefore I have taken a few moments to read to him again the statement which his former leader made in the house on September 8, 1939. Not only did the former prime minister speak for all of us with regard to profiteering, but he did likewise with respect to the question of patronage. I quote again from the late prime minister's speech on September 8, 1939, at page 23 of *Hansard* for that special session. Mr. King said:

> Then there is the matter of patronage, of favouritism. May I say this to my own following in this House of Commons: If any of you desire to have persons given positions, in connection with this war, simply because they are favourites of yours; if primarily for such a reason you want to have anyone given some special post, keep away from me, for I will never listen to you. I say the same to every hon. member of this house, and I say it not only on my own behalf, but on behalf of the government. We want no favouritism in this war. We want the name of this government and this country to be honourably sustained, and the man who seeks to profit indirectly by having his relatives or friends gain this contract or get that commission simply because they are among his favourites is no true friend of this administration.

As hon. members know, I am not fully satisfied that in the general conduct of affairs in this country it can be said that this government has forgotten the word "patronage"; there are too many evidences of it. However, I am not going to speak now of the practice of that art as this government carries it on in the general affairs of the country, which I deplore. But I do ask that the words of the late prime minister be taken to heart certainly so far as defence contracts and preparations for the defence of Canada are concerned. The minister who will head this department should put that paragraph on his office desk as a motto which I hope he will observe without fail.

I wish to express just one other thought and then I shall take my seat. During the discussion in September, 1939, with respect to the setting up of the department of munitions and supply, the question of the relationship between armaments and munitions on the one hand and the general economy of the country on the other was also discussed. I hope that there will be the most effective co-ordination between the work of this department, in so far as it is concerned with defence contracts, and economic policy generally. What I want to say was again said so well by the late Mr. King that perhaps the best thing for me to do is to quote him. Here again I shall read from *Hansard* for the special session of September, 1939. At page 172 Mr. King said:

> Furthermore the experience of the last war—

Of course, he was referring to world war I; that has to be said because now the words "last war" mean world war II.

> —has clearly shown that the problem of securing armaments and munitions cannot be separated from the general economic organization of the country. For example, if too much energy and material is thrown into the manufacture of munitions, some other industry equally essential to the national effort may be crippled. In order to prevent such a situation arising, the governmental body must have power, not merely over the production of munitions themselves, but over production of related supplies, if a proper balance is to be maintained, and the most effective use made of our varied resources.

I know that the government is conscious of the fact that this is not a period of actual warfare. That is revealed in the nature of the other bill before us in the name of the Prime Minister (Mr. St. Laurent), Bill 24. The government is anxious to restrict, to some extent at any rate, the powers that it asks parliament to give it because this is only a period of defence preparation rather than actual war. Because of that the government

is reluctant to exercise to the full such controls as were exercised over the economy during the last war. But my contention is that, in a time like this when we are upsetting the economy by the extent to which we are going in for defence production, it is important for the government to think about all those other things, the general price level, the extent to which homes are needed, and all the other things that are necessary to maintain the national effort and to maintain our national morale. I urge upon the minister who will head up this department to think in terms not only of actual war materials that need to be produced, but to think in terms of the economic picture as a whole, to attempt to guide and control it where necessary in the best interests of all our people and in the best interests of the country.

Motion agreed to and the house went into committee, Mr. Dion in the chair.

Mr. Green: Will the Minister of Trade and Commerce deal with the questions I raised?

Mr. Howe: I believe it will be much simpler, Mr. Chairman, to deal with them when we have the bill before us. Then we can discuss them in an orderly way as they refer to the various clauses in the bill.

A point that my friend was making that Vancouver is handicapped in delivering to central stores in Ottawa is, of course, true. Vancouver would be handicapped to a still greater extent if Toronto could compete for deliveries in Vancouver, eliminating the freight rates. The production of this country has developed under a system of freight rates. There are certain territories which are economic for certain areas of the country, and certain areas which are uneconomic. I think my friend will find that certain sections would be under a greater handicap in competing for war orders if the question of freight were eliminated than is the case under the present system. My officers have studied the situation, and that is the conclusion to which they have come.

Mr. Green: Is there any way of preventing the manufacturer in the east from taking advantage of the freight rate to Vancouver, which was certainly done in this particular case? He just added on most of the freight rate from Vancouver to Ottawa, and was still able to get the contract because it was lower than the Vancouver price plus freight. There should be some way of stopping that.

Mr. Howe: I do not know what the commodity was, but it may have been a commodity in which only firms in Vancouver, Ottawa and Toronto can compete.

Mr. Green: It was brooms.

[Mr. Knowles.]

Mr. Howe: Brooms are only made in two places. Perhaps our buyers were not very skilful in getting the price down. Ordinarily, there is enough competition in the locality to make sure that no sum that is not essential to the production is added into the cost. I would not take the broom situation as typical, as I do not think there are many products in that category.

The hon. member mentioned the subject of dispersal, and sometimes that can be accomplished. We were successful in doing quite a bit of it in the last war. For instance, explosives plants were dispersed in various parts of the country. I made very sure that they did not locate one at the head of the lakes, because I do not like the sort of plant that has no future. A good many parts of the country, however, were keen to get them, and did get them. I succeeded in locating the first big plant in Alberta to use natural gas, that is the Alberta nitrogen plant. It has had a successful post-war life, and is today an important part of the economy of Alberta.

Ordinarily putting a factory down in a small town in a distant locality involves serious problems. Suppose, for example, we built a factory employing 5,000 people in the town of Qu'Appelle, Saskatchewan, a beautiful town and well located for most purposes. It would mean building houses for 5,000 families, and transporting people from other parts of Canada to that locality. It can be done sometimes, but if you expect an industry of that kind to have any post-war life you have to make sure it can compete on reasonable terms with similar industries in large centres of population. Those facts have to be taken into account. It is not a matter of saying that we are going to build a war plant, so we will build it in the maritimes because they have not a similar war plant. Unless it is the type of industry that would be able to live in peacetime, that would not be a kindness to the maritimes.

An hon. Member: Shipbuilding.

Mr. Howe: Shipbuilding was conducted in the maritimes, quite a bit of it. In peacetime it does not compete very well, unfortunately. An attempt was made to disperse industries. A good deal of study has gone into the situation. We have dispersed industries, and in some cases perhaps did not use good judgment in doing so, because some have not done so well since the war ended. We try to take into consideration every factor, and only go into the big cities such as Toronto and Montreal as a last resort.

Mr. Green: How serious a factor is the possibility of an atomic bomb attack? From what one reads, and from the opinions one

forms, bombing attacks would seem to be a serious factor now, more so than during the second world war. I should like to know whether the government considers such to be the case? If the minister will recall, my remarks concerning dispersal were based on the danger of attack on certain centres. Apparently the people in the United States are going to considerable expense to disperse their industries, presumably even some of the industries already established. Does the minister consider that danger is an important factor in determining what plans should be followed?

Mr. Howe: I would hesitate, Mr. Chairman, to say very much about planning an economy that would contemplate an atomic bomb attack. Atomic bombs are tremendously expensive. There are only a few of them, and not likely to be too many. It is the view of military experts that it would take a very glittering target to attract an attack by an atomic bomb. They believe that if atomic bombs were to be used in warfare there are very few targets in Canada that might possibly attract them. How to disperse industries against that sort of threat is a problem. The industry itself might form another target no matter where it was located.

I doubt if atomic bombs would be used simply to kill the civilian population. That is hardly a strategical target, but I must confess that I do not know of any effort in the United States to disperse existing industries in order to get them away from the threat of attack by atomic bombs.

Mr. Green: The minister does not consider that is a very important factor?

Mr. Howe: I do not see how it can be cured. Atomic bombs are delivered from the air. I do not know where you could put a big plant so that it would be safe from air attack by atomic bombs.

Mr. Green: I wished to ask the minister about the use of the iron ore for the development of Canada's steel industry. One other point had to do with the methods of checking expenditure by the new department. Can he deal with those two points?

Mr. Howe: Canada's iron ore is for anyone who wants to make steel with it. Prior to and during the last war we obtained our iron ore from Michigan. That ore has been sadly depleted. We have opened up large deposits in Canada, or are in process of opening them up. That ore will be made available to the steel makers of the world. I do not think we can close the door. These Canadian sources make it easier to develop the production of iron and steel in Canada than would be the case were the ore not available in Canada. But the development of Canada's steel industry is dependent upon a great number of factors, the principal of which probably is a market for the product. But certainly the fact that we have iron ore will assist our existing steel industry, and any future steel industry that may wish to establish itself in this country, to make a success of their enterprise.

As to the control of profits—

Mr. Green: I meant not only the control of profits but also the prevention of waste; that is, the checking of expenditures by the department.

Mr. Howe: We intend to follow the same procedure that we followed during the last war. We will have continuous treasury audits in the department. We propose to bring in experienced men from industry and experienced purchasing agents to direct the work; and to establish standard contract forms similar to those used in the department in the last war and which we will use in the next. All effort will be designed to eliminate waste or inefficiency. All I can say is that I think we made a fair job of eliminating waste and inefficiency in the last war, and we shall try to do as well in the new department. The methods of the last war will be exactly the same in the present crisis, as I see it.

Mr. Green: What about this proposed establishment of an aluminum industry in northern British Columbia?

Mr. Howe: That is a private-enterprise undertaking. I understand that the project is making good progress and that certain contracts have already been placed. I judge that the work is proceeding as rapidly as can be arranged under the circumstances.

Mr. Stewart (Winnipeg North): A few minutes ago the minister made an interesting statement which aroused my curiosity. He said that there were possibly seven locations in Canada which might be the victims of atomic attack. Does he care to dissipate that curiosity of mine by telling us where those places are?

Mr. Howe: No, I do not.

Mr. Ross (Souris): I should like to say a few words about this matter of decentralization. The minister has just said he thought they had eliminated waste and inefficiency in the last war. I have a shining example that I should like to bring to his attention. I agree with some of his remarks with regard to the difficulty of establishing industry at some points, but there are a great many factors to be taken into account.

The minister may remember what happened in connection with processing plants for processing oil from flaxseed. Practically all of the flax grown in this country is grown in the prairie provinces. Despite the fact that we had pointed out this situation to officials under the minister during the last war, a considerable amount of government funds was provided for assistance in building and developing processing plants in this province during those years. Hon. members can see what that would mean. It meant the transportation of all of this flaxseed from the prairie provinces eastward, cluttering up an already-overburdened transportation system, and complicating the manpower problem. After the flax was processed, many of the by-products were shipped back to the same areas from which the original seed was shipped. I just mention that as one concrete example. I would not ask the minister, as he suggested, to go out to Qu'Appelle or some other beautiful little spot and spend a great deal of money in setting up some industry which would be of no use after the anticipated war period was over. But there are such features as that to which I have referred which should be taken into consideration. It would be distinctly to the advantage of this nation as a whole if those oil processing plants that were built in Ontario here had been built somewhere in the west; for instance, at Winnipeg or Moose Jaw or some place like that, right in the heart of the area where the flaxseed is grown. It is matters of that nature that I think these officials should keep in mind.

I was amazed the other day to learn—and I am not being too critical at this stage—that of the total amount of the contracts let already in the past nine months with regard to defence purchasing, contracts for 80 per cent of it have been let within the two principal provinces of Canada. That is a high percentage, and I think it is out of all proportion. As I say, at this stage I am not being too critical. I know that things are being done in a hurry and that the whole scheme has not yet been developed. But I want to plead with the minister and his officials under him that they do not repeat the mistakes made during the past war during these next few years of preparation which we all sincerely hope is not for war but for the prevention of war. I would ask them to keep in mind the example I have just given. That was a terrific waste not only of money but of transportation, manpower and everything else. In such cases as that I hope the minister will see his way clear to expend money in the prairie provinces when a case arises such as that I have mentioned, and in other provinces for such other matters as may seem desirable there.

With regard to atomic bombing, may I say that I think it is important that these industries be scattered so that one bomb will not disrupt the whole supply of a given commodity, as a result of one good shot. All these things must be kept in mind. I hope there will be a greater effort toward decentralization. The effort that is put forth from now on will be of interest to everyone in this nation, and I hope the government will try to carry it out.

Mr. Howe: I cannot allow my hon. friend's statement about the crushing of flax to go without comment. I doubt if there was five cents of government money spent in providing facilities for the crushing of flax in the province of Ontario during the last war. If there was, I wish he would tell me where. I know that a new plant for crushing flax was built at Moose Jaw, at Saskatoon and at the head of the lakes, involving large investments. I know there were plants built in Ontario, but not one cent of government money was put in any of them so far as I am aware.

Mr. Ross (Souris): I think it was loans.

Mr. Howe: No.

Mr. Ross (Souris): I will check on the matter.

Mr. Thatcher: From what the minister has said, I am still not clear as to what government policy is in connection with dispersing these contracts among industries that are already in existence. He has pointed out the difficulties of setting up new industries at some points, but what about industries which are already in existence in the maritimes or in the western provinces? Is the minister's department making any particular effort to see that they are given their share of these contracts?

Mr. Howe: We try to see that the plants in every part of Canada are busy, and I think they now are busy. I know that the flour mills in Saskatchewan are busy. We buy flour from them and so does everyone else. I know that many plants in the maritimes are busy. We put radar contracts and aircraft contracts there. If my hon. friend knows a plant that is capable of making the type of things we are buying, and it is not busy, I wish he would let me know; we should be glad to look into the situation. But make sure it is not busy.

Mr. Thatcher: I should like to pursue that matter. The minister has thrown out a suggestion. I have a clipping here from the

Saskatoon *Star-Phoenix* of this past Saturday in which the premier of the province is reported to have made this statement:

> Failure of business concerns in this province to receive their share of defence contracts was resulting not only in failure of a business activity to increase, but in an actual decrease due to shortage of essential materials such as steel.

He went on to say that:

> In the period ending January 11, there were 12,050 unemployed, an increase of 958 over the same period of last year.

If there are certain industries—in my own city there is a textile plant which is not government-owned. It is privately owned. They have been trying to get contracts for uniforms or army shirts, or something of that kind for six months, without success. They have been unsuccessful in getting one single item, and they have had to lay off their employees because of lack of work. Would not a plant like that be of some use to the department, particularly when it is ready to make these shirts and uniforms? They say they are competitive. Is there some reason why they cannot get some of the contracts?

Mr. Howe: I do not know of any reason. Generally speaking, the primary textile industry is working at full capacity, and not able to fill the demand. I presume that this is a secondary industry, which would manufacture cloth into uniforms. There is lots of work going. A representative of that firm had better come down to Ottawa to see what the trouble is. Contracts are usually placed on the basis of tenders, but there should be work enough to go around.

Mr. Browne (St. John's West): My attention was taken by the statement made by the Minister of Trade and Commerce only a few moments ago. He said that there were only seven centres that would be worthy of the atomic bomb, and that the bombs were very expensive and hard to make. This morning I was reading an article in the New York *Times* of February 22, so I sent for the paper. In a lecture given in New York before the civil defence committee on Wednesday night by Dr. John R. Dunning, dean of engineering, Columbia university, under the heading, "Atom bomb output in the 10,000's seen," the following appears. If I were permitted to read two paragraphs it would give us a picture of how great the danger may be:

> Dr. John R. Dunning, dean of engineering at Columbia university and one of the country's leading nuclear physicists, declared yesterday that the production of tens of thousands of atomic bombs was "perfectly feasible and possible."
>
> His remark was made in a talk to business executives and city officials at 500 Park avenue, recruiting headquarters for the office of civil defence. He explained later that this production would be possible if the country was willing to spend the money needed and to exert the required industrial effort.

That is as far as the atomic bomb is concerned, but generally speaking surely the minister must be aware that as a result of the experience of the continental countries in Europe during the last war it was agreed that the decentralization of industry was necessary; not only desirable, but necessary. We do not know in what form an attack is likely to come. It may not come at all by aeroplane. It may come by some other method such as the German invasion of the Netherlands or the German invasion of Norway. Ships may come into different ports with these atomic bombs in their holds and they may set them off right in the midst of the great centralized industries that we have, causing damage from which the country may take a long time to recover.

Mr. Hees: At the present time we have arrived, in this twilight war, at the stage where our troops are now in action, and we have embarked on a program to spend $5 billion and to double our armed forces. The people of the country are interested to know just how we stand today with this very large and important program. I do not think anybody expects the government to have a detailed plan at the present time of how that $5 billion is to be spent; but the government has been working on these ideas for some time. It is a great deal of money, and how it is to be spent is of vital importance to everybody in the country.

Will the Minister of Trade and Commerce now, or very soon, give the house an idea of just how we stand today in regard to this program? What are the government's plans in the making? We should have that information so that the people can be advised of where we are going. It is vitally important to them.

I heard today that a report came over the radio that we are to make certain types of army vehicles. It seems to me that that kind of information should first of all be given to hon. members in this house. If possible they should be advised before the press and the radio.

Will the minister give us some idea as to what the plans are, for instance, for producing planes, tanks, vehicles, guns and small arms? As I say, I do not expect detailed plans, because I do not suppose that is possible at the present time. But there must be some thinking, some preliminary plans along that line. We should like to be told whether at the present time we are planning

on making these kinds of war materials. Either we are or we are not. What are the plans so far? What types of guns have we in mind, and is there any way of telling when we expect to be in production on them?

The information I am asking for is requested in all sincerity. It is not in any way an attempt to put the minister on the spot, or to embarrass him. If there are plans which the government honestly have not yet decided on, of course we cannot expect to be told, but I think the people are vitally interested in finding out what they can as to where this tremendous program is going at this date.

If we can have some sort of an interim report on these matters it would be very much appreciated by hon. members and by the people throughout the country as a whole.

Mr. Howe: The Minister of National Defence gave a comprehensive and I think a very detailed analysis of the plans of the armed services for weapons. I tried to cover in a general way the purchasing arrangements to back up those plans. Hon. members will understand that the planning, strategic planning, is not done by the Department of Trade and Commerce. It is done by the army, navy and air force, and we simply execute orders that are sent to us by those services. Perhaps the Department of Defence Production will do a little more than that. It will have funds of its own, and perhaps it will do some planning, at least of requirements. I can give my hon. friend a list of contracts and an analysis of where each contract stands, but I doubt whether that will throw very much light on the subject. I suggest that if he cares to know about aeroplanes we will be glad to tell him about aeroplanes. If he wants to know whether we are building tanks or not we can tell him that; but to give any detailed break-down of the contracts that are presently—we cannot discuss contracts in the negotiation stage without destroying the ability to negotiate. I will try to meet his request in the discussion on the bill.

Mr. Hees: I am not asking the minister for any detailed report on contracts. That naturally is unreasonable. But, for instance, on the question of tanks, I for one have no idea whether we plan to make tanks in this country, or not; whether we plan, for instance, to make any kind of vehicles in this country, or not. I heard a report that we plan to make jeeps and some sort of trailer vehicle. But that came from outside the house. I for one have heard no reports of a definite nature on vehicles. There was one report on a certain type of gun, but I have not heard anything on small arms.

If we are to make the American type of vehicles, weapons, tanks and so on it would be most interesting to hon. members and to the country as a whole to know it. After all, they are the materials which the men who are going to fight the battles of this country in the future are going to use. It is most important that we know generally what the government have in mind. I am not asking for anything in the way of a detailed report on contracts. That is unreasonable, but I think the other questions are reasonable. I should like a brief general answer if I can get it.

Mr. Howe: I will be glad to make it on the bill.

Mr. Noseworthy: The minister will be glad to know that I have those percentage figures straightened out.

Mr. Howe: Good. Who helped you?

Mr. Noseworthy: In 1944, the year which I was quoting, the three maritime provinces had 7·8 per cent of Canada's wartime industrial employment. The figure of 7·8 per cent of the total was located in the maritime provinces; 71·4 per cent in the two central provinces; 11·3 per cent in the prairie provinces; and 9·5 per cent in British Columbia.

Mr. Howe: Those figures have nothing to do with the statement my hon. friend made. My hon. friend gave a statement of the men in war industries in 1939 and again in 1945. He said the increase was 7·8 per cent. I pointed out that he was giving corresponding figures for all the provinces. I said it was 72 per cent increase for the maritime provinces, and is the largest percentage increase of any part of Canada.

Mr. Wright: I have a question I should like to ask, but perhaps it should be asked of an economist rather than the Minister of Trade and Commerce. He has indicated it is the intention of the government to give incentive to industry to increase production through allowing accelerated depreciation. That was used during the last war, and it worked very well. But at the time we were using that form of incentive we had strict controls in this country. It seems to me accelerated depreciation is a form of inflation, and that it does increase the inflationary tendency in a country when accelerated depreciation is given on plant equipment. Immediately the money given becomes available for reinvestment.

We are not at war now, and we hope we will not be at war; but we will be going through a period of perhaps five or ten years in which we will have to increase our production. It seems to me if we are going to use

accelerated depreciation, unless we are careful in the amount of it we use we will certainly increase the inflationary tendency in the country. Am I not right when I say that accelerated depreciation has an inflationary effect on our economy?

Mr. Howe: I presume my hon. friend is quite right. As he said, it is a question which perhaps he should have asked an economist. I would say offhand that he is correct, and that there is some inflationary effect due to the fact that capital investment is returned under accelerated depreciation more rapidly that would be the case under normal depreciation, and is therefore available for reinvestment or for spending in other ways.

However, I am hopeful that accelerated depreciation will not be a factor in the coming period to the extent that it was during the war. The reason it was a factor during the war was that we had a great deal of building to do, the building of new plants, and their equipment. In this war we start with a very strong industry. To date we have had no provision for accelerated depreciation, nor have we made arrangements for capital investments to any very large extent. We did make arrangements for capital investments in the case of a jet engine plant, and perhaps in one or two other plants. But, frankly, we hope to do our job depending very largely upon existing industry.

Mr. Black (Cumberland): Mr. Chairman, first of all I wish to commend the minister, in whom a great many people in this country have confidence. I would point out, as has been pointed out earlier today, that there is a strong feeling in the maritime provinces, one which is pretty well shared throughout Canada, that we did not receive a fair distribution of war work in the last war.

I do not know where the hon. member for York South got his figures, but the figures I have, compiled during the last war, show that the war expenditures in the maritime provinces at that time totalled $380 million, whereas those in Quebec were more than $5 billion, in Ontario more than $5 billion, and a comparatively small amount in the western provinces.

There is still some misgiving in the maritime provinces. We feel there should be a fairer distribution, and feel strongly that industry should be dispersed, for the purpose of safety. There is not full employment in Nova Scotia at the present time, a condition which I believe applies in all the maritime provinces. Many people are leaving that province looking for employment. They leave each week for central Canada, and their families follow.

That is not a proper or healthy condition. During the last war the government had the greatest opportunity in the history of Canada to make a fair distribution of industrial plants in the maritime provinces. As I have said before, they never had industries in the west, but in Nova Scotia at the time of confederation and after there were scores of industries which were purchased by central Canadian interests or were forced to close. It is clear therefore that we have suffered greatly, and no proper steps have been taken to correct matters or give us a fair share of war work.

Another matter about which I should like to speak briefly—and I have discussed it before in the house—concerns crown companies. In the budget brought down by the Minister of Finance—I cannot say which year—it was stated that $85,700,000 of capital expenditures had been made for crown industries, and that every dollar of that expenditure had been made in central Canada. Perhaps I should put it this way, that not one dollar of that enormous government expenditure was made in my part of Canada.

This is a further indication of the unfairness we have had to suffer during those years. I should like to have from the minister a statement of the contracts let up to the present time, the total amount for all Canada and the value of those let in Nova Scotia and the other maritime provinces.

It is true that we have had considerable production of some of the heavy metals, including iron and steel. Unfortunately, however, most of that production was shipped from our province in the crudest and rawest form, to be refined in other parts of Canada, chiefly Quebec and Ontario. Rough, crude steel and iron worth $50 or $60 a ton is brought to central Canada and processed into production valued at hundreds or thousands of dollars a ton. Nearly all the war plants and barracks in Nova Scotia were demolished, while in central Canada peacetime industries were established.

Conditions such as that should not be permitted. The people in my part of Canada believe we have not had fair treatment. I have here a statement from the maritime board of trade, following its meeting last August, which states:

> The executive committee of the maritime board of trade, composed of representatives of New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland, has passed a resolution calling on the federal government to decentralize its rearmament program and give this region of Canada a fair share of munitions contracts.
>
> It is earnestly to be hoped that authorities will heed this resolution and that this part of the country will get a better deal than was the case

during the second world war, when industrial expansion was concentrated in Ontario and Quebec. The policy of putting nearly all war plants in those two provinces was extravagant and harmful.

We in Nova Scotia and the other maritime provinces are proud of the industrial headway made by Ontario and Quebec. We feel however that more should have been done for the maritimes, and that because of confederation itself, and the administration during the last war, we have been unfairly treated.

I make a special appeal to the minister and would ask for his assurance that his department will see to it that this does not recur.

Mr. Howe: I think my hon. friend is exaggerating a bit when he says that not one dollar was expended by crown companies in the maritimes. I can think of the wartime shipbuilding company which built a new shipyard at Pictou. Also the large investment that was made in the shipyard at Halifax. A floating drydock was built and installed there. I think also of the crown company that looked after aviation matters and built a plant at Halifax. That plant did good work in the war and is doing a good job today. Fortunately it turned out to be a sound civilian enterprise. The Aircraft Crown Company built extensive aircraft facilities at other points in the maritimes, including a plant at Moncton which did not do as well as a peacetime enterprise.

I think if we combed our minds we could think of other crown companies which had made considerable investment in the maritime provinces. I can assure the hon. member that nothing gets quicker attention than the possibility of putting a plant in the maritime provinces, unless it is the possibility of putting a plant in the prairie provinces. We promote plants that seem to have that possibility very carefully.

I can tell the hon. member that the only time I stretched my conscience in administering the emergency exchange control legislation was when I saw the possibility of getting two or three plants started in the maritime provinces. There was one plant to make washing machines in connection with which I stretched our regulations to the limit. We do keep in mind the desirability of building up areas which are not heavily industrialized, and I can assure my hon. friend that we will continue to follow that policy.

Mr. Black (Cumberland): I appreciate the assurance given by the minister. It is my understanding that the figures I referred to were in connection with crown companies set up or continued after the war. I cannot say offhand what budget speech it was—I think either 1947 or 1948. The shipbuilding and other companies he has just referred to operated during the war and their activities are included in the recapitulation I have given of $380 million in the maritime provinces during the entire period of the war and $10 billion in central Canada.

Mr. Gibson: The other day the leader of the Social Credit party stated in the house that the premier of Alberta had suggested that if the minister felt that gas was required on the Pacific coast for war or strategic purposes and if he were asked for it he would allow it to be exported. Does the minister think that the time has arrived when he should ask for that permission?

Mr. Howe: I think the time has arrived, as it has for some time, when the premier of Alberta should make up his own mind whether he wants to export gas. I can assure him he will never receive a request from me, although I pass on to him any request for war export that I receive from reliable sources.

Mr. Gibson: It has been suggested that a provincial government might put an embargo on the export of iron ore and I should like to know if the minister would have authority to override such an embargo?

Mr. Howe: I certainly would not attempt to override an export embargo put on by a province. I assume the way it would be put on would be by controlling production within the province. A province could hardly put a ban on export but it could prevent the mining of ore within the province. Alberta has control over export of its natural gas through having control of the wells that produce the natural gas.

Mr. Brooks: I should like to second what the hon. member for Cumberland has said with reference to industry in the maritime provinces. I was amazed to hear the minister say a few moments ago that industry in the maritime provinces was working to capacity. I am sure that all hon. members from the maritimes know that our young people have been leaving by hundreds during the last few months to get employment in other parts of Canada.

Our chief complaint is that industries were established in the central provinces during the last war which are in operation today. Very few industries were started in the maritimes and the result is that today Ontario and Quebec are in a much better position to carry on than are the other provinces. I do hope that the minister and his new department will investigate carefully the situation in the maritime and the western provinces.

For example, we have splendid shoe factories in the maritime provinces and we could make clothing. The hon. member for Vancouver-Quadra just spoke about brooms. We have one of the oldest and finest broom factories in Canada which has been operating for years.

Mr. Howe: They do not make brooms; they make brushes.

Mr. Brooks: They used to make brooms.

Mr. Howe: They do not now.

Mr. Brooks: Then with regard to shipbuilding, there is no reason why we should not get a large proportion of the necessary shipbuilding. The hon. member for Peace River referred to the shortage of sulphur. Probably the minister knows that there is a possibility of producing sulphur in New Brunswick and this should be investigated.

I intend to have more to say when the bill is up for second reading. I do not know whether the minister reads the Saint John *Telegraph-Journal,* but for the last seven or eight issues that paper has had on its front page an editorial calling attention to the fact that we have been overlooked. It has given facts and figures so there is no guesswork about it. When the new department is set up I think the minister should give more attention to the maritime provinces.

Mr. Murray (Cariboo): Following the last war there was considerable interest in our part of the country in the disposal of salvage. The waterworks system which had been set up at the military camp at Dawson Creek was later given to the municipality at a very nominal figure. That was appreciated by the citizens. But the farmers and settlers felt that they were not given an opportunity to share in some of the other bargains that were offered. I think some provision should be made for the disposal of salvage so that local people will have an opportunity to share in it.

Mr. Gillis: I want to jog the minister's memory on one particular item. In answering the hon. member for Cumberland he stated that a number of crown companies had operated in the maritimes during the war. Those companies were simply war set-ups. As soon as the war was over they disappeared. There was one particular plant set up during the war that was permitted to disappear entirely after the war. I think that was very shortsighted. We should have that plate mill at Sydney now. This country normally imports 90 per cent of its steel plate from the United States. The minister did a good job in putting a shipbuilding plant at Pictou. Then the minister wanted steel plates, and he took a mill that was equipped in the first war at a cost of $11 million to the taxpayers of Canada. The internal workings of that mill were brought to Ojibway falls, Ontario.

At the time of the second world war the minister will remember very well that he and I had a lot of discussion with respect to re-equipping the mill. The minister re-equipped it at a cost of around $7,500,000. Therefore the taxpayers of Canada paid approximately $19,500,000 for the mill in the two wars. In world war II it did an excellent job, employed over 600 men and turned out steel plate for shipbuilding purposes. After that war was over I discussed the question with the minister many times in the house and said that we should keep the mill in operation. At the time the attitude of the minister was that we were not building ships any more through crown companies and therefore there was no market for the plate. The mill went out of production.

Now we are going to start to build ships again and we require plate. If the federal government did not want to use the mill after world war II I think the provincial government, if they were interested in maintaining industry in that province, should have operated it as a crown company on a provincial scale. It was a modern mill, fully staffed with competent workers, and there is an unlimited market in this country for steel plate. Nevertheless the mill disappeared again, and I am informed that the internal workings were sold this time to Czechoslovakia. So far as I know they are behind the iron curtain doing a job for Uncle Joe. There are no guts in the mill any more.

The minister is going to need such a mill again. I should like him to give the matter some consideration this time. I know that he was very reasonable when he was disposing of it. He said it could be sold or the province could form a crown company to operate it, but nobody was interested. Therefore the mill is in the condition it was back in 1917, a skeleton of a building with nothing inside. When there is an unlimited market in Canada for that type of production I think it was very shortsighted on our part, while we were just having a short armistice arising out of the last war, to dismantle such a plant.

If the minister decides to re-equip it this time I hope that he will do so on the same basis as he operated the arsenals. I hope he will consider it as a plant necessary for war in the event of war and maintain it as a crown company under federal government management. I intend to have something to say on second reading of the bill but I wanted to say that while the minister was on the subject of crown companies. This is one plant

that could serve a useful purpose in peacetime by providing a product that is needed and of which we are short. It is definitely needed at the present time when we are facing possibly another war.

Mr. Howe: Mr. Chairman, I suggest that this discussion could take place much better on the bill. We are keeping the Prime Minister in the house. It is now five minutes to six. Why not pass the resolution?

Mr. Pouliot: I want to say one word and it will be passed, if you wish. There was one thing that struck me with respect to the memory of the minister. When the hon. member for Royal was speaking he mentioned a concern that was manufacturing brooms and the minister interjected at once that they were making brushes. I think it is pretty good for a man like the minister, who has so much work to do, to remember that one concern in the maritimes does not make brooms but only makes brushes. As the minister is in such a good mood I shall remind him that Riviere du Loup and Temiscouata county are on the way to the maritimes, and I hope he will not forget those places.

Resolution reported, read the second time and concurred in.

Mr. St. Laurent thereupon moved for leave to introduce Bill No. 77, respecting the Department of Defence Production.

Motion agreed to and bill read the first time.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS—SENATE BILLS

Mr. H. W. Winkler (Lisgar) moved that the following bills be read the second time:

Bill No. 25, for the relief of Isabella Potts Younger Ayton.—Mr. Winkler.

Bill No. 26, for the relief of Margaret Alice McDermid Jones.—Mr. Winkler.

Bill No. 27, for the relief of Jacqueline Moquin Verner.—Mr. Winkler.

Bill No. 28, for the relief of Ruth Chernofsky Shaffer.—Mr. Winkler.

Bill No. 29, for the relief of Florence Lachovitz Michael.—Mr. Winkler.

Bill No. 30, for the relief of Eugenia Jean Diakonuk Cuthbertson.—Mr. Winkler.

Bill No. 31, for the relief of Ruth Moffatt Bell Lansing.—Mr. Winkler.

[Mr. Gillis.]

Bill No. 32, for the relief of Kurt Roberts, otherwise known as Kurt Rosenbaum.—Mr. Winkler.

Bill No. 33, for the relief of Margaret Stevenson Erskine Withenshaw. — Mr. Winkler.

Bill No. 34, for the relief of Cecile Duguay Quenneville.—Mr. Winkler.

Bill No. 35, for the relief of Margarette Marie Hyduk Towstuk.—Mr. Winkler.

Bill No. 36, for the relief of Joseph Maurice Fernando Lemieux.—Mr. Winkler.

Bill No. 37, for the relief of Donald Benedict Cullen.—Mr. Winkler.

Bill No. 38, for the relief of Valeda Ardell Derick Thorley.—Mr. Winkler.

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

An hon. Member: On division.

Mr. Speaker: Carried on division.

Motion agreed to on division and bills read the second time.

TRADERS GENERAL INSURANCE COMPANY

Mr. E. T. Applewhaite (for Mr. Robinson) moved the second reading of Bill No. 39, to incorporate the Traders General Insurance Company.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

DOMINION ASSOCIATION OF CHARTERED ACCOUNTANTS

Mr. A. H. Jeffery (London) moved the second reading of Bill No. 40, to change the name of the Dominion Association of Chartered Accountants.

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

INDUSTRIAL RELATIONS

AMENDMENT OF CHAPTER 54, STATUTES OF 1947-48—VOLUNTARY REVOCABLE CHECK-OFF OF UNION DUES

Mr. Stanley Knowles (Winnipeg North Centre) moved the second reading of Bill No. 4, to amend the Industrial Relations and Disputes Investigation Act (voluntary revocable check-off).

He said: Mr. Speaker, if I could hope that this bill would pass second reading as quickly as the other bills that have been before us since eight o'clock, I would not rise to speak on it. I believe, however, there are others who intend to speak on the measure, so I should like to take a few minutes to introduce it. I would not want anyone to think I am

not hopeful that at some stage of the game this bill will pass. On the 17th of June, 1948, the matter covered by this bill was discussed by the House of Commons in committee of the whole. A vote was taken on it, and I regret to say that it was defeated. There were thirty-five members of the House of Commons, however, who voted for it. The next time this measure was voted upon was on May 30, 1950, at which time I had presented a bill identical to the one now before the house. On that occasion forty-five members voted for it. With an increase such as that every time it comes up, it will not be long until there will be a majority for it. The increase in the number of supporters for the bill, the last time it was voted on, came mainly from the ranks of the Progressive Conservative party and the Liberal party. We welcomed their support. I hope we will have still further support from these two parties when this bill comes to a vote, whether that be tonight or on another occasion when public bills are before the house.

May I take just a moment to explain the bill. When introducing it on former occasions, I have not done that, at least not to any length, because those of us who are used to these labour matters take it for granted that its provisions are known. From some questions members have put to me, I have found that is not universally the case. This bill would add to the labour code what is known as the voluntary revocable check-off. The word "check-off" refers to trade union dues. If and when this bill becomes law, it will provide that, with respect to trade unions certified under the national labour code, it will be possible for trade union dues, under certain conditions, to be deducted from employees' wages, by their employers, and turned over on behalf of the employees to the trade unions concerned. After all, that is a common practice with respect to other matters such as unemployment insurance, income tax deductions, Red Cross and other charitable contributions. We all recall that during the war victory loan deductions were made in the same way, and I believe that Canada savings bond deductions are also made in that manner. The proposal is a simple one, merely requesting that trade union dues be deducted under certain conditions in the same way that these other deductions are made.

I would point out, as hon. members are aware, that this is something that labour has been seeking for a long time; not only labour but all the major political parties have indicated their support either directly for the check-off or in general terms for the principle of union security. While there are various ways in which to maintain it, this is a minimum form of union security, namely provision for the check-off of union dues. I would also point out that the well known Rand formula which came out of the Ford dispute back in 1946 included the check-off. The Rand formula provided that in a plant where a union is certified to represent the employees, while all employees were not required to become members of the union, they were nevertheless required to contribute to its upkeep, which to Mr. Justice Rand seemed only fair in view of what the union was doing for all the employees. As part of that award, which is known as the Rand formula, the check-off of trade union dues was included.

Another point I wish to make is that this provision is included in the statutes of a number of provinces. I endeavoured to get together copies of the labour code of as many provinces as I could, so that in making a statement of that kind I would be able to document it. I have in my hand the labour code of three provinces in which the check-off is definitely included. It is in the Trade Union Act of the province of Saskatchewan. It is in the act respecting the right of employees to organize, and providing for mediation, conciliation and the arbitration of industrial disputes, in the province of Nova Scotia. It is in the British Columbia act respecting the right of employees to organize, and providing for the mediation, conciliation and arbitration of industrial disputes.

Mr. Cruickshank: What year is that?

Mr. Knowles: The one from British Columbia? 1947.

Mr. Cruickshank: Surely. We are far ahead of you.

Mr. Knowles: The one from Nova Scotia that I have was also 1947. The one from Saskatchewan was 1944.

An hon. Member: He did not hear you.

Mr. Knowles: I said that the one from British Columbia was 1947 and the one from Saskatchewan was 1944. I am not suggesting that other provinces do not have that provision as well; I believe that two or three others do; but since there was not readily available any copy of the other statutes I thought I would not go any further than to indicate the ones I am sure of.

There is this wide degree of unanimity with regard to this principle of the check-off of trade union dues. As I have said, the labour unions are for it. All political parties have said they are for it. The Rand formula contained a particularly strong argument for it; and a number of the provinces have already included it in their statutes. In

fact, I remember one occasion when this matter was up for debate previously, when a member from British Columbia, who was so accustomed to it in his province, expressed surprise that it was not already in the federal labour code. Since we are unanimous, Mr. Speaker, I suggest we should express that unanimity by writing it into our national labour code.

I may say that when the present labour code was before the industrial relations committee of this house in the session of 1948, that committee wrote the check-off into the labour code. That committee was one that gave serious and thoughtful consideration to the whole problem, and it seemed to those of us who were on the committee that the recommendation of the committee should be implemented by the house. When the bill came back to the house from that committee, to be considered in committee of the whole, it had in it the check-off provision in exactly the same words that are included in the bill which is now before the house. Unfortunately, a private member on the government side moved an amendment to delete that clause which the committee had written into the bill. After debate, when the vote was taken, that amendment carried and the check-off was struck out of the bill. But as I have already said, on that occasion 35 members of the House of Commons supported the check-off. That number rose to 45 last year, and it is my hope that it will not be long until there will be a majority for it.

I should point out that if this provision is written into the national labour code, as it is already written into a number of provincial labour codes, it will serve to make more harmonious and more satisfactory the relations between management and labour; and that is an objective upon which we all agree. It will serve to make labour feel that they are more definitely a part of the industrial picture in which they are engaged; and I suggest that anything that can contribute to a greater feeling of harmony and co-operation between labour and management is all to the good.

I understand, Mr. Speaker, that there has been circulated to a number of members of parliament—although one was not sent directly to me—a memorandum prepared by the Railway Association of Canada protesting against this bill. I would point out that the Railway Association of Canada represents the railway companies. A number of members have shown me their copy of this memorandum; and they will bear me out when I say that practically the only argument in it is the difficult bookkeeping it would impose upon the railways which would be affected by this bill. I think the answer to this argument is obvious. It is strange that there are no audible complaints about unemployment insurance deductions, income tax deductions, Red Cross deductions, victory loan deductions, Canada savings bond deductions and all the rest. But when it comes to making deductions for trade union dues, a great fuss is raised about the bookkeeping problem. I suggest that that argument should not carry any weight with hon. members, but rather that the railway companies would be well advised to indicate their support of this measure as a means of increasing harmony between management and labour.

One other word and I shall sit down. This measure is described as the voluntary revocable check-off. By that certain conditions are indicated. The check-off of trade union dues can take place when this bill becomes law only in the case of unions certified under the labour code as we have it. Even after that the unions concerned will have to ask for the check-off of trade union dues. Still further, each individual employee who wants to have his trade union dues deducted will have to indicate that fact in writing. It will not be automatic. It will take place only if the individual employee, on his own, requests it. Finally, it is revocable in the sense that any employee who may have indicated his desire to have his dues checked off or deducted may revoke that request and withdraw from the arrangement previously made.

As I have already indicated, I suggest that this is a minimum form of something that all parties have indicated they support; it is something that is well supported by the arguments and evidence that I have presented tonight; and I hope that when the matter is fully discussed by hon. members and comes to a vote, this time the bill will pass and this provision will become part of our national labour code.

Mrs. Ellen L. Fairclough (Hamilton West): Mr. Speaker, it is not my intention tonight to speak at any great length on this bill. At the outset, however, it would probably be as well if I indicated that what I have to say is in support of it.

It is true that a certain percentage of trade unions with long craft union experience have always collected their own dues, and they will probably continue to do so. The reasons for that are many. In the craft unions there is a slightly different association with the members than there is in the industrial unions. Those who wish to continue to collect their own dues are still free to do so under the provisions of this bill. The bill merely seeks to reinstate, as has already been said,

in the Industrial Relations and Disputes Investigation Act a clause which was removed therefrom in the draft stages after it had reached the stage of consideration by the committee of the whole. In my opinion, the workability of the provisions of the bill would be guaranteed by the fact that the bill recognizes, in the eighth line thereof, that a trade union would be requesting that right for an employee and, as has been said by the sponsor of the bill, not only the trade union itself but its members; and would be doing so in writing. It is true that at the present time any employee who wishes to have union dues or any other form of payment deducted from his wages and paid directly to the person or persons to whom it is due can do so by signifying in writing to his employer that such is his wish. Of course he would probably have to indicate that on each and every pay which came to him, and there have been instances where that has taken place. There have been occasions when that particular matter has been decided by the courts.

This is not new legislation. The principle involved in it is thoroughly familiar to every hon. member. I should like to draw attention to the fact that it is not an unmixed blessing. It has just as many advantages for the employer as it has for the employee. I shall not enumerate them, but among them might very well be listed the saving of time, the obviating of disruption of activities within the plant, and a general simplification of the fulfilment of contract terms; consequently more harmonious employer-employee relations. Therefore, Mr. Speaker, without prolonging the discussion on this bill unduly, I just wish to say simply that it is my intention to support it. I hope that those hon. members who are now interested will carefully consider the advantages of amending the act to this extent, and thereby taking one more step toward country-wide employer-employee harmony.

Hon. Milton F. Gregg (Minister of Labour): This bill has been discussed in years gone by at great length, and the sponsor has outlined it again tonight, although I felt that he did not put his usual enthusiasm into it.

Mr. Knowles: Would you like me to make my speech all over again?

Mr. Gregg: I was interested to learn that the spokesman on labour matters for the official opposition is going to support the bill. Incidentally, Mr. Speaker, I should like to express my pleasure, as Minister of Labour, that the hon. member for Hamilton West (Mrs. Fairclough) has been chosen by her party as the official critic on matters pertaining to labour.

I have tried to approach this amendment with an open mind, regardless of all that has been said about it before, and regardless of whatever official attitude may have been taken toward it previously.

Therefore I have done some homework on the matter. But I am free to confess that I am not going to boast too much as to how much I have learned. I found it interesting, and I have found myself asking myself a number of questions with regard to the whole matter. For instance, in view of the fact that there is being worked out in Canada today a solid experience in labour-management collective bargaining, is there possibly a danger that the injection of a statutory obligation upon employers might throw out of balance factors which are essential in that collective bargaining?

We have heard much since last September. Since the railway strike many of us have had numerous letters about the evils of compulsions as applied to the delicate interplay of collective bargaining between employers and employees. Might not this bill, if it were made law, create just such an element of compulsion? These are just a few of the things that I have been asking myself.

When Bill No. 195, as the hon. member for Winnipeg North Centre (Mr. Knowles) said, the Industrial Relations and Disputes Investigation Act, was before the House of Commons committee in 1948, the hon. member for Spadina (Mr. Croll) moved an amendment. This amendment under certain conditions provided for the check-off of union dues by an employer, the violation of which would be considered as an unfair labour practice. The then minister of labour, the late Hon. Mr. Mitchell, objected to that proposal on the ground that he had studiously avoided putting in the bill matters that were normally regarded as subject to the collective bargaining process. And he always stood, as hon. members will recall, on that very solid piece of ground. He felt that such action at that time might invite a reaction similar to that which had then recently occurred in the United States; that is to say, the Senate and the House of Representatives adopted the Taft-Hartley act, wiping out many of the features favourable to labour in the Wagner act. I should just like to read a few words of what the late Hon. Mr. Mitchell said at that time as reported in the minutes of proceedings and evidence of the standing committee on industrial relations at page 242. He and the hon. member for

Spadina had some discussion as to the merit of the amendment. Mr. Mitchell went on to say:

> We would rather sit down as free men and bargain collectively. I am frank to admit that I adhere to the British point of view on this question. You should not put into a law something which can be negotiated because, sooner or later, you are going to lose it.
>
> In the United States, there was a lot said about the Wagner act. Some people, in their wisdom, thought it went too far to the left. Now, we have this other act which many people feel—I am not intruding in the affairs of another country, I am merely using this as an illustration—went too far to the right. You are bound to get trouble when you have such extreme swings from one end to the other.

The minister also pointed to the provisions of the bill protecting the right of parties to a collective agreement to include therein a provision making effective the closed or the union shop. However, Mr. Mitchell said he was not opposed to the check-off itself, but was definitely of the opinion that it should be made effective only by freely arrived at arrangements between employers and the unions. Notwithstanding the objection of the minister, the check-off provision was included in the bill, as my hon. friend said.

When the bill was reported to the house in 1948 the hon. member for Timiskaming (Mr. Little) moved that the section providing for the check-off be deleted. Mr. Mitchell again elaborated the arguments he had made before the committee and stated that even if the check-off provision was deleted employers and trade unions would still be free to negotiate the check-off.

Following a good deal of discussion, the motion of the hon. member for Timiskaming was carried by a vote of seventy-one to thirty-five. At each session of parliament since then some member has proposed a bill seeking to restore this amendment.

The act as it stands requires that the parties to a collective agreement make provision only on two matters: one, that the agreement shall be for a period of not less than one year; and two, that all the differences between the parties as to the meaning or the violation of any provision of the agreement shall be subject to arbitration proceedings and the decision of the arbitrator shall be final so far as these things are concerned.

The two parties are therefore perfectly free to negotiate a check-off provision in collective agreements if they want to do so. Section 6 of the act makes it clear also that there is no restriction on the right of the parties to a collective agreement to include in it "a provision requiring, as a condition of employment, membership in a specified trade union, or granting a preference of employment to members of a specified trade union." This, in effect, establishes the right of the party to agree on a closed or union shop. That provision was written into the act at the request of the trade unions.

The effect of the bill now before us is to require an employer to check off union dues on the written request, voluntarily made, by an employee and to pay such dues to a person named by the union of which the employee is a member.

The request for the check-off is also to be made by the trade unions concerned. The authority given the employer by the employee to check off his dues can be withdrawn by the latter at any time. As the house knows, this goes further than federal labour legislation in the United States which, as my predecessor has said, had perhaps swung from the extreme left point of view over to at least a rightish point of view. Neither the Taft-Hartley act nor the United States labour act requires employers to check off union dues. Both acts do, however, follow our existing Industrial Relations and Disputes Investigation Act in permitting employers and trade unions to agree on check-off provisions in their collective agreements, during their collective bargaining. Five provinces of Canada, as my hon. friend said, have provision in their laws for the check-off. They are British Columbia, Alberta, Saskatchewan, Nova Scotia and Prince Edward Island.

However, speaking as an easterner, I think I should point out that in four of those provinces the coal-mining industry has carried on for a long period of years, and the check-off has been traditional policy. Over the years it was extended to other industries. Down in Nova Scotia, as my hon. friend from Cape Breton South (Mr. Gillis) knows better than I, the check-off was in effect in the coal-mining industry in the latter part of the last century. This came about as a result of the policy of coal operators in recognizing assignments made by employees from their pay not only for the check-off but for hospital expenses and medical expenses in places where most of the employees in the coal mines do not handle very much money, but used chits for the purpose. This was the natural thing for them to do.

Later on, of course, it became provincial government policy. The compulsory or voluntary check-off is recognized in freely negotiated collective agreements in such industries as logging, coal and metal mining, electric railways and local bus lines and in large segments of the manufacturing industry, including such products as meat products,

primary textiles, clothing, pulp and paper, automobiles and parts, farm machinery and so on.

In all those it has been achieved by freely conducted negotiations. If agreed to by negotiation in them, why can it not be done here? I have here a copy of a brief entitled "Memorandum of Proposed Legislation", which was presented by the dominion joint legislative committee of the railway transportation brotherhoods. This was presented by a large delegation of the brotherhoods to the Prime Minister (Mr. St. Laurent) and members of the cabinet last March. Nowhere does this document recommend the step proposed by the amendment now before the house, or any variation of that amendment.

Further, in my recent studies I have brought to light the fact that, with the exception of the Canadian seamen's union, none of the many shore unions and seafaring labour organizations engaged along our Atlantic coast has made any demand for a check-off—at least so far as I can learn.

Finally—this may not be a very important argument, but I believe it should be mentioned—notice of this amendment has been on the order paper for quite a long time now, and I have not had any suggestion from anyone outside the house that it was my duty to rally around the hon. member for Winnipeg North Centre (Mr. Knowles) when the bill came up for second reading.

All these things, while they may not be conclusive, make me wonder whether it is necessary to be in too great a rush in this matter.

In response to some of the things I have just said—and I see my hon. friend is using his pencil and will probably tell me that the opposition of employers has been so pronounced in some cases I have mentioned that the unions concerned are convinced the check-off cannot be obtained at this time by collective bargaining.

If the unions however have then, for reasons of collective bargaining strategy, put this factor aside even for the time being so that they might be able to get some other benefits they need more, who are we, the parliament of Canada, to step in and mix up the works?

I am quite willing to admit that the Trades and Labour Congress of Canada and the Canadian Congress of Labour have requested the government to amend the act to require employers to institute the compulsory check-off of union dues; but I would also say that their request is not fully met by the amendment now before the house.

The question as to whether the check-off is to be instituted might well be left to the parties themselves to determine, in accordance with the needs of particular situations and in accordance with relative economic power. That this is possible is indicated by the numerous agreements which have been concluded incorporating the closed shop, the union shop, maintenance of membership, the check-off, or other modifications of that thing my hon. friend mentioned a while ago, namely union security.

Regulations by parliament on such a matter could serve to make them the subject of political rather than economic determination, and so restrict the area of industrial self-government. Establishment of the principle that the government may determine such matters is a far-reaching modification of free collective bargaining, and once introduced might it not involve more extensive intervention or even retraction, in subsequent changes of the political complexion of parliament?

If today parliament steps in to legislate on such matters as the check-off, another parliament at another time may attempt to settle the issue in quite a different way. Present legislation adequately promotes free collective bargaining, and parliament should consider carefully before going beyond this point by resolving issues which parties to collective bargaining can best resolve themselves.

The ideal behind any industrial relations legislation, I believe, in a free enterprise economy is the promotion of sound industrial self-government. We may not possibly come nearer to that goal by legislating on such substantive terms of employment as the check-off.

The more I study it, and the more I see the operation of our Canadian Industrial Relations and Disputes Investigation Act, the more I like it and the more I feel that we should go slow in unnecessarily making it a policeman for either bargaining party. It may not be a perfect act, but there are not many things in the world that are perfect, in spite of the constant efforts of my hon. friend from Winnipeg North Centre. But at least he will be the first to admit, I think, that his colleagues, the hon. member for Vancouver East (Mr. MacInnis) and the hon. member for Cape Breton South (Mr. Gillis), are as great authorities on labour matters as any other members in this house.

After attending a conference of I.L.O. in Geneva last year, upon returning to his homeland the observations of the hon. member for Vancouver East were reported in the Vancouver *Province* of July 21. The heading reads, "Labour laws 'Tops' ", but of course the hon. member did not write that. The article reads:

"Canada provides as much machinery for the settlement of labour-management grievances as does

any country in the world. In fact, Canada is far in advance of most countries," said Mr. MacInnis.

"The Canadian government does not consider industrial disputes a matter for labour and management alone. In providing machinery for conciliation and arbitration, the government is considering the welfare of communities as a whole," he declared.

Then he makes another statement which I think has some indirect relation, if not direct, to the matter under discussion, and I quote:

"The worker's right to strike has been won and now he should lay emphasis on the right to work, the right to produce, and the right to increase efficiency," he declared.

In passing may I say that I am sure all hon. members take pleasure in the fact that the hon. member for Vancouver East (Mr. MacInnis) is recovering his health. We hope that that recovery will continue at a rapid rate.

I am not attempting to give the impression that my hon. friend from Vancouver East is against this bill. I have read the minutes of the committee on industrial relations too earnestly to fail to realize that he and the hon. member for Spadina (Mr. Croll) were two champions of this amendment. I mention it simply because it was one of the first things that I read when I came into the Department of Labour, and it gave me such an upthrust of confidence, if you like, in this act that I wanted to pass his words on to the house tonight.

I said at the beginning that I had tried to approach this subject with an open mind, and I intend to maintain an open mind on it when this debate is over. From what I have said you will see that I do not object particularly to the thing my hon. friend from Winnipeg North Centre wants done. But as a new Minister of Labour I am concerned about his demand that we use the power of parliament to get that thing done, rather than to leave it for friendly collective bargaining.

At the moment there is no strong evidence of this thing being wanted now in this way by large groups of workers for whose welfare the Industrial Relations and Disputes Investigation Act was drawn up. At least there is no sign that it is wanted enough by them for them to forgo the other things that one might feel they want more. Furthermore, with the high record of industrial peace that labour and management have maintained since last September, and the importance of its continuing; with the important collective bargaining negotiations that are now under way; with the vital need for maximum production pressing more and more urgently upon Canada, I believe we should think twice before we inject any factor that might be a cause of irritation, either to the unions on the one hand or to employers on the other. As Minister of Labour I shall continue to give close study to the pros and cons of this question. In the meantime, for the reasons I have stated, I have no other course but to vote against this bill on the motion for second reading.

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, in rising to support this bill I think perhaps the best argument in favour of it is that it is an amendment to an act to provide for the investigation, conciliation and particularly settlement of industrial disputes. This amendment will remove one of the main causes of disputes between labour and management, without in turn causing any economic disturbance in the country or costing industry more than a few cents per month per employee. I understand that the railway unions, which come under the federal act, have offered on occasion to accept full responsibility for any charges that may be involved.

I also have received a copy of the brief of the Railway Association of Canada, but I fail to agree with any part of their submission. One of the best reasons for allowing a check-off is to be found in one section of that brief which states that their accounting is centralized while their employees are stretched out across the country, some being in small towns that are fifteen to twenty miles away from where the accounting is being done. The fact that the accounting is centralized means that only one simple punch on a tabulating card will be required to make the required deduction that could be done at very little expense to the companies involved.

It is true that this is a weak form of compulsion on the part of the companies involved. However, the present act that compels management and labour to meet and endeavour to settle their disputes is a form of compulsion. The compulsion here is no greater or no less than to require that once a union has been established the company shall give that union the minimum of union security. Union security is generally recognized and there are many decisions to this effect by famous judges and arbitrators. I have one in mind that I should like to place on the record. This is the report of the board in a dispute between Gotfredson Limited, Windsor, Ontario, and local 195, International Union, United Automobile Aircraft and Agricultural Implement Workers of America. The chairman of the board was His Honour Judge J. J. Coughlin, and I quote from the report as follows:

The board is of the opinion that the day of collective bargaining is here to stay. It is also of the opinion that of existing organizations the labour union is the best equipped to protect the interests of the industrial worker and is therefore the right kind of collective bargaining agent.

We further are of opinion that among labour unions that one will best serve the interests of its members which is governed by men of judgment and moderation and not by extremists.

We feel that no single influence is more important in bringing about the condition where men of the former rather than the latter type shall govern any union than is the friendly and co-operative attitude of management towards that union.

As I said earlier, to grant the check-off is a very limited form of union security but is recognition of the union by the management. I have here a copy of a union agreement which I had the honour to negotiate in June of 1949 prior to the general election of that year. It was the last occasion on which I had such honour. In it there is a clause governing the check-off. I should like to read it in order to show the house that there is nothing of a compulsory nature in the assignment. The assignment under section A of paragraph 64 is substantially in the following form:

The company shall honour a written assignment of wages to the union.

Section B reads:

An assignment pursuant to section A shall be substantially in the following form:

To the.....company. Until this authority is revoked by me in writing, I hereby authorize you to deduct from my wages and pay to local.....of the .....union.....initiation fees.....dues .....per month.....

And so on. I cannot see that there is a great deal of compulsion there, certainly not on the employee. Of course union security was written into the agreement at an earlier time when I also had the honour of negotiating, and that security had been in existence for four or five years. Prior to the time the security of the check-off was granted to the union there was a measure of tumult in the ranks of labour and disagreements were more numerous. Once the check-off came into effect there was tranquillity between them and very great strides were made. There was a great deal of co-operation. The union co-operated to the extent of allowing the company to introduce methods of job simplification. Every effort was put forward to speed up production, lower costs and so on. These things can be done, and at this time it is most necessary that there be close co-operation between management and labour.

The time has come when labour in all probability will have to relinquish some of the gains it has made over the past few years. Labour must have the confidence of management and must feel confident that management is not going to take away those rights during an all-out production effort. I am sure that if this measure is adopted there will be a great deal more co-operation, so far as labour relations are concerned, between the railway companies and the railway employees. It might be worthy of mention at this time that the only strike that really affected the economy of Canada in recent years was in the railway industry where there is no measure of union security. It might also be worth mentioning in the interests of labour that the railway industry is far below others in the matter of wage increases since 1949. All other unions have gained their justifiable increases and the transportation industry is well down in the list. I am not going to say any more at this time other than to say that I feel the bill should pass.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, it is not my intention to talk the bill out. I rise at this time for the purpose of carrying it over so that we may have an opportunity on Tuesday night to continue the discussion. I think the Minister of Labour (Mr. Gregg) made certain remarks tonight that require answering for purposes of clarification. May I tell him that to me this discussion seems very old. It is like going back and learning my catechism again, who made the world and that kind of thing, because it is a good many years ago that this particular measure became acceptable in my province. As the minister mentioned, many years ago the check-off was recognized in practice. It was brought to Nova Scotia from the old country. The English, Welsh, Irish and Scots immigrants, who were brought out here for coal mining in the early days when the province was being developed, brought the union idea with them and the method of collecting dues on a voluntary basis.

I know that when I started to work in the coal mines about 1908 the check-off of union dues was then a matter of course. They had even got past the period of paying dues over the counter, and the check-off was in effect when I first went into the mines, not by compulsion but by agreement. I cannot see the idea of compulsion. Every law on the statute books has an element of compulsion. We are compelled to recognize the laws of the country but the laws of the country are enacted for the purpose of protecting the great majority of the people against small minorities who want to rule as they see fit whether or not it is in the best interests of the country.

The word "compulsion" is a misnomer in relation to this bill because all laws have a certain element of compulsion. They must have. From the legal standpoint the check-off for union dues was put into the labour code of Nova Scotia in 1930 and has been in effect

there ever since. Under the terms of this particular bill there is nothing that compels a man to pay union dues. The laws of the province of Nova Scotia say that when the union and the employer come to an agreement the check-off is legal if they so desire. In the final analysis the application of the law is in the hands of those who negotiate the collective agreement, and the way that it shall be done is written into the union agreement.

If I so desire I can then go to my employer and tell him that I want my dues deducted in that way. If I do not want them deducted in that way then they are not. On the other hand, if the union misuses or abuses the privilege of collecting my dues in that way I can withdraw my card from the office and refuse to pay dues. I have seen that happen. In protest against certain activities of our hierarchy I have seen us withdraw our cards en bloc and keep them out for a long time in order to bring them to their senses. Therefore there is nothing detrimental to the best interests of the man who works.

The comparison between Great Britain and Canada is not a good one. In Great Britain there is a completely different set-up. It is the kind of set-up I would not want to have in Canada under our circumstances. While our system rests on collective bargaining, voting on strikes and that kind of thing, the British system is pithead action, strike on the job, without consultation with union officials, votes or anything else. They use it very temperately and with good judgment, but with the kind of industrial set-up we have in Canada if we had that kind of thing we would have a lot of difficulty.

Mr. Speaker: It being nine o'clock, the house will revert to the business which was interrupted at six o'clock.

EMERGENCY POWERS ACT

PROVISION FOR ORDERS AND REGULATIONS DEEMED ADVISABLE FOR NATIONAL DEFENCE AND SECURITY

Right Hon. L. S. St. Laurent (Prime Minister) moved the second reading of Bill No. 24, to confer certain emergency powers upon the governor in council.

Mr. Green: Is the Prime Minister going to speak on second reading?

Mr. St. Laurent: No, Mr. Speaker; I made a statement about the general principle of the bill on the resolution. Of course there will be explanations supplied concerning the different clauses of the bill. The bill was drafted in the Department of Justice, and I believe the Minister of Justice (Mr. Garson) will probably be in a better position than I am to deal with the explanations which may be required.

From the discussion during the resolution stage, I gathered that the principle of the bill was acceptable but that the terms might be carefully scrutinized. I would imagine that the discussion hon. members would desire to have would be upon the provisions of the bill, and not upon the principle of a bill of this character.

Mr. Green: Mr. Speaker, we would be very grateful if the Minister of Justice could make a statement on second reading.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I find that my hon. friend's suggestion is a rather awkward one for me to follow, because so far as the principle of the bill is concerned or the circumstances under which the bill if passed might operate, both have been covered, first by the extensive statement of the Prime Minister (Mr. St. Laurent) on the resolution stage of this bill, and secondly, by the statements by the Minister of National Defence (Mr. Claxton) concerning the defence program, and the Minister of Trade and Commerce (Mr. Howe) concerning defence supplies, and with particular reference to the use that would be made of emergency control legislation when passed. To those statements I do not think I can usefully add anything. If I am to say anything, therefore, in response to the suggestion made by my hon. friend from Vancouver-Quadra (Mr. Green) I can only do so in terms of some of the criticisms which have been made in the debate on the resolution by the leader of the opposition (Mr. Drew) and the hon. member for Eglinton (Mr. Fleming).

The suggestion was made by the leader of the opposition that the bill should clearly state the powers that it purports to give. I believe that hon. members, having now had an opportunity of reading the bill, will see that it does clearly state what those powers are. Then, as I recall his statement, he said that we should state which of those powers we were proposing to assume. It is that point which is fully covered in general terms by the statement made by the Minister of Trade and Commerce during the debate on the address in reply to the speech from the throne.

In so far as legislation of this nature is concerned, I think that the lawyer members at least would agree that if we knew exactly what powers we are going to need to use, it would not be necessary to pass legislation of this character giving powers to the governor general in council. We would pass a statute applying certain definite powers set out in the statute and be done with the

whole matter. It is because in the situation in which we now find ourselves there is a possibility that some or others of a number of powers may be required, as developing circumstances, which are not known at the time of the passage of the legislation, may make necessary, that legislation of this character is requested, and that these powers are left to the discretion of the governor general in council. All hon. members in the chamber will recall that during world war II an elaborate system of wartime controls of one kind and another was set up, and various crown corporations as well. Very wide powers were exercised by order in council, all pursuant to an act which was passed more than twenty-five years before, the War Measures Act.

From that I think it can be seen that it would be quite unreasonable to have asked the prime minister of the day, Sir Robert Borden, when he was seeking the enactment of the War Measures Act in 1914, to state which of the powers in that statute were going to be exercised by the government.

In the present case the member for Eglinton, in a speech which, with certain rather conspicuous exceptions, I thought was an admirable one, set out four requirements for legislation of this sort. I should like to refer to what he said. He said that, in the first place, it should carefully define the emergency. In the second place, it should trespass as little as required to meet the emergency on powers that are, under our constitution, normally held by the provinces. In the third place, he says we shall wish to see that the exercise of those powers is carried out with due regard for the responsibility of the cabinet to this house. Then he says that in the fourth place, as to defence of the rights of individuals in this country, rights that have often been ignored under similar legislation in times past, there must be in this bill provisions to safeguard the rights of the individual, so that he will not be denied access to the courts.

Mr. Fleming: Will the minister permit me to draw his attention to the fact that, in connection with the first safeguard, he has only stated part of it. It reads as follows:

> In the first place, it should carefully define the emergency. It should carefully define the powers that are sought and the duration of the powers commensurate with the duration of the emergency.

Mr. Garson: I thank my friend for the correction. I proceed to point out that my friend must be gifted with clairvoyant powers because every one of the requirements he set out for legislation of this sort has been carefully fulfilled. This bill was in the course of preparation before he made his speech—perhaps before he even started to think about it.

In the first place, he said that this bill should carefully define the emergency. If members will examine the bill they will see that it is succinctly and carefully described. The preamble says:

> Whereas an international emergency exists that threatens the security of Canada;

It should carefully define the powers that are sought, and the duration of the powers commensurate with the duration of the emergency. If members will examine the bill they will see that the powers which are effected are practically the equivalent of the powers effected by the War Measures Act, with three conspicuous exceptions which have to do with the rights of individuals with which the member for Eglinton was concerned. The omissions are first the power to detain, deport and exclude citizens; second, censorship and control and suppression of writing; third, appropriation, control, forfeiture and disposition of property and the use thereof.

Then, with regard to the duration of the act, if passed, hon. members will see that clause 5 provides as follows:

> Nothing in this act limits or restricts the powers conferred on the governor in council by the War Measures Act and, notwithstanding anything in section four, if while sections one to four are in force a proclamation is issued under the War Measures Act declaring that war, invasion or insurrection, real or apprehended, exists, sections one to four are repealed and all orders and regulations lawfully made under or pursuant to authority conferred under this act in force immediately before those sections are so repealed, continue in full force and effect as if made under the War Measures Act and shall be deemed to have been so made.

In other words, this is an act passed to cover a more limited emergency that exists at the present time until such time—God forbid that it should ever come—as it is necessary to bring into effect the War Measures Act itself; whereupon the invocation of that act will provide a continuity for any steps that have been taken under this act, and go on from that point; otherwise the act expires on May 31, 1952, under clause 4 thereof.

My hon. friend's second point is that the act should trespass as little as is required to meet the emergency on powers that are, under our constitution, normally held by the provinces. I think there will be general agreement—and I need not labour this point—that where there is a declaration of an emergency of this sort, powers that are normally within the jurisdiction of the provincial legislatures comes under the jurisdiction of parliament.

The third requirement suggested by the hon. member for Eglinton (Mr. Fleming) is

that the exercise of those powers be carried out with due regard for the responsibility of the cabinet to this house. If hon. members will examine the bill they will see that it provides for the tabling, under the Regulations Act, of all orders in council made pursuant to this act; and that it also provides in section 2, subsection 4:

> If the Senate and the House of Commons within a period of forty days, beginning with the day on which any order in council made under this act is laid before parliament in accordance with the Regulations Act and excluding any time during which parliament is dissolved or prorogued or during which both the Senate and the House of Commons are adjourned for more than four days, resolve that it be annulled, it shall cease to have effect, . . .

In other words the cabinet, in exercising its powers under this proposed act, must table the orders in council resulting from their invocation of those powers; and this bill in express terms provides for the Senate and the House of Commons the privilege of annulling the orders in council which the cabinet has passed if they wish to do so.

The last requirement of, I presume, his ideal statute of this kind which was suggested by the hon. member for Eglinton is that it safeguard the right of the individual so that he shall not be denied access to the courts in the assertion of his rights. If my hon. friend will examine the bill, I think he will find in it no clause which denies access of the individual to the courts.

I therefore think, Mr. Speaker, that the bill might easily be passed with this explanation which I have inflicted upon my fellow members in this house, only at the urgent suggestion of the hon. member for Vancouver-Quadra (Mr. Green).

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I think it would be fair to say that if we felt that the bill in fact accorded so completely as the Minister of Justice (Mr. Garson) says it does with the requirements of a perfect bill suggested by the hon. member for Eglinton (Mr. Fleming), we would pass it with far fewer reservations than we find we are compelled to make. Unfortunately, however, we do not agree with the minister that it accords so completely with those requirements as he appears to feel that it does.

I should say at the outset, Mr. Speaker, that the position we take is that, having pressed for some time, and particularly since September of last year, for the government to take some action to deal with the situation which we on this side felt was in fact one of emergency, and in particular having pressed for the declaration of the existence of an emergency, we cannot under the circumstances oppose the principle of this bill which is, after all, in the first place, that an emergency exists and that therefore it is essential that the government should have emergency powers. That being the case, I can say for the official opposition that we are not opposed to the principle of the bill and will not oppose second reading of this measure. Nevertheless, we have a number of reservations. I suppose that at this point some of those on the government side might say: That seems to be the usual story. The minister, however, has himself referred to the requirements which were suggested by the hon. member for Eglinton as being desirable in legislation of this type. We do not feel that those requirements are met as fully as they might easily be met, and certainly not as fully as I think we are entitled to expect that they be met.

In connection with emergency legislation we have always pressed for as narrow a definition as possible of the powers to be delegated. I do not mean simply to define the categories of activities which are to come under control. There is certainly some effort to do that in this bill, just as there was under the War Measures Act. The minister himself has said that, under the War Measures Act, power to do almost anything in any manner was given to the governor in council. What we want, and what we feel there should be rather than a mere classification of the categories of subjects or activities which are going to be subject to the bill, is that there should be a statement of the way in which those activities are going to be controlled, and of what measures the government intends to take or contemplates taking either in the remote or in the immediate future, to deal with the situation which they must foresee arising by virtue of the emergency which they themselves have declared and to which they now invite the House of Commons to subscribe.

But here we have no accurate definition of the emergency. When one looks at the bill, Mr. Speaker, one finds that it states that an international emergency exists that threatens the security of Canada. That does not seem to me to be an accurate definition of what the emergency is. In what way does it threaten the security of Canada? In what way does it make it essential to take emergency powers to deal with it? Is it because of shortages of commodities? Is it prices that the government is worried about? Is it military action which is going to have to be taken? Or what is the object of this bill, and in what way are the powers going to be used?

Mr. Howe: What do you think?

Mr. Fulton: I and other hon. members of this house have been asking that question for some

time, and the Minister of Trade and Commerce (Mr. Howe) appears to have no better answer, even at this stage when the emergency has been in existence for many months, than to say: What do you think?

Mr. Howe: I do not ask what it is, though.

Mr. Fulton: The minister says that he does not ask what it is.

Mr. Howe: What the nature of the emergency is.

Mr. Fulton: No; the minister does not ask what it is. The minister presumably knows what the nature of the emergency is in the mind of the government, but we have not been favoured with the answer. That is what we are asking for.

There is similarly no accurate description of the powers which are conferred, or the limits within which these powers may be exercised. In connection with this point one has only to look at some of the general subjects, or categories of subjects, which are to be subject to control. Control of communications and means of communications, Mr. Speaker, gives power to do anything. What I think we are entitled to know is how communications are to be controlled. What sort of control is to be exercised over communications and the means of communications? Then we come to transportation by land, air or water, and the control of the transport of persons and things; and also trading, exportation, importation, production and manufacture. There is no attempt to define what type of control over these categories is going to be exercised.

There being no definition, no limitation on the power to control, we can only take it that the control is absolute. This is borne out by the fact that the words used in these phrases which I have read—they are subsections of the bill—are in fact the same words as are found in the War Measures Act. Therefore we have the fact which I have taken objection to in the past, namely, that the government, while not saying that this control is necessary to be exercised now, nevertheless is asking us to surrender into the hands of the governor in council absolute control not of any specified or limited time, and not even specifying the time at which they intend to commence to use and the extent to which they intend to use those controls. Nor, in spite of what the minister has said, do we have in this bill any safeguard on the ordinary legal and private rights of the individual in connection with these matters subject to control.

There was one important point—if the minister will permit me—in the remarks which he made just now which should be corrected. He said that the powers given by the War Measures Act with respect to arrest, and so forth, of the person are excluded from this bill. They are not all excluded from this bill, Mr. Speaker. The War Measures Act gives power to the governor in council to make orders and regulations extending to, amongst other classes of subjects, one defined as arrest, detention, exclusion and deportation, four important sub-categories. The present bill excludes from the scope of the act only exclusion or deportation. It does not exclude the word "arrest"; so that the general powers given in the first operative clause of clause two of this bill, the powers given by the general words, must be taken to extend to and give to the governor in council the power to arrest. That, Mr. Speaker, of itself makes a very serious inroad into the ordinary legal rights of the individual.

Where in this bill do we find the safeguard of the principle of the rule of law? Control over these matters can all be exercised by the governor in council, including the right of arrest. Surely, Mr. Speaker, the government does not take the position that in order to exercise emergency powers it is necessary to exclude altogether the principle of the rule of law. And yet the words of this measure are sufficiently wide and all-embracing to give absolute power to the governor in council at least over the categories of subjects included, and at least to that extent at any rate to upset altogether the rule of law with reference to those categories, including the power of arrest.

If the bill passes in its present form, to that extent and to an unnecessary extent, and to an improper extent, the principle of the rule of law will have been unnecessarily and arbitrarily abrogated. I hope the Minister of Justice (Mr. Garson), if he sums up this debate on second reading, which I hope he will do, will reply to the arguments put forward, or during the committee stage will say whether he does take the position and whether the government takes the position that in order to have any emergency powers it is necessary to abrogate the principle of the rule of law.

These various questions of ensuring greater protection and preservation of the ordinary rights of the ordinary citizen, and ensuring the preservation of the rule of law, will be asked again with greater persistency and particularity in the committee stage. Another thing which we are concerned about now and will have more to say on when we come to the committee stage is the question of preserving the rights of parliament and control by parliament over the actions of the executive.

It is true the minister said that the government will be tabling the various orders in council within a certain time after they are passed, and that the parliament of Canada by resolution can revoke those orders and regulations. But, Mr. Speaker, it is an established fact under the rules of this house that the government controls the business of the house; and after the first four weeks of the session, which are usually and properly taken up with the speech from the throne, there is very little time for and practically no opportunity to have private members' business or resolutions brought to a conclusion by debate in the house because of the severe limitations on the time allotted to private business for the first four weeks of the session. There is therefore no assurance that any such resolution, if an order or regulation were to be tabled after the first four weeks, or well on into the session, would be dealt with. At that stage we are usually rushed and all the time is then given up to government business. There is in fact no way open to an hon. member, with any certainty, to bring such a resolution before parliament and have effective debate on it and a decision taken by vote either in support of or rejection of a resolution questioning one of these orders or regulations. In effect therefore this House of Commons will under the present bill, if it passes, have no control, no means by which it can express its opinion on the actions of the executive taken under the powers given to them in this bill.

To return to the question of the principle on second reading, there is one matter to which we take great exception, and that is the taking of emergency powers without any indication that the government really intends to use them. Yesterday the Prime Minister (Mr. St. Laurent) devoted a considerable part of his statement to the advantages of having emergency powers under this measure, rather than by proclamation invoking the War Measures Act. I think that, in so far as it gives parliament the right to say whether or not it agrees that there is an emergency, the Prime Minister's argument was an important one, and gave recognition to the principle of control by parliament to that extent over emergency legislation.

But the Prime Minister did not deal with anything like the same clarity or certainty with the question of the application of these emergency powers. I think it would be fair to say that he backed away, as have other hon. members of the government who have spoken in connection with the matter, from the subject of the application of emergency measures to control increasing costs, inflation and the cost of living.

No one likes emergency powers, if I may judge from the debates in the house during the last four or five years. There is hardly an hon. member who has not said at one time or another that, in principle, he does not like emergency powers. But the main division of opinion has been on the question of whether or not it was necessary to take those emergency powers, or to retain them when they had once been invoked. We now agree that it is necessary, and that the situation does justify the taking of emergency powers; but we do not approve of the giving of those emergency powers before they are to be used. Or, to put the matter in a reverse fashion, we feel very strongly that the time is now ripe for the government to use these powers for which they are asking—that they should use them as soon as they get them. Because to take these powers to control the various subjects over which the bill gives them power, and then not to use them, is simply to invite a continuation of the inflation we are now experiencing. It is simply to invite further increases in prices, and further demands for increases all across the board.

As reported at page 499 of *Hansard* the Prime Minister made this argument:

> The very existence of the right to intervene and establish regulations sometimes is in itself sufficient as a warning to prevent abuses; and the existence of these stand-by powers may make it unnecessary to deal with abuses that might arise if they were not in existence.

I submit that argument has been completely discredited by events as they have developed. We saw the same or a very similar argument used in 1948 in connection with the prices committee, when the prime minister of that day, the late Right Hon. W. L. Mackenzie King, said that by taking that action and by setting up that committee, and by bringing the searchlight of inquiry on the activities of people who were increasing prices, the committee would do much to prevent those increases. One has only to look at the history of that period, while the prices committee sat for some four months, at which time, as it was said with justification by members, the longer the committee sat the higher prices rose—and, as my hon. friend from Eglinton adds, the faster.

I suggest to the government and the house that if they simply take these powers, then the longer they sit with those powers unused, the higher and faster prices will rise.

Mr. Martin: I am sure the hon. member for Eglinton will deny that.

Mr. Fleming: He will confirm it.

Mr. Fulton: The hon. member for Eglinton assures me he confirms every word I have just spoken.

It is an invitation. The taking of these powers and then failing to use them, far from having the effect of discouraging increases in prices and the holding down of inflation, will act as an invitation to increase prices before the measures are actually invoked. Also, in the words of the Minister of Trade and Commerce (Mr. Howe)—used in a different debate, so I shall not quote them—he felt that that very thing had been taking place, and that in many cases industry had got itself ready for the period of control which might be expected.

There is nothing to indicate that those who have taken advantage of this period to raise their prices will not place themselves in an equal position if the government simply takes these powers, and then refrains from using them. So I suggest that, if the government is to discharge its obligations in good faith to parliament and the people of Canada, it must not simply take the powers which it says it is necessary to have to deal with the emergency which it declares now exists, and then refrain from using those powers when people are suffering as a result of the conditions brought about by that very emergency.

I ask for the assurance that when these powers are granted under the bill the government is ready, and that it will bring forward at the earliest possible moment its plans and regulations to invoke these powers and to relieve the distress our people are now suffering as a result of the increase in the cost of living.

There is something else I say we should have from the government in connection with the bill, and that is an indication of how they propose to exercise the controls they will now have power to exercise. I have in mind for instance the control they will have over trading, exportation, importation, production and manufacture. What do they contemplate by way of an organization to exercise that control? Is it to be done by an organization along the lines of the wartime prices and trade board, or how is the control to be exercised? I feel strongly that it is not proper to ask parliament to give these important and sweeping powers, powers for which we say they are justified in asking, without giving us some indication of how they propose to use them.

After all, the government is going quite some way, and the Prime Minister went quite some distance yesterday in indicating that he felt the proper approach to the matter is not for the cabinet simply to declare an emergency and to invoke the War Measures Act, but that they should now come before parliament and say, "We consider that there is an emergency. Here is the bill we present, and we invite you to join with us in declaring the emergency, and thus to give us power for which we ask". I say the government should complete the picture by taking parliament into its confidence and by saying, "Yes, we are asking you to join with us in declaring the emergency and giving us the power. Here is how we propose to exercise it, and this is the approximate time limit in which we intend to bring those powers into effect". I do not think the government will be discharging its obligation to parliament until it places us in possession of that information.

There is another aspect of this same deficiency, and that is the matter of information. We have always objected to what has been called blank cheque legislation, or the giving of absolute power without limitation and without knowledge of how it would be exercised. In a sense, that is what is being done here. But it is even worse than that if the bill remains in its present form. It is giving the government the power to take absolute control of our economy without any knowledge as to when that control will be exercised. I think what parliament is being asked to do can best be illustrated by a simile. If a person were to give a cheque for $100 without any date he would not know when it was going to be presented. However, he could make allowance for it in his cheque book and then carry on knowing that some day he would have to meet that debit. But here we have a very different situation.

Some people carry on their household affairs by means of a joint bank account. Many husbands and wives do that. Quite often under those circumstances the end of the month comes around and the husband finds that the account is overdrawn. He does not know how much his wife has been spending. There are others who prefer to operate by trying to make an estimate of what the household expenses will be every month and then deposit that amount in a separate bank account. In that way they always know just what their position is and what demands are going to be made on them. Quite often even under those circumstances the account is overdrawn and then the one partner has to come to the other and say, "Will you give me a little more?" Quite often there is apt to be some difference of opinion, but in the long run what we term the weaker partner generally wins out and the extra accommodation is granted.

I think the government is in much the same position. They should not ask us to give them a joint account with respect to powers

and then put us in the position where we would not know when the account was overdrawn or just what the situation was. Under this bill we will not know until some time after the powers have been invoked just what powers have been used, just what exercise the government is making of the powers we have delegated to them. I suggest that that is not a desirable or necessary situation.

The government should define its powers much more narrowly and much more accurately, and should indicate also the time at which it intends to make use of them. If it should be found that there has been too narrow a definition, that some powers are needed over and above what have been granted, then I think, like the partners operating with a joint account, if the government were to come back and say, "Our account has been overdrawn; we have had an unexpected call on it, will you give us a little extra accommodation", under those circumstances the accommodation would be forthcoming.

As I see it, the government, parliament and the people of the country are all mutually interested in this matter. We are willing to give the powers. All we ask is that they do not be abused and that powers beyond what are needed are not taken. Then if the government should come back and say, "We have not taken sufficient powers to deal with this emergency", I am convinced that parliament, in a spirit of co-operation and partnership and exercising its right to properly control the executive on behalf of the Canadian people, would be quite willing to give the further necessary powers as soon as the case was made out.

I ask the government to take the house into its confidence. The government should realize that we are as concerned as they are that the emergency should be met. Sometimes I think we are a little more concerned because we would like to see them start dealing with it now, whereas they do not appear to be ready to do so. We are as anxious as they are that this emergency be met satisfactorily and that adequate power to deal with it should be granted. But they should not take advantage of the willingness of the house to co-operate in giving emergency powers by asking for powers over and beyond what is necessary and in advance of the time when they actually intend to use them.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in rising to say a few words on the second reading of this bill I find myself thinking of a former member of this house whose passing a few weeks ago was a matter of deep regret to all who knew him. I refer to Frank Jaenicke, the former member for Kindersley. Although he was a colleague of ours I sense from the reaction of the house at the mention of his name that it would be perfectly proper for me to say that hon. members in all parts of the house who knew him thought a great deal of him and were indeed sorry to learn of his passing.

I could see from the expression on the face of the Minister of Justice (Mr. Garson) when I started that he knew to whom I was going to refer and why. It was Frank Jaenicke who so well expressed our view during the years of the last parliament with respect to the whole question of the right of the federal parliament to deal with matters like price control which were of concern to the people of the entire country. On several occasions Mr. Jaenicke gave the house the terms of the decision of the privy council in the Canada Temperance Act case and told us that their lordships' opinion at that time was that a matter which by its inherent nature was of concern to the welfare of the whole country could be legislated upon by the federal parliament.

It was on that basis that we argued during the years of peace between 1945 and more recent months that it was possible for this parliament to call upon the government to stay in the field of rent control and to impose price controls if it could be shown that they were necessary by their inherent nature to the well-being of the whole country. Having taken that position in what was known as the few years of peace, it is only natural that in an emergency situation such as now confronts us we should take the same position. There is nothing new in that aspect of this legislation so far as we are concerned or so far as our attitude toward it and our support of the principle is concerned. We submit that at the federal level there is the right to control things that are of concern to the whole country and that is consistent with the stand we have taken right along. Therefore we shall give our support to this bill.

However, even at the risk of getting into paths where only lawyers should tread I should like to comment on the situation that seems to be developing with respect to the constitutional basis on which we are proceeding in this country. It seems to me that there are three different bases on which we operate. We have the normal situation, although heaven knows when we are ever going to get back to it, when our constitution is the British North America Act. Then we have the completely abnormal situation which

wartime creates when our effective constitution becomes the War Measures Act. Then we have this third stage that comes in between, which is neither a normal time when we are governed by the British North America Act nor an abnormal time when the War Measures Act gives the federal government all powers. We have this in-between stage when parliament declares an emergency and gives certain powers to the federal government, even though those powers may override the British North America Act.

The right of parliament to do that seems to have been established by one or two court decisions, the Fort Frances case and I believe also the decision of the Supreme Court of Canada with respect to the rent control question. I believe in both those cases the courts decided that if parliament declared there was an emergency it was not the business of the courts to look behind that declaration. Therefore at the moment I am not criticizing the situation or saying that it is good, bad or indifferent. I am just drawing attention to the fact that we now seem to have three different constitutional bases for operating in this country, and apparently we should fly a special flag to indicate which dispensation we are under. When this bill passes we will be under the in-between dispensation where we give to the federal government certain powers because of a limited emergency so declared by parliament.

With respect to the bill itself I am not going to take time to repeat some of the arguments that have already been made tonight with which I agree. I merely say in passing that I think consideration should be given to the point raised by the hon. member for Kamloops (Mr. Fulton) as to the effectiveness of the provision for the Senate and the House of Commons to annul any order passed under this act. I like that provision. I am glad it is there. It is a gesture which seems to provide something completely lacking in the War Measures Act, but the question raised by the hon. member for Kamloops is a very real and practical one. Once a session of parliament gets under way and the first few private members' days get out of the way, how would it be possible for an order brought down by the government ever to be annulled?

Naturally the government is not going to bring in a motion to annul one of its own orders in that way. A private member would have to give notice in the usual way. His notice of motion would go to the bottom of the list of notices of motions, and probably by that time in the session would not be reached at all. I think the government might give some consideration to amending that clause and writing into it some specific provision so that it could actually have more real effect on the floor of parliament.

The other point I want to say something about has been touched upon in part by the hon. member for Kamloops but apparently we have to keep hammering away at it. It is the point made by my leader (Mr. Coldwell) and by the leader of the opposition (Mr. Drew) at the resolution stage, namely, that if parliament is prepared to give to the federal government these special powers because of the emergency that now exists parliament wants the government to start using those powers to try to do something to alleviate the worst effects of that emergency. I am sure that from the way the newspapers reported the speeches of the leader of the opposition and the leader of the C.C.F. the other day the people of Canada must expect price controls almost momentarily. I remember one newspaper headline to this effect: Drew and Coldwell call on P.M. to hurry up with controls.

That sort of report of what is going on here is going out to the people, and I am sure there are many people in Canada who are greatly confused by what is happening. They heard a few weeks ago that amendments calling for price controls or for effective measures to combat inflation and the rising cost of living were defeated on the floor of the house. Then they hear of the government introducing a bill which will make it possible for the government to bring in controls. Therefore the people are wondering just what is going to happen. The government can resolve the confusion by acting as soon as possible once this bill has been passed and instituting some of these controls, particularly in the field where they are so urgently needed, and I refer to the question of the high cost of living.

This plea for price controls which can be met by the government once the bill is passed —some of us think it could have been met long ago but certainly the government admits it can be met once this measure is passed—is one that is made by ordinary Canadians. To a very large extent it is made by the housewives and workers of this country who are finding it impossible to get along on the amounts of money they have at today's high prices. It is made here on the floor of the House of Commons by members of all parties, but I should like to call one other witness to the plea for doing something about the rising cost of living. In this instance my witness is a justice of the Supreme Court of Canada, Mr. Justice R. L. Kellock. For the purpose of strengthening my argument that something must be done soon about the rising

cost of living, I refer to the report that Mr. Justice Kellock made at the time he settled the railway dispute last fall; for, as hon. members will recall, he was appointed arbitrator under the bill passed here at the end of last August.

I have in my hand a copy of the award that he made. It is a very lengthy document. I do not intend to quote at length from it but I would point out that Mr. Justice Kellock accepted, and says so quite early in his report—indeed on pages 10 and 11—the contention of the railway workers that they had a right to expect their wage and cost of living relationship of 1948 to be maintained by the settlement that he would award to end last fall's dispute. That is the basis from which he worked. He tells us that in June, 1948, the cost of living index stood at 154·3. He then had to find out where the cost of living index stood at September 1, 1950, the approximate date of the bill that settled the strike. He ascertained that the cost of living index at that time was 169·8. On page 42 of his report Mr. Justice Kellock says that it would therefore take a 10·2 cents an hour increase in wages to the railway workers to do what he said they had a right to expect; that is, it would take 10·2 cents an hour to keep for the railway workers the same relationship between their wages and the cost of living index that obtained in 1948.

However, Mr. Justice Kellock said that the maximum award he was permitted to make under the terms of the bill passed by parliament last August was 7 cents. He makes that clear on pages 3, 4 and 32 of his report, as well as in other places, namely, that the limitation of 7 cents was placed upon him by the law passed by parliament. Therefore he says in his report when he awards the 7 cents, which is the maximum that he could give them, that he realizes this leaves the workers already, as at September 1 last year, 3·2 cents an hour behind that ratio between their wages and the cost of living index to which he said they were entitled. In fact, he pointed out that the situation would actually worsen, and that has happened already, for the cost of living index is already up to 172·5.

Mr. Prudham: Do not forget the forty-hour week.

Mr. Knowles: I shall refer to that in a moment. First, let me quote Mr. Justice Kellock on page 42, where he says:

> By September 1, 1950, the wage rate-cost of living relationship of the railway worker had deteriorated from the 1948 level to such an extent that 10·2 cents per hour was then required to restore that relationship. In other words, the seven cents asked for was already exceeded by 3·2 cents, and this margin, it would appear, will likely continue to be augmented.

[Mr. Knowles.]

Then, at page 43 in discussing this award he points out that it is to be remembered that, to the extent that past experience may be taken as a guide, the tendency will be for this advantage to be overtaken during the unexpired term of the contract here in question.

The Minister of Mines and Technical Surveys (Mr. Prudham) suggested that I should not forget the forty-hour week. Mr. Justice Kellock makes an interesting comment with respect to the award of the forty-hour week. As a matter of fact, it is found at page 33 of his report. He says:

> In my opinion, just as the employees have failed to appreciate the economic gain represented by the reduction in the work week, the railways have ignored in their submissions the disadvantageous position of the employees in the period September 1, 1950, to June 1, 1951, with relation to the rise in the cost of living index and in comparison with the situation in the durable goods industry, a situation which in both aspects would appear likely to become accentuated as the period progresses.

Note this next sentence:

> It is the existence of this situation which has prompted me to fix June 1, 1951—

In other words, the seven cents an hour leaves the worker at a disadvantage, but that is all he can give them, so he has to make up for it as best he can.

> It is the existence of this situation which has prompted me to fix June 1, 1951, the earliest date open to me, as the date for the coming into operation of the forty-hour week.

There is no doubt about it, Mr. Justice Kellock says the forty-hour week is worth something to the men, and because it is worth something to them he feels he should give it to them at the earliest possible date, as compensation for the fact that he could only give them seven cents an hour when the whole basis he had accepted at the start called for 10·2 cents an hour at September 1.

An hon. member over here said I should not forget the question of freight rates. I suggest to him that he get a copy of this report and see what Mr. Justice Kellock has to say about the increase in railway revenues during the first eight or nine months of 1950. He referred, for example, to the great increases in the revenues of the C.P.R., and he refers also to the C.N.R. deficit being turned into a net gain. He pointed out that these increases would mount still further during the balance of the year. He cites these increases in profits as one of the reasons why he feels the railways should pay the increased wages.

Now, Mr. Speaker, I have gone further into that than I really intended, partly because of the interjections that have come along. My point was to suggest to the house, and to the government, that this plea for price controls

for the protection of the living standards of our workers and our people generally is not just a plea that comes from ordinary people who know only their own difficulties in making both ends meet. It is documented by no less a person than this justice of the Supreme Court of Canada. He says in very moderate terms that the seven-cent increase he awarded was already 3·2 cents behind what they needed to maintain their 1948 ratio as at September 1 last year. He says the likelihood is that that situation will get worse during the period of the contract.

Let me spell that out a moment. As required by the terms of the bill the period of the contract is two years. That means that a situation which was already 3·2 cents an hour short last September will become worse over the two-year period if prices are allowed to continue to rise while the wages of these hundred and forty-odd thousand workers are frozen at that level. Incidentally, Mr. Speaker, some hon. members might have noticed that a publication called *The Letter-Review* which comes to our desks from Fort Erie, Ontario, referred to what I said in this connection on a former occasion. It was suggested that what I had said was untruthful, and that I should apologize to the Commons for an alleged misrepresentation of the facts. I have shown tonight that what I said before was absolutely correct, and I suggest to the publisher of *The Letter-Review* that he read what I have said tonight in *Hansard*, and that if he has not got it perhaps he will obtain a copy of the report made by Mr. Justice Kellock. He will see, I am sure, that if there is any apology to be made, he owes an apology to me.

It is quite clear in Mr. Justice Kellock's report that he knew the limitations the bill imposed upon him. It was because the bill imposed a seven-cent limit on him that he gave the workers the forty-hour week at the earliest possible date, as compensation for the disadvantage of their getting only seven cents. Now, Mr. Speaker, with that situation confronting the railway workers, 148,000 of them according to the report of Mr. Justice Kellock, I submit that an even worse situation confronts many other workers as they find it impossible to increase their incomes while prices are continuing to rise. In other words it is our hope that the spirit of the newspaper reports of the debate of last Tuesday will be carried out. The people of this country heard that all parties were calling upon the government to hurry up and make use of these controls. We want to see these hopes realized so that we will soon get an effort on the part of the government to grapple with this problem of rising prices, and to roll them back if at all possible in order to protect the wage and living standards of our people. Parliament is prepared to give those powers to the government. We will watch the government closely as to their democratic and parliamentary use of them, but at the same time we want them to use them for the well-being of our people.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, when I spoke in the debate at the resolution stage preceding the introduction of the present measure, I suggested that we perhaps should not say too much lest the debate become doctrinaire, and lest there might be some surprises for us when the terms of the bill were made known. For my part, I must say that the bill has contained some surprises.

The debate tonight has turned on this point, and it is a point that has not yet been answered by the government. There is an emergency. Everyone admits the existence of an emergency, but it does not follow from that that the government must have powers under an extraordinary measure of this kind to deal with that emergency, especially when we are told by the government that they have no present intention of exercising those powers. Under our constitution, all that the existence of a national emergency does is to give parliament fields of jurisdiction to meet that national emergency that do not normally repose in parliament, but normally repose in the legislatures of the provinces. It does not necessarily follow that parliament must resort to measures of this kind granting vast powers to the governor in council.

The government has done an extraordinary thing in this debate, sir, both tonight and in the debate on the resolution stage. It has said, in effect, that they are not going to give the house any pledge or undertaking that they are going to use any of these powers. All they say is that if they think an occasion arises that calls for the use of some of these powers, they will use them. In the meantime, they are simply stand-by powers.

You will see at once, sir, the inherent weakness of the position the government has taken and the inherent weakness of the position that the government is inviting parliament to put itself in. If these are only stand-by powers, why should they be taken while parliament is in session? That question has not been answered by the government in this debate. As long as the government persists in declining to give to the house any indication as to when and how these extraordinary measures are to be exercised, it seems to me that the government itself is chopping away at the whole basis of the type of jurisdiction that it is inviting parliament to exercise at

this time, namely, the existence of a national emergency. It is for that reason, in view of the continued attitude of the government in this respect, that I approach this bill with even greater misgivings than those I voiced in the debate on the resolution.

The Minister of Justice (Mr. Garson) has been kind enough tonight to build his remarks in this debate around some observations that I made as recorded at page 527 of *Hansard* of February 20. By some extremely elastic substitute for logic—one might call it ersatz logic—he has undertaken to argue before this house that the bill meets those specifications that I humbly sought to put before the house on Tuesday evening. He does not content himself, however, with so monstrous a proposition. He goes further and says that I must somehow or other, in consequence, regard this bill as carrying out in some ideal fashion the requirements that I put forward in my remarks. Mr. Speaker, I do not think a measure of this kind could ever be regarded as ideal, in the first place. This kind of measure—namely one confiding vast powers in a government—is not one that any member of parliament can approach with any degree of satisfaction. Those of us who sat in the last parliament will view with the greatest reluctance the situation where we feel there is a national emergency and that special measures are needed to meet that emergency if only the government will take the necessary measures. I may just interject here, Mr. Speaker, that they have it within their power to do many things to help to meet this national emergency, without resort to extraordinary and distasteful legislation of this kind. But let me deal with the points that the Minister of Justice took up seriatim in his remarks tonight.

The first requirement that I put forward was that there should be in the legislation clear definitions of the nature of the emergency and of the powers required to meet the emergency, the duration of the powers to be commensurate with the duration of the emergency. The minister contents himself with reference to the first recital in the bill as being a sufficiently clear definition of the emergency. I cannot share his view on that, Mr. Speaker. All that recital says is:

> Whereas an international emergency exists that threatens the security of Canada.

It says nothing more than that. It seems to me that the minister rather wisely did not go any further in the reading of the preamble, because the next paragraph is an amazing collection of words. It is just so much verbiage. But apparently the minister does not treat that as being in any sense a definition of the emergency or the nature of it. So I shall spend no more time on that point.

But what of the definition of the powers in this bill, sir? I in my innocence expected that we were going to have before us a bill setting forth certain clearly defined powers. But what do we find in this bill? We find that, with only several exceptions—and those not of the highest importance compared with other matters—parliament is being asked to repose in the governor in council all the powers that parliament possesses. That is an extraordinary situation. When this bill comes into effect, with the exception of those several matters referred to in one of the subsections of section 2, parliament will have vested in the governor in council all the legislative powers that parliament possesses. That, sir, is not the kind of defined power that I thought, when I was speaking on February 20, a bill of this nature ought to possess. This bill completely fails to meet that simple and necessary specification.

The second point had to do with the disturbance of the normal constitutional relationship between the dominion and the provinces. The minister has said that this bill meets what I put forward there by way of principle, namely that there should be no trespass on the rights of the provinces, except to the extent that the measures necessary to meet a national emergency require it. We shall only know, Mr. Speaker, as time goes on, whether the government proposes to use this power in a way that would give offence to what I put forward as the second principle.

I do not think that any member of this house is going to relish a centralization of power at Ottawa. We had difficulty enough in trying to disperse that centralization of power in these recent years, and we do not want to have to go through that process again. As to powers that are required by the federal government to meet the exigencies of a national emergency, let me make it quite clear that the federal government must have them; and I am sure that parliament will be glad to give them to the government if we can be sure that they will be properly and wisely exercised.

Then I come to the third point, the maintenance of the principle of responsibility of the government to this House of Commons. Much was made by the Prime Minister (Mr. St. Laurent), in his remarks in committee of the whole on the resolution stage, of a provision in the bill to which the Minister of Justice has referred tonight. When the

Prime Minister was making his remarks I thought we were going to have something far exceeding what we, on examination, actually find in this bill. The point that the Prime Minister was making was that whatever might be done by way of the passing of orders in council would come back to parliament, and parliament would have full opportunity to exercise its rights as the supreme body to which the government is ever responsible. I am not going to discuss the detailed provisions of the bill in this second reading stage, but I point out to you, sir, that that provision in the bill falls far short of guaranteeing to us, under present circumstances, the maintenance inviolate of the principle for which I have been contending. In the first place, it applies only to orders in council. It does not apply to any regulation made under the authority of any order in council. In the second place, as this bill is drawn, there is the possibility of great delay in the tabling of those orders in council in parliament.

Let me remind you, sir, that this bill provides only for the tabling of these orders in council in accordance with the provisions of the Regulations Act, a statute that was enacted in this parliament a year ago. May I remind the house that the provisions of this act run to this effect, that the governor in council shall publish in the *Canada Gazette* such orders and regulations within thirty days after they are made. Then there is a further provision that within fifteen days after publication in the *Canada Gazette* such orders and regulations are to be tabled in this house. In other words, sir, forty-five days may pass under that procedure from the time an order in council is made before that order in council need be tabled in the house by the government under this bill. I say, sir, that is far too long a time lag in the tabling of orders in this house, orders that may in their effect be more far-reaching than any statute that parliament in the ordinary course is called upon to enact.

I say, sir, that this is not a case where parliament can be content with the application of the procedure provided by the Regulations Act. It seems to me we must have in this bill a provision requiring the very prompt tabling in the house of all orders in council passed under authority of this bill.

Then, of course, there is the third point, which has already been referred to by my colleague the hon. member for Kamloops (Mr. Fulton). It seems to me that, unless there is to be a revision of the rules of this house, any such provision as appears in this bill, that parliament may by joint action of the Senate and the House of Commons annul an order in council within forty days after it has been tabled in the House of Commons, is purely illusory; because you know, sir, that the only way in which steps can be taken in this house to effect that annulment of an order in council would be by private members' resolutions.

After the first few weeks of a session what chance has a private member's resolution of ever being adopted in the house? The house knows in fact, sir, that after another few weeks—we do not know how long—the government will be proposing to take away from the house the two days now remaining per week to be allotted to private members for introduction of their notices of motions. Beyond that, such a provision in a bill would be an absolutely dead letter. Even in the early weeks of the session, while the situation this year has improved over that experienced in previous sessions, we know that there simply has not been time enough allotted on private members' days for more than a fraction of the notices of motions standing in the names of private members to be debated in the house. The situation has improved in the present session. There are not nearly as many of these notices of motions filed in the names of private members. But we have no guarantee that the situation obtaining in the present session will be repeated in succeeding sessions. If experience runs as it did in the course of the last parliament we may be seeing something like fifty or more notices of motions standing on the order paper in the names of private members. Then when the government tables these orders in council and some hon. member gives notice of motion of his intention to move to annul the order in council it necessarily starts at the bottom of the list. Therefore I say, sir, that if any weight is to be given this annulment provision in the bill there has to be a new procedure provided in this house to give some real meaning and significance and effect to such a provision in relation to annulments.

I come to the fourth point which the Minister of Justice (Mr. Garson) dealt with tonight, arising out of my remarks of February 20. The fourth point that I sought to make, sir, was that in the bill there must be provision to safeguard the rights of the individual so that he shall not be denied access to the courts in the assertion of his rights. The Minister of Justice, I think in great error, said that no clause in the bill denies access to the courts. Now, sir, the Minister of Justice is, with one very striking exception, correct in saying

that you do not find in the bill any express provision denying access to the courts. If he refers to the powers conferred by the bill on the governor in council he will see that it will lie within the power of the governor in council by order in council under these provisions to deny access to the courts on the part of the individual.

I mentioned an exception. The great exception was the one that has already been referred to. The War Measures Act provides that the power of arrest is included in the subject matters expressly deemed to be included in the power of the governor in council under that section. When this bill was drawn, and the draftsman came to write the provisions containing these matters that are expressly excepted or reserved from the powers conferred on the governor in council, he did not follow the language of the War Measures Act, which reads in one subsection in these words "arrest, detention, exclusion and deportation." The draftsman dropped that very important word "arrest", and the reservations in this bill in that respect are simply "detention, exclusion or deportation of any person". So that, and we might as well acknowledge the fact, we have in this bill, once it is enacted in its present form, given power to the governor in council to legislate by order in council in such a way as to cause arrest.

In his reading of the bill I am sure the Minister of Justice overlooked that. The governor in council, mark you, may not under the present bill make orders in council or regulations in relation to the detention, exclusion or deportation of any person; but he may, under the general powers given to him under this bill, make orders and regulations with respect to arrest.

I would have thought a perfectly obvious course for the government to take, if its intentions were so impeccable in this respect, would have been to have specified the word "arrest" along with these other subjects which are what we call in the courts *in pari materia*.

That is not all. The Minister of Justice was not a member of the government in the days of what I might call the heyday of order in council when, under powers similar to those which the house is asked to confer on the governor in council, orders in council were being passed which did interfere with the right of the individual to have access to the courts. That is no idle statement, sir. There were many orders in council and regulations which had in some of their provisions that result.

In 1947 the then remaining 57 orders in council were consolidated in connection with a bill which then acquired for all eternity, I trust, the name of the Heinz bill, the 57 varieties. If you refer, Mr. Speaker, to your copy of the consolidation of the 57 orders in council, which I hope you have carefully preserved, you will find provisions like these. On page 11 we have clause 6 of P.C. 6759, passed on the 6th of November, 1945, entitled, "The repayment of subsidy regulations." That provision reads as follows:

6. No person shall institute or continue any action or other proceeding to recover any sum of money paid, before these regulations came into force, to Commodity Prices Stabilization Corporation Limited, or to any person on behalf of His Majesty or of such corporation, as a repayment of subsidy involved in goods that were to be or had been exported, or sold or taken out of Canada as ships' stores.

There is a clear interference with the right of an individual to have access to the courts. Then, if we turn to page 28 of the consolidation, we find clause 15 of a very important order in council, P.C. 8528, dated November 1, 1941. The provision I am now about to read remained in effect until 1947, having been changed slightly in that year. But this was the law of the land, denying access to the courts. Section 15, referring to the wartime prices and trade board, states:

15. (1) No member of the board and no administrator or other person employed or appointed by the board or acting on behalf of or under authority of the board shall be or become liable to any person for or in respect of any act or omission of himself or any other person in the exercise or purported exercise of any power, discretion or authority or in the performance or purported performance of any duty conferred or imposed by or under these regulations or any regulations for which these regulations are substituted or otherwise conferred or imposed by the governor in council.

(2) No proceedings by way of injunction, mandatory order, mandamus, prohibition, certiorari or otherwise shall be instituted against any member of the board, administrator or other person for or in respect of any act or omission of himself or any other person in the exercise or purported exercise of any power, discretion or authority or in the performance or purported performance of any duty conferred or imposed by or under these regulations or any regulations for which these regulations are substituted or otherwise conferred or imposed by the governor in council.

There, sir, we see by action of the officials named a complete denial of the individual's normal right of access to the courts.

Then if we will turn to page 41 we find another provision in P.C. 7475 dated August 26, 1942, referring to the Commodity Prices Stabilization Corporation. Section 6 of the order reads:

6. (1) No director, officer, clerk, or employee of the corporation and no person acting on behalf of or under the authority or supervision of the corporation shall be or become liable to any person for or in respect of any act or omission of himself or any other person in the exercise or purported exercise of any power, discretion, or authority or in the

performance or purported performance of any duty conferred or imposed by or under these regulations or any amendment thereof or any other order in council or statute.

(2) No proceeding by way of injunction, mandatory order, mandamus, prohibition, certiorari or otherwise shall be instituted against the corporation or any director, officer or employee thereof or any person acting under the authority of the corporation for or in respect of any act or omission of itself, himself or any other person in the exercise or purported exercise of any power, discretion or authority or in the performance or purported performance of any duty conferred or imposed by or under these regulations or any amendment thereof or any other order in council or statute.

And, sir, I mention this one further, at page 137 of the same consolidation. This is part of order in council P.C. 9439, December 19, 1944. It is an emergency shelter regulation, and section 9 states:

9. (1) No member of the board and no administrator or other person employed or appointed by the board or acting under authority of the board shall be or become liable to any person for or in respect of any act or omission of himself or any other person in the exercise or purported exercise of any power—

And so on.

There we find the same kind of provision as we had in the other two orders I read, including the prohibition or denial of the right to bring proceedings by way of injunction, mandatory order, mandamus, prohibition, certiorari, or otherwise.

Now, when the Minister of Justice says, therefore, that no section in the bill denies access to the courts, apart from the very striking oversight in regard to the arrest of any person, the minister has completely overlooked the fact that, if this bill is enacted in its present form, power will be vested in the governor in council to legislate by order in council in terms such as I have quoted from these orders in council in the earlier years, and which do effectively deny to the individual his right of access to the courts in matters which to him are of high importance.

The other day the Prime Minister (Mr. St. Laurent) made a remark which received general approbation in the house when he said it was preferable to proceed by way of a bill of this kind rather than by the invocation of powers for which provision is made by the War Measures Act. Sir, I think it is worth noting that while there are some things, some powers, in the War Measures Act that are not claimed by the governor in council under this bill, nevertheless there are provisions in the War Measures Act which might better have been added to the bill.

Now, if hon. members would make comparison of the provisions in the two measures, they would see that there was in the War Measures Act a provision reserving what might be called vested rights acquired under the provisions of the act. There was in the War Measures Act a provision which has no counterpart in the present bill. The one I now refer to is found in section 3(2) of that act. The earlier words of the subsection are found in section 2(3) of the bill, but the following words are not. The words found in the bill are these:

All orders and regulations made under or pursuant to authority conferred under this act have the force of law—

And so on. Then we do not find in the bill any counterpart of the following provision as it is set out in the War Measures Act:

—and shall be enforced in such manner and by such courts, officers and authorities as the governor in council may prescribe, and may be varied, extended or revoked by any subsequent order or regulation—

And then please note these words:

—but if any order or regulation is varied, extended or revoked, neither the previous operation thereof nor anything duly done thereunder, shall be affected thereby, nor shall any right, privilege, obligation or liability acquired, accrued, accruing or incurred thereunder be affected by such variation, extension or revocation.

I would ask hon. members to note that under that provision, where any change was made in an order or a regulation by variation, extension or revocation, any right acquired under the order in council as it previously provided was carefully preserved by this legislation. We do not find any counterpart in the present bill of that provision which, it seems to me, is an essential safeguard of the rights of the individual. And I view that omission with greater concern—yes, alarm—after hearing the statements made in the house several days ago by the Minister of Justice (Mr. Garson) himself. His statement is found at page 420 of *Hansard* for Friday, February 16. On that occasion he came to the house with the announcement that the government had sustained another defeat in connection with certain litigation pending in the courts. I shall not discuss a subject which is sub judice, but I would point out something in the statement of the Minister of Justice on that occasion which is very significant. The minister said in effect, "We have been unsuccessful in our appeal to the Supreme Court of Canada and we will take this action". He is the man who a year and a half ago denounced in this house appeals to the privy council as being badges of colonialism. Nevertheless he now announces that this government is going to appeal this case to the privy council. That is a strange course to be taken by a government which spoke through the Minister of

Justice in the language I have just referred to when dealing with the right to appeal—the badge of colonialism.

The Minister of Justice did not content himself with that extraordinary course of action. He said that if the government were not successful in its appeal to the privy council it would take steps to deal with rights that might be accruing to persons other than those who are parties to the litigation. In other words, what the Minister of Justice was saying to this house was that if they did not beat Hallet and Carey Limited and Mr. Nolan in this case they were going to bring into effect retroactive legislation, by means of order in council or otherwise, to take away whatever rights certain people may have acquired as a result of the decision in the pending litigation.

What an extraordinary proposition! This government is not going to be content simply to reverse the position it took a year and a half ago with respect to accepting decisions of the Supreme Court of Canada and denying appeals to the privy council; it is going to destroy the rule of law by, in effect, taking steps to take away by retroactive legislation, *ex post facto* legislation, rights which people may have acquired in the course of this pending litigation although not parties to it. That is an extraordinary proposition for this government to put before the house. If that be done in the name of justice, it just makes a travesty of justice.

For that reason it seems to me that this house must be sure that we write into the bill before the house the kind of safeguards that appear in the War Measures Act but which were not carried into this bill by the draftsmen. If we do not take that step and write into this bill important safeguards and further reservations, not only will we be giving to the government practically all the legislative powers that we possess, with the several exceptions in subsection 2 of section 2 of the bill; we will have failed to apply the safeguards in the interests of the rights of individuals which are to be found in the War Measures Act. Better to have the provisions of the War Measures Act in that respect and particular than the bill now before the house.

I hope that the Minister of Justice will take into consideration the observations that have been made tonight in the course of the debate. I hope that on reflection he will appreciate that what has been said by hon. members who have spoken from this side of the chamber has been said with a view to improving the bill. If the kind of safeguards that have been proposed are added to the bill, it will be an infinitely better bill than it is in its present form. If the government on further reflection will undertake to introduce the necessary amendments, the more credit to the government. If the government will not do that, it will be left to the opposition to discharge its duties.

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

On section 1—*Short title.*

Mr. Green: May I suggest that we have done a pretty good day's work today and we cannot accomplish anything more. I suggest that we call it a day.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull) moved the adjournment of the house.

He said: Monday is private members' day so we shall follow the procedure indicated in standing order 15.

Motion agreed to and the house adjourned at 10.50 p.m.

HOUSE OF COMMONS

Monday, February 26, 1951

The house met at three o'clock.

PRIVATE BILL

FIRST READING—SENATE BILL

Bill No. 75, to incorporate Trans-Canada Pipe Lines Limited.—Mr. Decore.

RADIO ACT, 1938

VARIOUS AMENDMENTS—DEFINITION OF TELECOMMUNICATION—ACCESSION TO INTERNATIONAL CONVENTIONS, ETC.

Hon. Alphonse Fournier (for the Minister of Transport) moved the first reading of Bill No. 76 (from the Senate) to amend the Radio Act, 1938.

Motion agreed to and bill read the first time.

BUTTER

INQUIRY AS TO SELLING PRICE IN ALBERTA AND BRITISH COLUMBIA

On the orders of the day:

Mr. E. D. Fulton (Kamloops): I wish to direct a question to the parliamentary assistant to the Minister of Agriculture. Will he say whether it is a fact that the dairy products board has permitted an increase in the selling price of butter in the province of Alberta, based on an increase in the price per pound of butterfat, but has refused to authorize a corresponding increase in British Columbia? If so, will the parliamentary assistant look into the reasons and give us an explanation at the first opportunity?

Mr. Robert McCubbin (Parliamentary Assistant to the Minister of Agriculture): This, Mr. Speaker, is something we have not heard of in our department. We are offering butter at 57 cents, basis Montreal. A spread of four cents is allowed to take care of handling, making into prints, and so on, bringing the figure to 61 cents. But neither I nor the department have heard that any ceiling has been placed upon the current make of butter. It is of course understood that the current production may be sold for whatever the trade likes. But the butter that is placed out by the government is 61 cents a pound, and I do not think you will find there is any difference between Alberta and British Columbia in this respect.

Mr. Jones: I should like to direct a supplementary question to the parliamentary assistant to the Minister of Agriculture. The answer given by him was not very satisfactory, in view of the fact that I was in touch with British Columbia this morning and there is a variation of ten cents in the price of butterfat between Alberta and British Columbia. Will the parliamentary assistant investigate the matter and see that something is done?

Mr. McCubbin: Yes; that is being done now.

DEFENCE SERVICES PENSIONS

OPPORTUNITY FOR PERSONNEL TO CONTRIBUTE TO FUND

On the orders of the day:

Mr. G. A. Cruickshank (Fraser Valley): I should like to direct two questions to the Minister of National Defence, of which I have given notice. What steps are being taken to have all members of the permanent force elect to contribute to the pension fund under the Defence Services Pension Act, form 1 and form 1A? When a soldier does not have the information required, will this be supplied by the paymaster or other officials?

Hon. Brooke Claxton (Minister of National Defence): In answer to the first question, last year the three services called the attention of all units to a general order to give effect to the amendments adopted at the last session; and required commanding officers to give a certificate that every member of the unit under his command was, by December 1, 1950, advised of the additional opportunities presented as a result of the amendments to the Defence Services Pension Act. In addition, follow-ups have been sent by the chairman of the personnel members' committee to the officers commanding commands and formations both in Canada and outside, calling this to their attention.

With regard to the second question, the form, as the hon. member has pointed out to me privately, is necessarily complicated, and every man is given assistance in filling it out. It is quite unlikely that any man would have the information necessary to fill it out without access to the regimental and other records. The usual practice is for the form to be filled out by the paymaster or other appropriate officer working with the man, who then reads the form, makes his election, and signs the form.

Inquiries of the Ministry

Mr. Cruickshank: I would like to ask a supplementary question. The minister gave me some of the information before. A soldier this morning in Ottawa signed the form but it was refused acceptance by his officer unless it was completed, even if not correctly filled out, on the assumption that it would be corrected later. What protection does the member of the forces have? It is directly contrary to the information given by the minister.

Mr. Claxton: I should be very glad to see that that is followed up, of course; orders have already been issued, and, apart from this one exception, I have not heard of any cases in which they have not been carried out.

Mr. Cruickshank: Will the member of the permanent force be protected when his own officer probably has not this information?

Mr. Claxton: The man has to make his election by a certain date. If he has not the information, it is available in the records of the service. When the form is not properly filled out, it will be the responsibility of the service to see that it is properly filled out in time for the man to make an election.

HOUSING

DEVELOPMENT OF AREAS IN ST. JOHN'S, NEWFOUNDLAND

On the orders of the day:

Mr. G. F. Higgins (St. John's East): I wish to direct a question to the Minister of Resources and Development. Is there a new federal housing scheme in St. John's, Newfoundland? If so, will the minister outline it?

Hon. Robert H. Winters (Minister of Resources and Development): There is no new housing project as such for St. John's, Newfoundland; but on Saturday last, February 24, Mr. Vardy, for the government of Newfoundland, and I signed an agreement with respect to a land assembly project under section 35 of the National Housing Act. This project will be developed on two parcels of land. One of them, called area "A", lies on the north and south sides of Elizabeth street, between Old Portugal road and Rennie's river. This area comprises 57 acres. The other is called area "C"; it extends south of Elizabeth street between Mayor avenue and Anderson avenue, and is bounded on the south by Empire avenue. This area comprises approximately 93 acres. The two areas are being developed as one project.

After provision has been made for streets, parks, recreational and commercial space, there will result from the land assembly project approximately 650 residential lots.

[Mr. Claxton.]

TRANS-CANADA HIGHWAY

INQUIRY AS TO STANDARDS ON NEWFOUNDLAND SECTION

On the orders of the day:

Mr. G. F. Higgins (St. John's East): I should like to direct another question to the Minister of Resources and Development. Has the government agreed to permit the Newfoundland section of the trans-Canada highway to be completed to standards lower than the rest of Canada?

Some hon. Members: Order.

Hon. Robert H. Winters (Minister of Resources and Development): The government of Newfoundland is proceeding to build the trans-Canada highway under the terms of agreement that apply to all other provinces who have entered into agreement with the federal government.

Mr. Higgins: No special arrangements have been made?

Mr. Winters: There is no special arrangement for the province as such. The general agreement carries in it a discretionary clause which allows for certain deviation where unusual difficulties arise.

INDIAN AFFAIRS

INQUIRY AS TO SETTING UP OF COMMITTEE

On the orders of the day:

Mr. William Bryce (Selkirk): I wish to direct a question to the Minister of Citizenship and Immigration. Does the government intend to set up the Indian Affairs committee to consider the new bill?

Hon. W. E. Harris (Minister of Citizenship and Immigration): Consideration is being given as to the best means to facilitate the passage of the Indian bill through the house, and the government's intention will be made known in due course.

JAPANESE PEACE TREATY

QUESTION AS TO VISIT OF MR. DULLES TO FAR EAST—POSSIBILITY OF CONFERENCE

On the orders of the day:

Mr. Gordon Graydon (Peel): I should like to address a question to the Secretary of State for External Affairs. Today's press dispatches contain news of the return of John Foster Dulles, the special representative of the United States government, who has been in the Far East for six weeks in connection with Japanese and other problems, and indicate that perhaps we are getting nearer to a treaty of peace with Japan. Has the Canadian government been kept closely in touch with the movements of Mr. Dulles and

others in that regard? May we expect a meeting soon with respect to a treaty of peace with Japan?

Hon. L. B. Pearson (Secretary of State for External Affairs): We have kept in touch with United States government authorities in general, and with Mr. Dulles in particular, in regard to the possibility of an early Japanese peace conference and a Japanese treaty, and through our officers in the countries that he visited on this journey we have had some reports on the discussions he had about these matters. We expect to be in touch with him directly in Washington within the next few days.

On the other question, about the possibility or otherwise of an early Japanese peace conference, I do not think it would be advisable for me to say anything at this time except there are indications that a Japanese peace settlement will be possible before very long.

Mr. Graydon: May I ask a supplementary question? I take it that in connection with this conference it will not be a conference in which Soviet Russia is represented.

WHEAT

QUESTION AS TO FINAL SETTLEMENT ON FIVE-YEAR POOL

On the orders of the day:

Mr. J. A. Ross (Souris): In the absence of the Minister of Trade and Commerce, I should like to direct a question to the Prime Minister. As a result of the trip last week to Great Britain by the Minister of Agriculture, is the government in a position to make a statement in respect to final settlement on the five-year wheat pool? If not, can either the Minister of Trade and Commerce or the Minister of Agriculture make a statement to the house at an early day on the result of negotiations?

Right Hon. L. S. St. Laurent (Prime Minister): The Minister of Agriculture has not yet returned from the United Kingdom. I understand it is hoped that he will land in Montreal some time today and be here some time tomorrow. Therefore I can add nothing to the information that has already been communicated to the house.

BREAD

REPORTED USE OF COLOURING MATTER IN PRODUCTION OF BROWN LOAF

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I should like to direct a question to the Minister of National Health and Welfare. Has his attention been called to a report in this morning's Montreal *Gazette*, attributed to a dietitian of that city, alleging that in many cases brown bread is not whole wheat bread but white bread dyed brown. Can the minister say whether there are any regulations coming under his administration that relate to such a practice?

Hon. Paul Martin (Minister of National Health and Welfare): I have not seen the press clipping in question. If my hon. friend will send it over to me, I will give it my usual attention.

Mr. Knowles: I would like to have something better than that.

Mr. Graydon: Have you any bread dyed pink?

KOREA

SUGGESTED PROCEDURE IN REPORTING OF CASUALTIES

On the orders of the day:

Mr. T. H. Goode (Burnaby-Richmond): Mr. Speaker, this morning's press carries reports that the Canadians have suffered casualties in Korea. The reports go on to mention the names of certain officers leading in the current attacks. I would suggest that this is likely to cause considerable concern to the families of those officers. Will the Secretary of State for External Affairs make representations to United Nations officials requesting that the names of individual Canadians in action in Korea be deleted from press reports?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, I would say that this would not be a matter for the United Nations as such, but possibly for the unified command, as the agency of the United Nations in Korea. I should be glad to discuss with my colleague the Minister of National Defence whether it would be appropriate or otherwise for the government to make representations on this matter.

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, I should supplement what was said by the Secretary of State for External Affairs about the reporting of casualties. We have asked the Canadian press not to report the names of Canadians suffering casualties. This is in accordance with the practice which we followed in both world wars, of endeavouring, by every means humanly possible, to get word to the next of kin first, before there was any mention of the names of those suffering casualties. In this our practice differs from that of some other countries, but we think our practice is right. We have asked that this be done, and it is being done.

Private Bills—Divorce

With regard to mention of individual officers in connection with actions, there is no doubt that that will cause anxiety to the next of kin of the officers mentioned. On the other hand, in the interests of keeping the Canadian people informed, it is desirable that as full a report be given of the actions engaged in as can properly be done without either giving comfort and assistance to the enemy or causing anxiety to the next of kin of the individuals concerned.

How this is to be done must be in part a matter of individual judgment and good practice, and I ask the co-operation of press correspondents in seeing that neither one thing nor the other is done—and this in addition to any rules of censorship, in respect of which we are working completely under the unified command. Because of this our press correspondents have to comply with precisely the same censorship provisions as other correspondents.

PUBLIC BUILDINGS

CHARLOTTETOWN EXPERIMENTAL STATION—REPLACEMENT OF SCIENCE SERVICE LABORATORY

Hon. Alphonse Fournier (Minister of Public Works): Mr. Speaker, on Friday last the hon. member for Queens (Mr. McLure) asked when work would be commenced on the building to replace the science service laboratory at Charlottetown experimental station, which was totally destroyed by fire a short time ago. In reply I would say that plans for this building are substantially completed, and it is expected that specifications will be commenced the first week in March.

PRIVATE BILLS

SECOND READINGS—SENATE BILL

Bill No. 41, for the relief of Martin Raymond Quinn—Mr. Winkler.

Bill No. 42, for the relief of Kathleen Beatrice Denman Blackadar—Mr. Winkler.

Bill No. 43, for the relief of Dora Greenwell MacKinnon—Mr. Winkler.

Bill No. 44, for the relief of Albert Edouard Desjardins—Mr. Winkler.

Bill No. 45, for the relief of Raymond Boyer—Mr. Winkler.

Bill No. 46, for the relief of Aline Alina Buka Allaire—Mr. Winkler.

Bill No. 47, for the relief of Margaret Beatrice Tynan Dossin—Mr. Winkler.

Bill No. 48, for the relief of Kathryn Louise Morrison Ralston—Mr. Winkler.

Bill No. 49, for the relief of Gerald Tudor Parrott—Mr. Winkler.

Bill No. 50, for the relief of Marie Leontine Juliette Henriette Giguere Fiset—Mr. Winkler.

[Mr. Claxton.]

Bill No. 51, for the relief of Esther Marie Henning Ober—Mr. Winkler.

Bill No. 52, for the relief of Elmsley Alexander Leftly—Mr. Winkler.

Bill No. 53, for the relief of Ruth Landan Goodman—Mr. Winkler.

Bill No. 54, for the relief of Yvonne Michaud Telford—Mr. Winkler.

Bill No. 55, for the relief of Edward Albert Flewitt—Mr. Winkler.

Bill No. 56, for the relief of Mary Margaret Lillian Phillips Campeau—Mr. Winkler.

Bill No. 57, for the relief of Mary Zientek Latkowski—Mr. Winkler.

Bill No. 58, for the relief of Olga Kushner Dolny—Mr. Winkler.

Bill No. 59, for the relief of Joseph Taite Connor—Mr. Winkler.

Bill No. 60, for the relief of Doris Dominiqua Sernuk Wardell.—Mr Winkler.

Bill No. 61, for the relief of Ann Galganov Schwartz.—Mr. Winkler.

Bill No. 62, for the relief of Doris Mayoff Weinstein.—Mr. Winkler.

Bill No. 63, for the relief of Jean-Maurice Martel.—Mr Winkler.

Bill No. 64, for the relief of Ann Astroff.—Mr. Winkler.

Bill No. 65, for the relief of Margaret Elizabeth Audrey Midgley Bennett.—Mr. Winkler.

Bill No. 66, for the relief of Kathleen Agnes Margaret Saddleton Pout Boon.—Mr Winkler.

Bill No. 67, for the relief of Bill Oleschuk.—Mr Winkler.

Bill No. 68, for the relief of Eileen Haswell Houghton.—Mr. Winkler.

Bill No. 69, for the relief of Saul Samuel Goldsmith.—Mr. Winkler.

Bill No. 70, for the relief of Brigitte Dorothea Felicity Gutmann Lowenbach Brooks.—Mr. Winkler.

Bill No. 71, for the relief of Violet Edith Hack Findlay.—Mr. Winkler.

Bill No. 72, for the relief of Cerna Segall Bercovitch.—Mr. Winkler.

Bill No. 73, for the relief of Paulette Charbonneau Lanthier.—Mr. Winkler.

Bill No. 74, for the relief of Ernest Churchill.—Mr. Winkler.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

SOLDIER SETTLERS—INDEBTEDNESS—MINERAL RIGHTS

Mr. Coldwell:

1. How many soldier settlers paid outstanding balances due the federal government after passage of order in council No. 3077?

2. How many soldier settlers had their mineral rights restored as a result of passage of order in council No. 3077, and the minister's statement thereon?

Mr. Mutch:

1. Subsequent to June 23, 1950, the date of order in council P.C. 3077, 209 soldier settlers repaid their indebtedness. Of these, 104 obtained title to their farms with assistance under the order in council; 105 obtained title without such assistance.

2. Of the 104 settlers mentioned in part 1, nine are known to be eligible to receive a grant of mineral rights. Of these nine, seven grants are in process of issuing; application is awaited from the other two settlers. In addition to the aforesaid nine cases, the titles held by the director of soldier settlement are silent in eighteen cases as to the ownership of the mineral rights; a search of registry office records in this regard will be completed by the district superintendents as soon as possible. In the remaining 77 cases, only the surface rights were conveyed to the director of soldier settlement.

KOREA—CANADIAN ARMY SPECIAL FORCE—DISCHARGES, CHANGES IN MEDICAL CATEGORIES, ETC.

Mr. Pearkes:

1. How many officers and men, enlisted in the special Korean brigade, have subsequently been discharged?

2. (a) For what reasons were these discharges made? (b) How many officers and men have been discharged under each of these categories?

3. How many officers and men originally enlisted in category A have now been placed in lower medical categories?

4. How many officers and men of the special force are in receipt of disability pensions from world war II?

Mr. Blanchette:

1. There have been 3 officers and 1,003 other ranks discharged to date.

2 (a) and (b).

Reasons for Discharge	Numbers
Officers	
Resignation	3
Other ranks	
Attested but not finally approved	97
Irregular enlistment	81
Unlikely to become efficient	346
Misconduct	14
Medically unfit	455
Other reasons	10
Total	1,003

3. No officers and 278 other ranks have had medical category lowered from A since enlistment.

4. Information not immediately available. To obtain it will necessitate the review of approximately 10,000 individual files in the Department of Veterans Affairs.

CANADIAN NATIONAL RAILWAYS — MAINTENANCE OF WAY EMPLOYEES—STATUTORY HOLIDAYS

Mr. Lennard:

1. How many statutory holidays are allowed the maintenance of right of way employees of the Canadian National Railways per year?

2. How many are they allowed with pay?

Mr. Benidickson:

The Canadian National Railways advise as follows:

1. Four. The current wage agreement governing the services of maintenance of way employees lists the following statutory holidays: New Year's day, Dominion day, Labour day, Christmas day.

2. None, except as indicated in next paragraph. The rank and file of employees in the maintenance of way department, if required to work on any of the above-mentioned holidays, are compensated at time and a half of their regular wage rate.

Foremen in the department, regularly employed as such and having three years' seniority, are allowed pay for the above-mentioned holidays if they are not required to work on those days. If they are required to work they receive time and one-half of their regular rate in addition to the initial day's pay.

TAX ON CAPITAL GAINS

Mr. Knowles:

1. Has the Department of Finance any information as to what rates of income tax are levied in the United States against increases in the value of stocks bought and sold on stock exchanges? If so (a) what are such rates; (b) what is the rate in the case of stocks held less than six months?

2. Are there any taxes levied by the Canadian government comparable to any taxes indicated in answer to question 1?

3. Is consideration being given by the Canadian government to the levying of such taxes on capital gains made on stock exchanges?

Mr. Sinclair:

1. Yes.

(a) In the case of stocks held more than six months the regular tax rates apply to one-half the increase in value but the total tax is limited to 25 per cent of the total increase.

(b) Same rates as other income.

2. Where the purchase and sale of stocks is a business of the taxpayer he is taxed on his gains at the same rate as ordinary income. There is no special tax rate.

3. It is not the practice to forecast government policy in giving answers to questions.

Questions

ST. JOHN'S, NFLD., FEDERAL BUILDINGS

Mr. Higgins:

1. Have arrangements been made to erect or purchase a federal public building or buildings in St. John's, Newfoundland?

2. If so, how many buildings are to be erected or purchased, and in what locations?

Mr. Fournier (Hull):

1. Negotiations under way.

2. (a) It is proposed to construct two new federal buildings in St. John's, Newfoundland, and to purchase one building, presently known as the health laboratories, from the provincial government of Newfoundland.

(b) It is proposed to erect the new federal building on a suitable site in upper town, and the second new building is to be erected in the immediate vicinity of the railroad station.

INCOME TAX—FARMERS—INSPECTORS

Mr. Argue:

1. What amount of income tax was paid by farmers in each province for each year from 1940 to 1949 both inclusive?

2. How many income tax inspectors dealing with farm income tax were employed in each province for each of the above years?

Mr. McCann:

1. No information is available regarding the amount of tax actually paid by farmers. The amount of tax declared by farmers when filing income tax returns, by provinces, for the years 1941 to 1949 was as follows:—

Calendar year—	1941	1942	1943	1944	1945	1946	1947	1948	1949
	$			(Money figures in thousands of dollars)					
Newfoundland								—	2
Prince Edward Island .	17	11	49	42	44	5	38	21	4
Nova Scotia	36	26	88	90	67	33	123	72	33
New Brunswick	7	11	39	35	50	15	30	27	11
Quebec	24	74	165	199	223	14	79	94	51
Ontario	508	878	1766	2039	1656	1449	1720	2961	1940
Manitoba	63	316	2188	2715	1469	1265	1597	1654	1585
Saskatchewan	433	814	3778	9246	5016	3299	4883	5875	6647
Alberta	364	915	2597	4877	3562	2570	4087	6639	7153
British Columbia	140	227	950	1240	1305	1193	1024	752	544

Information regarding 1940 is not available.

2. The following statement shows the total number of assessors, field investigators, and clerical staff who were engaged in assessing, investigating and checking farmers' income tax returns in each calendar year from 1940 to 1949 inclusive:

Province	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949
Prince Edward Island	*	*	*	*	1	1	1	2	4	7
Nova Scotia	*	*	*	*	*	*	*	*	10	13
New Brunswick	*	*	*	*	*	*	*	*	10	10
Quebec	*	*	*	*	*	*	*	*	21	23
Ontario	*	*	*	*	22	23	30	43	76	92
Manitoba	2	2	2	10	16	22	26	31	36	36
Saskatchewan	*	*	*	*	10	38	45	56	71	74
Alberta	2	2	3	6	5	19	38	39	48	51
British Columbia	1	1	1	2	2	2	2	4	16	16

Note: (*) indicates that farmers' returns were not assessed by a separate staff.

TORBAY, NFLD., AIRPORT—INSTRUMENT LANDING EQUIPMENT

Mr. Higgins:

Has instrument landing equipment been installed at Torbay airport in Newfoundland?

Mr. Benidickson: It is planned to commence installation of equipment in the very near future, but the project cannot be fully completed until midsummer 1951.

[Mr. Sinclair.]

PRIVATE T. A. PATERSON

Mr. Knight:

1. Was private T. A. Paterson, L/800134, injured while on active service with the Princess Pats?

2. If so, on what date and what was the nature of his injury?

3. Did bone shattering occur?

4. Has grafting or other operation been prescribed?

5. Has he been in a cast since wounded?

6. Is his wound considered as a minor injury?

7. Where is this soldier now?

8. Have the United States authorities applied to the Canadian authorities to have him transported to Canada? If so, with what result?

9. Has his pay been kept up to date while in American hands?

10. Has his next of kin been notified by the department of defence?

11. If so, on what date?

12. If not, for what reason?

13. Have any complaints been received in regard to the case of this soldier?

Mr. Blanchette:

1. Yes.

2. On 23rd December, 1950. Nature of injury, reported, "gunshot wound left thigh".

3. Medical report would indicate bone is broken or crushed.

4. Not known, as medical documents have not as yet reached army headquarters.

5. Pte. Paterson wore a leg cast on left leg for movement to the United States, which was removed on 4th February, 1951, and leg placed in traction.

6. His condition was not reported by either British or American medical authorities as serious or dangerous. Latest medical report states present condition good, with patient being brisk and alert.

7. In Madigan Army hospital, Fort Lewis, Washington.

8. No.

9. Yes.

10. No notification.

11. Not applicable.

12. Although all classifications of battle casualties are reportable to next of kin, non-battle casualties, until this case, were only reported in cases of death, serious and dangerous illness, amputations, blindness and mental illness. In the future cases of this kind will be reported to national defence headquarters and notified to next of kin.

13. The Canadian Legion and Mr. John Diefenbaker, M.P., made inquiries.

BUREAU OF STATISTICS—JEAN JACQUES LEFEBVRE

Mr. Pouliot:

1. Is one named Jean Jacques Lefebvre employed by the dominion bureau of statistics at Ottawa?

2. If so, when was he appointed and on whose recommendation?

3. Did he pass any civil service commission examination? If so, what were his marks?

4. What are the names of other candidates who tried the said examination?

5. What is his age, education, and what was his occupation up to time of his appointment to the dominion bureau of statistics?

6. Did he see any military service in an actual theatre of war? If so, what is his military record?

Mr. McIlraith:

1. Yes.

2. September 24, 1945. Referred to the dominion bureau of statistics by the civil service commission, veterans' unit.

3. Yes. Not available in the dominion bureau of statistics.

4. See *Canada Gazette,* July-September, 1946, p. 6284.

5. Age, 34; education, B.A., Ottawa university; occupation, with Canadian army.

6. June, 1942 to September 1945—CVSM with clasp, defence medal, 7th LAA regt. R.C.A.

CANADIAN FORCES—STRENGTH IN NEWFOUNDLAND

Mr. Higgins:

1. What is the present strength, officers and men respectively, in Newfoundland, of (a) Royal Canadian Navy; (b) Royal Canadian Air Force; (c) Canadian army?

2. What reserve units of the said units are in Newfoundland?

3. What are the respective strengths of the reserve units?

Mr. Blanchette:

1.	Officers		Men	Total
(a) R.C.N.	2		15	17
(b)1. R.C.A.F.	7	20		
2. R.C.A.F. (Goose Bay)..	38	305		
Total R.C.A.F..	45	325		370
(c) Army.	11		43	54

2. The following reserve units are in Newfoundland:

(a) R.C.N.-Naval division H.M.C.S. *Cabot*

(b) R.C.A.F.-Reserve medical unit, Saint John—recently authorized, in process of activation

(c) Army-R.C.A. 166 (Nfld.) regiment
R.C.E. 56 Independent field squadron
R.C.I.C. Royal Nfld. regiment

3.	Officers	Men	Total
(a) R.C.N.	10	42	52
(b) R.C.A.F.	—	—	—
(c) Army	43	381	424

BUREAU OF STATISTICS—MONTREAL BRANCH

Mr. Pouliot:

1. What is the personnel of the Montreal branch of the dominion bureau of statistics?

2. What is the name of each employee of the said office, his age, education, experience and military record, and what are his administrative duties?

3. Since January 1, 1951, what is the amount of travelling expenses of each employee?

Questions

Mr. McIlraith:

1 and 2.

St-Jean, Roger, age 34, L.S.P. (U. of M.). Experience: Clerical, 6 yrs., Dept. Nat. War Serv., 3 yrs., Dept. Nat. Defence, 3 yrs. Military record: March 1943 to June 1946, CVSM. Duties: Regional stat. officer.

Leblanc, Arsène, age 34, B.Sc. (Ste. Annes). Experience: Que. United Fishermen district mgr., 4 yrs. Military record: none. Duties: Assistant regional stat. officer.

DeVilliers, Marie, age 42, High school graduate. Experience: Robt. Simpson Co. Sup. receiving and pricing merchandise. Military record: none. Duties: Prices representative.

Zappa, Paul, age 35, High school, Norm. school. Experience: Dept. Agri., 1 yr., Dept. Mines & Res., 1 yr. Military record: September 1939 to December 1945, CVSM & clasp, Defence Medal. Duties: Field officer.

Brunet, Fernand, age 30, Jr. matric., Tech. school. Experience: Dept. Vet. Affairs, 5 yrs. Military record: January 1942 to April 1945, CVSM & clasp, Defence Medal, Italy Star. Duties: Field officer.

Robidas, Marcel, age 27, B.Sc. (U. of M.). Experience: Clerical, 3 yrs., Dept. Nat. Defence, 3 yrs. Military record: August 1943 to June 1946, CVSM & clasp, Fr. & Ger. Star. Duties: Field officer.

Vaive, Maurice, age 27, Grade 10. Experience: Dept. Nat. Defence, 4 yrs. Military record: June 1941 to November 1945, RCNVR. Duties: Field officer.

Lelievre, Carmen, age 24, Prim. school, Comm. school. Experience: Secretarial, several firms, 3 yrs. Military record: none. Duties: Secretary.

3.

St-Jean, Roger, Sickness survey and civil service examining board, $22.30; Census conference in Ottawa, $85.50; Interviewing census field supervisor candidates, $45.39.

Zappa, Paul, Labour force survey and interviewing census field supervisor candidates, $127.36; Labour force survey collection of delinquent returns, $71.53.

Vaive, M. J., Labour force survey, $78.65.

Brunet, F., Labour force survey, $90.90; Interviewing census field supervisor candidates, $5.80.

Leblanc, A., Interviewing census field supervisor candidates, $44.24.

GRANTS TO MUNICIPALITIES

Mr. Pearkes:

1. What municipalities have received grants under the Appropriation Acts of 1949?
2. What amounts have been paid in each case?

[Mr. Pouliot.]

Mr. Sinclair:

Grants in lieu of general and school taxes under the 4 per cent formula

	1949-50 appropriation	1950-51 appropriation
Nova Scotia		
Amherst		$ 6,646
Halifax		197,394
Pictou		2,690
New Brunswick		
Moncton		23,161
Saint John		42,210
Quebec		
Lauzon		2,324
Ontario		
Little Current		2,195
Ottawa	$ 200,000	762,392
British Columbia		
Esquimalt		19,175

Grants in lieu of general and school taxes on newly acquired properties

New Brunswick	
Moncton	267
Ontario	
Township of Ops	41
Saskatchewan	
Regina	658
British Columbia	
District of Maple Ridge	126

Grants in lieu of special assessments for local improvements

Nova Scotia		
Halifax		11,095
Quebec		
Hull		46,939
Three Rivers		128
Ontario		
Belleville		1,716
Kingston		430
London		4,164
Toronto		8,874
Woodstock	$ 334	
Manitoba		
Neepawa		134
Winnipeg		21,207
Saskatchewan		
Kindersley		403
Moose Jaw		53
Nipawin		300
Regina		6,304
Saskatoon		417

Grants in lieu of special assessments for local improvements—*conc.*

Alberta		
Calgary	$	391
Edmonton		5,042
Red Deer		968
British Columbia		
District of		
Maple Ridge		54
Prince George		312
Vancouver		172
	$ 200,334	$1,168,382

CIVIL SERVICE—INCREASES IN SUPERANNUATION IN OTHER COUNTRIES

Mr. Pearkes:

1. Has the civil service commission carried out any investigation, or has it any knowledge as to whether or not any British commonwealth countries, or foreign countries, have increased the superannuated pay to their retired civil servants?

2. If so, what increases have been granted, and on what grounds were the increases made?

Mr. Bradley: In so far as the civil service commission is concerned, the answer is as follows:

1. No.

2. Answered by No. 1.

LAVAL UNIVERSITY EMPLOYMENT COMMITTEE

Mr. Pouliot:

1. What is the personnel of the Laval university employment committee, at Quebec?

2. What is the name of each member of the said committee, his age, education, experience and military record, and what are his duties?

3. Since January 1, 1951, what is the amount of the travelling expenses of each member of the said committee?

Mr. Cote (Verdun-La Salle):

1. The Laval university employment committee at Quebec is a student body formed for the purpose of assisting graduates and students to plan employment, and one member of the unemployment insurance commission, by invitation, sits with the committee and counsels the students.

2. The personnel of the group changes and is not under the jurisdiction of the unemployment insurance commission, nor has the commission the names of the student members.

The following is the information requested regarding our employee:

Wilfrid Racine; aged 40; junior matriculation; 15 years army, for the most part in administration and personnel selection work; with our Quebec local office since December 1945 as an employment and claims officer grade 3; served overseas, discharged August 1945; presently captain and personnel selection officer for reserve army; his duties in the Quebec local office of the unemployment insurance commission include all work in connection with placement of university students at Laval university.

3. Nil, including our employee.

RURAL MAIL COURIERS—RATE PAID PER MILE

Mr. Kickham:

What amount per mile is paid to rural mail couriers in each of the provinces of Canada?

Mr. Langlois (Gaspe):

Average cost per mile per annum based on six trips per week

Postal district	
Vancouver	$ 71.53
Edmonton	60.41
Calgary	56.48
Saskatoon	60.02
Moose Jaw	62.36
Winnipeg	60.08
London	52.27
Toronto	54.49
North Bay	57.92
Ottawa	49.44
Montreal	51.72
Quebec	52.77
Saint John	51.45
Halifax	55.54
Charlottetown	53.18
Newfoundland	(no rural routes)

Average cost per mile

	Cents
Vancouver	22·8
Edmonton	19·3
Calgary	18·0
Saskatoon	19·2
Moose Jaw	19·9
Winnipeg	19·2
London	16·7
Toronto	17·4
North Bay	18·5
Ottawa	15.8
Montreal	16·5
Quebec	16·9
Saint John	16·4
Halifax	17·7
Charlottetown	17·0
Newfoundland	(no rural routes)

MARITIME MARSHLAND REHABILITATION—P.E.I.

Mr. Kickham:

1. In what bodies of dikelands in the province of Prince Edward Island were moneys expended pursuant to the provisions of the Maritime Marshland Rehabilitation Act?

2. How much money was expended on each of such bodies up to December 31, 1950?

Questions

Mr. McCubbin:

1. Johnston river marsh.

2. $19,817.88.

DEFENCE CONTRACTS—MOTOR VEHICLE MANUFACTURERS

Mr. Thatcher:

1. Since June, 1950, have any defence contracts been placed with (a) Ford Motor company; (b) General Motors; (c) Chrysler motor corporation; (d) Studebaker of Canada?

2. If so, what was the dollar value of contracts placed with each company?

3. Has any of the equipment been actually turned over to the defence forces?

Mr. McIlraith:

1. Since June 1950, defence contracts have been placed with: (a) yes; (b) yes; (c) yes; (d) no.

2. (a) $606,229; (b) $939,546; (c) $939,437; (d) nil.

3. Yes.

BUREAU OF STATISTICS—MONTREAL BRANCH—MR. ZAPPA

Mr. Pouliot:

1. Has Mr. Saba (or Sapa or Zappa), of the Montreal branch of the dominion bureau of statistics ever lived in the town of Chicoutimi in the Saguenay district, or in the district of lake St. John? If so, where, when, and for what period on each occasion?

2. How many persons does he know in the said town or districts, and what are their names?

Mr. McIlraith:

1. Mr. Paul Zappa was a school teacher at Normandin from January, 1932, to June, 1933.

2. Question cannot be answered.

BUREAU OF STATISTICS—MONTREAL BRANCH—FERNAND BRUNET

Mr. Pouliot:

1. Has Mr. Fernand Brunet, of the Montreal branch of the dominion bureau of statistics, ever lived in the county of Temiscouata? If so, where, when, and for what period on each occasion?

2. How many persons does he know in the county of Temiscouata, and what are their names?

Mr. McIlraith:

1. No.

2. Question cannot be answered.

CENSUS EXECUTIVE COMMITTEE

Mr. Pouliot:

What are the names of the members of the census advisory council at Ottawa, and what are the other duties of each member of the said council?

Mr. McIlraith: There is no such organization known as the census advisory council. The senior officers involved in taking the census have formed what is known as a census executive committee as follows: Herbert Marshall (chairman), dominion statistician; J. T. Marshall, assistant dominion statistician; Nathan Keyfitz, senior research statistician; O. A. Lemieux, director, census division; A. B. McMorran, director, special surveys division; C. Scott, chief administrative officer; J. L. Forsyth, chief, agriculture census section; D. L. Ralston, chief, population census section.

WINNIPEG POSTAL COURIERS

Mr. Knowles:

1. What firms in Winnipeg have contracts for picking up the mail from postal boxes in the Winnipeg area?

2. How many persons are employed by such firms as postal couriers?

3. On what basis does the Post Office Department pay the contractors for this work?

4. At what rate are the postal couriers working for the above firms paid?

5. Do postal couriers in the Winnipeg area get paid for the total number of hours from the time they start working each day until the day's work is done, or are they paid only for the hours they are out on trips?

6. Do postal couriers in the Winnipeg area get statutory holidays? If not, what rate of pay do they get when they work on statutory holidays?

7. Do postal couriers in the Winnipeg area get any sick leave?

8. Are they covered under any pension plan?

Mr. Langlois (Gaspe):

1. Mr. John Dykes, 146 Gouler street, Norwood.

2. No information.

3. At a per annum rate as a result of public tender based on detailed specifications showing frequency of collection, number and length of routes, hours of service, and any other information necessary to enable tenderers to determine their tender rates.

4. Contract is executed on the basis of a wage rate for mail truck drivers of 90 cents per hour, which is the present prevailing wage rate for truck drivers in Winnipeg as certified by the Department of Labour.

5. No information. The postal couriers are employees of the contractor.

6. Holidays are covered in the contract by the following provision: "The contractor agrees that the cost of all holidays or other leave with pay allowed or to be allowed by him to his employees or to which they are or will be entitled under agreement or under any rule of law which is in force at the time of entry into this contract has been taken into consideration by him in calculating the amount hereinafter agreed to be paid to him and that no increase in the said amount will be made by reason of the cost of any such holidays or leave with pay."

7. The matter of sick leave for couriers is one that is decided by the employer—in this instance, the mail contractor.

8. No information.

BURLINGTON, ONT., FEDERAL BUILDING

Mr. Lennard:

1. Was the contract for alterations to the federal building at Burlington, Ontario, by tender or on a cost plus basis?

2. If on a cost plus basis, has the work been completed?

Mr. Fournier (Hull):

1. By public tender.

2. Answered by No. 1.

POINTE AU PIC, QUE., CUSTOMS OFFICE—MR. MARTEL

Mr. Maltais:

1. Was a Mr. Martel employed by the Department of National Revenue at the customs office at Pointe au Pic during the last five years?

2. If so, during what period?

3. Was he dismissed or retired?

4. If so, on what date, and for what reason?

5. What was his classification and salary when he left the service?

6. Did he avail himself of the sick leave period to his credit on termination of his employment?

7. Does he receive a pension? If so, what is the amount of same?

8. Who is the present incumbent in the above-mentioned position?

9. When was he appointed, what salary does he receive, and what amount has he received by way of expenses since appointment?

10. Does he receive a living allowance for his wife? If so, what amount?

Mr. McCann:

1. Yes.

2. December 1, 1917, to April 23, 1950.

3. Retired.

4. April 24, 1950. On account of age and ill health.

5. Collector of customs and excise, grade 1 port. Salary, $2,580 per annum.

6. Partially, 4½ months sick leave; 6 months retiring leave.

7. Yes; $1,507.99 per annum.

8. I. M. Rousseau, on loan from the port of Quebec, is acting collector.

9. No permanent appointment has yet been made.

10. No.

QUESTIONS PASSED AS ORDERS FOR RETURNS

BLAIR RANGE, VANCOUVER, CARETAKER

Mr. Goode:

1. Was a caretaker recently appointed at Blair range, Vancouver?

2. If so, on what date?

3. Who received the appointment?

4. Did he supply any references?

5. If so, how many, and from whom?

6. How many applicants were on the eligible list?

7. Was a competition held?

8. If so (a) on what date; (b) what are the names of those who qualified, and in what order?

9. Did any of those eligible refuse the position?

10. Were any veterans from North Vancouver eligible for this position?

PRINTING BUREAU EMPLOYEES—DISCONTINUANCE OF SERVICES

Mr. Knowles:

1. How many employees have left the government printing bureau during each month since July 1, 1950?

2. What reasons have been given by these employees for leaving said employment?

Mr. Bradley: Return tabled.

MOTION FOR PAPERS

STRAIT OF CANSO BRIDGE

Mr. Gillis:

For a copy of all correspondence and other documents in the possession of the Department of Transport exchanged, in the period January, 1948, to December, 1950, between the provincial government of Nova Scotia and the federal government, concerning the proposal to build a bridge across the strait of Canso between the mainland of Nova Scotia and the island of Cape Breton.

BANK ACT

AMENDMENT TO PLACE FARMERS IN PREFERRED CLASS AS TO PAYMENT FOR PRODUCTS DELIVERED FOR PROCESSING

Mr. R. E. Anderson (Norfolk) moved:

That, in the opinion of this house, the government should take into consideration the advisability of amending the Bank Act so as to place farmers in the same preferred class as labour, particularly in relation to protection for payments of farm produce delivered for processing.

He said: Mr. Speaker, the idea of this resolution came to my mind in consequence of failures of certain canning companies in Ontario with a resulting loss to hundreds of farmers. These failures cost the farmers of Ontario roughly $400,000 in 1949-50, money that they cannot afford to lose. Often companies go into bankruptcy after farmers have delivered their crops and before they are paid for them.

When the canning companies make their contracts, normally their credit situation has not reached a large amount, but in some cases later on the companies transfer to the banks complete coverage of the stock. The banks thereby assume ownership of the produce without the knowledge of the grower who has provided the raw material, without

which the whole structure cannot function. Yet at the present time he is the one who provides the basis of finance.

In southern Ontario this section of the act has recently cost the growers who provide fruit and vegetables for processing several hundreds of thousands of dollars, partly because the bank, because of its preferred position, may not have kept close enough supervision of the activities of the company. Agriculture is not contesting the right of labour to be in a preferred position, but it feels that agricultural products should rank equally. The actual situation is that the most some creditors can normally lose is the pay due at the moment, while a farmer might lose the major portion of his year's income, or at least the whole of his fruit and vegetable crop. This could quite easily spell the loss of his farm if it is encumbered, as too many are.

In essence the situation is that without the raw products no canning company could operate. The grower turns his products over to the canning company without sufficient guarantee of payment and without sufficient knowledge of the stability of the company. The evil sometimes goes further than that; for growers are induced to invest in the companies in order to have a market for their goods.

The bank advances money, often for the express purpose of purchasing the raw products, but it exercises insufficient supervision to see that the money is used for the purpose for which the credit is extended. Often the money is used for other purposes, and when the crash comes the growers are the worst sufferers. The bank takes a lien on the finished products, mainly on the assumption that the growers have been paid. This resolution is not directed toward labour, but rather toward the whole of the preferred list.

We have no wish to place the canning companies or labour in any worse position than they are now, because they have their own troubles; but we would like the assurance that once a crop is sold to a company there will be some guarantee in case of failure, that the farmers will be allowed to come along with the preferred class of creditors. I should like this house to know that the farmer receives three cents or less for the green peas that go into a can, and he must pay $28 per acre for seed, fertilizer, trucking, and also his own wages and labour and all other expenses. From a ton of peas for which the farmer receives approximately $57, including seed, there will be produced well over 2,000 twenty-ounce cans, and now the new fifteen-ounce can is being used. In the case of tomatoes, corn and asparagus, the rates are about the same.

[Mr. Anderson.]

I have received supporting letters to which I should like to refer. I received a letter from a marketing board in Ontario with 22,000 grower members; another with 3,000 growers; from an association of 300 growers, another of 150, and one large association made up of 12,500 members. There may be some overlapping in the membership of those organizations, because some farmers belong to more than one. I have also received a letter from a co-operative in Quebec.

To illustrate what may happen: A man in Norfolk county lost $6,500 on one crop of pears. When the affairs of the company are finally wound up he may receive ten per cent. I realize that this matter involves a process of law with which I am not familiar and which I am not competent to discuss. My purpose in moving this resolution was to bring the matter to the attention of the government and this house. I know that the questions I have raised are considered when the Bank Act comes up for periodical revision; therefore I ask permission to move that the debate on this resolution be adjourned until a later date.

Motion agreed to and debate adjourned.

INCOME TAX

PROVISION FOR DEDUCTION FROM TAXABLE INCOME OF TRADE UNION DUES, TEACHERS' PROFESSIONAL FEES, ETC.

Mr. Stanley Knowles (Winnipeg North Centre) moved:

That, in the opinion of this house, the government should give consideration to the advisability of introducing legislation amending the Income Tax Act so as to permit taxpayers to deduct trade union dues, professional dues to teachers' organizations, and similar fees necessary to the earning of a livelihood, from their incomes before computing the amount of income tax to be paid.

He said: Mr. Speaker, the subject matter of this resolution has been before the house on a number of occasions. Mainly it has been brought to the attention of the house in the form of discussions and requests I have put to the Minister of Finance (Mr. Abbott) that the right set out in this motion be granted. On one occasion the subject matter of this resolution was before the house in the form of an amendment to the motion that Mr. Speaker do leave the chair for the house to go into committee of supply. That amendment was moved on October 31, 1949. It was debated on that day and then again on November 7, 1949. At the conclusion of the debate on the latter date a vote was taken and the amendment was defeated.

There are two differences between that amendment and the motion now before the house to which I should like to call attention. The first is as to the form of the motion, and

the other is as to the circumstances under which it is presented to the house. With regard to the form of the motion, I would point out that the amendment which was defeated on November 7, 1949, is found in *Hansard* at page 1292 and read as follows:

> That all the words after the word "that" to the end of the question be struck out, and the following be substituted therefor:
>
> "this house is of the opinion that the government should give consideration to the introduction of legislation amending the Income Tax Act so as to make it possible for taxpayers to deduct trade union dues from income before computing the amount of income tax to be paid."

The motion before the house today is almost the same as that, but there is an addition to which I should like to call attention. I shall explain later the reason for making that particular addition. The motion now before us reads:

> That, in the opinion of this house, the government should give consideration to the advisability of introducing legislation amending the Income Tax Act so as to permit taxpayers to deduct trade union dues, professional dues to teachers' organizations, and similar fees necessary to the earning of a livelihood, from their incomes before computing the amount of income tax to be paid.

As must be obvious to those who have been following me, the difference in form is in the addition of the words, "professional dues to teachers' organizations, and similar fees necessary to the earning of a livelihood." A little later in my remarks I shall explain why I have felt it desirable and advisable to include, along with trade union dues in general, a specific reference to the fees that teachers pay to their professional organizations.

The other difference to which I should like to call attention relates to the circumstances under which this matter is placed before the house. When I presented it to the house on October 31, 1949, it was, as I have already indicated, in the form of an amendment to a motion to go into committee of supply. A number of members indicated to me privately that they supported the substance of my amendment on that occasion, but that since it involved voting a want of confidence in the government they had no alternative but to vote against my amendment. Personally I think that defence has been worn threadbare, but government members still resort to it. As a matter of fact on that occasion one member on the government side stated quite clearly in his speech that he supported the amendment, only to vote against it when the vote was called.

An hon. Member: That is not unusual.

Mr. Knowles: I see him laughing about it now. I dare to hope that this year the hon. member for Kootenay East (Mr. Byrne) will both support the amendment and vote for it if a vote should be necessary. I point out that the motion before the house today is a substantive motion that stands on its own feet. It is not an amendment to anything the government has proposed. It does not involve a vote of want of confidence. It is a motion asking the government to give consideration to the advisability of the course requested therein.

Incidentally I am pleased that the opportunity has come to present the motion to the house well in advance of the budget. We have not yet even been told the date on which the Minister of Finance will present the budget, so this is a good time to make suggestions to the minister as to the taxation changes that he might propose in the budget. I have no doubt that he is receiving many suggestions from organizations all across the country. Surely the high court of parliament should take advantage of that opportunity, and, if it agrees with the views set out in the motion, pass it and thereby suggest to the Minister of Finance that he should give consideration to this proposal.

I have taken a moment or two to emphasize the fact that this motion is not to be construed as a want of confidence motion as was the case on October 31 and November 7, 1949, and I hope that members on the government side who agree with the substance and the spirit of the motion will decide, this time, to vote for it.

In presenting this request that trade union dues, teachers' professional fees and similar dues necessary for the earning of a livelihood be allowed as income tax deductions before the income tax to be paid is computed, I recognize that the amount of money saved by the individual taxpayer is not very great. But it is a matter of principle, and I argue for it on two main counts. On the one hand I contend that it is only fair play, for reasons that I shall spell out in a moment; and on the other hand I remind hon. members that time and again it is said by representatives of all political parties that trade unions play a very important part in the life of our country. That is said particularly when elections are looming. Great appeals are made to the trade union movement, stressing the importance of the part that they play in the industrial and economic life of our country. That being the case, it seems to me that we ought to take every step that we can to make the members of the trade union movement feel that they really are a part of the picture in this country. I suggest that the recognition of their dues as deductible for income tax purposes would be a proper step in that direction.

To go back to my first point, namely, that I feel it should be done as a matter of fair play, I would point out that as the Income War Tax Act stood in the years 1945, 1946 and 1947, doctors, lawyers and teachers were given the right in those years to deduct their dues to their various societies for income tax purposes. I emphasize the point that that right was accorded to those groups of people in 1945, 1946 and 1947, whether they were on salaries or whether their income was from fees. As a matter of fact that distinction was settled in the Bond case, which went to the Exchequer Court of Canada. Mr. Bond, a lawyer, was an employee of the corporation of the city of Winnipeg, and he was on salary. It was contended by the income tax officials that therefore his case was different from that of lawyers making their living from the fees that they charged, and the income tax department had denied him the right to deduct his fees to the law society for income tax purposes.

The exchequer court decided in Mr. Bond's favour and made it clear that as the law stood in the years 1945, 1946 and 1947 the groups of persons to whom I have referred were entitled to deduct their professional fees for income tax purposes, whether they were on salaries or on gross incomes from fees. It transpired later that trade unionists were similarly entitled, under the law as it stood in 1945, 1946 and 1947, to deduct their trade union dues for income tax purposes. I say it transpired later that they had that right under the law, but in point of fact they were denied that right by a ruling of the income tax department, even though the law gave it to them in 1945, 1946 and 1947.

The income tax department ruled that these people were in a different category, that their wages were to be treated as net, and that what they paid for trade union dues could not be deducted. As a result of that discriminatory decision on the part of the income tax department another case was taken to the Exchequer Court of Canada. I am referring now to the Cooper case, Mr. Cooper being a moving picture projectionist. Like the lawyer, Mr. Bond, to whom I referred a few moments ago, Mr. Cooper was also from the city of Winnipeg. The exchequer court made its decision with respect to the Cooper case in June, 1949, but the case was taken there in April, 1948. Let me jump ahead to the decision.

The decision of Mr. Justice Angers of the Exchequer Court of Canada was that as the law stood in 1945, 1946 and 1947, Mr. Cooper and his fellow moving picture projectionists should have been entitled to deduct their trade union dues for income tax purposes, and the implication was that the same right extended to other trade unionists. Let me be perfectly fair, and say that there might have been some doubt as to whether it extended to all trade union dues, but certainly it was clear that it did extend to trade union dues in the case of those in closed shops, in union shops or in shops covered by the Rand formula.

The income tax department accepted the decision and announced in the fall of 1949 that any cases not statute-barred would be reviewed. That meant very little. It meant only that trade unionists who had actually applied for this reduction when they filed their returns for 1945, 1946 and 1947, if they met certain other conditions, might apply for a refund. As a matter of fact most trade unionists had not claimed their deduction for those taxation years because, despite what the law said, despite the fact that doctors, lawyers and teachers were making their deductions, the income tax department had ruled that this right did not extend to trade unionists. So it can be said for the income tax department that in the fall of 1949 they carried out the letter of the decision of Mr. Justice Angers, but it had very little effect.

What had happened in the meantime? As I say, the law was clear for 1945, 1946 and 1947, and it is clear now that the law should have extended to trade unionists the right that was extended in those years to doctors, lawyers and teachers. Mr. Cooper took his case to the exchequer court in April, 1948. By a strange coincidence, in May, 1948, only a month later, the government introduced amendments to the then Income War Tax Act. In 1948 we did two jobs in the field of income tax legislation; we amended the old Income War Tax Act for 1948, and we also passed a new Income Tax Act which was to come into effect on January 1, 1949.

We now find that, once it became law, the resolution introduced by the government in May, 1948, had the effect of denying for 1948 the right of trade unionists to claim trade union dues as a deduction, and it also had the effect of taking away that right from teachers, who had enjoyed it in 1945, 1946 and 1947. That explains why I have made special reference to teachers in this resolution. I believe they have a special word coming to them because of the way that right, which they enjoyed in the years I mentioned, was taken away from them so far as 1948 and subsequent years were concerned.

The same change made in 1948 drew a line right down the middle of two groups of people, doctors and lawyers. Previously all

doctors and lawyers had the right to deduct the fees they paid their associations. After the adoption of the amendment which was put through the house in 1948 those doctors and lawyers working for fees, working for individual patients and clients and collecting fees, paying expenses, office rent, help, and so on, still had the right to include among their deductions the fees they paid the medical or law society; but a doctor or lawyer who worked solely for a company and was on salary was not permitted to deduct his fees to the medical or law society. Frankly, my main concern in bringing this matter before the house is the case of the trade unionists and school teachers, but in all fairness I must say that I do not like the discrimination now made between these two groups of doctors and lawyers. If in both cases they have to pay these fees in order to carry on their practice, it seems to me that in both cases they should be allowed those fees as a deduction.

That change, as I say, was made by amending the Income War Tax Act in 1948. Someone may ask the question, "Were you not here then? Why did you not stand in the way of it at that time?" That is a very fair question. I have read before, and I read again today, the debate relating to that change. I find that it took place on June 2, 1948, and covers several pages of *Hansard*, commencing at page 4683. The budget resolution before us dealt with the deduction allowances to be made to railway employees in certain categories, and travelling salesmen. I find that the main point being emphasized then was that a discrimination which had previously existed as between train conductors and engine crews on the one hand, and sleeping car conductors and porters on the other, was being wiped out by statute. For a period of time previously train conductors and engine crews were permitted to deduct their away-from-home expenses when they had to lie over at the other end of the journey, but that right was denied to the sleeping car conductors and porters, who might be on the same train. Well, we fought that out here a good many times, and when this amendment I am talking about was before the house in the form of a budget resolution on June 2, 1948, the minister emphasized that this discrimination had already been done away with by a ruling in the department, and that the effect of this amendment was to confirm that change.

Well, it was all to the good; we all accepted it. The whole tone of the minister's remarks and of the entire debate was that this change was in the nature of a concession. An allowance that had previously been given to only a few people was now extended to others, so the house accepted it as a concession to requests which had been made in this chamber and approved it readily. In fact the house approved the principle involved in that change so readily that when on June 23, 1948, we had before us the bill with the precise words of section 3 in it, it was not discussed at all. At page 5699 of *Hansard* for that date there is the notation, "Sections 1 to 5 inclusive agreed to." No one said a word. Everyone was satisfied that section 3, which was included in the group carried so readily, was something we all wanted. There was nothing in the discussion or in what the Minister of Finance said during that debate to indicate that in this resolution there was anything restrictive in character. After it got on the statute book, however—indeed, the next year, 1949—we began to discover that section 3 of chapter 53 of the statutes of 1948, which wrote a new section 6 into the basic Income War Tax Act, not only gave something but also took something away. It gave sleeping car conductors and porters the right to deduct away-from-home expenses; that was good; but it also had tucked into it wording which meant that all salaries and wages were henceforth to be regarded as net. The result of that wording is that it has now been ruled that trade union dues, teachers' fees, and doctors' and lawyers' fees in cases where the taxpayer is on salary, cannot be deducted.

I know quite well that what is said on the floor of parliament does not carry the weight that we sometimes think it should carry when courts deal with these matters. I again discovered that to be so a few days ago in reading the report of Mr. Justice Kellock with regard to the railway dispute of last fall. He makes it clear that although certain things were in the preamble to the bill, and although certain things were said on the floor of parliament, what he had to be governed by was the wording of the statute itself. I therefore realize that we cannot ask the courts to be governed by what was said on the floor of parliament when this section 3 of chapter 53 of the statutes of 1948 was discussed on June 2, 1948. But in all fairness I submit that this house should rectify what was done on that occasion. This house had no notion—I am satisfied that nobody in the house was aware of it, unless it was the Minister of Finance—that on that occasion a section was being written into the Income War Tax Act which was going to take something away. We knew it was going to give something, and we approved what it was giving. But we learned a year later that it was taking away a right which teachers had

enjoyed and which some doctors and some lawyers had enjoyed. We also learned that it took away for the year 1948 a right which in 1949 Mr. Justice Angers said trade unionists should have had for the years 1945, 1946 and 1947.

I have just made the statement that it was the next year before we knew about this matter. Here on my desk I have a great many papers, too many to bother picking them all up; but amongst them is a copy of the Saskatchewan *Teachers' Bulletin*, put out early in the year 1949, in which the Saskatchewan teachers' federation reminded their members that the fees to their federation were deductible for income tax purposes. They still thought, in 1949, that the law was as it had been; and it was not until the fall of that year that they were notified that in their spring bulletin they had said something which was not correct. Others were in a similar situation. It was not until 1949, when people were filing their income tax returns, that news really got around as to the change that had been made by that section 3 of chapter 53 of the statutes of 1948.

I would point out that that chapter 53 of the statutes of 1948 was to all intents and purposes just a one-year statute. It amended the old Income War Tax Act, which had been on the statute book ever since world war I, making certain changes that applied for the year 1948. In the same session we passed chapter 52 of the statutes of 1948, which was the new Income Tax Act which was to go into effect on January 1, 1949; and that is the income tax legislation under which we are now functioning. That chapter 52 carried forward for the year 1949 and subsequent years the same limiting provision that was enacted by section 3 of chapter 53. We now have the situation that apparently what the government wanted has been made law, despite the decision of the Exchequer Court of Canada to the effect that trade unionists had been denied, by ruling of the income tax department, something that was their right back in 1945, 1946 and 1947.

It seems clear to me that the way to wipe out this injustice of the past, this discriminatory story that we have had with respect to this matter, is for parliament to ask the government to reconsider the whole position. That is what my motion does.

I repeat to all hon. members opposite, since it is a matter of concern to them, that my motion is not a want of confidence motion; it is a request that the government give consideration to this matter. What we request is simply that they consider the advisability of allowing as deductions for income tax purposes trade union dues and fees to professional societies, such as teachers' societies and others, where those dues or fees are necessary to the earning of a livelihood. No one denies that in most if not all cases these dues are necessary to the earning of a livelihood. I am told by my lawyer friends that they cannot practice unless they pay their fees to the law society. I am told by my medical friends that they have to pay their fees to the medical society. I know that, in many if not all of the provinces, teachers certainly have to pay their fees to their teachers' professional societies in order to be able to teach. As to trade unionists, there are many closed shops and union shops in which a man cannot hold his job unless he carries his union card and is paid up and in good standing. There are other shops which are covered by the Rand formula and in which it is necessary not only for the members of the trade unions to pay their dues but for all others working in that plant to do so, even though they are not members of any union. In addition to the plants where trade union membership is a condition of employment, the fact of the matter is that the conditions of employment that are obtained by many workers are the direct result of the money they pay in trade union dues. I therefore submit that since the fees that are paid by these various groups of people are all necessary to the gaining of a livelihood, they should be allowed as deductions for income tax purposes.

I hope there will not be any objection to this motion on the ground that it would be difficult to determine which are bona fide dues and so on. That point is easy to deal with. I do not mind if the government insists that, in the case of trade unions, it apply only where a union has been certified, if you will, under a federal code or under a provincial code. Personally I should like to see it given to all unions, even to those that are seeking certification. But at any rate some provision could be worked out to satisfy the government as to the bona fides of any claims made under this provision; and I am sure that similarly there will be no difficulty in establishing the right of teachers, doctors, lawyers and any others who have to pay fees in this way in order to earn their livelihood.

I want to say frankly and categorically, Mr. Speaker, that legislation giving effect to this principle would be a slight encouragement to trade unions. The amount of money saved by the individual member of the trade union is only a few cents in some cases, and a few dollars in others. In the Cooper case, which went to the exchequer court, I think the saving involved was only about $35. Of course Mr. Cooper got back his expenses,

which were considerable. The principle is one which means a great deal to trade unionists and to people in similar situations. As I said, it would encourage trade unionists to a slight extent. I hope that will not be the reason why this resolution is turned down. I hope that hon. members will think seriously about it before they cast a vote against it. The last time it was before the house, 48 members voted for it. If it comes to a vote today—in other words if the government is not prepared to accept it and make it unanimous—I certainly hope that the number who vote for it will be increased considerably.

I have presented the story of this matter over these past few years, and I repeat the two points that I made earlier in my remarks.

I think this motion should be passed on two grounds.

On the one hand, I think it should be passed on the grounds of fair play as between various groups in our community. I think it should be passed as a matter of fair play, as a matter of rectifying the injustice, the discrimination trade unionists suffered at the hands of the income tax department's decision back in 1945, 1946 and 1947, during the years when, according to Mr. Justice Angers, the law gave them this right.

My other main argument is that since we all recognize that trade unionists play an important part in the life of our country, surely we should take steps of this kind, which are designed to help trade unionists feel that they are recognized as part of the industrial and economic life of this country. I am very glad to add the suggestion that teachers should be treated likewise. I am prepared to argue that so far as doctors and lawyers are concerned, and any others, they should be in the same category. The point is, let us be completely fair in our income tax legislation. On that basis I urge the adoption of this resolution.

Mr. J. A. Byrne (Kootenay East): The hon. member for Winnipeg North Centre (Mr. Knowles) seems to get as much pleasure out of embarrassing the member for Kootenay East as the member for Kootenay East would get out of embarrassing the hon. member for Winnipeg North Centre as he would surely do if he enjoyed an equal amount of parliamentary experience.

The hon. member for Winnipeg North Centre has brought to the attention of the house the fact than on November 7, 1949, I spoke in favour of the resolution, and later on, when the vote was taken, voted against it. I think his explanation of the matter at that time should be sufficient to show why I voted against it. The explanation revealed that it was a vote of confidence in the government. I personally feel that, if every hon. member were to take his personal beef on the floor of the house when votes of confidence were taken in the government, responsible government could not exist. If they were to vote against the government on such things as union dues or other minor concerns, then responsible government could not survive in this land. In a few words that was my reason for voting against the resolution at that time.

I do not think it would be too untrue to say that on November 7 I was quite new to the house and did not have the experience that other parliamentarians have. The house had opened just a few weeks earlier that fall. At that time I did not know that the resolution which was introduced would result in a vote of confidence in the government. That was why I spoke and voted as I did. I might have chosen an easier and better way out, but I felt that since it was a vote of confidence I would like to face the issue and go to my constituents on that basis. I did that, and have had no criticism, I wish to inform the hon. member for Winnipeg North Centre, from any of my constituents when the truth of the matter was put before them.

The question of union dues being deducted from total income for income tax purposes has been discussed before. I feel that although trade unionism is not a profession in the sense that doctors and lawyers are members of a profession, or school teachers and nurses are members of a profession, yet trade unionists have a very important part to play in the economy of Canada.

When we have on the statute books legislation which provides that certain groups may deduct their dues or fees, and at the same time prevents others from doing the same, it does leave a measure of what may be termed —and I think the only measure of—class legislation. It is on that basis that I should like to see this discriminatory legislation removed. Everyone should receive the same treatment.

The trade unionists who do not work in a closed shop or a union shop are probably in this position. In some cases they constitute 65 per cent or 75 per cent of the employees, but they are carrying the full cost of the administration of the union. They have to negotiate with management and they incur considerable expenses. There are officials who are on full time in the unions, and they have to be paid. In this way, 65 per cent to 75 per cent of the employable employees are paying the costs of the benefits which 100 per cent of the employees receive. If the dues were deductible for income tax

purposes it would be a measure of recognition to those people who are carrying the burden, and it would be somewhat less costly to them. At the present time they have their union dues plus the cost of their income tax. The union dues must carry on. If these extra charges could be removed it would be a help.

As has been outlined by the hon. member for Winnipeg North Centre, this is not a want of confidence motion in the government, and I am prepared to support it.

Mr. G. F. Higgins (St. John's East): I have very little to add to the words of the hon. member for Winnipeg North Centre on this matter. He has given a very clear exposition of the facts, with which I thoroughly agree.

On the last occasion that this matter was presented, namely on November 7, 1949, I voted in accordance with the views I am expressing this afternoon; but I must confess that after listening to the remarks of the hon. member for Kootenay East this afternoon I am still a little doubtful about him. So far as I am concerned this afternoon he has no reason to think that he and I are not on a par, whatever reason he may have for not having the parliamentary experience of the hon. member for Winnipeg North Centre. Therefore anything I say will not be taken by him as having any connection with parliamentary experience because both he and I came to this house at the same time.

On November 7, at page 1490 of *Hansard*, the hon. member said:

> It is not often, Mr. Speaker, that I agree with the principles expounded by the opposition. In this matter, however, I certainly feel that the Liberal party are making a distinction they should not make when they say that because a person is in the salary or wage bracket he is not entitled to deduct the fees which he pays to his organization. I cannot see any reason for such a distinction. I must say that I agree wholeheartedly with the amendment on this principle.

Following that statement, Mr. Speaker, the hon. member voted against the resolution. As I understood his explanation this afternoon, he said that if he voted against the government on such things as union dues or other minor things, then responsible government would not stand. That was the wording I took down from the hon. member's statement this afternoon, and I trust it is correct. I trust that is what he intended to convey. If that is his statement, then surely the only interpretation that can be put upon it is that, no matter how minor the question under discussion may be, no matter how much in conscience the hon. member may feel as to the correctness of what is being said, no matter whether he might feel privately that he should give his support, if the Liberal leaders crack the whip he will vote against his conscience and against his beliefs. That is the only interpretation that can be placed upon it.

Mr. Sinclair: The same way you vote.

Mr. Higgins: I trust the hon. member will not suggest that I hold the same views he does, and that no matter how I feel or what I believe I will vote a certain way because I am told to do so. Surely the hon. member does not suggest that?

Mr. Sinclair: The record proves it.

Mr. Winters: All out of step but our Joe.

Mr. Graydon: Don't get so touchy, boys.

Mr. Higgins: That may be the general idea of hon. members on the Liberal side of the house; it may be the rule of the Liberal party —I do not know about that. But it certainly is not the rule of the party of which I am a member.

Some hon. Members: Oh, oh.

Mr. Graydon: Hear, hear.

Mr. Higgins: There may be major matters we are asked to support; but certainly on minor matters, such as those the hon. member talks about—

An hon. Member: What about controls?

Mr. Higgins: —we vote as we believe we should vote.

Mr. Sinclair: Who defines what is major and what is minor?

Mr. Brooks: You wouldn't know.

Mr. Sinnott: How about national defence?

Mr. Higgins: It is getting difficult to answer all the questions, but it is a great compliment to know that there is all this interest paid to the few words I am expressing—and especially when one realizes that the Minister of National Health and Welfare (Mr. Martin) has been asking questions.

Mr. Martin: I like the hon. member; that is why.

Mr. Higgins: I thank you; praise, indeed.

There is no reason why I should delay the house longer. There is one other matter however I should like to mention. I understand doctors and lawyers are allowed deductions for their professional membership fees. I understand further that doctors are allowed car allowances but that radiologists, who are doctors, are not allowed car allowances. I feel that radiologists who must necessarily travel between hospitals, and possibly to private homes, should be given similar consideration in this respect. This has been brought to my mind by the interjections of the minister, and I hope he will take the matter into consideration.

Mr. Martin: I will study the matter for some time.

Mr. Knowles: That is your long suit.

Mr. Higgins: As the hon. member for Winnipeg North Centre (Mr. Knowles) is anxious to have a vote on the resolution this afternoon I shall close my remarks by saying that I supported a similar resolution before, and I shall most certainly support it today.

Mr. C. E. Johnston (Bow River): Mr. Speaker, I do not think it is necessary for me to speak at length on this occasion. However, I was somewhat interested in the arguments offered by the last two speakers. One member, on the Liberal side of the house, pointed out the difficulties that may present themselves when it comes to a vote. The other was in the Progressive Conservative party, and he informed us that while in minor matters they may vote as they wish, on major issues there may be a little bit of pressure exerted. Let me say at once that in this party it does not matter whether an issue is major or minor, we vote as we see fit. And, as an hon. member suggests, we are always right.

Mr. Brooks: That makes it easy.

Mr. Knowles: And sometimes at the extreme right.

Mr. Johnston: It does seem to me that there is gross class legislation in connection with union dues. As has been pointed out, the doctors and lawyers have a closed shop, so that they cannot practise their professions unless they pay dues. In that respect they are exempt for income tax purposes.

Teachers in Alberta operate under a closed shop; they, too, must pay their dues or they cannot teach. Can anyone show me the difference between those groups? I have mentioned three professions, the first two of which, namely the doctors and lawyers, are exempt in most of the provinces.

Mr. Sinclair: No, no.

Mr. Johnston: I said in most of the provinces.

Mr. Sinclair: No.

Mr. Johnston: Unless they work for salaries —and not many of them do that now. The teachers in Alberta operate under similar circumstances, but we find that while the doctors and lawyers are allowed deductions for income tax purposes the teachers are not. I can see no justification for this when, in all cases, they are compelled to pay dues before they can earn a livelihood. It would require a good deal of argument by any member on the government side of the house to show the justice of that. There is simply no justice in it.

I do not think it was ever the intention that the House of Commons should pass class legislation. I am sure if hon. members were aware that this was being done they would object most strenuously. Why should not the same privilege be passed on to union workers, who must also pay their fees if they wish to belong to a union and work under its protection? Unionism in these days has become almost a profession; it is a highly organized function, and it seems to me it makes no difference whether one is in a labour union, as such, or in a medical union, a lawyers' union, a teachers' union, or what have you.

That is one of my chief objections to this type of legislation. I have discussed the matter on many former occasions, and I do not think it is necessary at this time to repeat what has been said. The matter has been outlined thoroughly by the hon. member for Winnipeg North Centre (Mr. Knowles), as indeed it was on the former occasion. It is sufficient to say that we intend to vote for the resolution.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, as I was named as seconder of the resolution, perhaps I should say a word at this time—although I believe the matter has been thoroughly covered. I speak against it for one reason only—I speak for the resolution—

Mr. Low: Which is it, now?

Mr. Knight: I speak for the resolution. I speak against the legislation on the statute books concerning the collection of taxes on professional fees. I hope I have made myself clear to my hon. friend.

Mr. Low: Perfectly clear.

Mr. Knight: I am against the legislation because it represents gross discrimination; it is what someone has called class legislation. I do not like that expression when used in Canada because I do not think we admit the existence of classes, as they exist in certain other countries.

Let me endorse what has been said by the mover of the resolution. He mentioned school teachers and, of course, I am interested in that phase of the matter. As an active teacher in Saskatchewan my experience was that these fees were simply deducted from my salary cheque. A teacher in Saskatchewan has no option when it comes to the payment of professional fees: if he does not pay them, he does not teach; if he teaches, they are deducted from his pay, and there the matter rests.

I have a good deal of objection to the way in which the government changed the regulation. In 1945, 1946 and 1947 these fees

were exempt for income tax purposes. The manner of the change was astonishing. The new regulation was defined as becoming applicable on January 1, 1948. The teachers in Saskatchewan as such were not notified about the change in the regulations. I suppose they were supposed to know what had happened. In fact the *Teachers' Bulletin,* for February, 1949, addressing itself to its members has this to say:

> If your income tax return is filed late there is a penalty. You are reminded that federation fees are an allowable deduction.

It was only after some months that the teachers discovered, that is those who had filed their income tax returns, that they had to go into the whole matter again and that that right was being taken away. I appeal for the passage of this resolution on the grounds of equity and fair play. I have no objection whatever to the allowance of professional fees, either medical or legal. I think they should be exempt, but if they are exempt, I cannot understand why teachers' fees are not.

I want to go a step further. In moving this resolution I think my hon. friend had in mind particularly the exemption of trade union dues. I am in support of that. Speaking in this house on November 7, 1949, the last time this matter was brought up, the Minister of Finance (Mr. Abbott) said, as reported on page 1494 of *Hansard* of November 7, 1949:

> We have considered the matter, and perhaps it should be adopted.

The "it" being the amendment moved by the hon. member for Winnipeg North Centre (Mr. Knowles). The minister went on to say:

> Perhaps it is something to which we will come. It is certainly administratively practical.

I think the time has now come. There should be no discrimination and the government should act fairly in dealing with persons in all professions and trades who must belong to an association in order to earn their living.

Mr. James Sinclair (Parliamentary Assistant to the Minister of Finance): Mr. Speaker, the Minister of Finance (Mr. Abbott) is presently receiving some delegations on tax matters and I have been asked to say a few words. I did not come prepared because this matter has been dealt with each year by the Minister of Finance when similar resolutions or amendments have been introduced. In his speech the hon. member for Winnipeg North Centre (Mr. Knowles) touched fairly on the actual facts of the case with respect to the judgments which were given in connection with the Income War Tax Act. However, he did not touch in any way on what is the main problem in this resolution.

The fundamental problem in all tax systems is as to where you draw the line between what is taxable and non-taxable. In the short experience which I have had in this house with tax measures and putting through budget resolutions each spring I have always found that point to be the most difficult. For example, in the excise tax law there is always the question as to whether goods are properly semi-luxuries or necessities. Each hon. member of this house can think of some goods for which a special plea can be made that they be placed in the lighter tax group.

So too in the matter of income tax. Let us be fair about this and admit that no one likes taxes. Taxes are especially unpopular with members of parliament because they are held responsible by their constituents for the imposition of those taxes. I have been doing quite a bit of reading recently on income tax. I find that today we seem to be much more tolerant toward taxes, especially income taxes, than they were when the tax was first evolved. Pitt was the first to introduce income tax in the modern British parliament in order to help finance the Napoleonic wars. So distasteful was the tax that at the time the period of the tax ended Lord Brougham ordered all records and documents to be burned so that no future government would have any income tax information which had been assembled at the time.

The responsibility on the minister, whether he be the Chancellor of the Exchequer in Great Britain or the Minister of Finance here, is to make any tax system as fair as possible, to make it understandable, to make whatever borderline he draws easily understood and easily enforceable. I think that is one of the most difficult problems in connection with taxation.

Coming now to the actual question under review, the matter of income tax exemptions, it has been a basic concept in both British and Canadian income tax laws to regard salaries and wages as net income, and so subject to income tax. On the other hand, those who are self-employed, those who have to spend money to make money, have always been regarded as having the right to make as deductions those expenses which are necessary to earn the income which they have earned. So we have the immediate difference established between those who are employed and those who are self-employed.

The person who is employed naturally tries to see that his salary or wage is set at a level which will cover all the factors he

must meet in earning his living and meeting the cost of living, including for example his professional fees. The man who is self-employed must naturally try to make his business or his occupation or his profession so successful that he will be able to pay the expenses which are necessary to earn his income.

That leads us along to this one major difference, as far as the subject matter of this resolution is concerned, between those who are self-employed and those who are not. The doctor, lawyer, teacher or professional man, or the non-professional man or tradesman, who works for a salary or wages, has that salary or wages regarded by the income tax law of this country as being taxable income from which the statutory exemptions granted by parliament for dependents, married status, extra medical expenses and so forth may be deductible. But that is his taxable income.

On the other hand, the doctor, lawyer, teacher, or tradesman who is in business for himself is allowed to make as deductions from his gross earnings those outlays which are necessary to earn that income. That brings us to this matter of the closed shop. If a union man, say a plumber who is working for himself, should find it necessary that he belong to a union because of a closed shop agreement, his dues would be a deductible allowance. If a businessman or a doctor or a lawyer who is not being paid a fixed amount by a hospital or some other organization finds that he must belong to a professional organization in order to work—and these professional organizations are the closest thing to a union closed shop you can find except that the professions do not like the phrase applied to them—the fee he must pay is regarded as a proper business expense because he could not be in business unless he belonged to that organization.

For that reason there has been a distinction between those receiving salaries or wages and those who are self-employed. The hon. member for Winnipeg North Centre made much of the court interpretations of the provisions of the Income War Tax Act, 1945-46 and 1947, and that a judicial ruling had been given that these dues were deductible in the case of those who were not self-employed. He stated also that it was unfair that the Department of Finance took immediate action once those rulings were handed down to get back to what has been the intent in the income tax law in Canada since we have had an income tax, that is, to regard salaries and wages as net taxable income.

There are a lot of clever lawyers throughout the country—there are a lot of clever lawyers in this House of Commons—who are always busy at the law, and especially the income tax law of this country, trying to find loopholes. If the department did not take corrective action when such a loophole has been found then our whole tax structure would pretty soon dissipate. Clever lawyers can always find some point to take to the courts, and now and again they get interpretations which were not the intent of the law as framed. I can give examples, and hon. members can remember examples. In the eleven years that I have been in the house corrections have been made, but I have never seen a tax measure made retroactive to cover such loopholes, but the hon. member may be able to correct me.

Mr. Knowles: This particular law, chapter 53 of the statutes of 1948, which was passed in June of that year, was made retroactive to January 1, 1948.

Mr. Croll: That is the practice in every budget.

Mr. Sinclair: As pointed out by the hon. member for Spadina (Mr. Croll), it is the practice with every budget that the actual budget proposals should apply from the beginning of the fiscal year—as far as income taxes are concerned, but not so far as excise taxes are concerned, which generally have a midnight dateline on the budget day.

Mr. Knowles: Not always with regard to income tax either.

Mr. Sinclair: Coming to the point of fair play mentioned by the member, because the courts ruled that the phrasing of the law at that time permitted a deduction of dues, the hon. member suggests that it is only fair to continue that. If that were the case there are many corporation lawyers in Canada who would like to have that outlook sustained, men who have found ways to get around the provisions in the tax laws made by parliament. The proper course to follow is that which the department has always followed. When judicial rulings based on the act have been made which have not been what was meant at the time the act was passed, the department has taken corrective action.

The hon. member went on to point out that certainly in the case of closed shops, or where the Rand formula applied, union dues had to be paid and were a cost of the occupation of the men concerned. That is quite true; but once again, if we enter that field, where are we going to stop? Certainly the cost to the man of going to his work in the morning and of coming home at night is also a cost of his

occupation. There are professional courses he must take to improve himself and professional tools that he must buy. All these things to the man on salary or wages are a cost of working. We could start today with the proposal of the mover of the motion and step by step broaden our income tax law to include more and more of these very desirable exemptions which members are always so keen to put forward in order to secure exemptions for other groups. The hon. member for St. John's East (Mr. Higgins), for example, just a moment ago mentioned a special group, radiologists.

These things would lead to a constantly diminishing rate of net taxable income but would not in any way relieve the country from having to raise the revenues we must have for the management of the country. Therefore you might have a lower net taxable income but you are going to have higher rates thereon. These are the points that the Minister of Finance (Mr. Abbott) has made to the house in previous years, the fact that so far as a workable tax law is concerned the British and Canadians have always regarded salaries and wages as net taxable income. Men who accept positions on salaries or wages must always have in their minds the obligations they must meet out of those salaries and wages and try to secure adequate pay.

The second thing is that this line on taxable income is a very easy line understood by the people. It is a line very easily enforced so far as the department is concerned with a minimum of administration and evasion. These views have been put forward by the minister on earlier occasions. The government has, as the resolution asks, given consideration to allowing such fees or dues to be deducted from the wages or salaries of people paid in that way, and the Minister of Finance has told me to say that the government cannot accept the proposal for the reasons I have repeated.

Mr. Angus MacInnis (Vancouver East): Mr. Speaker, in view of the fact that the resolution was introduced by the hon. member for Winnipeg North Centre (Mr. Knowles), although I was not here when he spoke to it I assume he did not leave very much for anyone else to say that would be at all new. All I want to do is to give my support to the proposals in the resolution, and in doing so to reply to one statement made by the hon. member for Coast-Capilano (Mr. Sinclair), who has just taken his seat. He asked where the matter was going to end if exemption of union dues for income tax purposes was allowed. He wanted to know where we would draw the line. As a Liberal, surely he will agree that the place to draw the line is where the same principles will apply to everybody.

To the extent that any tax does not apply to everybody in the same way then it is discriminatory, and in this case it is discriminatory against trade unionists and in favour of professional men and women. Today it is becoming more and more the general practice that the ordinary worker must be a member of a trade union if he is going to work at his particular trade, in the same way that a lawyer must be a member of the legal associations of his profession if he is going to practise law. As a matter of fact I think lawyers go a great deal further than trade unionists. My attention was drawn to the fact that recently a notable lawyer, whose home is in one province, had to go to the province of British Columbia to defend a case, and he had to pay the initiation fee of the law society of that province although he was already a member of the law society of his own province. The initiation fee, or whatever it is called in the profession, is quite sizeable. I think in this case it was $1,500, and I would imagine that he would be able to deduct that.

Mr. McCann: That is a capital expenditure.

Mr. MacInnis: If not then he would be able to deduct the fee he paid to the law society of his own province. All that the motion asks, and all that we have been asking in this house for the past few years, is that the same law apply to trade unionists as to members of the professions. I regret very much that the Minister of Finance (Mr. Abbott) has decided that he must continue to discriminate against trade unionists because, I assume, trade unionists are small fry with whom he need not be concerned.

Mr. Knowles: Mr. Speaker—

Mr. Deputy Speaker: I must inform the house that if the hon. member from Winnipeg North Centre (Mr. Knowles) speaks now he will close the debate.

Mr. W. J. Major (Glengarry): Mr. Speaker, I have been listening to the debate on the resolution for a long time. Something was said about class legislation. While we have been dealing entirely with labour we must also remember that the farmers of Canada have associations to which they pay dues, and that they are not entitled to deduct their dues or contributions for income tax purposes. Until such time as the entire question can be considered I do not think I would be willing to support the resolution. The amount involved is very small, possibly something under $3 per individual, so it would not make

very much difference to anyone as far as the cost of living is concerned.

Mr. Johnston: It is a matter of principle. You do not advocate discrimination, do you?

Mr. G. D. Weaver (Churchill): Mr. Speaker, I derived a great deal of pleasure from listening to the hon. member for Winnipeg North Centre (Mr. Knowles) this afternoon, and the other speakers who have taken part in this debate. I was hoping all the reasons that could be advanced both for and against this resolution would be brought forward so there would be no occasion for me to speak, but the reason I cannot support it has not been put forward, so I am going to take this opportunity to mention it. The hon. member for Winnipeg North Centre stated that the last time this subject was discussed the hon. member for Kootenay East (Mr. Byrne) had given reasons for supporting the resolution, but then voted against it. I believe his vote was communicated to his constituency just as mine was, and I have no doubt be explained it just as I did. I pointed out that it had been brought forward as a want of confidence motion in the government instead of being dealt with on its merits, which took care of that particular vote; but I went on to say that there were arguments both for and against the resolution, and my vote on that occasion did not indicate how I might vote if it was dealt with on its merits.

This afternoon there will be a vote, and I am sure the hon. member for Winnipeg North Centre would say that today the resolution is going to be dealt with on its merits—that is, unless all the Liberals happen to vote one way and all the opposition vote the other way. In that case perhaps he or someone else will suggest that this was done because some sinister individual behind the curtains somewhere said they should vote that way. That is not why I will be voting against this resolution, however. Mention has been made of class legislation and discrimination, suggesting that anyone voting against this resolution would be voting in favour of both class legislation and discrimination. I find that the community is divided into many groups. There is the industrial group represented by the unions; and rightly so, because the little man in industry, with no one to speak for him, is liable to suffer unless he organizes with others to take care of injustices like these. That is bound to be the case with the world as it is and human beings as they are. The same thing applies in agriculture; the farmer alone is liable to be pinched, so he gets together with other farmers in agricultural organizations. It is the same with businessmen; they get together in their groups. Because the world is such a complex place, eventually more and more groups will be organized, not against other groups but to see that their members have a fair hearing and are dealt with justly. Our job here is to see that as between groups everyone gets a fair hearing and is fairly dealt with.

Among my constituents there are a great many trade union members, and a great many farmers, who are also organized. However, there are also many fishermen, who are not organized, many trappers, who are not organized, and other unorganized groups. To vote for this resolution at this time, I think, would be taking a step that would make it more difficult for the Minister of Finance to collect the money necessary to make the tremendous expenditures that will have to be made, and to support this resolution would not be dealing fairly with all those others who are not able to have someone speak for them in this house. The unions have members to speak forcibly for them, and the farm organizations have members to speak for them. As the hon. member for Souris (Mr. Ross) was going out I jokingly said to him, "I thought you would stay here and speak for the farmers, and perhaps suggest that the final payment under the five-year wheat agreement might be exempt from income tax." He replied that he was not going to make that suggestion, but if anyone else did he would be glad to support it.

The hon. member said a line had been drawn dividing the doctors and lawyers. He did not mention anything about engineers. I pay dues to an engineering society, and I have never dreamed of claiming those as a deduction. Businessmen pay dues to chambers of commerce and other organizations, and so on. Then I think of all those who could not come under such legislation; and because the doctors and lawyers have that privilege it seems to me the resolution is saying that since we cannot get the doctors and lawyers off that basis we should take the mountain to Mahomet and see that as many others as possible get on the same basis. If some time in the future, in order to do away with a discrimination which the hon. member believes exists, he would bring in a resolution that would tend to simplify the income tax return, eliminate the small proportion of doctors and lawyers who now deduct their fees, and at the same time enable the people in whom he is interested to regain their position, that might be worthy of consideration. However, I am afraid I cannot support any proposal which would make our income tax forms much more complicated at this time in our history.

Mr. Knowles: Mr. Speaker—

Mr. Deputy Speaker: Order. I must inform the house that if the hon. member for Winnipeg North Centre speaks now he will close the debate.

Mr. Knowles: I wish to avail myself of the opportunity to close the debate, because I believe the remarks of the hon. member for Glengarry (Mr. Major), the hon. member for Churchill (Mr. Weaver) and the parliamentary assistant to the Minister of Finance (Mr. Sinclair) do deserve consideration. I want to thank the parliamentary assistant for his reference to the fair and accurate manner in which I presented the facts relating to this whole question. I appreciate, too, that he made his arguments quite clear, because it seems to me the two main arguments he presented are very easy to meet, and I shall endeavour to meet them. However, I will save the parliamentary assistant until later and deal with the other two hon. members first. After all, parliamentary assistants should have some standing around this place, in view of all the cracks that are made about them.

May I say to the hon. member for Glengarry, as well as to the hon. member for Churchill with respect to part of what he said, that the resolution is worded to include farmers, engineers and others, the very groups for whom they speak. I ask hon. members to note that I did not stop at trade union dues, but went on to say "professional dues to teachers' organizations, and similar fees necessary to the earning of a livelihood." Those words are quoted directly from the resolution. I point out that I and others have had a good deal to say about doctors and lawyers, but doctors and lawyers are not mentioned in the resolution. I mentioned trade union dues particularly, because I feel trade unionists got a particularly raw deal in that they were denied the right to deduct those dues for income tax purposes during the years the law allowed it. I mentioned teachers particularly because I felt that they got a raw deal in that, having had the privilege of making those deductions, that privilege was taken away from them in the manner which was described both by the hon. member for Saskatoon (Mr. Knight) and myself.

Mr. Rooney: What about accountants?

Mr. Knowles: The hon. member for St. Paul's (Mr. Rooney) asks: what about accountants? All these other people are included in that general phrase "and similar fees necessary to the earning of a livelihood." As a matter of fact, a good many of those people—farmers, engineers in some cases, and accountants in some cases also—are in the category of persons whose income is on a gross basis. Those who are on a gross basis, as is the case with doctors and lawyers at the present time, have the right now to deduct expenses necessary to the earning of their gross income. To farmers, to engineers and to accountants who are on a gross basis I suggest that they do not need legislation but that the act now permits, in the case of those whose income is gross, deduction of the amounts they expend in the earning of that income. I am right with them.

There is, Mr. Speaker, an attempt to misinterpret or misunderstand this motion, if there is any suggestion that its purpose is to bring in class legislation. The purpose, Mr. Speaker, is the very opposite. The very wording of the resolution makes clear that its purpose is to end class legislation and to extend to all persons the right to deduct for income tax purposes the amounts necessarily expended in the earning of a livelihood, where those amounts are in the nature of fees to unions or societies or associations of one kind or another. I hope that is perfectly clear. I remember that once before, when this matter was up for discussion, the Ottawa *Journal* made the same comment. I am surprised to hear the hon. member for Churchill (Mr. Weaver) and the hon. member for Glengarry (Mr. Major) express the views that were expressed on the editorial page of the Ottawa *Journal*. They thought that what was wrong with this suggestion was that it was class legislation. Not at all, Mr. Speaker. It is class legislation the way it now is. My request to the government—

Mr. Weaver: May I ask the hon. member a question?

Mr. Knowles: Certainly.

Mr. Weaver: I was referring to the fact that it had been mentioned by members of the party of which the hon. member for Winnipeg North Centre (Mr. Knowles) is a member.

Mr. Knowles: I do not understand that it is a question the hon. member for Churchill has asked. I can only draw his attention to the wording of the resolution. As a matter of fact, I point out to him that I broadened the wording of the resolution today as compared with the wording of the amendment to the motion to go into supply that I moved on October 31, 1949, precisely in order to make it clear that I wanted this to be a principle to extend to all without fear or favour. I would have thought that some of those who spoke on this motion would have compared my motion of today with my amendment to the supply motion of a year and a half ago, in order to note the difference. The difference between the wording of the two meets the very point that

the hon. member for Churchill and the hon. member for Glengarry have raised. There is no argument on the point. I am with them one hundred per cent that this right I am asking for people to whom it has been denied should be extended to all who have to pay out any kind of fee necessarily for the purpose of earning a livelihood.

Before I leave the hon. member for Churchill, I must say that he disappointed me a little bit this afternoon. He started out by saying that part of the reason for his vote on November 7, 1949, when he voted against my amendment on that occasion, had been stated by me and by the hon. member for Kootenay East (Mr. Byrne) when we referred to the position that government members find themselves in when there is before the house an amendment that is in effect a vote of want of confidence. But he said that was not the whole reason and that he was going to give the rest of the reason so far as he was concerned. I thought we were going to get the whole story, as it was reported in the Winnipeg papers shortly after that November vote, at which time we were told what he had said to the trades and labour council of Flin Flon, Manitoba, when they asked him why he had voted against this motion. I have not in front of me a copy of that dispatch which appeared in the *Free Press* but the hon. member for Calgary West (Mr. Smith) referred to it on another occasion.

Mr. Weaver: May I ask the hon. member a question?

Mr. Knowles: Certainly.

Mr. Weaver: Do you believe everything you read in the newspapers?

Mr. Knowles: If the hon. member wants to deny what was in the Winnipeg *Free Press* on that occasion, and which has already been reported to this house by the hon. member for Calgary West, he is free to do so. The *Free Press* reported at that time that the hon. member for Churchill said to the members of the Flin Flon trades and labour council that, since coming down here to Ottawa, he had found that there were so many things one had to get for his constituency it was a good idea to stay on the good side of the government. That was the reason reported in the *Free Press* to have been stated by the hon. member for Churchill as the reason why he had voted against this amendment.

An hon. Member: That is a good one.

Some hon. Members: Hear, hear.

Mr. Knowles: If the hon. member for Churchill wants to deny that he said that to the Flin Flon trades and labour council, and if he wants to tell the government now that it is not his aim to vote the way they want in order to keep on their good side, I will sit down and let him do it.

An hon. Member: No move.

Mr. Knowles: The hon. member for Churchill remains in his seat.

Mr. Mutch: That is a practice that should be emulated.

Mr. Knowles: To get back to the hon. member for Coast-Capilano (Mr. Sinclair), the parliamentary assistant to the Minister of Finance—

Mr. Laing: Will the hon. member permit a question before he goes on further? I think the weakness of his argument in the minds of many members arises out of the generalization, when he refers to "and similar fees necessary to the earning of a livelihood." If the language cannot be made more specific than that, I would ask him how the department can hope to specify with regard to tax collections, because it opens up the whole area of claims.

Mr. Knowles: I am quite prepared to answer that question. Before I do so, let this be stated clearly. If I had done what the hon. member for Vancouver South (Mr. Laing) asks, and had spelled out four, five or six specific cases where it was to be allowed, and had gone no further, my resolution would have been condemned for being specific and for not leaving the door open to the department to decide what others should be included. As hon. members know quite well, that is something that has happened time and time again. The fact of the matter is that to anyone who wants to take the trouble to read the clear English—and I hope it is equally clear in the French translation—it will be evident that what we are asking for is deduction of trade union dues, professional dues to teachers' organizations, and similar fees necessary to the earning of a livelihood.

Mr. Laing: That is multitudinous.

Mr. Knowles: Surely, in a similar position are fees or dues paid to an organization which is related occupationally to the job you are doing. Surely that is clear. Surely it is better to lay the matter before the government in this way and let them determine the exact details of such a proposal than to make the other mistake that the hon. member for Vancouver South would have liked to trap me into making.

Mr. Laing: Not at all.

Mr. Knowles: I am glad that the hon. member was not trying to set a trap for

me. But I think he realizes that that is the sort of thing that happens in this house all the time. It is not in order to refer to other motions that have been discussed in this session, but I can think of other debates in which members on the government side have said that if my colleague had only worded the motion in such a way, it would have been better. But if my colleague had done so, the request from the government side would have been to word it the other way.

I am still anxious to get around to my friend the hon. member for Coast-Capilano, and he is sitting over there on tenterhooks too. The hon. member for Coast-Capilano discussed the question discursively in part but in the main he got down to two general arguments. One of his arguments was that the government was perfectly right and that it was to be defended for its action in 1948 in changing the law to carry out what had been its intention in the years 1945, 1946 and 1947. There is no question as to what the intention of the government was in those previous years, because the ruling of the Department of National Revenue carried out that intention.

The hon. member says that the government is to be commended for changing the law so as to carry out what had been its intention. Well, Mr. Speaker, this is like the discussion the hon. member for Vancouver South and I have been having. The question of intention comes up time and again. I must refer to the most recent example, the one that is in my mind at the moment, namely, the Kellock report in reference to the railway dispute of last fall. It was said on the floor of this house that it was the intention of the government that the workers involved in that dispute should not be asked to accept legislation that was discriminatory as between one group and another. That same intention was expressed in the preamble to Bill No. 1, which was before parliament last fall. We were asked on the floor of parliament to accept the government's word that that meant that the hotel and water transport workers would get the same deal as the railway employees got. And I can say that the union leaders, too, thought that that was the case; but when Mr. Justice Kellock made his report he said in it—I was quoting from it in another connection the other night, and I could give the quotation, but I know it very well, in spirit at any rate. He said that the employees drew two things to his attention: one, the wording of the preamble, and two, statements of intention made on the floor of parliament. But he made it clear that he had to be governed not by the preamble, not by the intention of the government or the intention of parliament but by what was in the statute.

Mr. Sinclair: I think the hon. member wants to be fair. There is quite a difference in the two cases he uses, because the Department of Finance and the Department of National Revenue had shown by their interpretation and ruling in this case that it was their intention not to allow this deduction. However, when they were challenged in the courts on the actual interpretation of the law, they changed it.

Mr. Knowles: All right; Mr. Speaker, the hon. member for Coast-Capilano is just emphasizing the fact that when the government found in the case of the income tax situation that its intention was not clearly spelled out by the law, they changed the law.

Mr. McCann: Why should they not?

Mr. Knowles: The Minister of National Revenue says: "Why should they not?" All right, but what was the intention of the preamble to Bill No. 1 last fall?

Mr. McCann: We are not talking about that.

Mr. Knowles: Just a minute; I have the floor. The intention expressed on the floor of parliament by the Prime Minister (Mr. St. Laurent) was not carried out in the legislation enacted by Bill No. 1. I call upon the government to do the same thing, to bring in legislation to carry out their intention with respect to the hotel and water transport workers, even as they so readily brought in legislation to carry out their intention to deny to trade unionists the right to deduct their trade union dues for income tax purposes. Hon. members often complain when we speak about class legislation, but look at what we get all the time. We get a ruling by a department which is wrong; the law is changed to meet that ruling and we are asked to commend the government for changing the law to carry out their intention; but when it comes to this other intention clearly stated the Prime Minister tells me on the floor of the house that it is not the intention of the government to make any change in the law which Mr. Justice Kellock says does not accord with either the spirit of the preamble or the intention expressed on the floor of parliament.

So much for the argument about intention on the part of the government that the parliamentary assistant to the Minister of Finance has tried to give us. His other argument, which is the basic or fundamental argument in the field of taxation which the Minister of

Finance (Mr. Abbott) has given before, is that you have to draw a line somewhere. Well, that is a great phrase. I can remember back in my university days when we used to debate all kinds of academic questions, and once upon a time at the university where I was we had a debate on the question: "Resolved that a line must be drawn."

An hon. Member: What is a hen?

Mr. Knowles: It is something like the reference made the other night by the hon. member for St. John's East (Mr. Higgins). The hon. member for Coast-Capilano (Mr. Sinclair) says that a line has to be drawn. Then he says that the place to draw that line is with respect to net income. That is, to draw it as between net income and gross income. The decision of the government has been that in the case of net income there are to be no deductions, no deductions except those provided for in the act. What a way to draw a line! You draw a firm line, and no deductions are to be allowed; but in the very act in which you draw that line you proceed to make certain exceptions. Well, all we are asking is that there be included in those exceptions to that line which has been drawn exceptions which are necessary to achieve fair play.

There are certain cases where, despite the line that has been drawn which says that net income must be fully taxable, exceptions are allowed. For example, a single clergyman maintaining a dwelling is allowed certain deductions from his net income as a clergyman. Clergymen operating cars, even though on a net income, are allowed certain deductions. Transport workers on salary in certain cases, those men who have to lie overnight away from home, are allowed deductions from net wages for those away-from-home expenses. The same is true of travelling salesmen under certain conditions that are spelled out in the act and regulations. These are all cases of men on net salaries. They are allowed those deductions.

Family allowances are an addition to our income, on which there is no taxation. I hope I do not draw the abuse of other hon. members if I refer to the fact that part of our income, and the income of members in certain legislatures in this country, is not taxable because we have to spend that part, all of it, and more in some cases, in connection with the earning of the rest of our income. Therefore, Mr. Speaker, it is illusory to say that the government's decision is based on this unctuous principle that we have drawn a line. The line has been crossed so many times that it is shattered and there is nothing unreasonable about the request that one of the exceptions to that line be this business of trade union dues, teachers' professional dues to their societies and the fees of any others, farmers, engineers, accountants, and all the rest who have to pay these fees in order to carry on their particular occupation.

I remind the government that we used to get the same argument about drawing a line from Mr. Ilsley when he was minister of finance in relation to one particular group of people. I refer to sleeping car conductors and sleeping car porters. I referred to them earlier today, but the position taken by the hon. member for Coast-Capilano makes me refer to them again. I used to complain year in and year out, as I still complain year in and year out about some other things, about the fact that train conductors, engine crews and so on, when they were away from home were allowed to deduct from their wages their away-from-home expenses before computing their income tax, but that sleeping car conductors and sleeping car porters, riding on the same train, in some instances lying overnight in the same place, were not allowed to make these deductions.

The former minister of finance (Mr. Ilsley) used to express great sympathy with my protest against this discrimination made on the floor. Both of us wanted the train conductors and engine crews to have that deduction, but I wanted the others to have it too. "But", said Mr. Ilsley, "you have to draw a line." That is exactly the same line my hon. friend is giving us today. The line then was a little different. The line at that time was between a monthly salary and an hourly wage.

How ridiculous!—that because sleeping car conductors and sleeping car porters were on monthly salaries, and train conductors and engineers were on hourly wages, one was allowed to deduct his away-from-home expenses and the other was not. But, year after year, for a great many years, Mr. Ilsley stood up and said, "I appreciate the point made by the hon. member for Winnipeg North Centre (Mr. Knowles), but you have to draw a line somewhere".

Well, the day came when, because of representations on that point, the government realized that that line had to be abolished. The irony of the story is that it was the very section which abolished that line of discrimination against sleeping car conductors and sleeping car porters which created this new line of discrimination against trade unionists. It was that very section, section 3 of chapter 53 of the statutes of 1948, which wiped out the old line but,

without our knowing it, drew this new line that the Minister of Finance talked about on November 7, 1949, and the hon. member for Coast-Capilano talks about today.

I submit we should not be bound by these technicalities, by these precepts that are announced, that you have to draw a line. What we should be concerned about is fairness and justice all round. And I am sure that members generally, including the hon. member for Glengarry (Mr. Major), the hon. member for St. Paul's (Mr. Rooney), the hon. member for Churchill (Mr. Weaver) and the hon. member for Coast-Capilano (Mr. Sinclair), realize that what we are asking for today is only fair; and I hope the house will vote for this resolution.

Mr. Sinclair: Mr. Speaker, I think there are some of the hon. member's closing remarks which should be withdrawn.

Some hon. Members: Question.

Mr. Sinclair: My views were given as clearly and as fairly as I could give them. For the hon. member to impute that if I were fair I would vote for the resolution is not in keeping with the rest of his remarks.

Mr. Knowles: I did not say anything about the hon. member's fairness. I said that I thought in their own minds the members I named agreed with the spirit of the resolution.

Mr. Sinclair: Speaking to a point of order, the hon. member is trying to impute that if I were fair in my own heart I would not have taken the stand I did take. But I have taken the stand and I have spoken with as much fairness as he has. He should withdraw the imputation. He may go on thinking it, but he should not go on saying it in the house.

Mr. Knowles: If I said anything about fairness on the hon. member's part I shall withdraw it; but I do not think I did.

Some hon. Members: Withdraw.

Mr. Knowles: Just a moment, now.

Mr. Warren: Don't say "if".

Mr. Knowles: You cannot ask a member to withdraw something he may not have said. I said that if I did say anything as to the fairness of the hon. member for Coast-Capilano, or other hon. members, I would withdraw it.

The house divided on the motion (Mr. Knowles) which was negatived on the following division:

YEAS

Messrs:

Argue
Aylesworth
Balcer
Benidickson
Bertrand
Beyerstein
Black (Cumberland)
Blackmore
Blair
Bourget
Brooks
Browne (St. John's West)
Bryce
Byrne
Casselman
Catherwood
Charlton
Coldwell
Corry
Croll
Diefenbaker
Drew
Fair
Fulton
Gagnon
Gibson
Graydon
Green
Harkness
Helme
Herridge
Higgins
Johnston
Jones
Knight
Knowles
LaCroix
Lennard
Low
MacInnis
McLure
Maybank
Murphy
Noseworthy
Pearkes
Poulin
Quelch
Shaw
Stanfield
Stewart (Winnipeg North)
Thatcher
Thomas
Tustin
White (Hastings-Peterborough)
Wright
Wylie—56.

NAYS

Messrs:

Abbott
Anderson
Applewhaite
Ashbourne
Beaudoin
Bennett
Blanchette
Blue
Boucher
Bradette
Bradley
Breithaupt
Brisson
Bruneau
Campney
Carter
Claxton
Cote (Verdun-La Salle)
Dechene
Decore
Dewar
Dickey
Dion
Dumas
Eyre
Ferrie
Fournier (Hull)
Garson
Gauthier (Lake St. John)
Gauthier (Lapointe)
George
Gingras
Goode
Gour (Russell)
Gregg
Harris (Grey-Bruce)
Harrison
Hetland
Hodgson
Jutras
Kent
Kickham
Kirk (Antigonish-Guysborough)
Lafontaine
Laing
Langlois (Gaspe)
Lapointe
Larson
Lefrancois
Leger
Lesage
Macdonald (Edmonton East)
MacDougall
MacKenzie
MacLean (Cape Breton North and Victoria)
MacNaught
McCann
McCusker
McIlraith
McIvor
McLean (Huron-Perth)
Major
Mayhew
Murray (Cariboo)
Murray (Oxford)
Pearson
Rooney
St. Laurent
Simmons
Sinclair
Sinnott
Smith (Moose Mountain)
Smith (Queens-Shelburne)
Stuart (Charlotte)
Studer
Tremblay
Valois
Ward
Warren
Weaver
Weir
Winkler
Winters
Wood—84.

FEDERAL UNION

PROPOSED CONFERENCE AS TO APPLICATION OF PRINCIPLE BY DEMOCRACIES WITHIN UNITED NATIONS

Mr. Alistair Stewart (Winnipeg North) moved:

That, in the opinion of this house, the government should take into consideration the advisability of supporting the calling of a convention of delegates from the democracies which sponsored the North Atlantic treaty and representing the principal political parties of such democracies, for the purpose of exploring how far their peoples, and the peoples of such other democracies as the convention may invite to send delegates, can apply among them, within the framework of the United Nations, the principles of federal union.

He said: Mr. Speaker,

The people of the earth having agreed
that the advancement of man
in spiritual excellence and physical welfare
is the common goal of mankind;
that universal peace is the prerequisite
for the pursuit of that goal;
that justice in turn is the prerequisite of peace,
and peace and justice stand or fall together;
that iniquity and war inseparably spring
from the competitive anarchy of the national states;
that therefore the age of nations must end,
and the era of humanity begin;

the governments of the nations have decided
to order their separate sovereignties
in one government of justice,
to which they surrender their arms;
and to establish, as they do establish,
this constitution
as the covenant and fundamental law
of the Federal Republic of the World.

There is the end, the goal, the ideal which I am certain is in the minds and hearts of all. The words which I have quoted are taken from the preamble of a draft constitution for world government. This draft constitution was prepared by a committee of eleven very distinguished men who met for a period of at least two years. Its chairman was Mr. Robert M. Hutchins, then president of Chicago university, and one of its members was Professor Harold Innis of the university of Toronto. The purpose of such a federation, such a world government, can be stated quite clearly. It is to give man greater freedom and equality by making man subject to the rule of law. Its hope is to abolish the scourge of war. Its hope is to give the children of the world that security which our parents have denied us.

It envisages world union, which is something devoutly to be wished for but which today, owing to the nature of things, is obviously utterly impossible. The words which I use in the resolution, while they express hope for a modified form of union, should not be new to members of the house for they are substantially the same as those which were accepted by the Canadian Senate last year. They are substantially the same as those words which today are before the houses of congress in the United States.

What I am asking is that approval be given to the suggestion that the sponsor nations of the North Atlantic treaty organization ask representatives from each of the major political parties to meet to discuss the possibility of forming some type of union such as I envisage. It is not restrictive, for its members would have the right to ask others, but with this aspect of restriction I shall deal later and more fully. Nothing which I have to say will be original; nothing will be new. All these things have been said before but the fact that they have been said before does not in any way invalidate them. It will be asked: What do I expect of such a union? The first and most obvious thing is that there should be a common citizenship with a bill of rights protecting the individual, for the individual is the very heart and core of any system of union such as I have in mind.

Not only would it do that but it would also protect the rights of minorities in the nations which are members of the union. To take our own country, for instance, I am convinced there would be no infringement whatsoever upon the rights of any individual or any minority. Rather I think through union would those inalienable rights be strengthened.

I would expect to see a common foreign policy. It may be argued that we have a common foreign policy now. We democratic nations of the North Atlantic are determined that we shall not be aggressors at any time. We are determined that peace shall ensue through the maintenance of law and order. It is true we have a common policy to that effect. Yet there are differences between us, differences which are perhaps not so great as many of us fear but differences which in a world of sovereign states must be dangerous, and under a union I think many of those differences would not be so apparent. We would need to have a common defence policy.

Federal Union

Today as sovereign nations we are arming against the threat of aggression. Sovereign nations in the past, the nations of the north Atlantic and others, have indulged in an arms race when they thought it necessary for their own defence. They have entered into alliances and treaties. They have sought bases for their greater individual security. Yet history shows that treaties, leagues and covenants never kept sovereign states together. History also shows that the ally of yesteryear may well be the enemy of next year.

In a world of sovereign states there are three ways of solving problems, by the overwhelming bludgeoning of force, by negotiation or by war, but in a world of sovereign states when all else has failed the only way in which a nation can insist on its rights is by that extraordinarily stupid way of going to war. Again it may be argued that we already have a common defence under way but it is something which is only in the embryonic stage. Should the commander in chief of the allied forces, General Eisenhower, wish to expend any large sum of money for the common defence of all, he has to go before the council of twelve. Each of these individuals must go back to his national government and there get approval or disapproval for the projected expenditure. Today, when war may strike with the speed of lightning, such a procedure is slow and cumbersome and may conceivably lull us into a false sense of security. Under union the commander in chief would have power to decide, subject to the parliament of the union, what was needed; and that parliament then would vote him the money. This would imply that the union must have the power to impose taxation and collect taxes. I suspect that were our defences pooled in the union we should find taxes for defence not quite so onerous as they are upon us now as citizens of an individual state.

I would envisage also a free movement of peoples and goods. As a result of the greatly enlarged area of free trade, obviously there would be a rapid improvement in the standard of living of all. I am convinced that there are Canadian manufacturers and workers who believe that if tariffs were to be removed immediately the effect upon Canada might well be devastating. On the other hand, however, there is an argument which might appeal to them. By abolishing these tariffs we would open a new market of some three hundred million people. In the past we have learned to our cost that insistence upon our own sovereignty has led only too often to economic autarchy and a decline in the standard of living which of necessity must follow.

There is another factor which I think has to be borne in mind today. Industry in the western world is extraordinarily efficient and tremendously productive, so much so that the individual state has become too small a unit in which it may operate. So it would be the better part of wisdom to adapt our institutions to the new society which is being formed before our very eyes. If we are to have the free movement of goods and peoples it follows, surely, that we must have a common currency; and I am certain that the Minister of Trade and Commerce (Mr. Howe) and the Minister of Agriculture (Mr. Gardiner) would be the first to agree that national currencies have been one of the greatest deterrents to trade this world has ever known.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Stewart (Winnipeg North): Mr. Speaker, before the dinner recess I was outlining to the house my idea as to the form which union should take. There is nothing sacred about these views of mine. Many who agree, as I do, on the necessity for union, would possibly disagree with me quite strongly on some details. Nevertheless I offer my suggestions as a basis for discussion. Now what would we hope to achieve out of union? The first and most obvious objectives would be the establishment of a great commonwealth of free peoples dedicated to the spiritual and physical freedom of mankind; and the achievement of a union which might be strong enough to deter an aggressor from any military action against us. What weighs largely in my mind is this fact. If a war were to come, if we are to fight it efficiently and effectively, we should find ourselves in a union such as I have suggested, whether we liked it or not. But while I welcome the idea of union, I should prefer to see it created when we have time to think about what we are doing and the problems we are facing rather than have it done under the duress of war.

In June of 1940, when things were black indeed for our cause, Mr. Churchill offered to the people of France common citizenship with the people of the United Kingdom. He offered them this as a means of salvation in a time of extremity. Unhappily, the time was too late. Today we are not in a moment of extremity, it is true. We have time to think of what we are doing and I still believe that our salvation lies in the direction of union.

From the more material point of view we can argue that union of the western democracies with certain other nations would mean that we have amongst ourselves some 75 per cent of the industrial capacity of the world. It is true that, in the final analysis, it is the infantry, the men in our defence forces, who win wars. But no matter how great their heroism or how outstanding their courage, if they cannot get the arms with which to fight it is of no avail. Wars today are won in factories and really nowhere else. What we have to remember is that it is the first battle we have to win this time. In the past we have prided ourselves on always having won the last battle. But on this occasion, if war comes, the first battle will be that for Europe; and if we lose Europe, then the outlook for us on the North American continent will be bleak and grim indeed.

I said earlier that the union which I envisaged should not be exclusive. We should work with partners, with people whose human values are the same as ours, whose regard for human personality is the same as ours and who have the same desire for freedom. Indeed, the strongest of all possible bases for union would be a common allegiance to the democratic forms of government to which we adhere.

Again the question may be asked: Would this rule out Asia? At first I should be inclined to say no. But on second thought I would qualify the answer. We are convinced here, as are many people in Asia, that communism cannot help that continent. Yet our answers have not contained really adequate and convincing solutions. It is true we fight for freedom. But then, we know what freedom is. Tens of millions of people in Asia do not know what freedom is. Instead they have lives in which they have to endure unending hunger, lives of hopeless poverty, lives which too often are short and brutal; and what is worst of all, they have to suffer from the wretched indignity of being looked upon as being inferior people because their skins are coloured.

We ought to remember that Asia today is not in revolt against the Soviet union. Asia is in revolt against the western world and against the imperialism which it associates with it. I think that much of that imperialism is disappearing. Nevertheless, it is that which Asians fear. I should therefore like to see in this commonwealth of free people the citizens of India, Pakistan and Ceylon. I should like to see them in it for this reason, if for none other; and to my mind it is predominant. As a member of the Christian community I believe that the citizens of these countries are as we are, the children of God. That being so, I affirm with them a common brotherhood. But union, as I see it, would be restricted for it would be manifestly absurd to enter into a union of this description with a totalitarian power. The very essence of union is its ability to appeal to the individual citizen. It would be the individual citizen who would appoint and elect his representatives to the union government; and since in a dictatorship we cannot reach the individual citizens, we need not be surprised if they would not apply for membership.

It is interesting to note that the desire for union springs not from the totalitarian countries but from the free citizens of the free nations. This is not a target for tomorrow. After all, tomorrow never comes. It is a target for today, for now. There are those who will say that my ideas are visionary. That may well be so. Yet surely the problems confronting the world today are not of necessity political nor are they of necessity economic problems; they are essentially moral problems, and we have not yet even started to find the answers. The realist, the one who prides himself on being hardheaded, may say that this is visionary; but there have been those of that ilk in other generations in the last two thousand years who have always believed that what Jesus Christ taught was excellent—but visionary. Nevertheless, if we had carried out a little more of what He taught, there would be no need for such a resolution before this parliament. There are those who say that the dangers of union are great. Of course the dangers of union are great, but the hopes which will arise from it are surely infinitely greater. There are difficulties ahead of us; there are incredible difficulties. But what impresses me most is that if a war does come these difficulties will be swept away, and I still argue it is better that we should unite now rather than under the stress and strain of war. As Mr. Churchill said at Copenhagen last year:

> Unless a world government can be set up and brought quickly into action the prospects for peace and human progress are dark and doubtful.

Mr. Bevin said a little while ago that he was willing to sit with anybody, of any party, of any nation, to try to devise a constitution for a world assembly. And yet they know these difficulties. What are they? Some of them exist solely in the minds of people; and one of the greatest we have to combat is that of the concept of national sovereignty. Six years ago in the house in my first appearance in a debate on external affairs I used words that I believe to be true today. I said that national sovereignty is a fetish; it is a myth; it does not exist.

There cannot be one member of parliament who willingly voted or will vote for $5 billion for arms who would not rather spend that money on improving the conditions of people in this country and in other nations, and yet despite our sovereignty we are compelled to do so for our own protection. We have no alternative.

In other days our national sovereignty did not protect us against changes in tariff rates and currency devaluations, for we had to do precisely the same things as others to safeguard ourselves, although in the end we hurt ourselves. National sovereignty did not save us in 1939 when freedom was endangered. Today all over the world the lights of freedom are flickering and going out. Every time that freedom disappears in one part of the world it is going to affect us. We have realized that. As Archibald MacLeish, the then librarian of congress, said:

> There has been destroyed in the minds of men and women in this country the superstition that what is done beyond three thousand miles of water is not really done at all; the ignorant superstition that violence and lies and murder on another continent are not violence and lies and murder here; the cowardly and brutal superstition that the enslavement of man in a country where the sun rises at midnight by our clock is not enslavement by the time we live by; the black and stifling superstition that what we cannot see and hear and touch can have no meaning for us.

We have our sovereignty. Nations of the world have insisted on sovereignty, and the result has been insecurity and anarchy. I want to substitute law and order for this anarchy, and let there be no illusions as to what I mean; for in this context I say that law is the justified use of force. Law exists only where there is force. Law exists only where there is coercive power. There must be force, and yet so many of us shrink from this idea. We regard it as something wrong, as something immoral, and yet force is a reality which can be used not only for great ends but for mean and ignoble ends. We are determined to use force to preserve those things which we cherish.

Then, what about this talk of peace? Peace as such is not important. Peace is an end result. We had peace in the 1930's; we had peace when Manchuria was invaded; we had peace when Ethiopia was ravaged; we had peace when Austria disappeared; we had peace when Czechoslovakia was submerged. We had peace when millions of human beings were being destroyed because of their faith and their religion. What sort of peace was it? The peace we knew was something unjust, uneasy and suspicious, which could only end in war. So it is advisable for us to institute law and order, and out of that peace must come. We have to face up to the paradox of this century, namely, that to preserve peace we have to be ready to use force.

We have learned the folly of sovereignty surely in our own individual lives. Each of us has given up his personal sovereignty to the community in which he resides, and as a result of that denial we find ourselves freer than ever. We have security; we have equality of rights where otherwise there would be chaos.

We have surrendered our sovereignty to the community so that it can administer law and order and punish the law breaker and the aggressor. Life would be intolerable if each of us insisted on retaining his sovereignty. We would walk in fear and trembling as to what was going to happen to us. Each of us would be armed to the teeth and we should see that anarchy in our private lives, which as individuals we have forsworn, but which we are still prepared to accept in our international lives.

The same thing is true of civic and provincial sovereignty. We have surrendered to our country, Canada, certain rights concerning the defence of the nation, the trade and commerce of the nation, the banking and currency, the foreign policy of the nation, and as a result of that surrender we find that all of us are stronger, and each of us is freer.

There may be in the minds of some the idea that a greater union would betoken some disloyalty on our part. I dispute that. My loyalty to my family does not weaken my loyalty to Canada. My loyalty to my church does not infringe upon my loyalty to Canada. My loyalty to the city from which I come does not decrease my loyalty to Canada. Instead it is part of the greater loyalty.

Of course there are those who will fear we are merely building a superstate; but not if you accept my premise of union founded on the individual citizen. The individual citizen will elect his representatives to the union government, composed of a bicameral legislature, I presume. Thus you will see that no superstate is envisaged, for the individual is paramount. All that we will surrender will be these things which will lead to our greater safety, our greater welfare when done collectively. Nor do I see any conflict with the United Nations charter. The United Nations unhappily is essentially an instrument of diplomacy. It cannot give us that security which we want in this world, and as an indication of that certain of us have joined the North Atlantic treaty organization so we can have a greater security. I believe that this union could be a member of the United Nations without infringing upon the charter of that organization at all.

A greater argument, a more valid one, is that the citizens of North America might not be willing to surrender part of their standard of living to other peoples; but I retort again that if a war comes they will have to surrender part of that standard of living, and the people of the United States have been doing it through the Marshall plan, as we to some modified extent shall be doing it through the Colombo plan.

Earlier I said there were material things which we could achieve. There is something greater which we can achieve. There are spiritual achievements awaiting us. Today the morale of Europe is not nearly as high as we should like it to be. There is a sense of defeatism in certain areas, a desire for neutralism, a desire not to fight but rather to live no matter under what circumstances. I believe that if we were to offer these people, who are our potential allies, this concept of union, then Europe would be stirred to its depths by the fervour which made liberty, equality and fraternity a battlecry which resounded all around this world. We should find that fear would give place to hope, doubt would be replaced by certainty, and indecision by decision. We could once again rekindle the flickering lamps of their faith. Here would be the sort of leadership which the souls of men the world over today are groping for. As Walter Reuther said:

> The best chance of saving freedom and achieving peace is in an action so challenging, so vast in scope, so practical in design and so sincere in purpose that it fills the moral vacuum in the world with new and with reborn hope.

There are still those who will say it is not possible. My answer is in the words of a French general in the first world war: C'est impossible; donc faisons-le.

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, I feel I should say a few words about this resolution which has been moved in such eloquent terms by the hon. member who has just taken his seat. I should say at once that I support, and I think the government supports, the purposes and principles and the idealism which underlie this resolution. But I am not myself certain that those purposes could best be achieved or those principles best implemented by the procedure recommended in the resolution.

As has been pointed out, the resolution requests the government to "take into consideration the advisability of supporting the calling of a convention of delegates from the democracies which sponsored the North Atlantic treaty and representing the principal political parties of such democracies, for the purpose of exploring how far their peoples, and the peoples of such other democracies as the convention may invite to send delegates, can apply among them, within the framework of the United Nations, the principles of federal union."

The meaning of the resolution, then, is quite clear. It is interesting to note that a resolution in almost these same terms was discussed in Washington—last June, I believe it was—and also in the autumn of 1950, by the Senate of the United States. A resolution in these terms, or in terms very similar to this resolution, has also been discussed in the other place, here.

The discussion in Washington resulted in no decision being taken at that time by the government of the United States. But a report on this very important matter was made by a Senate subcommittee of the Senate foreign relations committee, which set out very clearly and very effectively the pros and cons on action of this kind.

The administration in Washington, however, has expressed its views already on this matter; and possibly it might be of interest to the house if I read from a statement made before the Senate subcommittee by the assistant secretary of state of the United States in which he gives the administration's point of view on the question. At that time, February 15, 1950, the administration's point of view was expressed by their spokesman, the assistant secretary of state, Mr. Hickerson, as follows:

> We believe—

That is, the United States government.

> —that progressively closer association, by limited and practicable steps on the basis of common interests, and in support of the purposes and principles of the United Nations, within as much as practicable of the free world, is both necessary and desirable.

And then he went on to say:

> In the development of such closer association, care must be exercised not to set in motion forces which will render more difficult the maintenance of the solidarity of the free world in support of the principles and purposes of the United Nations.
>
> In a number of countries in the Atlantic community progress in both the national and international fields has resulted from the willingness of certain groups to accept sacrifices primarily on the basis of national interest. It will take a very long time before similar strong loyalty to a new political unit emerges. We believe—

He said.

> —that under the present North Atlantic treaty arrangements we are utilizing this force in the most constructive way at this stage of development in international relations. The establishment at this time of such a federation—

As is proposed in this resolution.

> —far from providing additional strength, could be a source of weakness and greater internal divisions.

Furthermore, the effective operation of democracy in some of the suggested participants is severely hampered by the system of splinter parties which might be carried over and even intensified in such a federation.

And then he ended in this way:

The proposed resolution—

That is, the American resolution.

—directs its attention primarily to calling a convention to explore the possibilities of Atlantic union. We believe that if the government should sponsor such a convention at this time it would raise false hopes. If the convention did not succeed it would lead to reactions unfavourable to the cause of collective security. Under present circumstances such a convention appears more likely to bring to light and emphasize the divisions among the proposed members of the Atlantic union than to lead to substantial progress in the desired direction. In view of these facts the projected convention would seem likely to weaken rather than to strengthen both the Atlantic community and the United Nations.

That, Mr. Speaker, remains, as I understand it, the attitude of the United States government toward a development of this kind. I think it is quite clear that without at least the co-operation of, and I would hope in this case possibly leadership by, the United States government, it is not likely to be practicable to convene a convention of the kind indicated in the resolution.

I am not suggesting for one moment, nor would I want to give the impression, that we disagree with the principle embodied in the resolution, or that we would minimize in any way the necessity in the present dangerous international situation of the closest possible kind of international co-operation among all the nations of the free world—not only the seven supporting nations under the Atlantic treaty. I would not take my stand for one moment in respect of a resolution of this kind on the desirability or essentiality of unrestricted national sovereignty.

National sovereignty has played its part—its very important and constructive part—in building up the nation-state out of feudalism, and in progress toward democratic liberty and social advancement. But I agree with the hon. member who has just spoken that we are living in an age today different from that in which national sovereignty emerged. We are living in an age, not so much of independence, important though that may be, as of interdependence. It would be, not only unwise, it might even be disastrous, if we clung to any barren, negative, legalistic interpretation of national sovereignty. Why, every time we sign a treaty with some other country we give up some part of our national sovereignty—or, as I prefer to put it, we are making our sovereignty work for us in the interests of peace and security by pooling our sovereignty with other like-minded states; so that by giving something up we get more.

As I see it, there is no possibility of preserving peace or establishing security by basing our policy on any legal, narrow interpretation of national sovereignty. So if I have hesitation about this resolution, and I have, it is not because I am clinging to that, in some respects, and some respects only, outworn ideal. It would not be of much help to us in this country if we lost everything else and saved our sovereignty.

I think that this process from the single nation state based on the Austinian theory of legal sovereignty to groups of interdependent states is an important one and should go forward. It is going forward every month and every year. If this development is to be effective however, if it is to be constructive, I suggest that it must be gradual and not get too far in advance of public opinion in the various nation states of the world who would become part of any such federation as that which is visualized in this resolution.

Further, a world federation, such a Tennysonian concept, if I may call it that, is not an end in itself, but merely the means to an end. That end is peace and international co-operation. A federation itself is not any assurance that these ends will be met, either internationally or even domestically. The belief that federations inevitably prevent war domestically was shattered finally, I should think, in 1861 in the United States. The choice before us is not between federation and survival but between collective action and survival. I am not sure that in the present circumstances the latter is not even easier without forcing the former.

Certainly the problems inherent in international co-operation would not be exorcised by taking our stand on anything like federal union, especially a federal union where power would be so unevenly divided between the dominant United States and a country like Luxembourg. I think our own commonwealth of nations offers the best example I can think of international co-operation on the closest intimate basis without federal institutions or without federal union of any kind being found to be necessary. As a matter of fact if we had had to institutionalize our co-operation within the commonwealth that co-operation might not be as close as it is today.

So there are difficulties in the way of carrying out an advance of this kind, because it would be an advance. If we do not understand those difficulties and if we plunge headlong into a conference of this kind without

understanding them, we might very well find that far from having made progress we would have set back the wheels of progress. Some of the questions which would come before any convention of this kind leap automatically to one's mind. How far would the people of the various countries go in altering their own form of government and accepting the basic economic and social changes which must inevitably follow through the federation? For instance, how far would they go in 1951 in giving up control over exports, imports, currency, taxation, finance and immigration?

A constitutional convention of the type visualized in this resolution, if it did anything at all, would have to deal with these matters at once. I suggest that in doing so it would raise far more problems than it would solve. It would raise hopes which could not in the nature of things be realized at this time. It might be followed by disappointment and disillusionment which would set back rather than advance the cause of closer union and more intimate co-operation.

A convention of this kind might even cause among the free nations which would be invited to it confusion and division and possibly even disunity. Far from assisting in the move toward federation itself, a premature attempt at this time might set it back. The hon. member who has just spoken has pointed out that in the first instance a convention of this kind would include only the seven powers that have sponsored the Atlantic charter. As he pointed out, it is true that provision could be made for inviting other countries to attend later.

The seven sponsoring powers are the United States, the United Kingdom, France, the Netherlands, Belgium, Luxembourg and Canada. We would inevitably run into difficulties when we began to pick and choose other powers to join us in this constitutional convention. That kind of discussion in a convention of that kind would not, as I see it, be conducive now to achieving the ends which are desired by us and which are expressed in this resolution.

I think it might be particularly confusing at this time to have a convention of this nature because of the steps that are being taken and the progress that has been made already in Europe toward a federation of European states. Very important discussions with far-reaching consequences are taking place looking toward European union and the creation of European machinery. While those discussions are important and I think filled with hope, they have indicated already some of the difficulties in the way of even a European federation. To superimpose at this time on those discussions the wider discussion of an Atlantic federation, or a federation even wider than the Atlantic, would not I think be helpful toward the very important movement which has developed in the way of European unity.

I pay a sincere tribute to the idea behind this resolution which I think we all hope will be realized one day, but I do not think to associate ourselves at this time with such a hypothetical invitation would be well advised. There is one further difficulty which I have not mentioned, the relationship of the commonwealth countries to a convention of this kind. Would they all be included, or would only some be included? If only some were included, would not that mean a possible weakening of the links between all the commonwealth countries?

I think I should mention to the house that this question is now once again before the United States congress in its current session. A few weeks ago the Prime Minister (Mr. St. Laurent) received a letter from Senator Guy M. Gillette. He was writing on behalf of a number of senators who are sponsoring a resolution of this kind before the senate. I am not going to read the whole letter but I should like to read a couple of paragraphs from it. It is addressed to our Prime Minister (Mr. St. Laurent) and is dated January 24, 1951. In its opening paragraph it refers to the resolution now before the United States senate. Senator Gillette goes on to say about that resolution that it represents—and I am quoting from the letter:

> . . . an effort to improve upon our first essay in Atlantic collaboration. It proposes that the original seven sponsors of the North Atlantic treaty send delegates to a convention to explore how far the Atlantic community is willing to go in merging its political, diplomatic, military and economic resources for the common good.

In that sense it is almost the same kind of resolution we have before us this evening. Then Senator Gillette ends his letter as follows:

> Some of us are engaged in forming, among members of the United States congress, an informal committee to advance this exploratory effort. It would be of great value if you would inform us how far your views on ways and means of meeting the present crisis accord with those set forth above and whether you would be prepared to form a similar group within your parliamentary body.

The Prime Minister replied to that letter on January 31, as follows:

> Dear Senator Gillette:
>
> I duly received your letter of January 24, regarding the concurrent resolution standing in the name of Senator Kefauver, yourself and a number of your colleagues, calling for exploration of the possibilities of forming an Atlantic union.
>
> I think you will appreciate how embarrassing it might be for both countries if the head of the

government of one of our countries were to express himself about the content or efficacy of a specific proposal which was under consideration in the other country, and on which a conclusion had not been reached. You may be assured, however, that should the resolution pass and the president carry out the request contained therein, it would receive the most careful consideration of the Canadian government.

As for the possibility of forming a similar group in the Canadian parliament, and particularly in the House of Commons, this is something which it would not be possible, because of our different constitutional structure, for the head of the administration to sponsor, unless and until the policy proposed had become a definite policy of the administration. Since the success of the proposal contained in your resolution would clearly depend upon the initiative being taken by the United States government, it would, I feel, be premature for our administration to take any initiative until a decision had been reached in principle in Washington. That, of course, would not preclude the advocacy of similar proposals by private members of our parliament; as was the case in respect of the resolution considered in our Senate last year.

I regret that I cannot be more specific in my reply, but I can assure you and your colleagues in the United States senate that any action which will have the practical effect of strengthening the North Atlantic community will, I believe, meet with a favourable response in Canada.

Before I sit down I should like to point out to the house that action is already being taken to strengthen the north Atlantic community under the North Atlantic pact. It does not go as far of course as this resolution would have us go, and progress may not be as fast or as far as some of us would like, but progress is being made in implementing article 2, for instance, of the North Atlantic treaty. Effective liaison arrangements have been worked out between members of the North Atlantic group in economic matters—especially, I admit, economic matters concerned with defence. The North Atlantic treaty organization and the OEEC have established effective working relationships, and indeed I think it may not be going too far to say that some of the economic functions which are now being performed by the office of European economic co-operation will be taken over by the North Atlantic treaty organization. We are also discussing the building up under the North Atlantic organization of a permanent international secretariat. So we are making some progress at this time under the North Atlantic organization toward the development of a north Atlantic community. I would suggest, Mr. Speaker, that at this time that is the most effective way by which we can work towards achievement of the fine objective put forward in this resolution.

I said not very long ago "that our North Atlantic alliance may provide the foundation for a great co-operative economic commonwealth of the western world which one day may become a political commonwealth. You may say that this is unrealistic nonsense but I suggest that in this jet-propelled atomic age no plan less than this will be adequate, no vision less than this will do." So far as I am concerned I stand by those words, but I do not think that at this time the calling of a conference of the type indicated by the resolution would make any appreciable advance to the attainment of the ultimate objective, which remains a commonwealth of the free world. Therefore, in order that we in this house may not give the appearance of division and disunity on a matter as to which we are all fundamentally united, I would venture to express the hope that this resolution may not be pressed to a vote at this time.

[Mr. Pearson.]

Mr. Speaker: Is the house ready for the question?

Mr. Stewart (Winnipeg North): If I have permission, Mr. Speaker, I am prepared to withdraw the resolution.

Motion withdrawn.

INDUSTRY

DECENTRALIZATION TO ENSURE MORE BALANCED ECONOMY AND PROVIDE PROTECTION IN TIME OF WAR

Mr. Clarence Gillis (Cape Breton South) moved:

That, in the opinion of this house, the government should give consideration to a program for the decentralization of industry, so as to make possible a more balanced economy and for protection in the event of war.

He said: Mr. Speaker, the subject matter of the resolution is one that has been raised on a good many occasions in this house, generally by way of interjection into a debate where no definite expression of opinion could be had. I thought it was advisable at this time to place this resolution on the order paper for the purpose not only of having a definite discussion of the matter but also of getting a decision in the house by way of a vote as to what, in the opinion of hon. members, is the solution of the difficulties that I am going to attempt to set out. At the outset I want to say that I do not believe in introducing a resolution for the purpose of getting a discussion, and then withdrawing it. It is either worth getting a decision on or it is not worth putting on the order paper.

The question of decentralization of industry in Canada has occupied the minds and attention of a great many people. The premier of Ontario made a statement at the last dominion-provincial conference on December 4 to 7, 1950. I am not going to read that statement, which appears on pages 21, 22, 23 and 24 of the report, but in it he set out that the great centralization of industry in Ontario

had brought this province additional problems and responsibilities they were finding it rather difficult to handle at the present time. Industry was concentrated in this province from 1940 to 1949 to such an extent that a terrific power shortage developed, and the province had to embark upon a power program that is taxing its financial resources. In addition a labour problem was created, and as a result they not only had to bring in labour from other provinces but were thinking of importing labour from overseas in order to complete their power program. There were also problems in connection with the expansion of hospital services, medical services and other services of that kind. In effect I would read into the statement of the premier a plea to those now responsible for the planning of additional expansion in this country for greater equalization all across the country in order to relieve Ontario and Quebec of many of the social problems created by the over-expansion of industry in these central provinces.

I have dug up a few figures. First I want to say, however, that this is not a problem that developed only last year or the year before. I am going to speak particularly of the maritimes, though the western provinces are in pretty much the same position, and I expect western members to speak for them. I would point out that the trend towards centralization in Ontario and Quebec has not changed very much in the last twenty years. In my opinion the difficulty arose sixty years ago or more, and I should like to call the attention of hon. members to a few very pertinent facts.

At confederation the maritime provinces were the richest part of this country; there is no disputing that fact. When Nova Scotia and the maritimes came into confederation they were given certain definite promises by way of maritime rights. The idea of confederation was that we were building one nation, and there was to be greater opportunity to expand the industries and develop the resources of the maritimes through the creation of a great central market for those provinces. Let me point out what happened in the field of finance. At the time of confederation we had in Nova Scotia the Merchants Bank, the Bank of Nova Scotia, the Halifax Banking Company, the Bank of Yarmouth, the Commercial Bank of Windsor and the Union Bank of Halifax. All these banks were staffed by Nova Scotians. They were handling Nova Scotia capital, using the finances of the province for the purpose of building up commerce and industry there. After confederation all these banks disappeared; they moved west and were centralized in Quebec and Ontario. In that way Nova Scotia lost control of her own finances. Instead of the capital which was siphoned off and taken into the central provinces being used to promote commerce and industry in the maritime provinces, it was used to bring about the centralization we have today in Ontario and Quebec. We lost control of our finances, and we lost our ability to promote industry and commerce in the maritimes.

That was strike one against confederation. Now let me go through a list of some of the industries we lost at that time. We had a cotton mill in Halifax, for the information of the senior member for Halifax. We also had a cotton mill at Windsor. We had a paint works at Halifax, three tobacco factories, five shoe factories, two soap factories and three woollen mills. We had a cheese factory at Antigonish that won a prize at a world's fair several decades ago, and a condensed milk factory at Truro. At Sydney we had a fertilizer plant and a large tar and chemical works. These industries have all disappeared. If you read Norman Rogers' economic survey, which can be obtained in the library, you will find that up to 1935 the maritime provinces had lost some 202 industries to the central provinces.

I said the trend had not changed very much in the last twenty years. I have the figures here showing the 1929 gross production by provinces on a percentage basis, and they were as follows:

	Percentage of gross production
Prince Edward Island	0·1
Nova Scotia	2·0
New Brunswick	2·0
Quebec	30·0
Ontario	52·0
Manitoba	4·0
Saskatchewan	2·0
Alberta	3·0
British Columbia	7·0

Then I have the figures for 1945 to 1949, also on a percentage basis; as I said, the trend has not changed much in the last twenty years. You see, they got everything they could in the two central provinces; they are holding on to them, and there has been no attempt on the part of the government or on the part of risk capital to change the picture. Here are the figures:

	Percentage of gross production
Prince Edward Island	less than 1·0
Nova Scotia	2·0
New Brunswick	2·0
Quebec	26·0
Ontario	40·0
Manitoba	5·0
Saskatchewan	7·0
Alberta	7·0
British Columbia	10·0

Decentralization of Industry

There has been a bit of a shift, but if you look at the figures showing population trends I think you will see that the slight shift from Ontario has gone to British Columbia. Here are the figures for the period 1945 to 1949, in relation to population increase:

	per cent
Prince Edward Island	2
Nova Scotia	4
New Brunswick	10
Quebec	9
Ontario	10
Manitoba	6
Saskatchewan	2
Alberta	5
British Columbia	17

There has been a shift of about five per cent in the gross production of the country as between Quebec and Ontario and the rest of the country, but that shift has gone to British Columbia. That province has benefited by this swing, and I think that is because of the increase in population. The point I am trying to make clear is that the inequalities as between province and province in this country were fixed back about fifty years ago. Everything possible was siphoned off and centralized, including finance, industry and so forth. There has not been in the last twenty-five years any attempt on the part of the government or on the part of private industry in this country to rectify that situation. It has remained practically stationary. What I am trying to prove to the government is this. That is what has taken place in the past. There is not much use in holding a post mortem. But there is no reason why we should not take a look at the matter for a minute or two in order to show that there has been an extremely unequal distribution of the wealth of this country as between province and province. There is no indication that that 66 per cent concentration of the manufacturing and of the gross production of this country that is centred in those two provinces is justified by population trends. It certainly is not.

During the last war the government had the chance of planning their defence production in such a way as to leave in the various provinces some industry that could be utilized for peacetime purposes. All during the last war, while the government was going into their defence program, we on this side of the house argued and argued that we should at least decentralize our defence production to the greatest possible extent and that we should decide on the plants we would establish, having in mind the fact that the population of this country was going to be increased to a greater and greater extent by immigration. That is also true of the future.

[Mr. Gillis.]

We are starting in again to plan a huge defence program. It means not only swinging over a certain percentage of the plants that are now in production but it also means that the basic steel industry, for example, will have to be expanded. The logical place to expand the basic steel industry is in Nova Scotia. There is no arguing against that statement. Most of our defence planning at this time is to equip our allies overseas. Those who are taking part in the North Atlantic pact defence program are our allies for the future and will be for a long time to come. Our major contribution in that field is going to be the supplying to them of guns, munitions and vehicles of war. If we are going to ship that material overseas, what is the logical place to ship it from if we are not thinking in terms of profits and dollars for General Motors, Chrysler and some of those people? If we are really honest about wanting to make our maximum contribution with the least possible expense to the taxpayers of Canada, the place to produce guns and steel and what-have-you is where you have your raw materials and where you have your largest unemployed force in Canada today. Do not forget what Uncle Sam is doing. Two, three and four years ago I rose in my place in this house and argued about this iron ore development. We passed a bill here handing over the iron ore deposits of Labrador and Ungava to Hollinger and these holding companies in Canada but with the main direction over in the United States. We passed a bill here by which we gave them the right to take over the iron ore deposits and develop them; and now we sit back and talk about expanding the steel industry down in Hamilton. Is it not rather a ridiculous thing, if you stop and think about it for a minute? One-third of Canada's basic steel is produced down there in Sydney, Nova Scotia. Right across the water, ninety miles away at Wabana, the iron ore is there. Thirteen miles away they have unlimited supplies of good steelmaking coal, where your unemployed lists are the greatest of any in any part of the country, and those boys are steelmakers or coal producers. They fit right into that picture logically, but they are walking the streets. Is it logical to suppose that we turn out that raw steel and haul it all the way up to Ontario and Quebec to have it processed? Do not forget that you pay a subsidy on hauling that raw material up across Canada. Then when it is processed and you have turned it into guns or vehicles, you haul them all the way back again to Halifax or down to Sydney—because that is where they are shipped from—put them on a boat and ship them over to Europe. All during the last war at

least two hundred ships a day went in and out of Sydney harbour, making the crossing back and forth across the Atlantic. Let us save that two-way rail haul this time. Let us establish a plant or two down there. Let us expand the steelmaking facilities down there.

I pick up the newspapers every day and note that the Americans are decentralizing their steelmaking industry in the United States. They are shifting their plants down to the states of Maine and New Hampshire. Down on the Atlantic seaboard they have routed in or are in the process of routing in four different big plants. We said that two years ago. We said that there was going to be a major shift in the basic steel plants in the United States. That is why we wanted to hang on to our iron ore deposits. But we did not manage to do that. The Americans have control of that ore. Now they want the seaway opened up. Two hundred and forty million dollars will be Canada's share of opening up that seaway to give them access to that raw material in Labrador, which they will haul up there by boat, by-pass your eastern ports altogether and in the future they will be supreme in steel on this North American continent. We had it in our hands to be supreme but we did not take advantage of the opportunity. We passed the charters on to somebody else who will do the exploiting. I am making a plea at this time that the government look at this matter not just as a two-year or three-year program, something that is going to be over when the war is over. I want the government at this time to see this as a program that is going to last for as long as we are going to last; because this defence business is something we are going to have for a good many years to come. Let us plan these industries in such a way that while they are of necessity now making war materials, we shall be able to convert that plant for the manufacture of something for the overseas market possibly, in that end of the country, in the years that lie ahead.

I am making a plea for the decentralization of industry as it exists today. In the event of war, if we have 66 per cent of our gross production concentrated in those two central provinces, what does it mean? It merely means this. If 26 per cent is in the province of Quebec, then about 24 per cent is on the island of Montreal. What could a plane with a couple of atomic bombs do by coming in over the island of Montreal and dropping them in there somewhere? What would happen? About 24 per cent of your gross production would be knocked out overnight. If you have 40 per cent of your gross production in the province of Ontario, where is it centred? There are only two or three places you have to hit; they are Hamilton, Windsor and Toronto. That is where your real manufacturing is done. If we mean what we say to the Canadian people, that they are going to be taxed higher, that they are going to have to pay a great deal more money, that we are going into a heavy defence program which is necessary, that there is danger of atomic attack on this continent, then we should start planning for that and start decentralizing to the greatest possible extent the industrial set-up of this country today.

I merely wanted to raise this question because in every paper I pick up some great economist—I do not bother reading them any more—has a long story, about professor somebody saying that the government is recognizing to the greatest possible extent the great wealth of the maritime provinces and telling what they are going to do to develop it. I have been listening to that sort of thing for the last fifty years, but it just finishes up by being a speech; that is all, nothing is ever done about it. The steel workers' union come and present a brief to the cabinet of Nova Scotia. They are demanding some expansion of steel in the maritime provinces and all that kind of stuff. The cabinet meets them and says "amen", the brief goes into the waste basket and that is the end of it. That sort of thing has been going on for the last fifty years. I thought it time that I should bring the matter before the house so that there could be a definite and specific discussion. I do not want the resolution withdrawn. I want hon. members to discuss it. I want the cabinet, which is responsible in the years that lie ahead for planning our production, both for defence and internal economy, to tell me what they mean when they say that they recognize the great potentialities of the maritimes. I want to know what they are going to do about it. What are they going to do to restore the 202 industries that have been siphoned off? For example, take fertilizer: one of the largest plants ever developed in this country was at Sydney, Nova Scotia. It employed 1,700 people. In the 1930's it was siphoned off and came up to Toronto. Today that plant is manufacturing fertilizer and shipping it down to the farmers of Nova Scotia at a cost of about $90 a ton, and the federal government is paying most of the freight rates on it. It would have been better if that plant had stayed there, and that goes for a lot of other things that have left the maritime provinces.

One member of the cabinet not so long ago indicated that he was getting a little tired

of listening to people of the maritime provinces bringing their complaints. It is not a complaint; it is not a request for charity; it is a matter of restoring the things that belong to that part of the country that were siphoned off because the provincial leaders were honest enough to accept the word of the fathers of confederation that they were coming into confederation for the purpose of developing a country where there would be greater opportunities for their products in a central market. Instead of that tariff walls were built to protect the manufacturers of the central provinces. We have to buy in a wholly protected market, and we have to sell in that market. Yet there is absolutely no protection for what we produce in that end of the country.

I should like to see this matter discussed. I discuss it from the standpoint of a member from the maritime provinces. I see these same arguments that I am using for that end of the country applied to British Columbia, Saskatchewan and Manitoba. They are not getting a square deal. I do not think it was ever envisaged by the fathers of confederation that 82 per cent of the gross production of this country should be centralized in two provinces, and that tariff walls to protect the manufacturers of those provinces should be built to the detriment of the rest of the country east and west.

Right Hon. L. S. St. Laurent (Prime Minister): I am sure we are all in sympathy with the objectives of the hon. member, but I am equally sure that there cannot be very many of us in sympathy with the arguments he used to try to reach those objectives. A few minutes ago he said that practically everything that had been going on for the last fifty years finished in speeches. Well, I think when the hon. member reads tomorrow what he said tonight he will find that there is more of a speech than anything constructive in what he has put before the house tonight. His last assertion was that tariff walls have been built around this country to protect the manufacturing interests of the central provinces. The tariff walls are walls that protect all the industries of the country wherever they are located, and those tariff walls were built a good many years ago.

In spite of that, what the hon. member refers to as a siphoning off of industries seems to have been taking place. He refers to one that was siphoned off from Sydney to Toronto in the 1930's. Well, I do not know how the siphoning process was brought about, but I am sure the hon. member is not suggesting that the government had anything to do with the siphoning off of the industry; that was something which was decided by those who had control of the industry. Of course I admit that those who feel that these industries should be owned and administered by the state can complain of the way their owners, who operate under the profit system, are letting their interests influence the location of these industries.

But then the hon. member says that if less thought was given to profits for General Motors, Chrysler and the others, some industrial expansion might take place in the maritime provinces. Well, if the investments are going to be made by General Motors, by Chrysler and by such other private enterprise groups, they will think of the profits to be made, and they will be apt to pick out for their plants such locations as are likely to produce the best returns on the investments made.

The hon. member says that there were 282 industries in the maritime provinces at the time of confederation—

Mr. Gillis: Two hundred and two.

Mr. St. Laurent: Two hundred and two; of the 202, one was a cheese factory and another a butter factory. I would be surprised if there were only two cheese or butter factories in the maritime provinces at the present time. There have been many more established everywhere else in Canada since that time. Yet I do not think it was required to siphon off any that existed anywhere else in order to get them going in other localities.

The hon. member gave the figures for the national production in 1929. He said that of the total, Quebec then had 30 per cent and Ontario 52 per cent. He then gave figures for 1949, I think it was.

Mr. Gillis: The years 1945 to 1949.

Mr. St. Laurent: Well, in that period Quebec had 26 per cent and Ontario had 40 per cent. The two central provinces have thus fallen in those two decades from 82 per cent to 66 per cent, while according to the figures given there would have been practically no change in the proportion of the maritime provinces. Still there has been an increase from 14 per cent to 29 per cent for the four western provinces. That is something which certainly has not siphoned off anything from the maritime provinces, but rather it is something that resulted from the growth and development of the country.

It would seem that the area of the maritime provinces being smaller and more contracted that that of the other provinces, their proportion, when the other provinces were less developed, was a larger one than it happened to be when the others came to grow. There has not been the same proportion of growth

in the maritime provinces as has taken place elsewhere, and it is something which we all regret, and about which perhaps many of us have been making speeches. I hope that more than speeches will be made, but I do not think the assertions that we find in the hon. member's speech tonight will bring that about.

He speaks of us as having handed over the iron ores of northeastern Quebec and Newfoundland to United States interests. Well, the hon. member knows, as I know, that natural resources are in no way under the control of the federal government. They are under the control of the provincial governments, and any handing over, if there has been any, has not been done here in this parliament, but by arrangements that have been entered into between provincial administrations and those who wanted to invest the venture capital required for the exploitation of those resources. Personally, as a resident of the province of Quebec, I have no complaint about the arrangements that have been made for the purpose of having those resources developed.

I remember when I was very much younger having heard violent criticism of a premier of Quebec who sold water power on the St. Maurice river for $13,000. It was a terrible scandal at that time; but no water power had been developed on the St. Maurice up to then. That was the first development and those who ventured into it found that it was years before they could be assured that they were ever going to get any return on their capital. Since then the development of water power on the St. Maurice has certainly become fifty times what it was originally. This first start was made some forty years ago.

I think this is very likely to be the case in the development of the mining resources of northeast Quebec, and over the frontier, the still undetermined frontier, between Newfoundland and Labrador. The existence of ores there has been known and reported for several decades, but nothing was done about it except that possibly, from time to time, some kind of a speech was made. Well someone is going in there at the present time, venturing huge sums, to demonstrate that there is something that can be used in the improvement of the conditions of human beings; and I think it is a very good thing that it should be done.

I know friends of mine have criticized the provincial administration for the kind of deal they made. But personally I am rather inclined to think that they are to be congratulated on having made a deal that has started something in that region. The hon. member says that as a consequence of this steelmakers in the United States are moving their plants to the Atlantic coast. Well, possibly steelmakers here, if they will have the courage to do what others have done in developing industries in Canada, will move Canadian steel plants to the Atlantic coast. It is being done by private enterprise in the United States; and I trust there will be sufficient enterprise among the people of Canada to bring them to do likewise.

I have frequently referred to the example of the governor and company of adventurers of England trading into Hudson bay as a very good example for our people to follow. Those gentlemen adventurers trading into Hudson bay went out into the wilds and created a trade which, before their adventure, had not existed. They laid the foundations of a company which, three centuries later, is still flourishing.

A century ago, perhaps a little more than that, progress was brought about in the Quebec district by gentlemen adventurers who were building wooden ships and sending them across the seven seas and throughout the world. And they did not come back—not because they were lost: they were good ships, and they were not lost. But they went into world trade and they stayed there.

Following that period the spirit of adventure seemed to diminish in our Quebec region. There were adventurers in Montreal who went out to build the railways and they had a pretty venturesome job ahead of them. They were frequently on the verge of losing everything or of seeing others lose everything in their ventures. But—

Mr. Knowles: The government helped.

Mr. St. Laurent: They were assisted by the government; and if they had not been assisted by the government my hon. friend from Winnipeg North Centre (Mr. Knowles) would not be here.

But their spirit of adventure then passed on to the city of Toronto. It was in the city of Toronto that the venture capital required to start our great mining industry, and to make it the important thing it has become, was raised and supplied.

Then, for the last few years I think many of us have somewhat regretted that the oil fields of Alberta had not attracted the same venture capital from Canadians that other industries had attracted; we regretted that most of the venture capital that went in there came from others who—I will not say "created", because the Creator himself put the oil there—but rather who brought it to the surface and are making it one of the very encouraging things in the whole Canadian economic picture at the present time.

Decentralization of Industry

Now, as my hon. friend says, we have heard about maritime rights ever since confederation. He tells me that at the time of confederation the maritime bankers were the great bankers of the British North American colonies. I have no doubt about that. The hon. member knows that in the administration of our banks all over Canada at the present time there are a great many maritimers who are descended from those bankers of pre-confederation days. Private enterprise went to the fields that appeared to offer the best possibilities for getting revenue from investments—and I am sure there is no more prosperous bank in Canada today than the Bank of Nova Scotia. But the Bank of Nova Scotia, though it may technically still have its head office in Halifax—and I am not sure that it has—has its real head office, the office from which the affairs of the bank are administered from day to day, in central Canada. That is because the maritimers who controlled the institution felt that it was better for themselves and for their shareholders to have those operations conducted from Toronto.

Well, that is not something with which the government can interfere—until the government becomes imbued with the ideas of my hon. friends in that section of the house, and decides, with the approval of the Canadian people, that it is going to substitute some socialistic system for the private enterprise system, which has brought over the last couple of centuries such tremendous developments to the North American continent.

I think it is desirable to use all the influence we can to have these things spread out; and I wish to assure my hon. friend, without violating any cabinet secrets, that when these matters come before cabinet there are many who are most anxious to explore every angle by which greater dispersal of industry can be brought about, because, although we are living under a private enterprise system, we think it would be healthier for the country if industry were more widely spread out through all parts of the country. We think it would be healthier for the country if there was the teeming activity in the maritime provinces that would allow us to do away with such things, for instance, as maritime freight subsidies. We think it would be better for the country if that could be brought about, and we do give attention to it. We endeavour to use such influence as we have to that end.

I do not know anything about the making of steel; but I have heard it said that if and when the coal in the maritimes can be married to the kind of ore that would come from the Labrador mines, the steel industry of the maritime provinces would be in a much healthier condition. I do not know whether that is so or not; but I do hear it said that the maritimes have been struggling against difficulties that came from, not the degree of skill of the men or the willingness of the men to work, but from the material they have to work with. I do not know if we are to infer from the hon. member's speech that he thinks it would not be desirable to have the St. Lawrence waterway and power scheme proceeded with. If that is to be inferred from his speech, I for one would disagree with him on that point. I think that if and when that undertaking is proceeded with, it will bring about a further advance in the industrial development of this country which will benefit, not only the central provinces but the economy of the whole nation.

If there were not in this motion submitted by the hon. member the implication that the government is to blame for not having done enough I am sure that everyone would be in agreement with the desirability of there being a greater dispersal of industry throughout the whole nation. But it is put forward as a condemnation of what has been going on in the past and of the system, not an evenly distributed one if you wish, but still the system under which this country as a whole has been making great progress in the last few years.

In that light it is not a resolution that we can accept because I do not think we should be called upon to accept blame. I do not think I should add anything because the hon. member would say that it is just another speech. He would be right, it would be another speech. I do hope that in the effort that is to be required from the Canadian people and from Canadian industry, there will be other manifestations than speeches to bring about the kind of situation which the hon. member would like to see prevailing in the region he so well represents in this house.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I am surprised at the heat with which the Prime Minister (Mr. St. Laurent) has spoken—

Some hon. Members: Oh, oh.

Mr. Coldwell: Oh, yes.

An hon. Member: Surely.

Mr. Coldwell: —in reply to what I think was a moderate presentation by the hon. member for Cape Breton South (Mr. Gillis). As for the resolution being a condemnation of the government, let me read what it says. It reads:

> That, in the opinion of this house, the government should give consideration to a program for the decentralization of industry, so as to make possible a more balanced economy and for protection in the event of war.

Let me point out that in every one of the democratic countries decentralization is being considered as a defence measure. Discussions are going on at Washington in the United States as to how best industry can be decentralized. As far as I am aware the same kind of consideration is being given to the decentralization of industry in the United Kingdom and elsewhere. That consideration has been given there for the past several years. As a matter of fact, vast new industries have been established away from the eastern side of the United Kingdom in South Wales, Cumberland and other parts of the country where there were resources and unemployed people. Surely the suggestion that the government give consideration to the decentralization of industry should not be looked upon as a condemnation of the government unless the government is not prepared to take steps to assist in the decentralization of industry in this country.

Let me remind the Prime Minister and hon. gentlemen in this house that some of us come from parts of the country where our constituents have had to sell in an unprotected world market and buy in a highly protected market. Those who have bought supplies in the protected market of Canada have in large measure paid for the establishment of industry in the centralized provinces of Canada.

The Prime Minister mentioned the automobile industry, and one could mention the textile and other industries that have grown rich and powerful behind a tariff wall. In some instances they are subsidiaries of corporations which are controlled outside of this country. None the less they have been built up by concessions granted by successive governments and by the maintenance of a very high tariff wall around this country. Until very recently we could see General Motors of Canada protected from General Motors of the United States, and the Ford Company of Canada protected from the Ford Company of the United States.

The consumers or purchasers of cars or machines manufactured by these protected industries in Canada were paying $200, $300, $400 and $500 or more for exactly the same type of machine as was manufactured by the parent company on the other side of the line.

Mr. Knowles: Supposedly Liberal policy.

Mr. Coldwell: May I point out to the Prime Minister that as I understand it the tradition of the Liberal party in the past was a free trade tradition. If I had been aware that this debate was coming up tonight I could have produced figures to show that in spite of the free trade professions of the Liberal party, between 1921 and 1930 the Liberal party maintained a higher rate of tariff on some of the things I have mentioned than was maintained by what we always assumed was the high tariff Conservative party which they succeeded in 1921. These figures are on the record. I have used them in the house before and I would have used them tonight had I known what the Prime Minister was going to say.

Moreover, I cannot quite understand why the Prime Minister seemed to think that this was a resolution formulated on a doctrinaire socialist policy. It is nothing of the kind. There was no question of a discussion of socialism and free enterprise. Had that been one of the problems I think one would make a rather different speech from the speech of the hon. member for Cape Breton South. One could have made a very good case for the public development of our natural resources had he been inclined to do so. I am not going to do that.

Having had some experience during the last war, both as to the decentralization of industry and the concessions which the government gave to industries in order to build them up in central Canada, I think the hon. member for Cape Breton South and those of us who come from western Canada have a perfect right to suggest that if encouragement is going to be given today to industry to expand or to establish itself in Canada, then an attempt should be made to decentralize industry across Canada.

I was a member of the war expenditures committee and I remember that the present Minister of Fisheries (Mr. Mayhew) was also a member of that committee. I remember that the late G. G. McGeer came before that committee, of which the Minister of Fisheries and I were both members, at one period during the war and urged that, instead of the government of Canada making great concessions to the Algoma Steel Corporation to build and expand blast furnaces in central Canada, because we were constructing ships on the Pacific coast and required steel plates there, some attempt should be made to establish a steel industry on Vancouver island where there were both coal and iron ore in close proximity.

I remember very well how the Minister of Fisheries (Mr. Mayhew), Mr. G. G. McGeer and those of us who supported that point of view on the committee were told by the steel controller that that would not be done at all, that there were established steel industries in certain areas of Canada, and that as long as they were established there that was where the steel industry was going to go.

Moreover, he told us that the steel industry had been overbuilt in central Canada and that no more post-war capacity was required. Today of course we find that a considerable amount of new capacity is required.

Of course it is perfectly true, as my hon. friend said, that Canada's natural resources are being exploited for the benefit of corporations that have their headquarters, their capital and their profits, when the time comes to declare profits, in another country. It is perfectly true that the returns we should be getting from our own resources are being drained away from this country. As a matter of fact we know that plans are being made—and my hon. friend was right in mentioning this to the house tonight—for the building of great steel plants along the Atlantic coast of the United States, so that in a little while we shall see the spectacle of iron ore from Labrador and Ungava being transported down the Labrador coast, or by rail to a point near the mouth of the St. Lawrence and thence past the coast of Nova Scotia where, as my hon. friend said, the steel industry of Canada has existed to such a great extent. Canadian mills will be by-passed and the ore will go to United States mills in Massachusetts and Maine or elsewhere.

Mr. Knowles: Just as it goes from Steep Rock to Cleveland.

Mr. Coldwell: Yes, just as it goes from Steep Rock to Cleveland at the present time, deposits out of which millions of dollars have been made over the years by corporations whose headquarters were not in this country. The Prime Minister says that the federal government did not make the concessions, that it was for example the Quebec government that made the concession regarding Ungava, or the Newfoundland government that made the concession regarding Labrador iron ore deposits. That is perfectly true but it was this government and this house that gave access to those fields by granting a charter—was it two years ago—to build the Quebec, North Shore and Labrador Railway for a distance of some 300 miles, if my memory serves me correctly.

Therefore when my hon. friend says that the Quebec government alienated these resources let us not forget that it was this parliament, this house and this government which made possible the transportation of these valuable resources to the United States by granting a charter for a railway. I think that the hon. member for Cape Breton South attempted to perform a service tonight. He attempted to introduce a resolution with the hope, as he said, that other members would participate in the debate, that other maritime members would speak, that members from the prairie provinces and British Columbia would speak and that all would express themselves in favour of the diffusion of industry throughout Canada as far as we are able to do so. Bear this in mind, that we can exercise a considerable amount of influence in the diffusion of industry.

My mind goes back to the last war. What did we do? We gave accelerated depreciation to corporations that were extending their plants or building new plants. What was that accelerated depreciation? We gave corporations the right to charge, in the prices that they charged the people of Canada, an amount sufficient to write off the capital outlay of the plant and machines within two years in some cases, and in a number of cases within four years. If the government grants accelerated depreciation what is actually being done is that we say to the corporation: You build the plant, the people of Canada will pay for it, and at the end of the time you will own it.

Not only that; in some instances we said to them: You can charge into your selling price an amount that will enable you to collect on your product a sufficient sum to retire the value of the plant you have built. With respect to some of these plants at least I have noticed that when we allowed them to charge so much more than was necessary to return a fair profit on their investment and to pay for their plants in wartime we set a price level which they have been maintaining ever since. I have not noticed a drop in the price level of some of these commodities produced in plants that were written off by accelerated depreciation and paid for by the Canadian people.

Therefore I say to the Prime Minister that my hon. friend's plea tonight was reasonable. It was not based on a discussion of any partisan policy or any doctrinaire viewpoint. The idea of diffusion was brought forward exactly as similar ideas are being brought forward in other countries, as a war measure. We need diffusion. Look at the way in which industry was concentrated in this country during the last war. You only had to go to the Niagara peninsula, to Welland, St. Catharines, Hamilton and so on, to realize how concentrated industry has become. If we are going to be in danger of bombing, such concentrated industry will make a very ready target for bombs which may reach this country in the event of war.

Let us hope of course that will never happen. Nevertheless it seems to me that when my hon. friend rose to speak tonight he did so for the purpose of putting before the house and the government a problem which I think the Prime Minister would have been well

advised to allow private members of the house to discuss pretty thoroughly before rising to summarize the debate. I am quite sure that the Prime Minister did not do so intentionally but I sincerely hope that his remarks tonight will not inhibit members of the house from rising to their feet and saying what they would have said anyway.

Mr. J. A. Ross (Souris): Mr. Speaker, I want to endorse the motion introduced by the hon. member for Cape Breton South (Mr. Gillis). I think there was considerable logic in his argument. I was a bit surprised to see the Prime Minister (Mr. St. Laurent) enter the debate as soon as he did, and to hear him make some of the statements that he made because, quite frankly, in the past war the government of the day lost a great opportunity to decentralize industry to quite an extent in Canada. I have not the figures before me at the moment, but during those years I remember discussing the hundreds of millions of dollars the government were spending to assist industry to produce more. I forget the percentages also, but I do know that by far the greater proportion of that money went to the two central provinces. There I think the government missed a great opportunity to decentralize.

The Prime Minister spoke about tariffs and protection. The people in the prairie provinces have laboured for a long time under protection, and today under this government I think we have more protection, much of it disguised, than at any time since confederation. That is my opinion in spite of all the statements that may come from members of the government. The Prime Minister also said the government had never done anything toward centralizing industry. Well, only a few years ago we had a concrete example in the case of a government-owned institution, Trans-Canada Air Lines. The headquarters of this great corporation were moved from Winnipeg to Montreal.

Mr. Sinclair: A good move.

Mr. Ross (Souris): That was done by the government, and it is a matter of opinion whether it was a good or bad move. The premier of Manitoba, the heads of the chamber of commerce, the mayor of Winnipeg and representatives of many organizations came to Ottawa to interview the government in an attempt to retain Trans-Canada Air Lines in Winnipeg. That was a move by this government which brought one of its own institutions to the central provinces, and I do not think that was good business. With all this fear of atomic bombing if we have a war, certainly it was not good business. Winnipeg is about halfway across this country, and surely it was the logical place for the headquarters of that company. Many of the officials owned their own homes there, and had to dispose of them and move their families to Montreal.

On another occasion I dealt with another industrial development, the flax processing plants built in Ontario during the war years. I pointed out at that time, as I have done since, that practically all the flaxseed required for that processing is grown in the three prairie provinces. There we were with an overburdened transportation system, a shortage of rolling stock and a shortage of manpower, moving great quantities of flaxseed from the prairie provinces to Ontario for processing, then turning around and taking a large proportion of the by-products back to the prairies for feed.

This is a complicated business; one thing leads to another. Nearly all the large farm implement companies are located in Ontario, though it is quite true that was their own decision. Yet sixty per cent of their production is sold in the three prairie provinces, and the farmers out there have to pay the added freight. That is another thing you can never get away from. The people in the prairie provinces buy everything plus freight, while their grain, livestock and everything else is sold less freight. That in itself is a great handicap and I think is unfair. We have the great concentration of population in these central provinces. Those people have to be fed. Eastern farmers find it difficult to grow enough feed grain, so the taxpayers of Canada have to subsidize the movement of feed grains from the prairie provinces to the east. The farmer out there who produces the grain pays his share of taxation also. That was a war move, but you see what it has developed into. We are still doing it today, eight years later, and in the meantime we have spent something over $140 million of the taxpayers' money to move this grain to where it can be fed by the farmers living closer to the industrial sections; and this in spite of the fact that in one of the later war years Alberta produced more hogs than any other province in Canada. We hear so much of sound economics and sound finance, yet this is the complicated set-up the government are working us into by this business of centralizing industry of all sorts. There is just no end to it, and every move of that kind is an added burden to the taxpayers.

Then the Prime Minister said they would do everything possible to decentralize industry. Well, I am afraid nothing much has been done yet. Of all the defence contracts let in the past nine months, over eighty per

cent have gone to the two central provinces again. It does not look as though much of an effort was being made to decentralize industry. I venture to say that with a little assistance many of those contracts could have been filled in the maritimes, the prairie provinces and the west coast.

Mr. McIlraith: If I may ask the hon. member a question, will he tell us where he got his statistics with respect to the percentage of contracts let in the central provinces?

Mr. Ross (Souris): I read it in a Canadian Press article last week. As I said when I rose, I have no material before me; I did not know this resolution was coming up. I have volumes of material and statistics in my office, but nothing on my desk.

Mr. McIlraith: I am quite sure the hon. member does not want to mislead the house—

Mr. Ross (Souris): I would be glad to have the correct percentage, if the parliamentary assistant has it.

Mr. McIlraith: The percentage given was not accurate. The information was given in the House of Commons the other day and may be found at page 452 of *Hansard*. The hon. member will notice that those statistics do not give the source from which the products will come, but merely give the places where the contracts were let. I can perhaps illustrate what I mean by pointing out that contracts to firms such as the Burns Packing Company are listed as having been let in Ottawa or Ontario.

Mr. Ross (Souris): Could the parliamentary assistant tell us what percentage of these materials will be supplied by the two central provinces?

Mr. McIlraith: No; that information cannot be procured.

Mr. Ross (Souris): I would be glad if the hon. gentleman could give the correct figure. As I say, I was quoting a press dispatch, and I assume those people had authentic figures.

Then there is the matter of this accelerated depreciation, which was mentioned by the previous speaker. This is a matter that has been quite a bother to me for the past few years. I had thought it was just as important that if a farmer were short of funds to produce worthwhile foodstuffs for the war effort, he should be assisted just as certain other industries were. I have never been able to understand why a good farm operator, who had to invest large sums in equipment or plant expansion, should not be allowed the same kind of depreciation as these industries mentioned a short time ago by the hon. member for Rosetown-Biggar (Mr. Coldwell), who were allowed to write off their added costs in two, three or four years. That is not permitted under the act. That is another very unfair regulation of the Department of National Revenue, and there are many instances of that kind in which I believe the government should give far greater leadership if they really wanted an all-out effort. I cannot say an all-out war effort, because this is really an effort to prevent war. We are hoping it will succeed, but it may lead to war.

I do not want to take more time this evening, but I would like to plead with the government again to use their great power and influence to decentralize industry, because certainly that would be in the interests of all parts and all citizens of Canada.

Mr. Carroll: By decentralization of industry does the hon. member mean the giving out of war contracts in better proportion to the various provinces or does he mean to decentralize the industry that is carried on in this country as usual outside of war?

Mr. Ross (Souris): I mean both, Mr. Speaker. I gave one concrete example. You will realize that the matter of the processing of flaxseed for oil is quite essential apart from war. There is always a much greater demand in wartime, but it is essential at any time. That is one concrete example I gave. I said I thought those plants should be in the area where the flaxseed itself is produced. It would be much more economical. I was referring both to the letting of contracts and the furnishing of financial assistance to develop and expand industries in logical areas.

Mr. J. H. Dickey (Halifax): I should like to say, first of all, Mr. Speaker, that I do not think that the intervention of the Prime Minister (Mr. St. Laurent) was intended in any sense to limit or to cut off debate on this resolution. I think it arose rather out of the Prime Minister's recognition of the importance of the subject matter of this resolution and his desire to place before the house once again the attitude of the government on this highly important question.

I am tempted to deal at some length with the remarks made by the hon. member for Cape Breton South (Mr. Gillis) in introducing this resolution. I do not, however, wish to take up the time of the house in doing so; but I should like to make one or two remarks in general with respect to his approach to this problem. The hon. member for Cape Breton South said, at one point in his speech, that over the last few years arguments have come from his side of the house bringing to the government's attention the problem of decentralization of industry; and

he created the distinct impression that it was only from his side of the house that those arguments had come. The hon. member knows as well as do I and other hon. members of this house that that statement simply is not in accordance with the facts.

The hon. member also stated that he gained the impression that some people were getting tired of hearing maritime complaints. I have discussed the maritime point of view in this house on a number of occasions; and in my experience here I have heard many members putting forward the maritime point of view. I have also heard it discussed many times in private. But in my experience at least no one that I know of tires of hearing the maritime point of view being fairly and properly expressed at any time in this house or outside of it. However, a good many people—including, I think, the vast majority of maritimers—are exceedingly tired of hearing the maritime point of view put forward in an unfair, impractical and distorted manner, as we have heard it put forward here tonight by the hon. member for Cape Breton South.

Later on I shall deal with one or two points that the hon. gentleman raised. However, in view of the debate that has already taken place in this house during the last three or four weeks, it is perhaps not necessary for me to point out to you, Mr. Speaker, the number of occasions on which hon. members on all sides of this house and from all parties have placed before the house and the government consideration of the maritime point of view with respect to the decentralization of industry and with respect to the necessity for that point of view being given full consideration.

We have heard the Prime Minister this evening in a speech which I considered showed a great deal of spirit and a great deal of sincere belief in the future, in an industrial sense, of every part of this country, not just the central portions of it. It was a speech which I do not think was heated in the sense in which the leader of the C.C.F. group seemed to think it was heated; it was not heated in the sense of any irritation with the hon. member for Cape Breton South or anything of that kind, in my opinion; but was heated in his interest and belief in the future of this country.

We had in this house several days ago the statement made by the Minister of Trade and Commerce (Mr. Howe). He set out the policy of the government which I believe is one dictated by reason and, in its broad concept, by the fundamental interests of this country. The Minister of Trade and Commerce pointed out to the house that, as to defence purchases or production for defence, the government were ready and anxious to use every single facility that exists in this country, whether it is located in the east, in the west or in the central provinces. Their sole interest is to get production and to get produced the things that are needed. In reply to specific questions I think he indicated to hon. members that if they knew of any facilities which were available and which were not being used, all they had to do was to bring them to the attention of his department and every effort would be made to employ those facilities.

Then there is the question of the creation of new facilities. The Minister of Trade and Commerce stated the policy of the government by saying that there was nothing that received more immediate or more careful attention that the possibility of facilitating the creation of an industry in the maritime provinces, unless it was a similar possibility of establishing a new industry in the prairie provinces. So far as the government is able to influence matters of this kind, I am satisfied that that is a sincere statement of policy that will be carried out.

In discussing this matter, Mr. Speaker, I do not think that we should lose sight of the fact that in many ways and to a large extent this question of the decentralization of industry and the wider expansion of new industry is a matter of self-help. It is going to be largely a matter of co-operative effort between private industry in the various parts of this country, provincial governments and the federal government. The expansion of industry, which is of the greatest value to the parts of this country that have not reached the stage of industrialization enjoyed by the central provinces, is that of private industry which is intended to serve not simply defence needs but the ordinary needs of the consumers of this country.

As hon. members know, the establishment of these industries depends very largely on the question of facilities, the availability of labour, materials and any advantages that location may give. I feel that, so far as the maritimes are concerned, in the past we have fallen down in emphasizing and making use of the location and other advantages that we enjoy. It is the fault of many individuals, of the attitude of many people in various industries, and that sort of thing, in the maritime provinces. But that is a difficulty which I believe is being overcome.

In the maritime provinces there is a new spirit of initiative in industry generally that is having a very good effect, and which will have a much broader effect in the days to come.

Decentralization of Industry

One of the considerations of overriding importance which we are going to have to face in the maritime provinces is the question of the provision of sources of power for new industry, if we are interested in seeing new industry established in those provinces. One of the great factors that made industrial development so concentrated in the central part of this country was the provision of adequate power facilities, and if we are to compete we must have those facilities ourselves.

The hon. member for Cape Breton South (Mr. Gillis) spoke of the number of small industries which existed in Nova Scotia in the days of confederation which have since disappeared. I am sure we all regret the passing of small industries of that kind, but I submit to him and to the house that his argument that the disappearance of these small industries was the result of confederation and the centralizing influences that took place after that time is hardly correct. The fact is, Mr. Speaker, that at the time of confederation it was a day of small industries. There were small industries of the type he mentions all over Ontario and Quebec and in the states of the United States; but with the development of better communication facilities and things of that sort, and the development of the economy, these small industries gradually became absorbed into larger industries. A similar argument could be made for various locations in other parts of the country which could not possibly be considered to be a result of confederation.

I should like to point out to him that these developments which took place were not all bad. The same forces that caused the smaller industries to be absorbed were the only forces that made it possible for the great development of the coal and steel industry in his own part of the island of Cape Breton. Without these additional or new means of communication, the railway and that sort of thing, that great industrial development would not have been possible. We might still have had a cotton mill at Yarmouth, or wherever it was, that he was referring to, but we would not have the great industrial development of his own area.

In addition, Mr. Speaker, the hon. member for Cape Breton South ended his argument by repeating something he had said on two occasions in his speech, namely, that nothing had been done. I submit that is the kind of argument that is objectionable, and which does not add anything to advance the cause that he has in mind in putting this resolution before the house. The fact is that a great deal has been accomplished. It is not exactly my idea of the best way of improving a situation to submit that improvements which have taken place do not exist at all.

The other day the Minister of Trade and Commerce (Mr. Howe) mentioned in the house, and I have also mentioned in the house, the development of the Fairey Aviation Company (Canada) Limited at Eastern Passage in Halifax. That is very largely a defence industry, but it is located where it is only because of the kind of co-operative effort that I have referred to earlier, namely, the desire of this government to see any industry which could possibly be located in the east located there, the desire of the provincial government to see a new industry located in the province, and the desire of an industrial organization to seize certain real advantages which they saw in the situation, and which they found in that part of the country. Through that co-operative effort, and through taking advantage of those circumstances, we have a thriving and useful industry. I would also use the example of the plant of Cossor (Canada) Limited which has been established in Halifax, through the operation of the same circumstances, and which is developing very nicely. Therefore I submit, Mr. Speaker, that the hon. member for Cape Breton South does not do his cause any good, and he does not do the interests of the maritime provinces any good, by pretending that these accomplishments just do not exist.

The resolution reads:

> That, in the opinion of this house, the government should give consideration to a program for the decentralization of industry—

And so on. This wording carries with it, I believe, the very kind of argumentation to which I objected in the speech of the mover of the resolution. It is clearly intended to create the impression: (1), that the government has not any program or policy, which is contrary to the statements of the Minister of Trade and Commerce (Mr. Howe) and the Prime Minister (Mr. St. Laurent); and (2), that nothing has been done along this line. I am unable to agree with this line of argument, Mr. Speaker, and I think that it would not serve the interests of industrial development in the maritime provinces or anywhere else in Canada for this house to pass a resolution which so clearly and intentionally carries these implications.

Mr. A. J. Brooks (Royal): Mr. Speaker, as the hon. member for Halifax (Mr. Dickey) has said, this subject has been debated in the house on many occasions. As a matter of fact I have spoken on a number of occasions about the decentralization of industry.

I am sorry I was not in the house when the hon. member for Cape Breton South (Mr. Gillis) spoke, but I have been assured that he put up a very able argument, as we would expect from him. Judging from the criticism which has come from the other side of the house, I am convinced that it must have been a most able presentation.

As the hon. member for Halifax has said, this matter has been discussed on many occasions; but as Mark Twain once said about the weather, it is talked and talked about, but there is never anything done about it. That is really what we in the maritime provinces are objecting to.

This evening I listened to the Prime Minister (Mr. St. Laurent) give us something of the history of the Hudson's Bay Company, and some other history of Canada. Well, history is very interesting indeed. I would point out that it was in the maritime provinces that history was first made in Canada. Unfortunately however it was in the early days, and today the people of the maritime provinces feel they cannot live on the history of the past. For instance, at the time of confederation the city of Saint John built more ships than any other port of the North American continent. It was at that time the fourth greatest shipping port of the world. In 1867 Saint John had a population of almost forty thousand, and today her population is not much greater. This fact alone speaks volumes about what has happened to the maritime provinces.

It is not my intention to go into detail, because those details have been mentioned many times. The fact remains however that those of us in the maritime provinces, and particularly in New Brunswick, are not receiving our full share of attention from this government, and have not from governments in the past.

The Prime Minister referred to bank presidents. I could tell him that not only bank presidents but also the heads of manufacturing concerns, educational leaders, ministers and the like have come from the maritimes and made their mark in other parts of Canada. We export the brains to run the business in Ontario and Quebec.

We would like to keep those people in our own part of the country. We want to have business down there, so that those people could look after our banks, our manufacturing, our industries and our educational institutions. A few days ago when discussing education I said that the maritime provinces are held up as a horrible example, so far as education is concerned. The reason is, of course, that we have not the money with which to pay for education.

All that the people in our provinces are asking today is that they be given equal opportunity with the rest of Canada, so that they may educate their children, keep their young men at home, and be placed in the same position as other parts of Canada. That is all we are asking.

I was interested to hear what the leader of the C.C.F. had to say. He spoke about the depressed areas of Great Britain. I remember that in 1944 I happened to be in England, in company with Mr. Bracken. While there we met some of the members of Mr. Churchill's cabinet, and spoke particularly with Mr. Hugh Dalton who told us that at that time they were looking after the depressed areas in Great Britain. He said for instance that the people up in the Durham area and the people in Wales were not in as prosperous condition as those in other parts of the country, but that the government was going to move industry to those parts of Great Britain so that people in all parts of the country would enjoy the same privileges.

That is exactly what the people of the maritimes are now asking the government of Canada to do—and I believe it can be done. The hon. member for Halifax raised some of the objections as to why he feels we cannot have an equal share of industry. In this connection he mentioned the development of electrical power. It is true that the electrical power has not been developed to the same extent in New Brunswick, Nova Scotia and Prince Edward Island as it has been in other parts of Canada. I believe we have the facilities and opportunities there for the development of power. Given some assistance, I believe we could develop it and, with that electrical power, we could manufacture just as cheaply down there as it can be done in any other part of the country.

We have the raw material and we have the manpower. There is more idle manpower in the maritime provinces than in any other part of Canada. Today manpower is one of the greatest essentials, so far as manufacturing in this country is concerned. A few days ago I was told of a New Brunswicker who opened a factory just outside Toronto to fill shells. He sent a team down to New Brunswick to round up men who would come back to Toronto to work in his factory. It does not require much electrical power to fill shells. That work could have been done in the maritime provinces, down near the city of Saint John, just as well as it can be done near Toronto. Further than that, if those shells are being prepared for use in Europe, to assist our

allies over there in the event of war, then they must be shipped to Saint John or to Halifax to be sent overseas.

These are the things to which we object, Mr. Speaker. Then, a word about housing. I could show hon. members many vacant houses in our towns and villages in my own province. Those houses are deserted because the people are leaving. I am sure the minister will agree that housing in the maritime provinces is not as great a problem as it is around Toronto, Montreal or Hamilton. Why, then, should we take men away from their homes in the maritimes and bring them to Ontario and Quebec to do work, when that work could be done down by the sea, and the people would have decent houses in which to live.

The people of the maritimes are basing their fears of what may happen now on what happened during the last war. We were not given our just rights; there can be no question about that. Anyone who has read the Saint John *Telegraph-Journal* for the last two weeks will know that there have been editorials on the front page of that newspaper setting out the situation in that part of the world. They give a break-down of second war contracts for the different provinces to show the great injustice and the great inequalities there were during that war.

These figures show that in Prince Edward Island, with a population, according to the 1941 census, of 95,047, the amount spent per head on war contracts was $73.65; in Nova Scotia, with a population of 577,962, the amount spent per head was $509.55. They did fairly well. But in New Brunswick, with a population of 457,401, we received $172.70 per head.

Then, coming to Quebec, with a population of 3,331,882, the amount spent per head was $1,576.75 and in Ontario, with a population of 3,787,655, the amount spent per head was $1,435.35. I shall not give the figures for the other provinces. Those will be sufficient to show the picture during the last war. That is why the people in the maritime provinces today, realizing that there is not a state of war at this time, and realizing that possibly during the last war the government had to develop industry where the factories were located, are taking a keen interest in the matter. There is no great war on at the present time and it would be possible for the government to make a thorough survey of the maritime provinces and Canada generally, and that is all this resolution asks for. If they do that and if they have any intention to do justice to our part of the country they will find that we can manufacture two, three, yes I would say even four times as much as we are at the present time. During the last war with four per cent of the population of Canada we had less than one-half of one per cent of the production.

I do not think it is necessary for me to press this point any further as it is quite clear. If the government is anxious to assist the people in these provinces, to keep them from moving to other parts of Canada, to provide them with money with which to carry on schools, churches and other services, they will pay more attention to them. They should act as they have acted in Great Britain where certain areas were treated as being more or less depressed.

Most hon. members from the maritime provinces sit on the other side of the house. There are only a few of us on this side, like the hon. member for Cape Breton South (Mr. Gillis), the hon. member for Cumberland (Mr. Black) and the hon. member for Queens and myself. I should like to hear the voices of all hon. members from the maritime provinces raised in this house as well as in their caucus so that something will be done to help this part of Canada.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, this debate has taken on a rather salty flavour and I should like to take it away from the seashore and out to the prairies. The senior member for Halifax (Mr. Dickey) has left the impression, on me at least, that he considers this to be a political resolution of some sort. There are certain hon. gentlemen who see political motives under every bush. Personally I can see nothing political about this resolution. I am glad to hear that the senior member for Halifax is so happy about conditions in his particular part of the province. I notice the hon. member for Royal (Mr. Brooks) does not agree with him. I got into some trouble the other day with the hon. member for Saint John-Albert (Mr. Riley) when I suggested that a good many of the poor people in his town were certainly not living the life of Riley.

The Prime Minister (Mr. St. Laurent) has suggested that neither the provincial nor federal governments can do anything about the situation about which the hon. member for Cape Breton South (Mr. Gillis) has complained. I know my partisan political friends will accuse me of talking politics, but I should like to point out that there is one provincial government that has done something to promote industry within the province. These are only puny industries compared with the great industries in central Canada and some of my hon. friends will say that they have not all been particularly successful. As well as being successful some of them have

had success in that the mere creation of the industry has brought in private industries based upon the little industry started by the government.

There is at least something the federal government could do. Whether we are to have a state of war or whether we are to continue in a state of war preparedness the government has an obligation to see to it that great masses of material are manufactured. Many contracts will be awarded. While we are considering this question of the decentralization of industry may we hope that these contracts will be distributed with some degree of equality across the country.

I ask for that on two counts. First, these industries should be made as safe as it is possible to make them from potential enemy attack. Secondly, it is my opinion that no province should be depleted of its young men and women, as were some of the western provinces during the last war when their young people had to leave to go to Ontario and Quebec to get employment.

How is the government acting up to the present on this particular question? I should like to quote some figures which appear in *Hansard* of February 19, 1951. The hon. member for Moose Jaw (Mr. Thatcher) asked a question with regard to the contracts that had been awarded and how they were placed in the different provinces. He was referring to what might be called defence contracts. Then he went on to ask the dollar value of the contracts placed in each of the provinces. The parliamentary assistant to the Minister of Trade and Commerce (Mr. McIlraith) answered that question as follows, and I quote from page 452 of *Hansard*:

Yukon and N.W.T.	$ 254,059 24
British Columbia	33,574,746 46
Alberta	3,707,004 00
Saskatchewan	450,781 13
Manitoba	6,667,071 75
Ontario	214,436,014 47
Quebec	154,055,843 14
New Brunswick	5,468,998 37
Nova Scotia	23,003,602 68
Prince Edward Island	329,551 97
Newfoundland	402,518 39

It would look as though there may be something in the argument—

Mr. McIlraith: I wonder if the hon. member would finish reading the answer to the question?

Mr. Knight: Would the hon. member like the total?

Mr. McIlraith: No. There is a point of order here. The hon. member has read a question and part of the answer as given in *Hansard*. I am sure he would wish the other hon. members to know the full answer.

Mr. Knight: I shall read the paragraph at the bottom. My hon. friend might have waited until I had come to that particular place to see whether or not I was going to read it. He should have waited before he challenged me to read it. Why did he suspect that I would not read that particular paragraph?

Mr. McIlraith: The hon. member—

Mr. Knight: May I have the floor? My hon. friend can make his speech later.

Mr. McIlraith: My hon. friend broke off and started—

Mr. Knight: If my hon. friend wants to ask a question, let him ask it. If he has a point of order, let him put it to the Speaker and let the Speaker consider it. Who is making this speech?

Mr. McIlraith: On a point of order, the reason I broke in to raise a point of order earlier was that the hon. member had read a question out of *Hansard*, had read part of the answer and then started on with his speech and left out part of the answer.

Mr. Knowles: No such thing. The hon. member did not start on at all till you broke in.

Mr. McIlraith: I have the question and answer before me. I have been well aware of it because it has been misused and misquoted by other persons in the last five days. I was particularly aware of it.

Mr. Knight: On the point of order, I would ask the hon. member to withdraw that statement. I was reading from page 452 of *Hansard*. I gave a list of the provinces and the amounts awarded in each case. I was busy at the moment, if my hon. friend had not interrupted me, with Newfoundland, $402,518.39. I am proceeding to read the rest of the answer.

Some hon. Members: Hear, hear.

Mr. Knight: Why the hon. member should have interrupted me in the midst of the figures with the assumption that I was not going to continue the answer I do not know. Perhaps my hon. friend would care to withdraw his assertion before I go further.

Mr. McIlraith: If the hon. member is asking for a withdrawal I have no withdrawal to make. *Hansard* will bear out his interruption and his return to the subject matter of his speech when he had finished giving the figure for Newfoundland.

Mr. Knight: I shall read the rest of the answer. Personally I certainly do not understand what my hon. friend means.

Mr. Gillis: He doesn't either.

Mr. Knight: I doubt if he understands himself.

Mr. Gillis: *Hansard* will bear that out.

Mr. Knight: The total is $445,350,191.60. Then the answer continues:

These figures do not necessarily include the value of stores produced in each province, since in many cases contracts are placed with the contractors' personal representatives or at a head office located outside the district where production actually takes place.

If that is the part of the answer my hon. friend wanted me to read I see no objection whatever to reading it. These are the facts with respect to the contracts that have been awarded in the last nine months. Before my hon. friend interrupted me I was suggesting that there was something that the federal government could do about it. I am interested of course, and I presume the Liberal members from Saskatchewan are interested although up to the moment they have not said anything about it, displaying that intelligent silence which is characteristic of them in this house. I should like to hear from them on this particular question.

Merely looking at the figures, my calculation is that the figure for Saskatchewan is roughly one-tenth of one per cent of the total amount for the whole country. I know that we shall be told that our industrial equipment in the province of Saskatchewan is small. It is also small in some of the other provinces. I would suggest that my hon. friends from the maritimes did after all have some reason for complaint when one studies the figures I have read, notably those for Prince Edward Island and Newfoundland. They compare with the figure for Saskatchewan.

Having admitted that we have not very great industrial equipment we suggest that the federal government might have some responsibility to see that we expand our industrial equipment for the production of defence goods if such production becomes necessary. I do not know so much about the towns of Regina, Prince Albert or Moose Jaw but I do know something about my own city of Saskatoon. There is potential industrial production there that can be developed and encouraged. I hope that the industries now operating there and the Saskatoon board of trade will—I was going to say "pester" the government—at least apply to the government for some of the work that can be distributed across the country.

Someone mentioned the processing of oil from flaxseed. We have a co-operative factory in Saskatoon. I do not know whether the government would hold anything against it in that regard. We have a great co-operatively owned milling industry, owned and operated by the wheat pool. We have two great private milling companies, Robin Hood and Quaker Oats. We have foundries and machine shops. We have at least a couple of concerns producing road machinery, bulldozers and machines of that kind. When a town has even that amount of industry to start with I suggest that the federal government, if they were as anxious as I am that industries should be started in the province of Saskatchewan, could do something about it in spite of what the Prime Minister (Mr. St. Laurent) has said.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I wish to refer to one or two points that have been made with regard to the resolution. In doing so I need hardly remind hon. members that I speak as one living in one of the larger central provinces. This resolution simply states a proposition which has been put forward by several members of this party on a number of occasions. During the present session and in earlier sessions several of our members have emphasized the need for appropriate steps being taken to decentralize industry in Canada where that can be done. I can recall no occasion where it was suggested that this meant the moving of any industry from some place where it now exists, but rather that in the location of new industries, where the government had some influence in regard to the location of those industries, consideration should be given to the desirability of decentralization which would make it possible to employ the manpower available in many parts of the country to develop new types of production. I must confess that I am wholly incapable of understanding the vigour with which the Prime Minister (Mr. St. Laurent) took up this motion unless it was because of the badges I saw in the galleries tonight when he made his speech.

An hon. Member: Nonsense.

Mr. Winters: Pretty cheap.

Mr. Drew: Of course I know hon. members would not think any such thing could occur.

Mr. Winters: But you would.

Mr. Drew: The fact remains that his speech was one that had little or no relation to the motion before us. We had a very glowing dissertation on the gentlemen adventurers of the Hudson's Bay Company and other gentlemen adventurers. Of course we are now in a period when gentlemen adventurers must call on the Minister of Trade and Commerce (Mr. Howe). It is of these new gentlemen adventurers, and the places where their

activities will be carried out, that perhaps some members are now thinking when they make the suggestion that if the government is serious in its statements about the dangers of concentration of industry from the point of view of civil defence then that danger should be recognized in the location of industry with which it will have a great deal to do.

The idea that these decisions are made by those engaged in the speculative activities of private enterprise only goes so far at a time like this. I have really been astonished at the touchiness of one hon. member with respect to the question and answer recorded at pages 451 and 452 of *Hansard*. There is no reason why any member of the house has to do more than refer to the total figures, if that is what he wants to do. The total figures of contracts awarded are given and they show a perfectly clear situation. The question asked had to do with how many of the 80,000 contracts awarded in the first nine months of the current fiscal year had been awarded to the different provinces. The provinces are set out, and the simple fact is that, according to the figures given, $368,491,857.61 of the total of $445,350,191.60 went to the two central provinces. That amounts to 83 per cent of these contracts. The words about which the hon. member, who has interrupted on several occasions, seemed so concerned are these:

> These figures do not necessarily include the value of stores produced in each province, since in many cases contracts are placed with the contractors' personal representative or at a head office located outside the district where production actually takes place.

That does not affect the fact that 83 per cent of the dollar value of these contracts went to the two central provinces.

Mr. McIlraith: It changes it very materially.

Mr. Drew: As a member from one of these central provinces it does seem to me this is a remarkable disproportion, in view of the fact that payment for these contracts will be made by the taxpayers right across the country, in proportion to their capacity to pay. I am satisfied that none of the people living in the central provinces will disagree with the idea that, to the extent to which public funds can be properly allocated in a proportionate manner, that should be done.

This deals with contracts in regard to a number of items which may or may not relate to industrial development. In this country we have come into a period that we should recognize for what it really is. Again the government is in a period of very heavy spending. We have the Canadian Commercial Corporation; and Bill No. 77, respecting the department of defence production, is now before the house. That will be under discussion at the appropriate time, and I do not propose to make any comments now. However, I would point out that this bill gives extremely wide powers to the government to determine where enormous sums of public money will open up new industrial development in Canada. All this resolution does is place before this house the desirability of decentralizing industry, and obviously that can only apply in those cases where the government has some influence over what takes place. But may I suggest that the power of the government to determine where industry shall be located goes far beyond those crown corporations and other crown agencies which may be set up under this defence production board. Every hon. member of this house who is a realist knows perfectly well that today the government has very substantial influence on where any company will open up. This government, which believes so much in warnings and in suggestions, with stand-by legislation not to be exercised unless somebody does not do what he is told, has tremendous power to suggest where industry shall locate if it is to get steel and other supplies which are under some measure of control already.

Some hon. Members: Wrong page.

Mr. Drew: I hear some hon. members saying "Wrong page". There are so many examples of the extent to which this government has within its hands to control the destiny of Canada, without any measure of actual supervision by parliament, that it is just about time for the members of this house to decide whether in fact we have a dictatorship or responsible government. If some hon. members would listen to the parliamentary principles which have been expounded in this house by one of their own number, the hon. member for Quebec South (Mr. Power), who I hope will be repeating some of those basic principles elsewhere in this city this evening or some other time during the next day or two, they might begin to assert some of those basic truths which were supposed to be part and parcel of the name Liberal. As it stands at the moment the only thing that seems to be Liberal about this party is its liberal expenditure of public money without affording parliament any opportunity to decide how that money is going to be spent.

The suggestion of innocent lack of authority over industry would almost seem to indicate that the government thinks memories are very short. Some people here will remember the annoyance expressed by the Minister of Trade and Commerce (Mr. Howe) in different ways when some time was spent

last year in determining where certain pipe lines were to go. That was a matter under the authority of this government; and those pipe lines will have a great deal to do with where certain industries will be located. Some hon. members will recall that one of the iron developments mentioned here this evening, Steep Rock, has had a great deal of assistance from the government. I am not questioning the value of that development, but most certainly this government had something to do with how that ore was to be shipped and delivered. This government has evolved a system which places a very real restraint upon the freedom of risk capital in deciding exactly where some of it will go. I do not suggest for one moment that many will not determine and insist upon determining where they shall go; but others, from the very nature of the enterprise in which they are going to engage, most certainly will be guided by the gentle suggestion of the Minister of Trade and Commerce as to what would be most acceptable to the government.

Then other hon. members will recall that in the last world war very large sums of money were spent by this government on the construction of one of the largest electrical power-producing plants in Canada. I am not entering into any debate now as to the merits or otherwise of the ultimate disposition of that plant, but certainly the government has a good deal of influence over where some of these developments take place. And I would point out that electrical energy is available for development in many parts of this country, including the maritime provinces. This is particularly true of our newest province, Newfoundland. There are immense undeveloped water resources in that province which, if developed under plans similar to those put into effect elsewhere in Canada, could be used by great industries at tidewater, using raw materials coming by ship from other parts of the world and shipping the finished products to the places in Canada and outside where they might be required. In the maritime provinces, in addition to water resources available for development, there are also coal resources from which electricity can be produced in very large quantities.

I am not in any way confining my thoughts to the maritime provinces. Right across Canada there are great opportunities for using our power resources to open up new industry and distribute the concentration of population in exactly the way that has been urged by those engaged in civil defence activities. Either there needs to be some reconciliation between the point of view of the government and the agencies dealing with civil defence, or this resolution should be acceptable to the government because it is the very thing civil defence agencies have been urging. I do suggest that this resolution, far from condemning the government, simply states a proposition which every hon. member of this house could well support, with the idea of spreading the population of this country, decentralizing concentration of population, employing those who are now living in areas where employment is not to be found in the way that it should be, and generally strengthening the whole economy of Canada.

On motion of Mr. McLure the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow being government day we shall proceed with the resolution to introduce a bill to amend the Indian Act; then we shall consider Bill No. 24, to confer certain emergency powers upon the governor in council. Having disposed of those two items we shall take up, but I cannot indicate in what order, Bill No. 5, Bill No. 6 and Bill No. 76.

It being five minutes after eleven o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Tuesday, February 27, 1951

The house met at three o'clock.

FOREIGN EXCHANGE CONTROL ACT

CONTINUANCE IN FORCE UNTIL SIXTY DAYS AFTER OPENING OF FIRST SESSION OF PARLIAMENT IN 1953

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 measure to provide for the continuance in force of the Foreign Exchange Control Act until sixty days after the commencement of the first session of parliament commencing in the year 1953.

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.

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 at the next sitting 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 to increase the aggregate amount of farm improvement loans that may be guaranteed.

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.

If I may, with the permission of the house, I should like to say that this is a resolution to provide for the introduction of a bill to extend the operation of the Farm Improvement Loans Act, which expires on February 28. It has not been possible to introduce a bill for the extension prior to this date. No great harm would be caused if loans were not made for the first few days in March; but it occurred to me that if the house were willing it might be possible to consider this resolution at nine o'clock tonight, and with unanimous consent, to give the bill first reading to enable hon. members to see it, and possibly second reading tomorrow. If the house should give second reading to the bill tomorrow and approve it in principle, the banks, on my assurance that the bill is likely to pass, would be prepared to continue, without interruption, making loans under the act.

Mr. Speaker: Is it agreed that the house shall consider this motion at nine o'clock this evening?

Some hon. Members: Agreed.

Mr. Graydon: You have abolished the Senate.

Motion agreed to.

PENSIONS

DISABLED PERSONS—NEGOTIATIONS WITH PROVINCES ON OLD AGE PENSIONS

On the orders of the day:

Mr. A. Earl Catherwood (Haldimand): I should like to direct a question to the Minister of National Health and Welfare. Has the minister given consideration to the question of pensions for the totally disabled and crippled who are unable to provide for themselves?

Will the minister make a statement to the house as to the progress or the extent of the negotiations with the provinces on the matter of old age pensions?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, the hon. gentleman was kind enough to give me notice of his question. As he knows, the conference on problems relating to the disabled was held in Toronto on February 1, 2 and 3 of this year, under the joint sponsorship of the departments of labour, veterans affairs, and health and welfare. At this conference varied aspects of the problems of the disabled were discussed.

All ten provincial governments were represented at the conference, along with delegates from the important voluntary agencies working in the field. As my hon. friend knows, of course the provincial governments have a principal interest in this problem, although the federal authority has certain responsibilities toward special groups, such as disabled ex-servicemen.

It may be of interest to note a fact which was brought to the attention of the conference with respect to economic maintenance now being provided for the disabled through a variety of legislative provisions. Disability

pensions or allowances of one kind or another are now being provided under various governmental auspices to approximately 325,000 disabled persons. Regarding this type of problem, I am sure the hon. member will agree that it is only realistic to point out that note must be made of current international obligation and interests.

With regard to the second question, I would say that following the federal provincial conference in December of last year, and at the suggestion of the provinces, the federal government submitted to each province a draft amendment to the constitution which, if acceptable, would facilitate the realization of a contributory system of old age pensions.

Some of the provinces have agreed to the amendment in terms suggested. Others have raised questions as to its wording and effect. While the government of one province has received legislative confirmation of its authority to deal with the matter of a constitutional amendment, it has not yet indicated its final attitude.

In further replying I would simply call my hon. friend's attention to the statement made by the Prime Minister (Mr. St. Laurent) as it is reported in *Hansard* for February 5, at this session.

Mr. Graydon: I should like to ask a further question, and if the minister has not the information offhand I shall be happy to have it later. Has he any idea how many disabled persons there are in Canada?

Mr. Martin: There is no final assessment made of that, no.

Mr. Brooks: Does this figure of 325,000 include veterans?

Mr. Martin: Yes.

KOREA

EMBARKATION LEAVE FOR CANADIAN BRIGADE PERSONNEL

On the orders of the day:

Mr. George H. Hees (Broadview): Mr. Speaker, I should like to ask a question of the Minister of National Defence (Mr. Claxton) or, in his absence, of the parliamentary assistant. Are the present members of the Korean brigade who are about to embark for the east to be granted embarkation leave?

Mr. J. A. Blanchette (Parliamentary Assistant to the Minister of National Defence): May I take this as notice of the question?

POSTAL SERVICE

REDUCTION IN URBAN MAIL DELIVERIES—INSTRUCTIONS TO POSTMASTERS—RE-EMPLOYMENT OF LETTER CARRIERS

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to ask a question of the Postmaster General. During the last week or so, have new instructions for the clarification of instructions been forwarded to postmasters in cities throughout Canada regarding one mail delivery per day instead of two?

Hon. Edouard Rinfret (Postmaster General): Mr. Speaker, quite a number of such confidential instructions have been sent to postmasters in the last couple of weeks. I believe there must be five or six. I do not know whether in the last week there have been new instructions given.

At the present time we are conducting a survey as to the best way of absorbing the number of letter carriers we shall have to let out before March 31. The instructions were issued with a view to conducting that survey, so that on March 31 we shall know exactly where we stand and how many letter carriers who have to be let out can be brought back into the service.

A few days ago the hon. member for Peterborough West asked as to the number of people who would become available either directly or indirectly through this cut. I would reply that there will be approximately 1,200. The financial saving effected will be in the neighbourhood of $3,500,000.

CIVIL SERVICE

PROTECTION OF SUPERANNUATION AND SENIORITY OF ENLISTED PERSONNEL

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): I should like to ask a question which comes to mind as a result of the question just asked the Postmaster General. Would the Prime Minister say whether assurances have been given to the men in the public service that if they enlist they will be protected so far as superannuation and seniority are concerned, upon their return from war service?

Right Hon. L. S. St. Laurent (Prime Minister): I would not wish to give an offhand answer. I shall take the question as a notice, and get the precise information with proper references to the measures effective.

QUESTION AS TO LAY-OFF OF CERTAIN EMPLOYEES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to ask

if the Prime Minister is yet in a position to answer the question I asked on February 19 regarding lay-offs in the civil service as part of the government's economy program.

Right Hon. L. S. St. Laurent (Prime Minister): The officers of the department are now making a survey and preparing a statement which I hope will be ready within the next few days.

BREAD

REPORTED USE OF COLOURING MATTER IN PRODUCTION OF BROWN LOAF

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Is the Minister of National Health and Welfare ready to answer the question I asked yesterday about dyed bread?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, I have the answer, and I believe it would save the time of the house if I were permitted to table it.

Mr. Knowles: Well, that would be satisfactory, so long as it appears in *Hansard.*

Mr. Speaker: Is it the wish of the house that it be placed on *Hansard*?

Mr. Coldwell: Should not the answer appear in *Hansard,* since the question asked is in *Hansard*?

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I suggest that the danger of this process should be recognized, no matter what the subject matter may be. This House of Commons has prided itself on the fact that it has never fallen into the practice of permitting statements simply to be filed—a procedure which is followed in some other legislative bodies—instead of requiring that speeches be actually delivered. There are certain exceptions; long records are sometimes filed and placed on *Hansard,* but there are special reasons for that. The procedure now suggested would establish a most undesirable principle.

Mr. Martin: I do not usually accede to my hon. friend's suggestion, but this time I think I should. The answer is as follows:

There is no standard under the Food and Drugs Act for ordinary brown bread. It has only to conform to the general requirements for bread and may or may not contain whole wheat flour, molasses, caramel or other permitted food colour without label declaration.

However, there is a standard under the Food and Drugs Act for "Vitamin B brown bread (Canada approved)". This standard provides a brown bread which is an excellent source of the B vitamins and must contain at least 60 per cent whole wheat flour—vitamin B whole wheat flour (Canada approved)—and not more than 40 per cent of a high vitamin white flour—vitamin B white flour (Canada approved). It also must contain at least four per cent of skim milk solids.

No one may advertise or mention vitamins in connection with bread that does not conform to the standard for either vitamin B brown bread (Canada approved) or vitamin B white bread (Canada approved).

The baker may choose the kind of brown bread he wishes to make, but if he sells vitamin B brown bread (Canada approved), it must conform to the standard under the Food and Drugs Act.

INDIAN ACT

AMENDMENT AND CONSOLIDATION—PROVISIONS WITH RESPECT TO BAND FUNDS

Hon. W. E. Harris (Minister of Citizenship and Immigration) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend, consolidate and clarify the Indian Act, and to provide, inter alia, for band funds and expenditures therefrom, and for other appropriations in case of deficiency, or lack of band funds.

Mr. Coldwell: The minister should make a statement, I suggest.

Mr. Fraser: Isn't the minister going to make a statement in connection with this matter?

Mr. Harris (Grey-Bruce): Mr. Speaker, although the house is fairly well informed about Indian affairs, I shall accede to the request of the opposition and make a brief statement.

Indian legislation in Canada is almost a hundred years old. The first Indian Act was passed by the old province of Canada, in 1857, and it provided for what was then referred to as the civilization and enfranchisement of Indians. The parliament of Canada in 1869 passed its first Indian Act, which was described as an act for the gradual enfranchisement of Indians. There were two amendments between that year and 1880, at which time there was a general revision of the act.

Since that time there have been fourteen amendments, but no revision, with the result that I think all hon. members will agree with the wording of the resolution, namely that it is expedient to introduce a measure to revise the Indian Act.

In the years 1946, 1947 and 1948, a special joint committee of both houses of parliament met, and there was a very thorough examination of Indian affairs. The committee made a number of recommendations, both as to policy and as to practice, and suggested a number of amendments to the act. One of the most important recommendations was that there should be a revision of the Indian Act. The reason for that was obvious to all those who served on the committee. Many sections of the Indian Act had long since outlived their usefulness and by their wording were a reproach on the status which the Indian has attained in this country. In addition there were provisions urgently needed in the act to give the Indian that standard of self-determination and self-government which his status now requires.

The house will recall that last session we introduced Bill No. 267 to amend and revise the act. At that time I pointed out that if the bill were passed we would no doubt receive representations in the interval and that this session we would consider proper amendments. I hope that we shall continue to do that from year to year. The Indian Act is always subject to revision and improvement.

After the bill was withdrawn we wrote to every Indian or Indian organization, and to every white or white organization that was interested in the bill, and asked that they send written representations. The representations came in during the fall months. They have been classified and will be available to the house in due course.

In order that I might understand the viewpoints of the Indians, I visited a good many officers of the Indian organizations during the fall months, as well as a number of the larger reserves, where I consulted with their band councils. Of course I could not give any assurance as to what the legislation might be, and at the moment the Indians are as uncertain as ourselves as to what revisions there will be in the bill which will be introduced when this resolution is passed. In order to conform with what I am sure is the wish of every member of this house, that the Indians should be consulted as much as possible in connection with legislation dealing with their lives and property, we decided to invite to Ottawa representative Indians to discuss the bill after its introduction. I want to express my thanks to the leaders of the opposition parties for making that possible by agreeing that we could fix a date for the meeting, and that in all probability the resolution could be passed by that time and the bill made available. The Indians are now arriving and are prepared to discuss the bill tomorrow if it can be given first reading today.

This is an historic occasion for the Indians. Until this moment representative Indians have not sat down with a minister of the crown to discuss legislation affecting them. I hope that as a result of this conference we may have useful amendments to present to the house at later stages of this bill. I am not going to discuss the details of the bill now. It might be sufficient to say that, as the house would expect, this government has utilized the intervening time to improve this legislation, as it is doing constantly in all other respects.

Mr. D. S. Harkness (Calgary East): Mr. Speaker, I am glad to hear that the minister has been in touch with the Indians and other persons interested in their welfare and has received their ideas in connection with the bill introduced last year. I am glad also that the minister has asked representatives of the Indians to be here in Ottawa to discuss with him the bill which this resolution is serving to introduce. I think that is a move in the right direction. It was a course which we suggested should be followed when the bill was introduced last year. It was not done at that time, and I am glad that that mistake has been rectified.

I do not want at this time to rake over a lot of old straw in connection with the Indian question, so I shall be brief. However, there are one or two comments I should like to make. The Indian question has had a great deal of attention, both in parliament and throughout the country, particularly during the past six years. In my opinion there has been altogether too much talk and not enough action on the part of the government to remove the injustices about which the Indians have been and are still complaining.

I think the bill that was introduced last year was a regrettable mistake. In the first place, it aroused fears of all kinds among the Indians as to what was going to happen to them if the bill went through. In the second place, it destroyed high hopes which had been built up in their minds as a result of the sittings of the Indian committee, and so on, during the previous three or four years, that the new bill would constitute for them what was often referred to as an Indian Magna Carta or an Indian bill of rights. It left them in a very discouraged frame of mind, so far as I was able to see.

As the minister has said, a joint committee of this house and the other place on Indian affairs met in 1946, 1947, and 1948. That committee presented a long list of recommendations for administrative and other

improvements in the handling of our Indians, and it also submitted a draft bill. I am glad to see that a number of the recommendations made by that committee have been acted upon, and I think as a result the administration of the Indian affairs branch is now much improved in many respects over what it was prior to that time.

Unfortunately the bill which was introduced last year bore little resemblance in many important respects to the draft bill recommended by the committee, nor did it follow out the recommendations made by the Indians as to the kind of bill they wanted and the things that they thought were unjust and should be changed. The bill was withdrawn as a result of the strong opposition shown toward it, not only in this house but by organizations throughout the country and the Indians themselves. It was withdrawn also because of the manifest unfairness of not allowing the Indians time to study it and make representations and recommendations in connection with it. As I stated at the beginning, I am glad to see that that mistake is not being repeated this year. I am glad to learn that representatives of the Indians are here, and I presume that they will have time to study the bill and discuss it thoroughly with the minister and his officials.

I hope that the more objectionable features of Bill 267 which was introduced last year have been changed and that the changes will be approved by a majority of the Indians. There are two things in particular which I think must be changed before the bill can be acceptable, either to the Indians or to the white people who have their interests at heart. The first is the definition of Indian. The definition must be such that large numbers of Indians who have been brought up as such and know only the Indian way of life will not be thrown suddenly out into the ordinary white man's world in which they are not equipped to look after themselves or to make a living. I think one of the great objections to the bill introduced last year was the definition of Indian and the results that flowed from it. The bad effects of that definition appeared in section after section. If the new bill is to get support, that is one of the things which must be rectified.

The second point is that the arbitrary power of the minister to determine nearly everything of importance in the life of the Indian, without appeal from the minister's decision except in some cases to the governor in council, must be done away with. The Indian must be put on a par with the white man, in fact with every other citizen in Canada, so far as the right of appeal to the courts against decisions of the minister and his officials is concerned. The situation that has prevailed and that would have prevailed under the new bill introduced last year—as a matter of fact under it the situation would have been worse—was that in nearly every case decisions with respect to whether a man was an Indian, what his rights to land were under the Indian Act, and so on, were in the hands of the minister, and there was no appeal from them.

I think anything less than granting to the Indian the ordinary right of appeal to the courts against decisions of that sort makes our adherence to the United Nations declaration of human rights and fundamental freedoms nothing more than a farce. It means that in our own country we are not prepared to apply those principles to the first citizens of the land. That was perhaps the most important change that needed to be made in the bill introduced last year, and it is one which I most sincerely trust has been made in the new bill to be presented to us.

I said I would be brief; therefore I shall reserve any other comments until the bill has been presented and I have had an opportunity to study it and get the reaction of the Indians.

Mr. William Bryce (Selkirk): Mr. Speaker, I welcome the introduction of this resolution, and I hope the bill to follow it will have a longer life in the house than the one introduced last year. Bill 267 was introduced last year on the 7th of June, and on the 22nd of June it was withdrawn. Like the hon. member who preceded me, I want to be brief. We cannot say very much about this matter because we do not know what is in the bill. I know what was in the bill that was introduced last year, and I am optimistic enough to expect that the new bill is going to be far better. I think the minister will have done a pretty good job on it.

It is seventy years since the first Indian Act was passed. Amendments have been made from time to time, but the grievances that the Indians have complained about so much have not been corrected. I understand from the minister's statement that he has invited to Ottawa representative Indians from the different provinces. I think that is good, and the minister must be commended for so doing. Perhaps my viewpoint is selfish, but I should like to know if he has invited a representative from the Manitoba Indian association and a representative from the unaffiliated Indians of Manitoba. He shook his head one time and not the next time, but we shall know when we see the Indians

who come here to represent them. I read in the newspapers that the legislature of the province of British Columbia has set up an Indian inquiry committee to deal with the welfare of the Indians. When a government will go to that extent in the interests of the Indians of their province I think they should have a representative here. However, we will find that out too.

Coming back to Manitoba, I find the greatest problem there is that the Indians still live in the past. I do not know whether that is good or bad, but when you speak to an Indian and tell him what we would like to do for him, how we are going to improve his condition, he immediately takes you back to 1871 and tells you what he was promised at that time. He tells you about the time when they met Governor Archibald and W. Simpson, the commissioner, and what he promised them.

As I see it, one great difficulty is that we gave control of our natural resources to the provinces but we never gave any protection to the Indian. We just let it go at that. When these Indians signed the treaty they were guaranteed fishing and hunting rights but they do not have those things today. There should be some compensation given to them.

I want to be brief, although I could go on for a long time because this is a subject that is close to my heart.

Mr. Blackmore: Go on.

Mr. Bryce: I think education is the crux of the question. Indian children should be educated in the same manner as white children, so that they will look at things the same way that we do. Let us take the residential schools. Pupils are brought there from the surrounding district at the age of eight. They are kept there until they are sixteen years old, and they have been doing everything the way that the white man does. Then we turn them loose and send them back to the reserves. They neither fit into the reserve nor anywhere else. You will find them loafing around poolrooms. I do not think we should do away with the residential schools. We will need them in outlying districts, but when we take pupils out of the residential schools we should provide vocational training to take care of them until they are twenty-one years of age. Then they will be able to take their place among the white people.

I have heard some people say that the Indian does not know anything. Do not believe that. I have travelled quite a lot among the Indians and the knowledge of some of those I have seen has really surprised me. I claim to be a first-class mechanic, having served my apprenticeship on the river Clyde. I visited Norway House a couple of years ago, and there I saw an Indian doing something that I do not think I would have been able to do. He took two old outboard motors and made one out of them. When he told me what he was going to do I had doubts about it. The next day, however, he came put-putting down the river, and had done a wonderful job. If you go into the north country you will see Indians who are wonderful sawyers for slabbing logs and making lumber. They are as good as any white man. I have seen them do repairs that would astonish the ordinary mechanic, and they had no tools of any kind to do the job.

I always feel reluctant about praising the Liberals for doing anything.

Mr. Fleming: Don't do it.

Mr. Bryce: You see the reception I get, but I want to be honest.

Mr. Fulton: So do the rest of us.

Mr. Blue: You cannot help yourself.

Mr. Bryce: The government should be congratulated upon what it has done for the health and welfare of the Indians. When I first went among the Indians about nine or ten years ago they were dying like flies. Today the government has improved the situation.

Mr. Sinnott: Good old Liberal government.

Mr. Bryce: You go easy, because I could mention a great many things they have not done. Nine or ten years ago the Indian population was decreasing by about 1,000 a year. Today it is increasing by about 1,500 a year, and it can be reasonably estimated that in thirty years we shall have 200,000 Indians in this country. You cannot keep those people as wards of the government, when the country belonged to them in the first place; you must do something for them.

I do not want to take up more time, Mr. Speaker. As I said in the first place, I welcome the resolution. It will be practically impossible to please every Indian in this country, so I believe we will have to give the greatest benefit to the greatest number.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, in rising on this occasion I am not a bit concerned about hurrying this resolution through. I believe the house as a whole has been rather remiss in its duty, on a good many occasions, in letting the resolution stage go by without much discussion, because that is the only stage during which the ordinary member has a chance of saying the things he should say without having a chairman riding him every step of the way, calling him to order and all that kind of thing. This

is the only chance hon. members have to get from the government something about what they propose to do. So let us not be too anxious about getting this thing through. Everything the government is doing for the Indians it can continue to do without a new act; and many things it is not doing for the Indians certainly could be done even without a new act. So let us take time to deliberate on this matter and see where we are going.

We may be putting through legislation which will be operative in Canada for thirty or forty years. I have had enough experience with the problems of the Indians to know that when it comes to getting reforms in respect to them, governments move dreadfully slowly, especially if they are none too keen about those reforms. So I am not promising to cut my remarks short, either at this or any other stage of the legislation, and I do not believe the minister really wants that to happen. If there are things in this act he can rectify now, I am sure he wants to do that. I have great confidence in the minister. I believe he is forward-looking and desirous of doing the right thing as long as his influence lasts in this country, and I hope that will be for a long time, if I appraise him rightly, as I believe I do.

A minister of the crown is under a great deal of pressure, and occasionally he may yield to pressure from outside the house instead of pressure from inside. After all, this house is elected by the people of Canada to put some pressure on the government to bring about the results desired by the people, and if we exercise that pressure enough we will strengthen the hands of the ministers. So a good strong opposition does the government no harm.

Having said that, Mr. Speaker, I should like to draw to the attention of this house and of the people the fact that from 1914 to 1918 we fought the kaiser of Germany. In those days we were told, and we told each other, that we were fighting him because he dealt with a sacred treaty as a scrap of paper, when he invaded Belgium. Do you remember that? Well, Mr. Speaker, ever since 1867, when this nation was formed, Canada has been consistently and progressively breaking solemn treaties with a great people, the Indians; dealing with them not only as scraps of paper in word but in act and in fact; undermining and destroying those treaties.

We want to know whether the new Indian Act is going to make a change in this respect. Will this act see to it that we maintain with appropriate sanctity the treaties entered into one hundred and fifty years ago, which the Indians accepted at face value? It may be argued that we have no responsibility with respect to treaties made by the king with the Indians back in 1763. I utterly fail to follow the reasoning of anyone who can take such a stand. Certainly when Canada took over responsibility for governing this country, she took over the responsibility that had been assumed by the king or queen of Great Britain in respect of all the people of Canada. If that is not so I fail to find reason at all in the whole situation.

What kind of people are dealt with in these treaties that we have been disregarding? The latest figures I have been able to get indicate that there were 136,407 Indians in Canada in 1949. If those were put together in one area it would make quite a respectable province. We trust their numbers will increase, because they are a great people and valuable citizens of this country. The Indians constitute a magnificent asset if only we will let them be what they want to be. If they continue to increase, as the hon. member for Selkirk (Mr. Bryce) indicated, before too long they may number well up toward a million. They will be good Canadians, too, far better than many of the persons we have brought here and tried to make into Canadians.

As everyone knows, the Indians were the first Canadians and the first Americans. The Canadian Indians were never conquered; I think it well that we should bear that in mind. When the white man came to Canada the Indians welcomed him and treated him with generosity and honour; and never did they cease to do just exactly that. Whenever we had arrangements or dealings with the Indians we made treaties with them. This makes a tremendous difference in our general outlook in reference to the Indians. As I said a moment ago, the Indians of America welcomed the first white man because they had learned from their fathers that they expected the return of a great white god. That is common history, well known to every member of this house, and it is a strong indication concerning the history of the Indians. Was there a time when there was a great white god in this country? Did he set up a religion? Did he teach them right living? Did he depart, promising that he would come again? The evidence all tends to show that this was so. Therefore the Indians expected the white man and welcomed him.

Wherever the Indians of Canada yielded possession of the land and the rights they had in the land, they gave that possession under sacred and solemn treaties. These treaties, in a large and increasing measure, deprived the Indians of at least three of the much talked about four freedoms supposed to be granted by the delusive Atlantic charter. The three freedoms which, in large measure, were taken away indirectly from the Indians

were: freedom from want, freedom from fear and freedom of religion.

Now, by each of these treaties the Indians became wards of the Canadian government, as every member of the house and every person in Canada knows who pretends to have any information about Canada. Canada has become responsible for seeing that the Indians get adequate food, clothing, and shelter, as those constitute freedom from want. If they are to compete successfully in Canadian life, they must have education and equality before Canadian law. Without education and without equality before Canadian law, freedom from fear is simply a meaningless expression. No white man can be free from fear without a suitable education and equality before the law; how can an Indian be free from fear without those things?

I contend, Mr. Speaker, that from the day Canada took over the administration of the Indians up to this moment there has not been anything like a guarantee of adequate education or equality before the law for any of the Indians. I realize that is a sweeping and terrible denunciation of Canada's management of the Indian problem. I do not suppose it would be well for me to discuss this in detail just now, but perhaps I shall before I conclude this speech. The statement I have made stands capable of proof to the hilt, because Canada made treaties with the Indians as equals not on the basis of conquering them. Canada became responsible for guaranteeing the Indians security of tenure of land, and security of the right to continue as Indians.

We have done much better by our Indians in respect to those two rights. We have, in a large measure, treated the Indians' land with respect, leaving them in possession of the little bit of land we have agreed to let them have. We have also, in a large measure, guaranteed to the Indian the right to continue to be an Indian. We have done several things, however, which have made it almost impossible for the Indian to continue the religion that his father left him. We rather blithely, and in cavalier fashion, assumed that the religion we would teach the Indian was far superior in the matter of producing good men and women. I shall make no comment on the matter, but I have heard a good many Indians make rather severe comments. A good many of them have simply pointed to the effects which have been produced among them. They say no further comment is necessary.

We have, in a large measure, rendered it impossible for our Indians to retain their religion in its pure and undefiled form because, in almost all cases, we have made it necessary for the boys and girls who wish to attain an education to attend a school directed by some religious organization whose —I almost said whose primary objective, but I will not go as far as that—objective, at least understood, was to inculcate into the boys and girls a disregard for their own native religion.

Because of the social, political and religious history of the Indians, we have assumed the responsibility of granting them a varying degree of self-government or autonomy in their tribes and bands. One of the things that are worrying the Indians wherever I have met them is this. At several places in western Canada the minister made a remark to the effect it was his intention to integrate the Indians with the white people. This word "integrate" is one of those chameleonlike words. It can mean anything you want it to mean, according to the way you use it. The Indians have every reason for fearing that it will mean there will be a deliberate ministerial and administrative pressure brought to bear on them to accept citizenship in Canada whether or not they desire it, thus becoming less and less integral parts of the tribe or band and less and less Indians. I understand the Indians do not like this very well. I maintain they have a right to dislike it and a right to resist it.

Let us look for a moment at those rights which we ought to have guaranteed to the Indians to see how far we have gone in our guarantee. First of all, what have we done in so far as food is concerned? I shall keep my eye on western Canada for the moment, because I am more familiar with western Canada. Before the treaties were signed in western Canada there were herds of buffalo roaming the plains which provided the Indians with plentiful food, clothing and even teepees. Because of policies put into operation by the government of Canada, these buffalo were destroyed, and with their destruction the source of the Indians' food, shelter and clothing was swept away. What did the government do, as a whole or as a part, to restore to the Indians a source of food, clothing and shelter following upon the destruction of the buffalo? So far as I can ascertain, not one thing.

Going a little bit further so far as shelter is concerned, when the treaties were signed—the treaty in my particular constituency was signed in 1877—there was plenty of brush; there were many trees and large areas of forest. The white man came; he cut down the trees, and in many cases he burnt them in forest fires. What was done to restore to the Indians the fuel they needed? Nothing at all. They are there today, the Blood Indians,

who I suppose are amongst the most fortunately situated Indians of Canada, with hardly any timber they can cut for firewood. They must buy the white man's coal, and they must give the white man the white man's dollars for the coal—and they find the obtaining of the dollars a very difficult matter.

What have we done to restore to them what we allowed to be taken away from them in the matter of fuel which is so important in the making of shelter? People will say, "Well, we could not help it." Right in that very area where these Indians are, there is coal in superabundance, and are we to be told that we could not cause that coal to be mined, and a sufficient amount of it put into the hands of the Indians, or at least rendered available to them? But we have not done anything. Does the proposed act intend to do anything? Does the bill indicate a change in policy under which the government will realize that we owe a responsibility to these Indians which we have never even attempted to discharge?

Go into the other areas and you will find a fishing problem entering in. Indians who for centuries had spent their lives fishing their food out of the streams were cut off from the streams, as happened so often in British Columbia, or found when they went to the streams that the white man had fished the fish out of the stream far down below, rendering their source of supply barren from that time on. What have we done about it? Just completely nothing. Yet in the signing of the treaties we solemnly agreed that we would allow the Indians to fish, cut trees, pick berries, hunt rabbits on the prairies and other kinds of game as long as the sun shone and the water ran and the grass grew. Sounding brass and tinkling cymbal!

These are serious matters, Mr. Speaker; they are very serious matters. The Indian has to face the problem of finding food, clothing and shelter for his children on these reserves which are denuded of all sources from which he formerly obtained these things, and we have allowed it to go on; in fact, we have abetted the white man in speeding up the denuding of the reserves or the area round about.

Let us come to education. Let us face right up to the facts. I am going to keep my eye on the Blood Indian reservation because I am familiar with it. I have had scores of the fine, noble, dignified men who constitute the elders of the Blood Indians come into my home and sit and talk to me, and ask me what on earth could be done.

There are two church schools on that reservation. I am grateful to the Roman Catholic church and the Anglican church for coming in and establishing those schools, because they at least gave the Indians some kind of opportunity for education; but in some instances there are Indians who are living almost a hundred miles from these schools. Imagine an Indian with meagre resources setting out to take his children seventy-five miles over the prairie in order to get to one of those schools. How would we feel if we had to take our children seventy-five miles to school? The Indian now sees fine busses, fine vans, just off the reservation, going to every home practically in the countryside, picking up the boys and girls and conveying them to school every morning and back home at night in perfect comfort and ease, and in complete security through supervision, while he has nothing like that. And yet we pretend we have given the Indian a chance for education right now.

Remember, we permitted our farmers in areas probably within ten or fifteen miles to form themselves into a school district and build their little country schools to educate their children, where the distances were not too great, and where they could have the children in their homes at night; the children could help them, and they could enjoy the children. We have never done anything like that for the Indians, and apparently we do not intend to.

There has to be heart-searching; there has to be an about-face in this matter. People ask: Where are you going to get the money? Where do you think the Indians are getting the money? How do you suppose they can get the money when we, with our industrial strength and investment, cannot do it? Well, we have got to do it, if we are to be just ordinary decent people. That is all.

We cannot oblige Indians to take their children thirty and forty miles to a residential school and leave them there for weeks and weeks. We have to enable them to have schools equipped and under proper supervision and with proper teaching.

An hon. Member: And in contact with their parents.

Mr. Blackmore: And in contact with their parents so that the children can be raised according to the will of the parents; and these parents often have pretty high ideals.

We have not begun to guarantee the Indians the education which we were in duty bound to guarantee and to provide when we signed these treaties. I think I should just read a little passage from treaty No. 7, which is the one under which the Blood Indians, along with three other tribes, surrendered almost enough territory in southern Alberta to make an empire, some of the

richest land to be found anywhere today, land to which we are now bringing water, and from which we are producing wealth untold. This territory was surrendered under treaty No. 7 in 1877, and I shall read to the house what is written about education in that treaty. It reads as follows:

> Further, Her Majesty agrees to pay the salary of such teachers to instruct the children of said Indians as to her government of Canada may seem advisable, when the said Indians are settled on their reserves and shall desire teachers.

Of course, we know that there is an escape phrase there. There is a hole in the thing big enough for a team of horses to go through where it says: "Such teachers as to her government of Canada may seem advisable". It is clear that to her government of Canada it has not seemed advisable to supply teachers to teach these boys and girls so that they will have something like a chance to go out to school, to go into high schools and universities, to equip themselves in order that they may not have a lack of education as a handicap along with the dark colour with which God has been pleased to bless them.

We will leave education and take up equality before the Canadian law. Mr. Speaker, the ordinary Indian in Canada cannot even get before the Canadian law, much less get equality before it.

Mr. Harris (Grey-Bruce): Would the hon. member permit me to interrupt? I do not think there is any foundation whatever for that statement.

Mr. Blackmore: I think before the minister is much older he will see that there is a lot of foundation for it, when everything that vitally concerns the Indian is decided by the governor in council and by agents on the reserves. And you tell me that he has a chance to get before the law? Why, a whole tribe of Indians cannot get before the law!

Mr. Harris (Grey-Bruce): Oh, yes, they can.

Mr. Blackmore: How far would one of us get, if he could not get before the law, if he could not go before the courts?

Let us face realities; let us do a little factual thinking.

Then I come to No. 6, security of land tenure, and No. 7, security of the right to continue as Indians. I shall not discuss No. 6 at the moment; but, with respect to the right to continue as Indians, the indications are that when the minister says he proposes to integrate the Indians with the Canadian people he could easily mean he intends to make them non-Indians. Perhaps that is not what he means, but the possibility is there. Then, with regard to No. 8, self-government, I shall say no more at the moment.

The important question that the house and country must ask the minister, if they wish to treat Indians as they ought to be treated, is this: Does the minister in his proposed new act intend guaranteeing the Indians each of the eight rights and privileges I have just set out? If he does not, then his act will be completely useless because it will fail to guarantee those rights. Now is the time for the House of Commons to find out.

After the bill comes before the house what chance have we to do anything? Every hon. member knows right well that when a bill is introduced it is immediately given first reading, at which time no one is permitted to say a word. Then, when we come to second reading we are permitted to talk about the principle of the bill. Mr. Speaker, if he is so disposed, can pretty nearly rule one out of order on almost any count, because no one can tell us what the principle of the bill will be. Can anyone define the principle of the Indian Act? I would like to hear several people try to do it.

After all, what good is a speech on second reading, dealing with the principle of the bill? After all hon. members have had their say, the government comes along with its steam roller and brushes everyone to one side—just as a bulldozer would sweep aside six inches of snow. Surely that is not what parliament was designed to do! Parliament was designed to be an institution which would make the government pay attention to the opposition. But the opposition has no chance in the world in the debate on second reading of a bill.

Then we come to the committee stage. There, again, the chairman can rule out of order pretty nearly anything. I have been here fifteen years and I speak with authority in the matter. I say that if we want to make any kind of effective opposition to the bill, and if we want to get anything done, now is the time to do it.

What do the Indians think of Bill 267, which the proposed bill is intended to replace? I think it was the hon. member for Selkirk (Mr. Bryce) who has said that we do not know what is in the new bill. Well, that is exactly the trouble. The minister may be reintroducing Bill 267 in exactly the same form, for all we know. I think we are entitled to know a little bit about how many changes have been made, and the nature of those changes. If we are not, well then we might as well fold up and go home, so far as this bill is concerned.

What did the Indians have to say about Bill 267? I have in my hand a document which has probably reached the desk of each member in the house. It is dated September

9, 1950, from the Caughnawaga reserve in Quebec. Everyone knows that the Caughnawaga Indians are of a pretty high type. The first paragraph of this letter states:

> We, the councillors and life chiefs of Caughnawaga, St. Regis and Oka reserves duly assembled on the ninth day of September in the year of Our Lord 1950, at a grand council to discuss the merits of the proposed new Indian Act, have found that a large number of the clauses are detrimental to the best interests of the Indians.

That is a sweeping statement, is it not? Who are the people signing this letter? There are sixteen major chiefs, including Mike T. Montour, John Woodlands, Constant Albany, Joe Martin, Eddie Delaronde, John Diobo, Matthew Lazare—and there are others. Anyone who was before the committee on Indian affairs had a chance to know those splendid men. I have mentioned only some of them. Then, paragraph 2 of the letter states:

> We hereby register our protest that we cannot accept the bill, as it is an entirely negative one and apparently designed to govern an inferior and subordinate people and to keep them inferior and subordinate. It also tends to destroy the racial identity of the Indian and submerge it out of sight.

And paragraph 3:

> If this bill be passed in its present form, the new Indian Act will be the most bureaucratic and dictatorial legislation ever imposed on mankind.

One might imagine that the people writing this letter are ignorant people. If they are, it is our fault: shame on us! But if they are well informed, as their letter indicates, then their words are worthy of note.

Turning to the latter part of the letter we see where these people quote history and refer to the various treaties which have been signed affecting them. We see that they are not an uneducated people. Then the fourth paragraph states:

> The Hon. Mr. Walter Harris, Minister of Citizenship and Immigration, stated June 21 last that the Indian policy is the integration of the Indians. We protest against this policy of Mr. Harris, as it is our desire to remain Indians today and in the future. We are not ashamed but proud of being Indians. You would place us in the position where we would have no equality under the law but would be at the beck and call and under the control of your officials on the reserves.

And, may I add, there is no reference to the courts at all. Then, paragraph No. 5:

> We Indians do not wish to become citizens of your government or any other government; we are loyal to our Indian form of government, and we want to be free to enjoy our liberty as guaranteed to us by our great constitution of the Six Nations.

There are many more things I should like to say, if I had the time. However the time now at my disposal is exhausted. I would refer to the Alberta submission. We find exactly the same thing in the submission from that province, made as the result of a meeting of Indians from throughout the far-flung province of Alberta. They met in two places, at Calgary on August 17 and 18 and Hobbema on August 24. Perhaps before the debate is concluded I shall read to the house the names of the people who were there. They came, at great cost and great inconvenience, and at a time when normally the Indian is making hay and doing other things essential to his livelihood. Those men spent days giving the most careful consideration to every section and phrase in the act.

Here I have a lengthy dissertation setting forth their reactions to each section. In spite of all that careful consideration, they agree almost identically with the Caughnawaga Indians, their brethren in Quebec. I maintain that these considered, wise and careful statements from Indians condemning the act so completely cannot safely be disregarded by members of the House of Commons.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, at this stage of proceedings in connection with a bill to amend the Indian Act, as hon. members who have preceded me have said, it is not possible to discuss in detail the provisions of the legislation, for the very good reason that we have not those provisions before us. The minister has not given to the house any clear indication of the extent to which the new legislation which he proposes to introduce differs from Bill No. 267 which we had before us last year. For that reason, I think it is proper for us to make some comments on the deficiencies which we found in that legislation in the hope that they will be remedied in the proposed bill. I think it is to some extent our duty as well as our right to indicate that we object to certain provisions in the hope that an expression from the members of the house may influence the minister before the bill is actually presented and before it would be more difficult to change those provisions.

I do not believe that any hon. member of this house, however anxious he may be to become acquainted with the problems and views of the Indians, can say that he speaks as an expert, that he is qualified one hundred per cent to represent exactly what the Indians feel. But I do know that many members have made as far as they were able to an exhaustive study of the provisions of the Indian legislation, and exhaustive inquiries into the views of Indians in their own districts. One of the difficulties we find in dealing with Indian affairs is that the views of the Indians differ widely from region to region.

This brings me to the first suggestion that I wish to make to the minister on behalf of

the Indians of British Columbia. The Indians in the interior of the province have formed themselves into an organization known as the interior confederacy. At a meeting of that association called shortly before this session convened, and which I had the privilege of attending, the Indians considered Bill No. 267 and prepared a brief which they asked me to lay before the house and the minister.

One of the fundamental considerations in their minds was the fact that British Columbia Indians have problems quite different from those of Indians in the rest of Canada. As the minister well knows, probably the outstanding difference is that there are no treaty Indians in British Columbia. Most of the Indians in the rest of the country have their rights and positions defined by treaties which were made, either with the government or with administrators who acted before a government was formed back to the days when the country was a colony. There exists no such situation in British Columbia.

The Indians of British Columbia therefore feel that their problems and status are different. As you know, British Columbia is the one province where Indian affairs are administered by an Indian commissioner. We are unique in that particular. Our Indians feel that, their status being different, their problems being different, there should be, if not a separate act to cover the position of the British Columbia Indians, at least a separate part of the main Indian Act to deal with their situation.

I think it is fair to state or suggest as a possibility, or more than a possibility, that the difficulties of contributing to the welfare of the Indians in the rest of Canada, the difficulties of bringing them into full citizenship, are to some extent complicated by the existence of those treaties. There being no such treaties in British Columbia it is not right that our Indians should be held back and the solution of their problems retarded in any way by the fact that the solution of other problems is made more difficult or complicated by the existence of treaties. I think there is a good deal in what the Indians there have suggested and I hope the minister will give consideration to their request. I do not know whether there is a separate part or separate sections of the bill dealing with the Indians of British Columbia, but I strongly suggest that if there is not, there might well be.

I should like now to refer to a matter which has been touched upon by at least two speakers who have preceded me, the hon. member for Calgary East (Mr. Harkness) and the hon. member for Lethbridge (Mr. Blackmore). I refer to the right of appeal to the courts on the part of the Indians of this country. Surely the time has arrived when we above all other nations, having played and still playing a leading part in international and other discussions with respect to the freedom of the individual and the right of self-determination, cannot afford to perpetuate any longer a condition under which there exists in our society a class or race or nation or section of society with inferior rights in connection with the most fundamental of all freedoms, the right of free recourse to the courts.

I can see no reason, indeed I think the reverse is true, that that should be so. All that we believe when we speak of freedom and justice should not be denied to any citizen, any individual or any person in this country. There should be granted to every one the full extent of the rights that we ourselves have had to the full, and the free right of recourse to the courts for the protection of their position; for the protection from arbitrary decisions, and the protection from injustice should be granted to these people. I am quite certain that if the free opinion of this house were sought every hon. member as a good Canadian would feel that the Indians must be given that right, that there is no longer any justification for denying them that right in the fullest and freest measure.

After all it is a truism, as has been said by other speakers in other years, that when it comes to a time when the survival of the country is in danger we call upon the Indian without differentiation or discrimination to join our armed forces. We all know of the wonderful contribution made by these people in the last two wars. We did not ask them to accept a lesser degree of danger or a lesser degree of responsibility or to serve in any way in a different manner from the manner in which the white soldier served.

I can see no reason why simple justice should not be granted now to these people. I can see no reason why they should be asked when they are out of uniform to accept a lesser status with respect to that most fundamental of rights, the right of recourse to the courts. I should think that very probably no differentiation is being made now with respect to appeals for enlistment in the forces now appearing in the papers and being read everywhere we turn. I do not imagine that it is being suggested that the Indians of this country should refrain from enlisting or that they take any lesser interest in the preservation of the freedom of this nation than the rest of us. Having put that appeal before them on that basis, surely they are

entitled without further delay to having included in the bill which will follow the passage of this resolution the right of recourse to the courts.

Another matter which I submit should be dealt with adequately in the legislation to be introduced is the question of education. Not knowing the provisions of the legislation it is not possible, and probably it would not be wise at this time to attempt to discuss that in detail. Representations have been made on the subject. I have had correspondence with the minister, and I hope I can say without offence, because I know how busy he has been with this and the other matters of his department, that I am still hopeful that the matters about which I wrote him in this connection are receiving his consideration, although I am not actually certain on that point. The minister will know what I mean.

With respect to education, I feel that the legislation must preserve and underwrite the principle that no Indian shall be compelled to attend any school other than that of his denominational choice, and he should not be compelled by direct or indirect means, whether it be by direct enactment of the bill or by some agreement or understanding with any other authority in Canada. I believe that the bill should protect the right of the Indian to an education in the school of his choice.

Another matter which I think must be clarified in the legislation, because I found it was a matter of great concern to the Indians at the meeting I attended just before coming here, is the question of how far they are to give up or be in danger of losing their rights as Indians, which have been guaranteed to them, if they accept the franchise. I am by no means satisfied that the giving of rights enjoyed by white citizens need necessarily involve the depriving of the Indians of the rights which have been traditionally theirs. Their position is simply that they did not ask to be put on reserves. They are not there as a matter of their original choice. This was their country and the white settlers came. It was the white settlers who set up the reserves and, let us use plain language, confined the Indians to them. As a sop, if you like, to the conscience of the white people the Indians were told: In return for taking your land from you we will give you certain inalienable rights which you will enjoy as Indians on these reserves.

The Indian simply cannot see—and I think he has right on his side—why now when we say, as we should say, that we wish to give him certain rights that we enjoy, and which he hitherto has been denied, he should as a necessary part of that process lose the rights guaranteed to him when he was first placed by our act on the reserve. I think the bill should clarify that point and make it clear to the Indian that in accepting these privileges of citizenship in our society he does not lose the rights and privileges which he has hitherto enjoyed.

To bring to a close this portion of my remarks, I simply wish to lay before the minister and the house certain considerations which the Indians asked me, at the meeting I have referred to, to bring here on their behalf. First, they object to any preservation of the principle whereby, as has been the case in the past, decisions of the band council on matters affecting the band where the council is entitled to take such decisions have been subject to veto of the Indian agent. That is a denial of the very system of self-government, and if we wish—and I think we do sincerely—to assist the Indian to become a full citizen and to take part in all the procedures and machinery of government, then it is surely not a sound beginning on that course to say: You cannot even have self-government in your own band because when you take a decision it is liable to veto by the Indian agent.

They also wish to have an end of the principle that there shall be no appeal from any decision so taken by the Indian agent in that regard or decisions in other respects by the Indian agent except to the minister. I have referred previously in my remarks to my belief that they must be given the right of full and free recourse to the courts. They themselves put it that they wish to have an end of this principle of appeals from these decisions being limited to an appeal to the minister. They wish that the whole bill should incorporate the principle of self-determination with respect to their own affairs on their own reserves. The brief which they wrote and gave to me reads as follows:

1. We unanimously oppose bill 267 in its present form and we insist that it must not be passed in parliament in Ottawa.

2. That Indians in the province of B.C. have the handling of their own affairs so that the fears of the treaty Indians shall not be a bar to the advancement of the non-treaty Indians in British Columbia.

3. That a better system be maintained in the promotion of agriculture, the culture of fruit, the raising and breeding of good stock by the agriculture supervisor for the Department of Indian Affairs.

Then there are two local matters with which I shall not detain the house by discussing them in detail now. We can perhaps deal with them better in committee on the bill. The brief continues:

4. That we Indians living in the dry belt in the interior of British Columbia urgently request that our water rights be restored to us, which were given by the crown at the time of the allotment of all Indian reserves in the province of British Columbia.

5. That all Indian reserve boundary lines be placed back in their original position in so far as they have been removed and some reserve land taken by whites without the knowledge or consent of the owners.

The minister has said that he has asked certain Indians to come here to consider the matter, and I sincerely hope that they will be given ample time to consider the bill before it is proceeded with further after its introduction in the house. While it is not always profitable to refer to what has happened in the past, it is fair to say that the Indians were not given a proper opportunity to consider the legislation in detail after Bill 267 was first introduced and before it was proceeded with on second reading at the 1950 session. I need only remind the minister that he appeared at first to be insistent on putting the bill through in spite of the objections that were made that the Indians had not had a fair opportunity to consider it.

For one reason or another—I think probably because of his sense of fairness which eventually came to the fore—when it was demonstrated to him that was the fact he changed his mind. You will remember, Mr. Speaker, that on June 21 when the matter came up for second reading the minister took the position that second reading must be proceeded with, although we asked repeatedly that the bill be withdrawn to give an opportunity for further study. On that day at about ten minutes to eleven at night, as I recall, I moved an amendment to second reading, namely, that the bill be not now read a second time but that it be read a second time this day six months hence. My amendment was not designed to object specifically to any portion of the bill but merely to give some opportunity for expression of opinion that the bill should not be proceeded with simply on the ground that sufficient time had not been given for its consideration. *Hansard* reports that the house divided on the amendment which was negatived on division, 39 to 90. On that occasion only two members on the government side voted in support of the amendment. That night the minister indicated his intention to proceed with the bill as the first order of business the next day. Some time between eleven o'clock that night and the opening of the session the next day, however, that decision was reversed; the bill was not proceeded with, and was dropped at the end of the session of 1950.

I mention this instance, Mr. Speaker, because it shows there is a right way and a wrong way of doing things. As the hon. member for Lethbridge (Mr. Blackmore) has said, the Indian Act is not amended so frequently that we can afford to take this amending bill lightly. The minister himself has told us that the Indian Act has been amended only some fourteen times in over fifty years, not a history of very rapid progress. Now this parliament has the opportunity to enact a real charter of rights for the Indians of this country. Parliament would not be fulfilling its responsibility either to the white people or to the Indians if it enacted a measure which did not do justice to the merits and needs of the Indians. We cannot do that justice unless we know the views of the Indians themselves. If we are sincere in our desire that they shall now embark upon a course which will qualify them for full citizenship, as I believe we are, surely one of the first steps is to ask them what they want and what they think would be the proper course to bring about that result. After all, they know themselves better than we know them. Therefore we cannot proceed with any haste between the introduction and first reading of this bill and the time it comes up for second reading.

So I ask the minister if he will give us the assurance during this debate at the resolution stage that this bill will be allowed to remain on the order paper for an adequate time before he proceeds with second reading—and I hope he will mention a minimum time—so that not only the Indians who are here may consider it, but so that hon. members may obtain the opinions and advice of the Indians in their own districts.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, as yet we do not know anything about the terms of the new legislation, but we do know something about the bill which was withdrawn last year. It had plenty of room, I think, for a good many changes and improvements. Summing up the whole question of what was the matter with it, I believe the trouble is that the government treats the Indian like a child but expects him to act like an adult. In some cases, certainly along the Mackenzie, when these people were given the right to vote a couple of years ago, they had no preliminary training as far as I know in citizenship itself, only half were able to speak the English language, and only a very small fraction could write in any language.

My main purpose in rising today is to express certain ideas I have in regard to the education of Indian children. There is no difference between educating an Indian child and educating what we call a white child, except that their circumstances and environment are different and they are brought up

under different conditions. I want to add a word of commendation to the minister on the improvement of those conditions over the last number of years.

I hold several ideas, which I think are held by the Indians themselves. The first is that the Indians want to see education divorced from the churches. Let me make myself perfectly clear. I admit immediately that the churches have done marvellous work, particularly in the north, and that without that pioneer work the northern Indians would be largely pagan and unlettered. But just as the time arrived in our own system of education when the greater part of the functions had to be taken over from the churches by the state, so I think the time has now arrived when we should introduce into our system of Indian education the same type of public schools we ourselves have. In pioneer days not only education but medicine and many other things were part of the work of the missionaries. The Indian, I think, feels the time has come for the government to take over a good many of those functions which the missionary was asked to perform but which I do not think are in the sphere of the church.

Here I want to pay tribute to the work of the residential schools; but in many parts of the country the Indians are asking for public schools, and that those schools be in their own settlement. I think there is a valid argument for that point of view. Many Indian children living at home are being given no schooling at all. The education of Indian children in the Northwest Territories is directly the business of this parliament, so this is one debate on education when this matter of provincial autonomy, which shows itself in every discussion of the kind in this house, will not be dragged in. In those territories this government is responsible; both the government public schools and the denominational day schools are maintained directly from the exchequer of this country.

In the early days any education obtained by the Indians, and indeed by the white people, was acquired at the mission. The teaching was done voluntarily, as an act of charity. Later small grants were given by the government and books and certain simple equipment were provided. In recent years I believe the government has been paying practically all the costs of these mission day schools, except the cost of the buildings themselves and their maintenance. Now there is a demand for public schools. If what the hon. member for Lethbridge (Mr. Blackmore) says is correct—and I am not saying whether or not it is—and the primary object of the church sponsors is not always simply education in the ordinary sense, then the government is subsidizing denominationalism at least to some extent.

The problem is how education may be best brought to the Indian child. I believe it should be brought to him and not that he should be brought to it. How are we best to introduce the world to these children in the development of their bodies, their minds and their intellects through the media of science, literature, history and such handwork as we think may be best adapted for them? The development of skills and handwork, I believe, should be an important part of the education of these people, who are accustomed to use their hands and who are used to living in the open spaces. Such an education would aid Indian children in their enjoyment of life, and their ability to be independent in earning a living.

I have said that, when introduced to our civilization, the Indian young people seemed to pick out the worst things. Someone has talked about the young men hanging around the poolrooms and such places. It would seem to me that our task would be to give them a taste for the first-rate things. There is no way that can be acquired unless they are somehow or other brought into contact with those things. At this point I should like to offer some general principles, ideas or suggestions.

I believe that statistics show, although I have not the statistics with me, an increase in the number of day schools. I am in favour of this. One great advantage of the day school to my mind is that the child is in touch with his parents and his home, at the same time as he is with education. I think my argument is sound when I say that the child, being educated at a day school and going home nightly, has as much effect upon the parents and the home as the educational institution has upon the child himself. In that regard I believe the day school is far superior to the residential school. The danger of the residential school is that the child is taken seventy-five or a hundred miles, whatever the distance may be, away from his home and, for the time being, seems to enter a foreign country in which things are altogether different. He does not see the application of those ways to his own way of life or to the manner in which his parents earn their livelihood. He is in that foreign land until he leaves it to return to the land of his birth. Then, he simply throws up the whole thing and says there is no use in trying to adapt new ways to the old mode of life. He again becomes immersed in the habits in which he was brought up from early childhood.

May I say that habits of health and sanitation are two of the things that come immediately to my mind in that regard. On the other hand, if a child is going back and forth to his own home while he is in contact with these other rules of health and other methods of sanitation, he becomes a missionary for those better ways of life.

The attendance of Indian children at school should commence at the same age as the attendance of white children, if the schools are available to them. I believe I know something about the psychology of teaching young people, and to my mind one of the greatest tragedies I see in the residential schools throughout the country is to find a boy at an advanced chronological age doing the simple work of the primary grades. It is something in which they have no interest. I say it is a tragedy, and I mean just that. The Indian children will have to start school at the same age as we start our own children, at the stage where the chronological age, may I say, fits the social surroundings. I believe that my meaning at least is clear, even if the term is not perhaps the most suitable. We have that sort of tragedy in schools other than Indian schools but it is found often in Indian schools, because when these children have to be sent away from home the parents are not willing to allow them to go until they are past the age at which we send our children to school.

The system of education, whatever it is, of Indian children has not been too successful in the past, even if I have granted that it is on the mend. This is a sad reflection on our education of the Indians. In 1945 only 71 Indian children were registered in Grade IX. It is true that there were 219 in 1949, and that is an improvement, but that is very few for the whole of Canada. I am speaking now, of course, of high school education. In that same year, 1949, only 65 children were enrolled in the three grades X, XI and XII. I have no figures as to whether they were successful in those courses, but at least they were enrolled in them.

The residential schools, in which most of these people in high school grades were enrolled, are not as efficient as they might be. The main reason for this is lack of funds. Too many children, for example, who are attending these schools are paying for their education, in many cases in the form of work. I have no fault to find with work. Work is a part of a person's education; I believe those children should be allowed to work, but—note this—only when that work is a part of the educational process. Where you have children in a boarding school away from their parents and there is a lot of work to be done around the school farm, there is room for abuse. The temptation is to allow those children to get on with the job of making the place nice, cultivating the garden and so on, so that when the inspector comes everything will look well. As I say, there is room for abuse in that system.

Another thing I have noticed about the Indian schools is the lack of playground equipment. These Indian children take naturally to sports, and sports could be used as a medium for their instruction, for moral uplift and for inculcating in them a sense of fair play and honesty. It could be used to teach them to be modest winners and good losers. For some of these ideas which I have expressed, I am indebted to Dr. S. R. Laycock, who is a prominent educationist and psychologist in my own province. He is nationally known, indeed internationally. In 1950 he was chairman of the school and education committee of the Canadian home and school and parent-teacher federation. This organization presented a brief, I believe to this government but at least to the minister, over Dr. Laycock's signature. The brief was dated November, 1950, and recommends many valuable things. I should like to conclude my speech by putting those recommendations on the record of this house where they may be available for all the members to study. The recommendations are as follows:

1. That the federal government increase the funds available for the building of schools among the Indian people and the proper conduct and maintenance of these schools. This is in accordance with the recommendation of the former director of Indian affairs, Mr. Hoey, who, we understand, recommended to the joint committee of the Senate and House of Commons that a minimum sum of twenty-five millions annually for twenty to twenty-five years would be necessary to rehabilitate the Indian.

2. That whereas it requires $300 a year adequately to feed and house a child in a residential school, and whereas Indian children are entitled to as good care as other children in Canada, the federal government increase the annual per capita grant to all residential schools for Indian children to at least $300 per child and exercise such supervision as will ensure that the total grant so made is used for its intended purpose.

3. That provision be made to provide adequate facilities for manual arts and home economics in the Indian day schools.

4. That adequate playground equipment be provided for all Indian schools.

5. That the Indian Affairs Department instruct its branch in each province to obtain from the provincial federations of home and school or parent-teacher associations, literature concerning the aims of home and school or parent-teacher associations and to forward copies to interested parents of children in Indian schools and that all authorities of the Indian Affairs branch be instructed to encourage the formation of home and school associations in Indian schools.

I submit these recommendations, Mr. Speaker, to the consideration of the minister and of the hon. members and of the government.

Mr. J. A. Simmons (Yukon-Mackenzie River): I should like to take this opportunity to congratulate the minister on taking early action in this session to bring down this important legislation. I may say it is somewhat disappointing to many of us that it was not possible to proceed with the bill introduced at the last session, but no doubt the delay will prove helpful, in that it has provided wide opportunity to the Indians themselves to make further representations, and to others interested in the subject to submit their views on what might be done by legislation to improve the lot of our Indian people.

It was in 1946 that the parliamentary committee, composed of some thirty-two members of the House of Commons and of the other place, was set up to study the existing Indian Act. This committee laboured for three years, during which representative Indians from across Canada, and representatives of religious denominations and other groups interested in Indian administration, were called to give evidence.

The various parties of the house were well represented on this committee. I should say that those of us who have perused the reports of the proceedings of the committee could not help but be impressed with the magnitude of the task performed, and the sincere and painstaking efforts taken to meet, to the fullest possible extent, the responsibility placed on its members to set up the framework of a new and better Indian Act.

There are, in the riding I have the honour to represent, over 5,000 Indians, and like my colleagues from the Cariboo and Skeena I am greatly interested in the proposed bill.

It is not likely of course that this measure will find favour in the eyes of all the Indians of Canada, nor yet be satisfactory in every way to all those interested in Indian affairs. No legislation of such scope and magnitude ever does. I should say, however, that to me it does represent a sincere and honest effort on the part of government to improve the Indian Act.

There has been a great deal of criticism of the Indian Act, and to some considerable extent, by those who probably never took the time to familiarize themselves with what it contains. In this regard it is interesting to note that there are important groups across Canada who are quite satisfied with the existing Indian Act and do not wish any revisions of any kind made to it; while others will be content with some minor changes.

The proposed measure is no doubt designed to give wider power to the Indian people in the management of their own affairs. It is noted with satisfaction that representations have been made to have this extend to a greater control of their band funds, the sale of produce and stock, and lease and sale of reserve lands. This would be all to the good. Some of the very objectionable features of the existing statute should be dropped.

I refer particularly to the provision against the collection of band funds to prosecute Indian claims, and to the provision to expropriate Indain lands adjoining a municipality in excess of 8,000 population. No such laws hold against any other racial group in Canada and, consequently, could be held to be of a discriminatory character.

The passage of the proposed legislation, however, will not provide all that is required to improve the lot of the Indian people; for without adequate funds to continue and extend the very commendable program of school construction, housing and other worthwhile projects commenced a few years ago by the Indian department, the new bill will fall far short of what it is intended to accomplish. I will, therefore, be interested to see what provision has been made in the forthcoming estimates to continue these very necessary undertakings.

Surely, when it is possible for this country to extend generous assistance to the underprivileged people of other lands—I am thinking of the Colombo plan, and I have no objection to it whatever—we should be prepared to meet, without hesitation, the needs within our own gates of a people whose roots are very deep in this land of ours, and to whom we have a very heavy responsibility.

There should be no unnecessary restrictions on the school and welfare programs of the Indian department, for there could be no justification for such a move, short of war itself, and especially when one recalls the niggardly treatment of this department in the matter of the provision of funds prior to 1944, which a perusal of the estimates prior to that year discloses.

Mr. Harkness: It was 1945 and 1946.

Mr. Simmons: I came within a year, anyway. As I said at the outset, I am deeply interested in the Indian people of Canada, and particularly those resident in my own riding, which contains the Yukon Territory and the Mackenzie district of the Northwest Territories. It is my responsibility, as a member of this house, to be so interested. I intend to continue to press for those services which are necessary to improve their lot.

The condition of our native population in this area is not a happy one by any means. These people need our sympathetic help to become good and self-reliant Canadians, and much remains to be done. In the northern

areas the widest possible freedom should be given to the Indians in the matter of taking fish and game for food purposes. The Indian is a conservationist by nature, and he will not kill unless necessity demands.

It has been necessary for the Indian people to adapt themselves to the impact of this civilization. In the older parts of Canada this process of adaptation is proceeding successfully and I for one am happy to say that their health and economic situation is improving—perhaps not as much as we would like, but still the tide seems to have turned and the trend is upward.

I am not unmindful of the devoted efforts of the missionaries and public servants in the north; of the splendid work of the doctors and nurses of the Indian health services under the able direction of Dr. Percy Moore, and officials of the Department of National Health and Welfare, and the sympathetic understanding of their many problems by director D. M. MacKay and his efficient and loyal staff.

Much has been done, especially since the second world war, in improving the health of the natives in the north. The establishment of the Charles Camsell hospital at Edmonton gives hope that that dread disease, tuberculosis, may be banished entirely. With the campaign to improve health conditions should go a campaign to improve housing, living conditions and hygiene. Much has also been done in improving educational facilities for the natives in the past few years, and I am mindful of the many fine schools which have been opened in the north in recent years.

These schools should not confine their teaching to the three R's. They should teach trades so that the Indian people can take their rightful place in building the many houses and buildings that will be required; in the greatly expanded mining industry and in operating tractors and machinery used in maintaining and constructing roads, highways, hydro developments and other engineering works and projects that are already built or will be constructed.

In my opinion every endeavour should be made to create employment for them. Many of them are natural-born mechanics and are proud of their already acquired skills. We must not only give them every opportunity to learn these trades but we must give them encouragement and opportunities for employment.

While thinking of the welfare of those natives who should and will take part in the development of our great northland, we should not overlook the welfare of those who for many years to come will continue to depend upon hunting and trapping for a living. They should be encouraged to husband and develop their resources of game and fur-bearing animals in the same way that a wise farmer tills his farm or a wise rancher develops his herds.

Something should be worked out to afford the native trapper a measure of economic stability and stable prices for his furs, as is given to the farmer for his products, as it is a recognized fact that their economic conditions depend to a large extent upon the fluctuations of the fur market—and this means either hunger or plenty for the native trappers of northern Canada.

Another matter of concern to the native population of my riding is the fact that carpenters and labourers are brought in to the Mackenzie river districts from Edmonton and other large centres by government departments, at great expense, to work on the various projects, when there are already many residents who have the skills and ability and willingness to do the job in hand, and who can do it equally well, if not better, and at much less expense. I trust the departments concerned will discourage this practice and make provision for the employment of local people on northern projects.

I commenced by congratulating the minister upon bringing in this legislation at the present time. I conclude what I have to say by congratulating him again upon the evidence we have had of his keen and kindly interest in the Indians of Canada which, indeed, augurs well for their administration under his guidance.

Mr. G. F. Higgins (St. John's East): Mr. Speaker, in speaking to this resolution I shall not attempt to emulate the eloquence of the hon. member for Lethbridge (Mr. Blackmore) in either the length or the quality of my remarks. I propose chiefly to refer to the matter of education as it affects the Indians.

Before doing so however I would preface my remarks by stating that we have not many Indians in Newfoundland. I believe they number less than a thousand in all, and that they are situated chiefly in the ridings of Grand Falls-White Bay and Burin-Burgeo. The original inhabitants of the country, the Beothuks, have now been completely killed off by the original white settlers. The few tribes remaining are the Montagnais and the Micmacs. I believe they came from the mainland.

In this connection I should like to bring to the attention of the minister an article which appeared in our local press in Newfoundland when this matter was under discussion last year. This article from the

Evening *Telegram* of St John's is dated at Ottawa, March 25, and states:

Newfoundland will continue to take care of the Labrador Indians and Eskimos, but will do so at federal expense, for education, relief and social services, it was reported here today.

Representatives of the Labrador area, Messrs. T. G. W. Ashbourne—

The hon. member for Grand Falls-White Bay.

—and Mr. Horwood—

The provincial member for Labrador.

—have been trying to have the federal government take over the care of the Labrador natives for some months now. Failing that, they have asked for a per capita grant to the provincial government to take care of the Indians and Eskimos.

The present arrangement has been made, it is understood, because there are so few natives in Labrador that the federal Indian affairs branch didn't feel justified in setting up special administration facilities to take care of them.

Just how Newfoundland will be compensated for the care of education, relief and social services for the Labradorians is presently unknown, but it is felt that some scheme like Messrs. Ashbourne and Horwood's per capita grant will have to be worked out.

According to a Canadian Press message from Ottawa the government has decided against "the retrograde step" of putting the Indians of Newfoundland on the same restricted citizenship basis as the other Indians of Canada by bringing them under federal legislation.

That means, a Senate committee was told today, that the newest province continues to be the only one in which the Indians—200 to 300 members of the Micmac tribe—have the same citizenship status and privileges as the white man.

The information came from D. M. MacKay, head of the Indian affairs branch of the new Department of Citizenship and Immigration and one of a number of departmental officials to testify before a committee studying their estimates.

Mr. MacKay's evidence about the Indians of Newfoundland brought congratulations for that province from Senator Reid. He thought it was a good thing.

Senator Cairine Wilson (L-Ontario), chairman, said full citizenship for Indians is the objective set for all Canada by Prime Minister St. Laurent.

Mr. MacKay said it was hoped Newfoundland provides another example in Indian life.

In connection with this same matter I should like to quote an article which appeared in the *Guardian* of April 1, 1950. I am not sure where this newspaper is published, but I believe it is published in Charlottetown, in the constituency of the hon. member for Queens (Mr. McLure). This reads:

The education of Indians in Labrador is being left in the hands of the Newfoundland government with the federal government footing the bills as well as those for relief and social services. Colonel D. M. MacKay, director of the Indian affairs branch, has explained to a Senate committee that Indians in Newfoundland have the same citizenship status and privileges as white Canadians, and that the government does not propose the "retrograde step" of bringing them under paternal federal legislation. The decision is a wise and just one, as is the proposal to grant full citizenship rights to Indians in the other provinces. The existing situation is certainly not one of which this country can be proud. That the descendants of original inhabitants should be treated as being children all their lives shows small regard for their capacity to run their own lives and operates to make it almost impossible for these people to develop their natural abilities. It would seem, according to Colonel MacKay's statements, that the position is worse in the maritimes than the other provinces. At least in the rest of the country it is not the policy of the government to segregate the children in the schools. How such a policy came to be adopted in the maritimes is not very clear, but the sooner it is reversed the better. Probably no better solution could be found for this particular problem than assimilating the younger generation into the general provincial school system although it is a federal obligation to provide ways and means.

I hope that the arrangement with Newfoundland, referred to in both these articles and the one in which the hon. member for Grand Falls-White Bay (Mr. Ashbourne) has taken such an interest, will be continued in Newfoundland in the future. It has worked very satisfactorily. I understand that the federal government provides the money and the provincial government undertakes to look after the services for the Indians and Eskimos. Certainly, in so far as the educational system of the province is concerned, it meets fully the requirements of the terms of union.

As I said at the start, I am going to be brief and on the general resolution I shall confine my remarks to a few words with respect to education. I want to associate myself with the hon. member for Kamloops (Mr. Fulton) in what he has said on this subject and to say quite definitely that in my opinion there should be written into the new bill, if it is not already there, a guarantee that there will be freedom for each denomination in its endeavours toward spiritual achievements, and freedom of conscience of the individual for whom religious instructions are intended.

I understand that under the present act these questions are taken care of by ensuring that the schools shall be denominational in character and with the further stipulation that the Indian child shall receive education in the institution of his religious belief. I understand that the previous act provides for the creation of schools having religious characteristics similar to those of the children attending the school. I submit that the proposed bill should guarantee the right to establish denominational schools.

I believe that the minister received the latter part of last year a brief from the Canadian Catholic conference on this subject and I hope he has given this matter proper consideration in the drafting of the proposed bill.

Mr. W. J. Browne (St. John's West): Mr. Speaker, I am sure that all hon. members are

anxious to do what is best for the material and social welfare of the Indians, and I believe they are also interested in the intellectual welfare of the Indians, but so far no one has spoken in support of the spiritual welfare of the Indians. I have heard some criticism of the manner in which that has been carried out. I had not intended to speak until I heard the astonishing remarks of the hon. member for Saskatoon (Mr. Knight) to the effect that the Indians wish to have education divorced from the church. I question that. For whom was he speaking? Has he taken a plebiscite of the Indians across Canada to find out if that is their sentiment, or is he speaking for only a small group?

If we look over the history of this country I think we will find that the Indians owe a great debt of gratitude to the missionaries right from the early days when Champlain came here—the missionaries were here before him—the days of the Franciscans who left this country to go to southern California. In that part of the continent they found the lowest grade of Indians on the face of the earth and trained them in the arts of civilization and built up those wonderful missions known as the jewels of the rosary of Junipero Serra and which stretch from San Diego to San Francisco up along the California coast.

Anyone who is familiar with the duties of missionaries knows of their self-sacrifice, their devotion, and the hardships that they suffer from the moment they enter upon their missions; the loneliness they have to put up with, and the long distances they have to travel, and they certainly will recognize the debt of gratitude that the Indians owe to these self-sacrificing and devoted missionaries.

The Franciscans left Canada to go to southern California while the Jesuits left southern California to come to Canada. It seemed to be a good exchange. The first Jesuit missionaries to come to Canada included those remarkable men who, by their long-suffering, their patience, their perseverance, their devotion and finally their martyrdom, showed that they were ready to do a great service for all who came after them as well as for the Indians whom they served. For eight years they lived amongst the Indians in Huronia without making a single convert, and always with the fear of a hatchet landing on their heads and taking their lives. One of them, Father Isaac Jogues, after suffering great cruelties, escaped to France to come back again and suffer martyrdom at the hands of the Iroquois across lake Ontario. It seems to me that the hon. member for Saskatoon (Mr. Knight) has spoken without thinking of the historical aspect and of the great contribution which missionaries from those early days up to the present time have made to the lives of the Indians of Canada. He states that the missionaries used to teach and give a little medical service. That is certainly the most inadequate and unjust summary of the duties of a missionary that I have ever heard. He said they should be replaced by public schools, that a time came for all of us when teaching by missionaries, i.e., by religious, was done away with and replaced by public schools.

I do not agree with that statement. I contest it. What is the purpose of education? Is it to make man possess a lot of knowledge of facts that he can get out of encyclopaedias? Is he to forget the true purpose of life? Missionaries are concerned with that aspect. They are concerned with more than the material or even intellectual advancement of their charges. They are concerned with the spiritual and moral purpose of life, and we should all be concerned with that. Although some people may honestly feel that the public school system of education is better, I think it will be found in the long run that the system of education that stresses the spiritual side of life is preferable.

Mr. Shaw: May I ask the hon. member a question?

Mr. Browne (St. John's West): Yes.

Mr. Shaw: Since we are discussing Indians, do you believe that they should have the choice between denominational and public schools?

Mr. Browne (St. John's West): It is not the Indian adults who go to school; it is the Indian children. That raises a question which I do not propose to enter into at the present moment. I know little of the modern conditions existing among the Indians of this country. I have not seen many of them for a long time. I remember the Indian reservation at Fort William and the one north of Peterborough. I recall the reputation they had at that time, and what I saw at Fort William showed that the government was certainly neglecting them.

The hon. member also made a statement—and it only has to do with Indians indirectly—that education was not in the sphere of the church. That is the chief function of the church. That is the very reason for its existence—to teach people the proper way to live. Why did God make man, and so forth? We must not forget such things. When we open our daily sessions we say prayers, and yet we want to divorce religious training from the education of the Indians.

As I have said, by their self-sacrifice, devotion, courage and perseverance the missionaries have shown that they are the best

friends the Indians have. Sitting in our comfortable quarters we are apt to forget the terrible hardships and anguish that missionaries have to undergo, not only in the more prosperous places such as southern Alberta but also in northern Labrador and the Yukon, places where the Indians are sometimes scattered over hundreds of miles. The missionary who goes amongst them has many problems, the duties of finding schools and teachers, building churches, and teaching religion as well as the problem of transport, and, sometimes, the problem of getting in touch with the member of parliament and the department in order to get things done.

The Indians have shown that they could survive persecution by those who were not missionaries, by the same type of man from whom public school teachers have been drawn, by laymen. They have survived persecution, enslavement, massacre, despoilment and neglect. I believe in the past five or six years more progress has been made in the methods of teaching than had been made for a long time before. I had the privilege of speaking to one of the teachers in an Indian school recently, and at the time I went as fully as I could into the matter. He told me that Indian boys and girls are just as bright as white boys and girls, and that they have done wonderful things in sports. They are better athletes than white children. I am referring particularly to the school at Spanish where there are 175 boys. I believe that is on Georgian bay. The boys and the teachers have built the school. It is a splendid structure. They spend a certain time studying and a certain time at manual labour.

The hon. member for Saskatoon said that a few years ago there were only about ninety in grade IX throughout the whole of Canada. Here there are 175 in one school, and there are two schools at Spanish. This year I believe there were twelve who matriculated in grade XII, and some of them went on to Loyola university at Montreal. I believe it is a very successful project. I was surprised to find that the missionaries receive no salaries. They are teaching there and are not receiving any salaries. I believe if the government will maintain the same interest that the minister now seems to be showing in the Indians, and will conduct research into the Indian problem, the Indians will advance, become happier and more prosperous, and the people of Canada will have reason to be proud of the manner in which they treat the Indians.

Motion agreed to and the house went into committee, Mr. Dion in the chair.

Mr. Fulton: Is the minister in a position to give the committee an approximate indication of how long he thinks he will be able to allow the bill to stand between first and second readings?

Mr. Harris (Grey-Bruce): Mr. Chairman, the business of the house of course is not confined to the Indian bill. We hope that the session will not last too long before we prorogue, and it may be necessary to take the bill at any time and deal with it. The Indians who are here will be considering the bill until the end of this week. If they are able to reach a conclusion about it by that time it may be that some of the points my hon. friend has mentioned will be cleared up in his mind. I should not think that there would then be any objection to having second reading reasonably soon. Having in mind the fact that all comments on Bill 267 were received last fall, and second, that with perhaps a few very minor changes the bill to be presented does not introduce anything new that was not in Bill 267 but is in fact an improvement upon it, I should think the objections to the new bill will be limited in number compared with the objections to Bill 267. Therefore it might help the house to adopt the suggestion made by the hon. member for Selkirk yesterday, when he asked if it was our intention to have a special committee. If it were thought that this would help we would be quite prepared to recommend it to the house. If we do that, however, it would be desirable to have second reading reasonably soon, so the committee could get on with it.

Mr. Fulton: I appreciate the attitude the minister has just displayed, particularly his willingness to consider a special committee. I am a little disappointed, however, in the suggestion that he would hope to proceed with second reading perhaps within a week or two. I point out that although it is a fact that the minister has received the replies to which he referred earlier from the organizations that made representations on Bill 267, it is also a fact that many of the Indians were not adequately consulted concerning that bill. As I see it, the reason for that is twofold. In the first place, and I state this as a fact without any intention of condemning anyone, the organization itself is by no means as perfect as the Indians themselves would like. I am sure they would agree with that statement. No organization ever is as perfect as its members would like. Owing to the difficulties of geography, terrain, communication and so on, I am sure even their own organization would verify the statement that quite a large number of Indians by the very nature of things did not actually have an opportunity to express an opinion with regard to this bill.

I can also state as a fact, from my own experience at the meetings to which I have referred, that those Indians had not seen a copy of Bill 267. A very limited number had received two mimeographed sheets put out by the department to serve as a basis for discussion, but very few had seen even those. While those sheets would serve as a basis for discussion they did not purport, as I understand it—and if they did I would say they failed—to be a full or thorough analysis of all the effects of Bill 267. So the situation with which we are confronted is that large numbers of Indians have not had adequate opportunity to consider Bill 267, and it is going to take some time for the members here to acquaint the Indians in their own districts with the effects of the new legislation. So I would urge the minister to considerably enlarge his concept of the period which might transpire before second reading is moved. I appreciate and to some extent join with him in the hope that this session will not be unduly prolonged, but experience has shown that very rarely is a session over before June. That leaves us another three months, at least, and I should think he might quite easily contemplate a period of six weeks or two months before proceeding with second reading.

Mr. Harris (Grey-Bruce): I am rather surprised at what the hon. member has said about the Indians not having seen the bill. It was distributed in June of last year, and we repeatedly reminded the Indians that they might consider it. The bill was made available to every agency and, as far as I am informed, to every band. There were certain difficulties, of course. Some bands refused to consider the bill unless the Indian agent was present. There had been criticism in this house, and the opinion had been expressed that the Indian agent should not be present in order that the Indians might feel free to carry on a full discussion. We overcame those difficulties, and I think it can be said that every band council and every Indian interested has had an opportunity to consider the bill, and has had that opportunity since late summer or early fall. I doubt that there are more than a few Indians in Canada who are not fairly well informed on the bill, and I am also of the opinion that members of the house are fairly well informed as well.

I do not want to suggest that we should have second reading in another week; that depends on a great many other factors having to do with the order of business in this house. Nevertheless to wait six weeks, as my hon. friend suggests, undoubtedly would mean that the committee would have to hurry to complete its work at the end of the session.

Mr. Bryce: I want to let the minister know I appreciate the consideration he gave my suggestion about setting up a committee. I have just one further suggestion to make. If the government decides to set up this committee again, I think a useful purpose would be served if that committee as well as your department could hear the Indians before they went back home.

Mr. Harkness: I should like to know from the minister how many representatives of Indian associations and tribes across Canada are being brought here to confer with him concerning the bill which is being preceded by this resolution.

Mr. Harris (Grey-Bruce): There are eighteen Indians and one white man, who is the secretary of an Indian association. There are four from British Columbia, two from Alberta, three from Saskatchewan, two from Manitoba, five from Ontario, two from Quebec and one from the maritimes. They represent all the known organizations of Indians and in some cases are representatives chosen by the larger bands in the larger centres. To the extent that any group can be called representative, I think they are representative of Indian opinion. I should be happy to adopt the suggestion of my hon. friend for Selkirk if the house would give this bill second reading tomorrow. Then there would be ample opportunity to set up the committee which could hear the Indians who will be here.

Mr. Knowles: We do not need to wait until the bill is given second reading to appoint a special committee.

Mr. Harris (Grey-Bruce): If my hon. friend could suggest a way of referring a bill to a special committee without having it approved in principle by the house, we would give consideration to it.

Mr. Knowles: Let me make myself clear. I said you did not have to wait until the bill was given second reading to set up a committee. It is perfectly true that the bill could not be referred to the committee until it had been given second reading, but there is no reason why the committee could not be organized with terms of reference which would enable it to hear the Indians while they are here.

Mr. Fleming: On that point, in the last three or four years we have had several instances in which similar questions have arisen. A bill has been given first reading and it was considered desirable to have it

considered by a committee before second reading. In that case a motion was adopted referring the subject matter of the bill to the committee for consideration.

Mr. St. Laurent: And that put an end to the bill.

Mr. Fleming: The case I remember particularly was the legislation having to do with reinstatement in civil employment. The Minister of Labour was moving for second reading, but in view of the expression of opinion in the house he agreed that this action should be taken and the subject matter of the bill was referred to the veterans affairs committee. That committee reported as to what would be suitable legislation to deal with the subject matter of the bill, and that draft legislation was enacted by parliament at the same session.

Mr. St. Laurent: It required the introduction of a new bill. It is quite clear that the reference of the subject matter of a bill to a committee takes that bill off the order paper. If the committee recommends legislation a new bill has to be introduced, containing the recommendations of the committee.

Mr. Knowles: I agree with the Prime Minister as to what would happen if an attempt were made to refer the subject matter of the bill to a committee. The question raised by the Minister of Citizenship and Immigration, however, is how such a committee could meet these Indian representatives while they are here if perchance the house is not prepared to give the bill second reading for some time. I would remind the minister of what is done in connection with the committee on external affairs. Certain estimates are referred to that committee, and on the basis of those estimates they enter into a wide discussion of external affairs. It is quite simple, if the government wants to do it, to set it up now, by giving notice before six o'clock of an order for a special committee on Indian affairs. Then by motion of the Prime Minister one item in the estimates, the item of administration, could be referred to that committee. In discussing that item the committee would have the power to call for persons and papers. I believe we all appreciate the fact that the Minister of Citizenship and Immigration has indicated favourable consideration has been given to the request of the member for Selkirk. We are trying to suggest a way in which it will be possible for the Indian representatives who are here now to appear before that committee.

Mr. Fulton: I might point out further that when the veterans affairs committee was considering the veterans charter it considered legislation that was in draft form. My recollection is that the bills had not been introduced in the house, but were in draft form. A committee, composed of members from all parts of the house, considered the views of the officials as to how the legislation should be framed. Recommendations were made, and many of those recommendations were incorporated in the bills which were then introduced in this house. I mention that to show that committees have sat without specific legislation being referred to them, because in that case there was no legislation. It was merely in draft form in the department. I think that statement, in conjunction with the suggestion made by the member for Winnipeg North Centre, does indicate a proper solution to the difficulty which has been raised, that is of getting this matter before a committee while the Indian representatives are still here.

Mr. Harkness: Neither the Prime Minister nor the minister in charge have indicated that they are going to accede to this request for a special committee, but I would hope that they would do so. There is another alternative, not as good, but it would at least serve part of the purpose of setting up a committee. It would be to arrange for these representatives of the various Indian organizations to meet the members of the House of Commons who would like to hear their views. A room could be made available in which such a meeting could be held, and possibly a reporting staff could be supplied to take minutes of the meeting. I think under any circumstances that the representatives of the Indian associations who are here, as the minister has said, will probably be able to give a good idea of what the Indians as a whole throughout this country desire in this new bill. It would seem to me to be a great pity if these Indian representatives are not given an opportunity of putting their views before the members of this house, either before a special committee or at the meeting which I have suggested could be arranged.

Mr. Fulton: Is the minister able to say what Indian organizations from British Columbia are represented?

Mr. Harris (Grey-Bruce): Yes, I could give all the organizations.

Mr. Fulton: I am interested mainly in British Columbia.

Mr. Harris (Grey-Bruce): Dr. Kelly has been invited from the Haida Indians; Mr. Daniel Manuel from my hon. friend's own riding has been invited to represent the interior Indians; Mr. William Scow, president of the native brotherhood has been invited, and Mr. Andrew Paull, president of the North American brotherhood.

Mr. Fulton: May I ask the minister as to the nature of the bill itself? In the bill, are there notes as to the changes from Bill No. 267, as well as notes of the amendments and changes from the original Indian Act? If there are not, I should like to ask the minister to give us a summary now of those changes.

Mr. Harris (Grey-Bruce): If I tried to tell my hon. friend all the changes it would take quite a long time, and then he would want to read it anyway. The bill is drafted in the same form as Bill No. 267. It refers to the changes from the existing Indian Act. It will not be difficult for my friend to follow the changes between Bill No. 267 and the present bill.

Mr. Harkness: Will the minister indicate what might be done concerning those two suggestions which have been put forward? Will he make any observations on them?

Mr. Harris (Grey-Bruce): I thought I made it clear this afternoon that it was the desire of the government to obtain the opinion of those Indians after first reading of the bill for the purpose of letting the house know later what it was. I think I said we would hope to have the proper amendments as a result of this conference. Now, I hope that that might be the case. Every Indian who is coming here is a member of the public of Canada, and is represented by a member of the house. I am quite sure he would want to pay his respects to his member and to discuss with him the problems of Indian affairs, and through him perhaps make representations.

Mr. Harkness: I am quite sure the individual members of this delegation will go around to see some members, and probably some will call on several members, but that is a different thing from having a meeting with them as a group and getting their opinion. The representatives from British Columbia might have certain opinions which might not be shared by the Indians in the maritimes. If these people come to any agreement in their talks with the government, I think it would be of great value to the members of this house to have a meeting with them and hear their opinions.

Mr. Higgins: Is it proposed to continue the existing arrangement with the provincial government of Newfoundland for the care of Newfoundland Indians and Eskimos, irrespective of this act?

Mr. Harris (Grey-Bruce): It is not intended to take over the administration of Indian affairs in Newfoundland.

Mr. Bater: How long will these representatives be kept here? Will it be a few days, a week or how long?

Mr. Harris (Grey-Bruce): The original invitation expressed the hope we could complete the work in three days.

Progress reported.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

PRIVATE BILL

TRANS-CANADA PIPE LINES LIMITED

Mr. John Decore (Vegreville) moved the second reading of Bill No. 75, to incorporate Trans-Canada Pipe Lines Limited.

Mr. Green: May we have an explanation from the sponsor?

Mr. Decore: The powers requested in the bill, the second reading of which I am now moving, are similar to the powers granted in other bills which have been passed in this house.

Under this bill incorporation is being sought for a gas pipe line company under the Pipe Lines Act, being chapter 20 of the 1949 statutes of Canada.

The bill of course follows the usual standard form of pipe line bills under this act. The purpose of the act is as follows: In view of the tremendous developments of the gas and oil industry in Alberta, certain principles were laid down by the act under which people who were desirous of having an interprovincial or international pipe line constructed would have to come.

As hon. members well know, under the Pipe Lines Act jurisdiction rests with the board of transport commissioners, and although the passing of this bill does not in any way establish a route which this proposed pipe line will follow, as that is within the jurisdiction of the board of transport commissioners, yet I have been authorized to say that the very purpose of this proposed company is to build a gas pipe line from Alberta to Montreal, following an all-Canadian route, and paralleling the main line of the Canadian Pacific railway and of the

Canadian National railway. It will be approximately 2,200 miles long with collecting lines and lateral lines of 900 miles. In view of the type of debates we had on pipe line bills not so very long ago concerning an all-Canadian route I venture to say that some people got certain ideas and that may be the reason why this bill is before this house today.

The communities that are to be served are as follows: in Saskatchewan, cities and towns along or within reach of the Canadian Pacific railway main line, including Swift Current, Moose Jaw and Regina; in Manitoba, cities and towns along or within reach of the Canadian Pacific railway main line, including Brandon, Souris, Portage la Prairie, Winnipeg and St. Boniface; in Ontario, towns and industries from Kenora to Sudbury, including Fort William and Port Arthur, Steep Rock iron mines and paper mills at Red Rock, Terrace, and Marathon. From Sudbury the line will go south to Toronto, with spur lines west to London, Galt and Kitchener, and on to the depleted gas and oil fields of western Ontario where gas will be pumped into underground storage in summer months. From Toronto the line will go east following the Canadian National railway lakeshore line and serving Oshawa, Kingston, Port Colborne, Brockville, Prescott and Cornwall, with a spur line up to Smiths Falls, Ottawa and Hull. In Quebec, it is proposed to serve the communities along the Canadian National railway route from Coteau Junction to greater Montreal. Ultimately it is hoped, with the increased capacity of the line, to extend it along the north shore of the St Lawrence as far as Quebec city.

There is of course another federal act which exercises control, namely, the Electricity and Fluid Exportation Act. However, it is my opinion that this act would have no application, because all consumers will be in Canada and no gas will be exported out of Canada.

The mere fact that this bill should go through does not mean that any gas will be taken out of Alberta without the consent of the provincial government. In 1948 the provincial government of Alberta passed an important act dealing with gas known as an act to provide for the preservation, conservation and effective utilization of the gas resources of Alberta. I am not going to go into the details of this act. I believe that after the bill receives second reading hon. members will have an opportunity to go into it further in the appropriate standing committee.

Alberta's stand, as hon. members are probably aware, is that no natural gas will be taken outside of that province unless the requirements of Alberta have been assured first. Since I come from Alberta, may I say that in that province we are concerned with the development of the gas and oil industry in Alberta. The attitude that the provincial government takes in this matter may be stated in the recent report of the Alberta conservation board and certain recommendations which it makes. These recommendations were made only a few weeks ago. The stand of the premier of the province can be seen in the publication called "Within our Borders", dated February 15, 1951. Although this publication is not official, I think the hon. member for Lethbridge (Mr. Blackmore) will agree with me that it is almost semi-official. This is what the premier of the province says:

> The government is satisfied that the board has made a thorough and comprehensive investigation into the matter of Alberta's gas reserves and the provincial requirements and concurs in its conclusions and recommendations.
>
> The board finds that Alberta's present established gas reserves are approximately equal to the amount of gas the board estimates is necessary to ensure that the present and future requirements of the province and accordingly recommends that these reserves should be further increased before the export of gas is approved.
>
> The government concurs fully in the board's further conclusion that as quickly as additional reserves are established it will be in the best interests of the people of Alberta to make surplus gas available for sale outside the province in that an export market will:
>
> (a) Encourage and speed up the development of our petroleum and natural gas reserves.
>
> (b) Encourage and make possible greater and more rapid industrial development within Alberta.
>
> (c) Make gas available to Alberta communities which otherwise could not be served.

Then the premier's statement goes on in this way:

> It is evident that by carrying out the recommendations of the board's interim report the requirements and interests of the people of Alberta will be fully protected while at the same time we should experience an accelerated exploration and drilling program for natural gas which should result in a surplus of gas for sale outside the province.

Then the premier goes on to say that to facilitate this development the government is amending its gas exploration and leasing regulations along the lines recommended by the board to encourage the more speedy development of our vast gas resources.

In any event this shows the stand taken by Alberta. I suppose we may expect that some other groups will seek incorporation. I hope there will be more people who will do so. We in Alberta would like to find ourselves in a position where there will be competing companies endeavouring to get our surplus gas reserves.

May I point out further that the main transmission line of this proposed company, from

Alberta to Toronto, will be a thirty-inch pipe, and from Toronto to Montreal a twenty-four-inch pipe. It is estimated that the cost of this line will be about $250 million. The passing of the bill has important national considerations. To begin with, it is an all-Canadian route and, with the total volume of gas consumed in Canada, complete control will be ensured in this country. Secondly, it will make possible the replacement of foreign coal and oil for fuel purposes, thus saving many American dollars each year. Third, it will certainly be of great benefit to Canadian industries along the route.

Since Alberta is emerging as one of the world's great storehouses of gas, which is a valuable fuel and source of quick energy, the aim of this pipe line is to make the exportable surplus of the Alberta gas available to central and eastern Canada, in accordance with the recommendations made by the Dinning commission, and of course also in accordance with the policy of the people of Alberta, to dedicate the wealth of gas in that province first to the needs of the people of the province, secondly to the needs of Canada and, thirdly, for export purposes.

Many of the facts in connection with this proposed company, which I did not mention and some of which I do not even know, could be brought out after second reading, when the bill is referred to the appropriate standing committee.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I support the bill for some very clear reasons. In the first place it is not going through the Fraser valley, Vancouver or the United States. It is an all-Canadian route. Usually those who are putting up the money to pay for a pipe line, or for anything else, have some say in the matter. We are convinced now, by those who are putting up the money, that this will be an all-Canadian route, that it will come from Alberta, and that it will come to Fort William, the hub of Canada. Then it will proceed to Port Arthur, and from there to Montreal, Ottawa and Toronto.

I intend to make only a short speech, because we want this bill to go through in short order. It is a gas bill, but we do not want any more long speeches than are absolutely necessary. We would appreciate criticism, but we believe that this is an opportunity for Canada to have an all-Canadian route, and we will support it.

This company deserves credit. It was pointed out the other day that there was not sufficient gas to encourage these people to go ahead. Well, we see what happened. This company with its engineers went ahead and discovered seven additional sources of gas—not just one. So there is all kinds of gas to keep this pipe line going.

There is something further involved in connection with the pipe line. It is to follow a railway line, and will not need to be buried deep in the ground. It will require to be buried only 12 or 15 inches, perhaps less, for protection from wild animals or from those people who might want to get a little gas cheaply. Frost will not disturb the gas in the line; in fact it will be an aid to it.

We had a good deal of difficulty when we failed to get the oil pipe line to the lakehead. While at that time the people who were putting up the money had a good deal of say in the matter, they did not have more say than some of the people in the House of Commons who did not know as much about it. This time we are taking no chances. We are going to do our best to have this pipe line all-Canadian, and have it go through the lakehead to serve the whole nation.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, it is indeed a great pleasure this evening to witness the conversion of the hon. member for Fort William (Mr. McIvor). Just a few short months ago he was doing his best to prevent us getting a Canada-first gas pipe line through British Columbia. Now however he seems to be sold on the policy of Canada first, and I am very grateful that he has come over to our side, even at this late date. It shows that there is always hope. I would hope, too, that many of his fellow members, who saw as he did last year, will also have seen the light in the intervening months.

I thought this evening that the hon. member for Vegreville (Mr. Decore) made a very frank and full statement about the routing of the pipe line. That is the kind of information to which members of the House of Commons are entitled, in respect of all these bills seeking to incorporate pipe line companies.

In view of the fact that the pipe line is to serve Canada first, and in fact in this case it will serve Canada only, I for one am very glad to support it. I believe it would be most unfortunate if any effort were made to talk out the bill and, unless in the standing committee we find something unsatisfactory, I shall certainly support it.

Mr. G. A. Cruickshank (Fraser Valley): Mr. Speaker, I do not intend to take up very much of the time of the house and I rise merely to congratulate the hon. member on the excellent way in which he has put this bill through and also to get my hand in

again to be ready for another pipe line bill that is coming before this house. When that bill comes before us I assure you that you will be hearing several forty minute speeches, especially if there is no difference in the form in which it was presented to the other place.

Those of us who took part in the building up of Canada last year without the assistance of certain hon. members, particularly those from British Columbia—I hope they have all seen the error of their ways and will support this bill—are ready to take that course again. My colleague to my left is the only one on this side who did see the error of his ways in time. I want to say to the hon. member that I shall do everything to see that he gets his line through and I shall also do everything in my power to prevent the passage of another bill that provides for a pipe line going first to the United States.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the assurance that has been given by the hon. member for Vegreville (Mr. Decore) that the route followed by the pipe line to be built by the company covered by this bill will be an all-Canadian route makes it clear that there will not be an extended debate on this bill as was the experience in connection with certain other pipe line bills in previous sessions. We are glad to have that assurance so far as this company is concerned, for the lack of that assurance was one objectionable feature to which we took exception in certain other cases.

Even at the risk of spoiling the unanimity with which hon. members have been expressing themselves as being ready to give complete approval to this bill I should like to point out there are some of us in this house who regret that the government is not going into the construction of pipe lines for the distribution of gas and oil on a public ownership basis. When I say "some of us" I am happy to include the hon. member for Comox-Alberni (Mr. Gibson). While he does not belong to this socialist group nevertheless he has taken the same position on former occasions.

Hon. members must realize that there are some things that are natural monopolies, which should not be in the hands of private corporations but rather in the hands of the people through their governments. The particular commodity to be transported by pipe lines, gas and oil, is the type of product that lends itself, in our view, more to a crown corporation than to private interests.

The hon. member for Vegreville said he hoped there would be other companies coming into the field. That takes us back to the old story in the past when competing and paralleling railway lines were built at great cost to the country in materials and manpower. In the end the people of the country have had to pay for that duplication and paralleling of railway lines. It seems clear to us that this is a field into which the government should be entering, either directly or through its own transportation system, the Canadian National Railways.

It is not our intention to block the passing of this bill, but we do feel that the viewpoint I have indicated should be expressed before second reading is given.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I rise simply to deal with one point very briefly. When the province of Alberta decides that it has gas available for this purpose and when this company receives the authority it is seeking I should like to know if it will be in a sufficiently strong position to construct the line? I am assuming that when the bill reaches the committee the committee will satisfy itself that those who are seeking to do this thing will be capable of carrying it out. We should not be placed in the position of having given a great privilege to people who can turn it to their advantage without having the intention or capacity of carrying it out. I raise that point and repeat that I assume that it will be gone into before the committee.

Mr. D. S. Harkness (Calgary East): Mr. Speaker, I should like to join with the hon. member for Vancouver-Quadra (Mr. Green) in welcoming to the penitents' bench the hon. member for Fort William (Mr. McIvor) and the hon. member for Vegreville (Mr. Decore). This project seems to be a most admirable one as far as I understand and it should get the support of the house unless, as the hon. member who has just taken his seat has suggested, there are some things which would make it appear that the project will not be completed.

One reason why I like this idea of a pipe line running from Alberta to the central provinces is that if and when the natural gas in Alberta gives out the pipe line could still be used to supply gas or liquefied fuels to be produced from the coal fields which exist in such vast quantities in Alberta. That would be one means of putting a permanent end to the rather poor position we have been in, particularly in Ontario and Quebec, in our dependence to a large extent for fuel supplies upon the United States. It seems to me that a pipe line of this sort should be useful as long as it lasts in supplying the fuel deficiencies of these provinces.

Mr. Graydon: I should like to ask the hon. member for Vegreville if it is the intention of this company to service the intervening points between Toronto and Kitchener which he has mentioned?

Mr. Decore: I think that information would be more readily available when the bill reaches the standing committee.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

CRIMINAL CODE

SUBVERSIVE ACTIVITIES—DISSEMINATION OF SUBVERSIVE PROPAGANDA

Mr. Wilfrid LaCroix (Quebec-Montmorency) moved the second reading of Bill No. 3, to amend the Criminal Code (subversive activities).

He said: Mr. Speaker, in presenting this bill before the opening of the present session my intention was to secure action by the government against subversive political activities in this country. I shall be brief because I do not want to participate in the talking out of this bill. I simply ask my colleagues to allow the bill to be given second reading in order that it may be studied in committee of the whole.

The government will contend that the subject matter of this bill is covered already by the Criminal Code. If such is the case, the matter covered by section 1 of the bill must be covered by section 133 of the Criminal Code which relates to sedition. I claim that the acts I am trying to forbid are special, and that my bill goes much further in prohibiting subversive activities, as nowhere in the code is there any mention of totalitarian dictatorship. In other words, can the minister show me where in the code there is a section making it a criminal offence to try to establish a communistic regime or to participate in such subversive activities? The best proof of that is that the communist party has never been outlawed in the code whereas, according to section 1 of the bill, no one will be allowed to be an active communist. Moreover, it is surely not by taking away the Canadian citizenship of those few foreign-born communists living in our country after they have been convicted of sedition that we will be able to suppress the communist party in Canada since they will continue to have a legal existence and to spread their propaganda just as any other political party does.

The minister may say in opposition to the bill that it is much better to leave the communist party at liberty until war is declared because, through their mixing with the spies, the R.C.M.P. would be in a better position to surround and arrest them when war was declared. This seems to me a bit obvious because, according to the report of the R.C.M.P., there are about 15,000 members of the communist party in Canada. In the meantime they will intensify their propaganda and fanaticize their supporters greatly. We must remember that, if war is ever declared, it takes the action of only one or two men to constitute an act of sabotage. Moreover, I submit if the bill is adopted it will not prevent the R.C.M.P. from following their usual course of action.

Are we going to wait for acts of sabotage to be committed to take action under section 133 of the Criminal Code which would then permit the government to act by invoking the sedition that this article of the Criminal Code contemplates? As to the second section of the bill, it is true that section 209 of the Criminal Code makes it a criminal offence to post obscene publications, and that section 207 makes it an offence to print, publish or circulate obscene written matter; but this again is different from printing, publishing and circulating matter with a view to establishing a totalitarian dictatorship in Canada. I should also like the minister to tell me where the broadcasting of matter of the kind I have just mentioned is covered in the code. Furthermore, even if there were some similarity between the provisions of the bill and certain provisions of the Criminal Code—I am unable to find any—should the bill not be passed inasmuch as it would have the double effect of clarifying and strengthening any section of the Criminal Code having a similar purpose?

If the subject matter of the bill is already covered by the code, which I deny, why was it necessary at the beginning of the last war to pass orders in council outlawing the communist party and its affiliates, and forbidding the circulation of communist papers? I refer the minister to section 39C of the defence of Canada regulations, consolidation of 1940.

May I respectfully suggest to the government that any Canadian citizen, whether of Canadian or foreign birth, should be deprived of his political rights upon conviction by the courts of having committed, either in acts or words, treason or subversive activities against our country? As the law now stands, a man duly convicted of subversive activities by the courts may be a candidate in any federal, provincial or municipal election, and has the right to vote or hold a public office. At a time when we are asked to make enormous sacrifices to get rid of communists from the outside, it seems to me that we

should make an effort to get rid of the communists here at home, as I know you will readily admit that it is most ridiculous to allow the communist party to continue its propaganda in Canada, thus indoctrinating its followers to the point where later on they may commit acts of sabotage.

With respect to the financial set-up of the communist party, may I suggest to hon. members that they read an article in the issue of the *Financial Post* of the 24th of February entitled: "There's Big Money in Communist Business Network". More than $1 million yearly in subscriptions swells the communist party funds emanating either from their co-operatives, stores, insurance and professional business or directly from the Russian government to run their big propaganda and subversive mill. They have a paid staff of 200 organizers, and last year they sent 100 people to Europe and Moscow on various missions. Are you going to stand for that? Of course it is for hon. members of the house to decide.

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

Some hon. Members: No.

Mr. Fournier (Hull): I move the adjournment of this debate.

Mr. Speaker: Mr. Fournier (Hull) moves that this debate be now adjourned. Is it the pleasure of the house to adopt the motion?

Mr. LaCroix: No.

Motion (Mr. Fournier, Hull) agreed to and debate adjourned.

STATUTORY HOLIDAYS

PROPOSED OBSERVANCE OF DOMINION DAY AND VICTORIA DAY ON MONDAYS FOLLOWING JUNE 30 AND MAY 23

The house resumed from Thursday, February 22, consideration in committee of Bill No. 2, an act to amend the Dominion Day Act and Victoria Day Act—Mr. MacDougall—Mr. Dion in the chair.

On section 2—*Victoria day.*

Section agreed to.

Bill reported.

Mr. Speaker: When shall the bill be read a third time?

Some hon. Members: Next sitting.

An hon. Member: Next year.

Mr. Cardiff: Twelve months hence.

Mr. MacDougall moved the third reading of the bill.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, if this bill should become law it will make our national holiday, Dominion day, which has been celebrated in Canada for many generations, a moving holiday; and the same will be true of Victoria day. Unfortunately when this bill came up for second reading the other evening there was no debate whatever. I presume very few hon. members were in their seats at the time; certainly I was not here. In any event the bill did not receive the consideration it merits and I believe it should now be given further consideration by this house; this motion for third reading presents that opportunity.

I am more particularly concerned about Dominion day, July 1. If this bill becomes law Dominion day will be celebrated on July 1 only if that happens to be a Monday. If it should happen to fall on a Tuesday then the holiday will be on Monday, July 7. We shall also be celebrating Dominion day on July 4, the great United States national holiday, just as often as we will celebrate it on July 1. I submit that if this step is taken Dominion day will become merely another week end and will lose most of its significance as a national holiday. It is the only great national holiday Canadians have. Hon. members will recall that on two or perhaps three occasions one hon. member has tried to have the name changed from Dominion day to Canada day. He certainly believed it to be the great Canadian national holiday, and I am sure every member in the house realizes that such is the case.

It seems to me one of the great weaknesses of the Canadian people, perhaps our greatest weakness, is that we pay too little attention to our traditions, our history and those things that make one think of Canada. Here is a holiday the main purpose of which is to help the Canadian people think of their own nation. There are other examples of this weakness of Canadians. There is the matter of a national anthem. I well remember a day or two after the armistice in November, 1918, being with some other Canadians in the crowded town square of Mons. There was to be a march past of troops of the first army, and while we were all waiting there, with this tremendous crowd around, we heard the music of "O Canada" played on the bells—I have forgotten whether they were the bells in the city hall or in the church. I recall vividly the thrill I felt when I heard that music. We found that the Belgian in charge of the bells had gone to a great deal of trouble to find the music so he could play "O Canada" as a tribute to the men of the Canadian corps.

That was thirty-three years ago; yet in Vancouver today the position is that while we have the melody, no one knows what to sing. We have two versions there. Some clubs sing the Weir version and some the Buchan version. The result is that when "O Canada" is played most people sing "Tiddely-um-tum-tum" for they do not know what words to use. That is just an example. We have the melody; we should decide on the words and adopt them for our national anthem.

Another example is the Canadian flag. As yet we do not have a national flag. The red ensign has been flying on this building for several years because the practice was authorized by order in council. During two sessions of the last parliament a special committee of the Senate and House of Commons considered what Canada's flag should be. They had several thousand designs in the railway committee room; they went to a great deal of trouble, and at the end of the second session brought in a recommendation favouring a flag something like the red ensign but with a smaller union jack in the corner and a maple leaf surrounded by a white border in the fly. That recommendation was almost unanimous; I think only one or two members of the committee voted against it, but nothing was done. The report was never considered by the house and no flag was adopted, so today we find ourselves without a national flag.

Another example was the way we as a people looked upon naturalization. Until a few years ago there was absolutely no ceremony connected with our naturalization procedure. New Canadians were made citizens without any formality, without any welcome, without being required to have any knowledge of our history, our laws or our customs. The Minister of National Health and Welfare (Mr. Martin) was one of the leaders in having that condition improved and today, certainly in my part of the country, the naturalization procedure is much better. New citizens are welcomed, and there is an entirely different feeling about the whole thing.

Canada incidentally has naturalized far more people than any other nation of the British commonwealth. I believe literally millions of people have acquired citizenship in this nation through naturalization, and we are still getting immigrants. Thousands of them are coming here every year, and we hope there will be thousands more. Surely these new Canadians will expect us to have a day that we treat as a national holiday, not just a week end when we can go away for a picnic. They come from countries that have national holidays. One of the finest ways to impress them with what Canada means would be for this country to celebrate its national holiday, and celebrate it on the proper day. If this change is adopted we will be bringing uncertainty into our national holiday, and I think that is a very bad thing. This House of Commons should be leading in the direction of encouraging the Canadian people to celebrate their national holiday on July 1. A great deal of fault lies right here in Ottawa, with the members in this chamber and in the other house. We should be giving the people of Canada the lead in celebrating Dominion day on its proper date.

Mr. Ferrie: Celebrate it on Sunday?

Mr. Green: The member for Vancouver-Burrard (Mr. MacDougall) mentions Sunday.

Mr. MacDougall: As a matter of fact, I did not. I do not mind being charged with anything that I do say.

Mr. Green: Someone has brought up the matter of the holiday falling on Sunday and being celebrated on Monday. This has been the custom for years. We do the same thing for Christmas and New Year's and there has been no criticism. It has been the established practice.

I do want to point out to the supporters of the bill that the late Senator McGeer, as mayor of Vancouver, made it one of his cardinal principles to have a proper celebration on Dominion day. There were many sceptics; people asked who was going to pay any attention to a parade or that sort of program and said no one would go, and that it would turn out to be a fiasco. Well, Mr. McGeer had the courage of his convictions and he arranged for a parade, troops, floats and a very colourful program. To everyone's surprise, the people of Vancouver liked it and turned out by the thousands. There was a wonderful celebration, centred around the fact that the first of July, Dominion day, was Canada's national holiday. I do suggest that we would be doing Canada a greater service if we advocated steps of that kind right across this nation, rather than by changing the date in order to make it just another week end for someone to have a good time.

Mr. G. A. Cruickshank (Fraser Valley): Mr. Speaker, I do not want to delay a vote on this measure.

Mr. Wylie: We have only five minutes to go.

Mr. Cruickshank: And that has taken one minute. Mr. Speaker, I do not think we should commit ourselves on this very important question until we have had a report from the Massey commission. I believe they call it the commission on arts, sciences and letters, something of that sort. I have heard it discussed on every measure we wanted to

prolong, except the pipe lines. Let us get that name again. The commission on arts, sciences and letters; that is as I understand it. Whether we are to have television or whether the telephone system is run properly seems to fall under that title. I cannot see why we should not await that report.

I come from probably the most important riding in British Columbia.

Mr. Brown (Essex West): Question.

Mr. Cruickshank: Is the hon. member questioning the fact that it is the most important riding? I shall be glad to explain why it is. I have had no request from my constituents for this change. I am in a privileged position compared with the mover of this resolution, owing to the fact that I can speak with more or less authority concerning two national holidays. Unlike the mover of the resolution, I was born in the United States.

Mr. Sinclair: A displaced person?

Mr. Cruickshank: No, I am not a displaced person. I can speak of the fourth of July as well as the first of July. I can imagine what a cry there would be from our great neighbour to the south if anyone suggested they change the fourth of July to any other date. I wonder what some of my friends sitting not far from my right would say if there were a move in the province of Quebec, which has ties with France, to change the fourteenth of July? Some of my colleagues from Quebec might want to make it the twelfth of July.

So far as I am aware there has been no demand from any part of the province of British Columbia for this change. I can say that I am the only candidate who was elected in the province of British Columbia who was officially endorsed by unionized labour in the province of British Columbia. I can tell you what the unions want. They want better living conditions and higher pensions. One of my colleagues, though I do not agree with him, suggests that they want more days without work but with pay. I do not agree with that. They are not particularly worried about this change of the first of July. Now, I am something like the member for Vancouver-Quadra (Mr. Green)—

Mr. Sinclair: A lot like him.

Mr. Cruickshank: My colleague the member for Coast-Capilano (Mr. Sinclair) says "a lot like him". We both served in the same unit overseas. I know I shall try to emulate his example by being elected with as large a majority and for as many years as he has been. I cannot guarantee that for some of my colleagues who are not so very far from me.

Since it is nine o'clock, may I adjourn the debate?

Motion agreed to and debate adjourned.

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 to increase the aggregate amount of farm improvement loans that may be guaranteed.

Mr. Macdonnell (Greenwood): There are some questions that I should like to ask, but I do not know that it matters whether I ask them now or in committee.

Mr. James Sinclair (Parliamentary Assistant to the Minister of Finance): I shall make a short statement first, and then I shall give the members an opportunity for questions when we go into committee. The purpose of the bill on which this resolution is founded is to provide that benefits to the agricultural industry of the Farm Improvements Loan Act of 1944 may be extended for a further period of three years from March 1, 1951. The act which was passed, as its title indicates, in 1944 was proclaimed to be in force and effective as from March 1, 1945. It was to continue in effect for three years from that date.

Perhaps for the benefit of members who were not here at that time I should briefly indicate what was the intent and purpose of the act. I believe that is best described in the introductory paragraphs of the annual report for each year since that time. It reads:

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, particularly, the average farmer who in the past has frequently 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.

Then the introduction of the act lists the types of loans which will be regarded as farm improvement loans. A farm improvement

loan means a loan, first, for the purchase of agricultural implements; second, the purchase of livestock; third, the purchase or installation of agricultural equipment or a farm electric system; fourth, the alteration or improvement of a farm electric system; fifth, the erection or construction of fencing or works for drainage on a farm; sixth, the construction, repair or alteration of, or making of additions to, any building or structure on a farm; and seventh, any work for the improvement or development of a farm designated in the regulations.

In 1947, when the first two years had expired, the scope of the act was somewhat enlarged by a provision to include poultry farming. The original act had just permitted loans on livestock and fur-bearing animals. In 1948, when the three years ran out, the act was prolonged by parliament for a further three years, leading to the 28th of February, 1951, tomorrow. At the same time land security was authorized in certain instances. This latter step was considered desirable as enlarging the field of lending on the basis of such security.

By the terms of the original act, guaranteed farm improvement loans for the purpose which I read out from the act could be made by any of the chartered banks of Canada direct to the farmers. The government is made the guarantor of such loans to the extent of 10 per cent of the total amount of the loans made by any one of those banks. In the first period of the act, that is, from the 1st of March, 1945, until the 29th of February, 1948, the total liability of the government was limited to the total loans not to exceed $250 million. In that period, however, the total loans made amount to roughly $35 million. In the next three years the total liability of the government was to cover only the remainder of that $250 million, namely, roughly $215 million.

Mr. Macdonnell (Greenwood): Ten per cent of that.

Mr. Sinclair: The total loans; the liability of the government was for 10 per cent of that total loan made by the banks; that is quite right. In that period a further $135 million was lent, so that the total loans—and I will give this in detail—up until December 31, 1950, were $170,054,703.34, roughly $170 million. Under these provisions the government's present contingent liability under its guarantee for the first three years of the operation of the act amounts to $1,022,079.70: that is, the loans given in the first three years which are still outstanding; and the total amount of outstanding loans made in the second period of operations, that is the period up to December, 1950, was $72,351,104.

[Mr. Sinclair.]

The history of the act is one of constantly growing and increasing usefulness. In the first ten months of operations, 4,311 loans for a total of $3,381,742 were made to farmers throughout Canada. In the calendar year of 1946, the first full year of operations, 13,030 loans were made, amounting to $9,880,565.74. Each year thereafter showed steadily increasing use of this act, until in the year just ended 58,969 loans were made for a total of $63,421,363. In other words from around $4 million of loans in the first year we have risen now to $63 million of loans in the last year. I hold in my hand a short table of loans and amounts by years. With the permission of the house I will give it in round figures so hon. members can follow it with the understanding that as it goes on *Hansard* it will be in the actual details.

Some hon. Members: Agreed.

Mr. Sinclair: The table follows:

Total Loans Made Since Inception of the Act

Year	Number of Loans made	Amount
1945 (10 months only)	4,311	$ 3,381,742 02
1946	13,030	9,880,565 74
1947	22,046	18,160,821 47
1948	30,431	29,331,130 70
1949	44,775	45,879,080 35
1950	58,969	63,421,363 06
Total	173,562	$170,054,703 34

Of these loans approximately 85 per cent were for the first classification, namely, the purchase of agricultural implements. I have a second table, which is very useful, showing the number and amount of loans in each of those categories listed in the act. Again I shall give them in round figures but they will be in detail on the record. They are as follows:

Loans Classified by Purposes

Purpose	Number	Amount
Purchase of agricultural implements	148,770	$151,852,684 81
Purchase of livestock	5,405	3,815,500 34
Purchase or installation of agricultural equipment or a farm electric system	1,270	628,109 22
Alteration or improvement of a farm electric system	44	17,384 31
Erection or construction of fencing or works for drainage on a farm	281	171,775 50
Construction, repair or alteration of, or making additions to, any building or structure on a farm	9,725	10,050,147 22
Any other work for the improvement or development of a farm designated in the regulations	8,067	3,519,101 94
Total	173,562	$170,054,703 34

We have the loans also classified by provinces. In view of the recent debates about the relative positions of the central provinces and the western provinces, it is an extremely interesting table. The loans are classified as follows: Saskatchewan leads with over 59,311 loans for $60 million; Alberta is second with 57,153 loans for $55 million; Manitoba is third with 25,544 for $25 million; Ontario is fourth with 18,586 for $18 million; Quebec fifth with 5,579 loans for $5,500,000; British Columbia with 4,865 loans for $4,600,000; Prince Edward Island has 1,035 loans for $880,000; New Brunswick has 725 loans for $734,000; Nova Scotia has 762 loans for $605,000. Newfoundland of course has been in for only a short time. It has 2 loans for $966. For each province the average is pretty close to $1,000 a loan.

I have one further table which I will include in the record if there is any interest in it. The loans are divided according to banks, how many loans made by each of the ten chartered banks of Canada. Shall I put it in the record?

Some hon. Members: Agreed.

Mr. Sinclair: The table follows:

Loans Classified by Banks

Bank	Number	Amount
Royal Bank of Canada	43,631	$43,333,870 51
Canadian Bank of Commerce	44,545	42,579,769 74
Bank of Montreal	31,143	30,016,497 61
Bank of Nova Scotia	14,786	15,965,263 46
Imperial Bank of Canada ..	14,631	14,541,123 69
Bank of Toronto	14,498	13,442,046 43
Dominion Bank	5,166	5,081,519 65
Banque Canadienne Nationale	5,137	5,063,753 22
La Banque Provinciale du Canada	24	27,929 03
Barclays Bank	1	2,930 00
Total	173,562	$170,054,703 34

That is the story so far as the loans are concerned. The repayment of the loans has been very good. Up to the end of 1950, out of this total of over $170 million lent, $96,681,000 has been repaid, leaving a total of loans outstanding today of $73,373,000. In the first four years of operations there were no claims by the banks against the government guarantee, understandably of course, because operations were just beginning, and very few of the loans matured in that period.

In 1939 there were thirteen claims by the banks amounting to $10,264. In 1950, twenty-two claims were made, totalling $9,396. On these claims the government has subsequently recovered $506, so that the net claims on the government in the entire period of the act have been $19,154.58.

Mr. Macdonnell (Greenwood): May I ask a question?

Mr. Sinclair: Yes.

Mr. Macdonnell (Greenwood): Is there any evidence of accumulating claims, or does it look as if the thing has been cleared up year by year as it goes along. Can the parliamentary assistant give the figure of arrears of payments?

Mr. Sinclair: I shall talk about extended loans in a moment. Actually the figures for 1949-50 show that there are less claims in 1950 than in 1949. The act, of course, has regulations to go with it to govern its actual operations.

Perhaps I should briefly mention the only important changes in these regulations since the bill was last before the house. These changes were published in the *Canada Gazette* on January 24, 1951—last month. As the house knows, the government has taken steps to curtail all types of credit, as an anti-inflationary measure at the present time. There have been restrictions of consumer credit and housing loans, and the chartered banks are now restricting business loans. A similar policy has been effected with respect to the credit provisions in this act.

The time for repayment of loans for the purchase of a motor truck has been set at a maximum of three years. Before, such loans could go over the whole period of ten years depending on the amount. The amount of loans for the purchase, and installation, and alteration and improvement of agricultural equipment and farm electrical systems has been reduced from 75 per cent to 66⅔ per cent. In other words, instead of asking for one-quarter in cash we now ask for one-third in cash. For the construction, repair and alteration of farm buildings, instead of making a loan of 90 per cent we are now authorizing a loan of 80 per cent.

There have been no changes with respect to loans for the purchase of agricultural implements. As I pointed out 85 per cent of these loans have been for the purchase of agricultural implements.

The regulations also suggest to the banks the period for which loans of various amounts should be given. This, too, has been reduced somewhat. In loans up to $400 it is now suggested that they should have a maximum of eighteen months; in loans up to $750, two years and six months; up to $1,500, four years; up to $2,500, six years and up to $3,000, seven years.

Mr. Cardiff: What is the rate of interest paid by a farmer? Was there an interest rate set, or does it vary?

Mr. Sinclair: The maximum interest rate set under the act is 5 per cent. There is no instance on record of a bank's charging less

than 5 per cent. That 5 per cent simple interest is the total interest rate. There is no other charge, as used to be made when the private financing of farm implements was done by commercial firms.

One other amendment to the regulations broadened the definition of loans for the improvement and development of a farm to include the purchasing and planting of fruit trees; so that orchard men are also now covered by this act.

In conclusion I wish to say that the Minister of Finance is most gratified by the growing confidence of our farmers in the usefulness of this act. This has been shown by the increase in the amount of loans each year. Farmers' associations across the country have been most helpful and have co-operated in every way, as have the banks.

There is just one other point I should like to make in closing this statement. The minister pointed out this afternoon, when the house gave permission to have the resolution presented at this time, that the present act expires tomorrow night. Because of the debate in reply to the speech from the throne, and the time taken by private members' days, it was not possible to introduce the bill any earlier this session. I am not asking this concession for myself, because in the House of Commons I have neither asked, given nor expected favours. Nor at this time is the government pressing this suggestion. But in the interest of those farmers who may be trying to negotiate loans in the days immediately after February 28—and the average number across the year is two hundred loans per business day, while at this particular time of the year it is much higher than that—it has been suggested that the house might give second reading tonight to indicate general approval of the principle of the bill, and then proceed to committee of the whole on Thursday or some later day this week. The chartered banks will take that as sufficient indication that the house is not opposed to the principle of the bill, and continue the practice after March 1 of making these loans until such time as royal assent is given after the bill has passed.

Mr. Graydon: Does that mean abolition of the Senate?

Mr. Sinclair: No. I realize, of course, that this is an unusual request. I would point out however that this is an unusually simple bill, containing only two sections, the first of which will extend the act for the next three years, and the second to provide that the total guaranteed loans for which the government accepts liability of ten per cent over the next three years will not exceed $200 million.

[Mr. Sinclair.]

That is all that is included in the bill. Perhaps hon. members would indicate when they speak whether or not they feel second reading could be given tonight, and then the following stage in committtee of the whole, with questions of detail, could be considered on Thursday.

Motion agreed to and the house went into committee, Mr. Dion in the chair.

Mr. Charlton: Has the government given consideration to making the objects of the bill include the setting up of young farmers on farms?

Mr. Sinclair: I believe that question was raised some three years ago. However, there is a difference between a policy of encouragement for young farmers on farms by capital grants, and the ordinary business policy of guaranteeing bank loans to farmers who are in business and who are able to make regular payments on such loans. It was felt that that type of help could not properly be included in such a guaranteed farm loan scheme.

Mr. Charlton: Has the government given consideration to another piece of legislation to accomplish that end?

Mr. Sinclair: Perhaps that question should be directed to the Minister of Agriculture or his parliamentary assistant because, as my hon. friend knows, my knowledge of agriculture is not very extensive. What I have here is the detail in connection with the operation of these particular loans.

Mr. Herridge: Mr. Chairman, I rise to express my support for this resolution and to thank the parliamentary assistant for the comprehensive outline he has made respecting the operations of the act. Indeed, he has answered many things I intended to ask. He comes from British Columbia and understands the conditions in that province.

In British Columbia we have a great deal of timber land that must be cleared. Nowadays it is possible for a farmer to have clearing done under contract by the government, which has clearing equipment, and to arrange for payment in some cases over a period of years.

In some cases however that is not convenient. Has consideration been given to permitting loans for terms under this act, so that a farmer who wishes to borrow money for three years to pay off a contract to clear land is enabled to do so and thus earn the amount of the loan inside the three years from the land cleared?

Mr. Sinclair: I am grateful to *Hansard*, because through *Hansard* of three years ago I was able to anticipate that this question would be asked, and others as well. Three

years ago the hon. member raised the same point. Since that time the regulations for the improvement of land have been interpreted to include clearing. In last year's report on the operations of farm loans there were 5,359 loans made for a total amount of over $2 million for the clearing of new land, to the extent of 266,902 acres. So that the loans are being made for that purpose; and especially in those provinces where local governments have made available land clearing equipment, those loans have gone ahead.

Mr. Macdonnell (Greenwood): I noticed the parliamentary assistant said it was proposed to authorize a total of $200 million beginning from now.

Mr. Sinclair: Yes.

Mr. Macdonnell (Greenwood): And it is considered, having regard to the growth of loans over the last few years, that that will take care of the next three years?

Mr. Sinclair: That is the estimate at the present time. Last year, as I said, there were loans of $63 million. With the restrictions in credit now provided in the regulations, and in view of the experience of the past six years, when we used $170 million, it was thought that a total of $200 million for the next three years would be a reasonable estimate of the needs of the farmers in this regard.

Mr. Macdonnell (Greenwood): Has it been found that the alteration made three years ago with regard to the amount of security which may be taken has solved the problem which had made itself felt then, so that in effect loans are not prevented from being made because of technical difficulties?

Mr. Sinclair: That is quite true, especially with the longer term loans. It might not be so for the short loans.

Mr. Fulton: Will the regulations under this act permit the making of loans for the rehabilitation of orchards in British Columbia which were wiped out in the winter of 1949-50? Would that be classified as an improvement? Is there any way in which loans for that purpose could be obtained under this act?

Mr. Sinclair: The amendment which I mentioned for the planting and purchase of trees had that in mind, but we must draw the line between a measure of rehabilitation and a business loan made to a farmer on the business understanding that he will be able to repay it. With that in mind loans may be made for both the cost of purchase and the cost of planting trees. But again it will be in the judgment of the lending institution to decide whether the farmer is in position to meet the semi-annual or annual payments.

Mr. Fulton: Is there any way in which the government exercises a directive function toward the lending institutions? Can you exert some sort of pressure on them so that it could be used for that purpose?

Mr. Sinclair: There is no pressure whatsoever exercised by the government, either in connection with this type of loan or any similar type of loan which is handled by the same administration, such as the veterans business loan. Qualified as our civil service are, they have not had the day to day business experience of the risks and business values which the bank managers of this country have. Our interest in this does not go beyond the extent of providing the ten per cent guarantee.

Mr. Low: What is the average term of loans made in the past?

Mr. Sinclair: That was one question which I asked the administration, and also if they could break down the categories of loans. Unfortunately the records are not kept in that way, but we can give a good approximation. As I pointed out, the average figure for the loans is about $1,000. Eighty-five per cent of the loans are for the purchase of agricultural implements and those loans are limited to three years. Using a rough rule of thumb, the average loan is for $1,000 and is for less than three years.

Mr. Quelch: Did I understand the parliamentary assistant to say that the total claims against the government to date were $19,000?

Mr. Sinclair: That is right.

Mr. Quelch: When a claim is made against the government does the government assume the responsibility for collecting the money? What is the policy of the government in so far as this $19,000 is concerned? Is a certain amount of it considered to be a dead loss? Has the government seized the machinery that would have been bought with these loans?

Mr. Sinclair: The actual practice is that the bank itself, as it would do with any other business loan, makes every effort to recover what it can through usual legal means. It is only when the bank has exhausted every opportunity open to them that they make a claim on the government, which is investigated by our administration. Then the claim is on the books of our administration and we try to recover. There has been only $506 so recovered over two years.

Mr. Macdonnell (Greenwood): When a bank has not been able to get its money and makes

a claim on the government, does it then disappear from the scene so far as that loan is concerned?

Mr. Sinclair: That is quite right.

Mr. Macdonnell (Greenwood): And the government then takes steps itself? While I am on my feet I should like to ask one more question. In the 1949 report it states that the banks have continued to give excellent co-operation in promoting the objectives of this legislation, both by way of publicity and generally to make the provisions of the act known. I am interested in the extent of publicity.

Mr. Sinclair: There are two ways in which they do it. First is through the ordinary, daily contacts between the bank manager and the farmer who may come in, perhaps looking for a business loan. The bank manager may advise him how he can better get this particular kind of loan. The second is by means of one or two short pamphlets which were distributed to the farmers and which set out what he could expect under this legislation. The most valuable publicity is through the banks themselves in their daily contacts with the farmers who are endeavouring to obtain loans.

Mr. McCubbin: I do not wish to delay this bill in any way and I should like to commend the parliamentary assistant to the Minister of Finance for the splendid account he has given of the administration of the Farm Improvement Loans Act. I do not know of anything that has helped the young farmers across Canada more than this act, especially since 1945. It has put the farm implement business on a cash basis, which arose out of the farm implement inquiry of 1937.

There is just one other thing I should like to say, a matter which was touched upon by the hon. member for Brant. Some effort must be made or some method devised to assist young farmers to start farming. I do not think there ever was a time in the history of Canada when farmers got more of the breaks to which they are entitled, but it is most difficult for a young man to start farming today. He may be a good worker and have a good reputation, but it is quite often difficult for him to get the first $1,000 or $1,500 with which to make a down payment on a farm. Once he has made that down payment he can get a mortgage or perhaps obtain assistance from the bank under this legislation. But he finds it most difficult to get started.

I know this government is sympathetic toward the needs of the farmers but they should devise some plan, to be worked through the chartered banks if necessary, to help young farmers get a start in farming. After all, farming is still the basic industry of this country.

Mr. Argue: I agree with the remarks of the hon. member who has just spoken. It is true that it is almost impossible for a young farmer to start farming in 1951 unless he is able to obtain some capital, perhaps from his father or through a bank, mortgage company or in some other way. Unless the government comes to the assistance of young farmers they are not going to be able to start farming under present-day conditions.

I support the second reading of this bill tonight as I think this legislation has been of real benefit to agriculture throughout Canada. There is one practice that has been growing up that I should like to bring to the attention of the parliamentary assistant. He may be aware of it. I asked the Minister of Finance about this last fall and he said he would have the matter looked into, but I did not receive a reply during that session.

As I understand the provisions of the act, a bank is allowed to take security in the way of a mortgage if the loan is for more than $2,000 and the term is greater than five years. I can tell the parliamentary assistant that there has been growing up a practice in my community, and I know this applies also to other municipalities, whereby the banks ask the farmers to deposit their titles before they are given loans under this act. I know of cases where the loan has been for a period of less than five years and for a sum of less than $2,000. If we want the young farmer to be able to start farming, in my opinion a bank should not ask him for the title to the small piece of land he may own. In my opinion the bank is then asking for a long-term security on an intermediate term loan. Therefore I would ask the parliamentary assistant whether he knows of this practice, and if something cannot be done to curtail it at least to some extent.

Mr. Sinclair: I do not know of the practice but on Thursday when we are in committee on the second reading of the bill I will have a statement ready on that point.

Mr. Cardiff: Is there any provision in the act to assist young farmers to buy land?

Mr. Sinclair: No.

Mr. Cardiff: Has this act any relation to the farm loan board?

Mr. Sinclair: The field covered by the farm loan board is a very different area from this. This measure is for the improvement of existing farms, the improvement and extension of the equipment on the farm, the house, the barns and that sort of thing. On the

other hand, the farm loan act is a different act providing for actual help in the purchase and acquisition of land. This act is confined entirely to the improvement of existing farms.

Mr. Cardiff: Has the farm loan board agents throughout the different provinces?

Mr. Sinclair: The Canadian farm loan board of course has agents across the country. The Canadian farm improvement loan administration has not. There is a total staff of just sixteen which handles the administration of the government's interest in these loans and also veterans' business and professional loans. These latter are the same type of thing but most of the actual work in connection with the processing of these loans is done of course by the chartered banks of Canada. The Canadian farm loan board on the other hand is in a different category because it does the actual lending and the inspection of the type of assets on which the loan is requested.

Mr. Cardiff: I may be all wrong but I was under the impression the farm loan board was almost out of existence, that it was not promoting any more loans, that they were busy trying to collect and were refusing to take any more. Is that right or wrong?

Mr. Sinclair: Mr. Chairman, I will be quite frank. As I said, I am not an agricultural expert. I have done considerable work on the bill but the only knowledge I have of the Canadian farm loan board is knowledge I have gleaned from their annual reports and from talking to the commissioners. I do know that the Canadian farm loan board is still in operation. It still has field offices across the country. It is still in the business of making loans. It of course is in active competition with other lending institutions, which is not the case with the measure involved before us.

In that connection I have one set of figures which perhaps I should have drawn to the attention of the committee. My mind was called to them by the comments of the parliamentary assistant to the Minister of Agriculture. They have to do with the question of financing agricultural implements. In the days before this act was introduced I am told that the common minimum rate of finance of agricultural implements was around 8 per cent. That is the effective rate because most of the rates specified were annual rates on the total unpaid balance which of course is only half the effective rate. The rate on the financing of trucks certainly went from 15 per cent to 18 per cent. As a consequence of the growing use of this legislation, we have had a tremendous change in the picture right across the country so far as the rates for instalment purchase of agricultural implements and farm trucks is concerned.

From the figures available it now appears that 45·9 per cent of all farm tractors, 64·1 per cent of all combines and 50·7 per cent of all threshers purchased in Canada last year was with assistance under this act. When you take into consideration the considerable number of these articles that are undoubtedly purchased for cash you will see the great change in purchasing habits and how little use is made of other finance plans. So far as trucks are concerned, unfortunately it is very difficult to segregate farm trucks from other trucks, but I would expect that the same percentage would probably be true, that the purchase of around 50 per cent or 60 per cent of farm trucks is financed under the act.

Mr. Helme: I am very much interested in this measure. I noticed that the hon. member for Assiniboia tonight made a remark similar to that which he made some time last year. It had to do with farm improvement loans and was to the effect that the borrower was required to deposit the title of his property with the banker when he was granted a farm improvement loan. During the last four or five years I have done quite a lot of business with farmers through farm improvement loans, and I was very much interested in what the hon. member had to say. Therefore during the time I was home I made it my business to inquire of my banker just what the procedure was. It seemed to me it was rather unreasonable that a farmer should be required to deposit his title with the banker. The banker said to me that that was the case but it was only done in order to protect the bank from the borrower borrowing twice on his own property. If we look at it in that light I think we will see that the banks were right in doing that.

I am very much interested in the bill referred to in the resolution. I heartily endorse it. It is a great help to farmers in carrying on their business. At the present time I believe the amount that can be borrowed is limited to $3,000. I understand that figure was set in 1944. Since that time there has been a considerable increase in the price of farm implements. For instance, take a self-propelled combine. It would sell for $3,700 or $3,800 at that time, and now the same machine runs around $5,000. I wonder if consideration might be given to increasing the amount permitted to be borrowed through such loans. I understand that the losses under the farm improvement loans have been very small and in fact insignificant. The proposal has my wholehearted support at this time.

Mr. Blackmore: I wish to speak as emphatically as I possibly can in support of the

remarks by the parliamentary assistant to the Minister of Agriculture a few moments ago. One thing I just do not quite see though is how he got the idea that a young fellow could start to farm with between $1,000 and $1,500. It seems to me he was exceedingly modest. I was talking to a successful farmer in my constituency before I left to come here, and he told me that it cost him in the neighbourhood of $16,000 to set up his son on a farm. The fact is that in the west it is necessary to buy very much larger tracts of land and it is generally necessary to have very much more machinery with the result that costs are completely prohibitive to the ordinary young man desiring to enter the farming business. I believe that the parliamentary assistant was exceedingly moderate. I suggest to the parliamentary assistant to the Minister of Finance that something will have to be done before long to help boys to get away from too large income taxes when they are trying to get established. I think also that the interest rate on these loans is too high. When you can get money from the Bank of Canada at two per cent it sounds absurd to be charging five per cent to the boys out on the farms who produce your bread and butter. It just does not go together to make sense, Mr. Chairman. If ever there was a time in our history when we needed production and should take every possible step to increase it, this is that time. So I commend this matter to the parliamentary assistant with the utmost earnestness, and ask him to do everything possible to see to it that adequate loans are made available on reasonable terms to good young men who want to go into farming. There is no sense giving a boy a loan he cannot possibly service with what he can make, so we will have to bring down the rate of interest and increase the period of the loan.

I should like to commend what was said by the parliamentary assistant to the Minister of Agriculture, and to express approval of this act. The people of my constituency were grateful to the government for bringing it in, and I am sure this latest change will be heartily welcomed.

Mr. Wright: The hon. member for Prince Albert raised a point the government might well consider; that is, increasing the amount of money that may be made available. Today many farm implements cost between $4,000 and $5,000 each, and the limit available under this legislation is scarcely enough to make it possible to buy those implements.

The hon. member for Middlesex West brought up the possibility of making available some form of credit to young farmers trying to become established on the land. I suggest to the hon. member that he bring that matter to the attention of the government to see whether at this session we cannot have some amendment of the regulations of the farm loan board which would enable that board to make larger loans than they make at the present time. One hon. gentleman asks if the board is still active. It is very active and is making a large number of loans, but the maximum amount of any loan is fixed at $5,000 plus, I believe, $2,000 on a second mortgage. Today that is not sufficient to establish the average young man in agriculture. The price of land has gone up; the prices of equipment have gone up; the unit of land the young man must have in order to operate efficiently is much larger today than it was when the farm loan board legislation was passed. I believe the government would be well advised at this session to make a study of that act to see if we cannot have some amendment which would perhaps double the amount of loan that might be made. I think this is absolutely necessary, and I know it would be very much appreciated.

Mr. Ross (Souris): I should like to express appreciation of this legislation and the help it has been since it was brought into force in 1944. Certainly it has been of great assistance to many people, but on the other hand I believe we have rather outgrown the limit of $3,000. As the hon. member for Prince Albert said, when this legislation was enacted in 1944 we discussed it at length and in detail. At that time you could purchase a self-propelled combine for a good deal less than $3,000. Today that machine costs from $4,500 to $5,000. I remember that in 1947, two or three years after this legislation was brought in, you could purchase a diesel tractor for about $2,500. Today that tractor out where I live costs around $4,200. You cannot purchase any of the better types of equipment today for less than $3,000, though you could buy a great many articles of equipment for less than that amount when this legislation was brought down.

For quite a few years now the question of how many capable young men can get started farming for themselves has given us great concern. I do not know much about the set-up in the east, but really I could not follow the parliamentary assistant to the Minister of Agriculture when he mentioned a figure of $1,000 or $1,500. That would not get one a good piece of equipment anywhere in our country. I think something must be done, either by amending the farm loan board act or by bringing in a new act, so that a worthy young chap who wants to farm, who has the

training and background for it, can be financed and assisted. It is just about impossible for that young man to do so today in western Canada, and I believe in most parts of the country as well.

So while I want to express my appreciation of this legislation and the fact that it has been extended, I am sorry that those responsible have not seen fit to increase the maximum individual allotment by at least another $1,000, making it $4,000 instead of $3,000. However, I hope those in authority will try during this session of parliament to bring in some legislation under which a young man with the proper qualifications and background can be assisted to establish himself on the land. That would be well worth while and deserving of our best consideration at this time.

Mr. Bater: I am quite in accord with the assistance afforded under this act to many young farmers. During this debate mention has been made of the need to deposit the title with the banker. Under this legislation is it absolutely necessary that a young farmer have a clear title to his property before he can get a loan?

Mr. Sinclair: Perhaps this would be a good time to answer this series of questions. The first was raised by the hon. member for Prince Albert and others, suggesting that the present maximum loan of $3,000 might have been adequate in 1945 but is not now adequate. That matter was under review when the legislation was being drafted, but I would point out that the figures I had, and which I mentioned, showed that the average loan across the country, in almost every province other than Newfoundland, was in the vicinity of $1,000 or a little less, which would not indicate very much pressure on the $3,000 ceiling. When the bill is in committee after second reading next Thursday I will endeavour to be able to state just how many loans are for the full $3,000; but since the average across the country is $1,000, at the moment there would not seem to be much pressure on the ceiling.

Mr. Macdonnell (Greenwood): Can you find out if any applications have been refused because they were for more than $3,000?

Mr. Sinclair: Even if a man applied for $4,000, and the bank said it could only give him $3,000, that would still show up as a $3,000 loan in the records.

Mr. Macdonnell (Greenwood): But I wondered whether there was any evidence of people trying to get more and getting none.

Mr. Sinclair: That would be fairly difficult to ascertain from the records.

Mr. Helme: When the parliamentary assistant is getting the information as to the number of $3,000 loans, will he try to compare the number of loans of that amount with the total number of loans in the particular area?

Mr. Sinclair: Yes, that will be done. The other point I would mention in this connection is that we have actually given what might be called negative assistance. If you study the restrictions we have imposed upon credit here you will find that they are not quite as stiff as those we have imposed upon consumer credit. For example, under our consumer credit regulations automobiles have to be paid for in eighteen months, with a 20 per cent down payment. Under this act trucks can be paid for during a period of up to three years. That is a negative help, if you will; but here again, as was pointed out by the Minister of Finance, one of our chief anti-inflationary weapons at the present time is curtailing credit as much as possible, and encouraging payment in cash.

The next point was made by the hon. member for Lethbridge, that the interest rate seems excessive. This point was dealt with at some length in the 1944 debate, which I read with much interest. I have done my best to make a comparison of this interest rate with other interest rates. The first and most obvious comparison is that the interest rates farmers used to have to pay for loans to finance these purchases, as I pointed out, were a minimum of eight per cent for implements and as much as fifteen and eighteen per cent on trucks. These, of course, often had in addition all sorts of service charges. So far as the individual farmer is concerned, there certainly has been a great deal of improvement in the five per cent simple interest of this act.

The next thing, of course, which must be considered in so far as an interest rate is concerned, is the class of security and the cost of actually inspecting and servicing these loans. The member for Greenwood is certainly much more qualified to speak on this subject than I am. Certainly when you are making a great number of small loans for fairly short periods of time, where the actual goods or securities in question may be on outlying farms some distance from the place of doing business, there will be charges and costs which are not experienced in the ordinary business loan in a city. Today the ordinary business loan in the city is at around six per cent. It is true that the farm loan board is charging only four and a half per cent. The loans granted by this board are

larger loans on better security, and they are loans for a longer term, some of them up to twenty-five years.

Another thing which is perhaps forgotten when we are talking about this rate of interest on loans is just how much successful business you have to do in a lending institution to make good capital losses. Tracing through the loss of one average loan of $1,000, the first obvious thing is that at five per cent you would need to have twenty times that business or $20,000 of loans outstanding so that your five per cent return from these successful loans would equal your capital loss on the one bad loan. However, the five per cent return to the bank is not profit. I believe the bank would be very lucky to have a net return of perhaps eight per cent on their transactions, so there would be twelve times that loan necessary to return them in profit the loan they have lost, which runs to $240,000. I believe that factor is very often overlooked when people talk in terms of interest rates.

The keenness with which farmers of this country have, in recent years, turned to this loan system at five per cent to my mind is a good indication that it is an acceptable rate of interest when compared to other rates they paid before, or other avenues that are now open to them.

Mr. Bryce: It is better than eight per cent.

Mr. Sinclair: Yes, and that is said in the proper accent of a fellow Scot.

The next point which strikes this treasury board conscience I seem to be developing in the last few years concerns this matter of how desirable it would be to have an expansion of this act so that the farm loan board could provide the necessary capital to start a young farmer on a farm. I believe we all agree it would certainly be socially desirable to give help in this direction. The government has done that for just one class of person in recent years, and that is the veterans. After all they were a special responsibility of all the people of Canada, and under both the Veterans Land Act and the veterans business and loan act, we have extended quite generous loans to start veterans on farms, in businesses, in professions. But I am afraid were we today to embark on a program of making advances to all young farmers to start farming, we would quickly have pressure from members, like myself for example, and other members who represent fishing ridings to have grants made to young fishermen. Then, the members from Toronto and Montreal would have an equally good case for young professional men, doctors and lawyers who were opening up offices and so on. As parliamentary assistant, I do not think I can say much about what consideration the government can give to a program of that size.

Mr. Bryce: What about the politicians who are starting out?

Mr. Sinclair: Sometimes they receive encouragement, and sometimes they do not. I think those of us who are here today have received some encouragement from our electorate.

Mr. Argue: I should like to point out that the young farmer can obtain a loan from the farm loan board. We are just asking that he be able to get sufficient to start business.

Mr. Sinclair: The matter of degree, of course, is the important thing. Some comments were made about the inadequacy of these loans given for farm improvements. I just want to say that the best proof of the welcome those loans have received has been the growing amount of loans each year.

Mr. Blackmore: I quite appreciate most of the things the parliamentary assistant has said, and the way he has said them. He has shown a considerable amount of sympathy for the situation about which we are talking. I do not see why the government should not stand this matter of capital financing to the degree to which it is necessary to obtain the production this country needs. If Canada needs a greater production of fish in order to help fight inflation, and everyone seems to agree that the best way to fight inflation is by production, then what better possible use could be made of the nation's credit than by advancing aid to those who produce fish? Similarly, if those who are producing bread and butter need aid, then it should be advanced. I think the time has come for us to broaden out considerably along the lines the parliamentary assistant has very wisely begun to outline. After all, money is the creation of the state.

If we are looking at it from the point of view of the lending business for the banks, that is one thing. But if we are looking at it from the point of view of bread and butter production, that is another thing. The latter is the thing for which we are looking. The banker can take care of himself. That would be my general reaction, so I would have no fear whatever and would certainly support the parliamentary assistant if he were asking for capital aid for fishermen.

There is another thing, and that is the reference to the interest rate. Let us bear in mind that since those eight per cent rates were charged the price of money has gone down. During world war I loans were made at five per cent, but during world war II loans

were made at three per cent. Money was not a bit easier to get in world war II than it was in world war I, but we have simply changed our ideas as to how much money was worth. We have gone further from the idea that money is a commodity, something you can create. That would be my general observation, and I am sure that the minister will view that with considerable interest.

Mr. Quelch: I might say that I think this is a splendid act. I especially like the way the banks have been making loans to veterans, even though they settled under the Veterans Land Act. The situation was entirely different in 1919 and 1920. Any veteran who settled under the old soldier settlement board was not able to get a loan from the bank.

There is one point I should like to clear up. If a borrower is not able to meet his payment owing to conditions over which he has no control, such as crop failure or hail storm, the banks are allowed to carry that payment over. What will happen at the end of ten years if the borrower is unable to complete his payment for the ten years and the banker is willing to extend the payment over another year? Will the bank still be covered by the guarantee, or will it be lost?

Mr. Sinclair: I am glad the hon. member has mentioned that because it is one point I had noted when it was raised in 1945. So far as the extension of loans is concerned because of temporary difficulties on the part of the borrower, that is provided for in the regulations. So far 5,868 loans have been extended. There are two different types of extensions. First of all, there is the extension which the banks themselves authorize. For example, we shall say a borrower has bought a truck for which he intended to pay in two years. He finds he cannot meet his payments, but the regulations provide he has three years in which to pay. The bank can give him an extension of one year merely by notifying the administrative offices.

If, on the other hand, at the end of three years the borrower cannot complete his payment then the bank must refer the details to the administration here for them to approve of an extension of the statutory period, and that has been done. As to what the policy will be at the end of ten years, that time still will not be even within the scope of this act. That question can be more properly raised three years from now when the act is again before parliament. If the present practice with regard to shorter terms less than a ten-year period is an indication, then I will say that the government will go on as the hon. member has suggested.

Mr. Major: Take the case of a farmer not knowing of the Farm Improvement Loans Act and who purchases machinery on finance. Under this act can he borrow from the bank and refinance his obligations and come under the terms of the act and thereby save the interest he would otherwise pay?

Mr. Sinclair: I would think so, but I would prefer to answer that question on Thursday. It would depend of course on whether he was able to discharge his obligation with the finance company and then be granted credit by a bank under this act, but I will answer that on Thursday.

Resolution reported, read the second time and concurred in.

Mr. Harris, Grey-Bruce (for Mr. Abbott) thereupon moved for leave to introduce Bill No. 78, 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?

Some hon. Members: Now.

Mr. Charlton: We have not seen the bill yet. When we were in committee on the resolution it was my understanding that the bill would be read a second time on Thursday.

Mr. Sinclair: Mr. Speaker, the hon. member may have been absent from his seat when I spoke on the resolution. I explained about the deadline of tomorrow night and suggested that if the house were agreeable we would give second reading to the bill, because the banks have indicated that with second reading they would go on lending after tomorrow night until the bill is finally passed. If we give second reading to the bill tonight we will not go into committee of the whole to consider it until Thursday or later. The bill has only two sections.

Mr. Drew: This should be facilitated and can be dealt with tomorrow. A bill should not be dealt with on second reading until the bill itself is before the house.

Mr. Sinclair: Tomorrow is private members' day, and that is why it cannot be dealt with tomorrow. I am entirely in the hands of the house. As I pointed out, this matter is of little concern to the government. The only persons to whom it is of concern are the three hundred farmers a day, on the average, who are making applications for loans at this time, and who may be held up.

Mr. Cardiff: Did we not on the orders of the day today decide that this bill would receive second reading tomorrow?

Mr. Fleming: Is the bill ready for distribution?

Mr. Drew: Perhaps it would be simplified if the bill were distributed and hon. members had an opportunity of reading it. If that were done it might be disposed of very quickly.

Mr. Sinclair: One copy of the bill has been printed. Copies will be available for distribution tomorrow. If the house wants to postpone it until Thursday, all right. The only reason why I put it forward was in consideration of those applying for loans. So far as the bill is concerned, it has only two clauses. The first one extends the life of the act for a further period of three years from March 1, and the second clause limits the liability of the government to loans of two hundred million dollars.

Mr. Speaker: Does the house wish to give the bill second reading now?

Some hon. Members: Yes.

Mr. Harris, Grey-Bruce (for Mr. Abbott) moved the second reading of Bill No. 78, to amend the Farm Improvement Loans Act, 1944.

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

Progress reported.

INDIAN ACT

AMENDMENT AND CONSOLIDATION—PROVISIONS WITH RESPECT TO BAND FUNDS

The house resumed consideration in committee of the following resolution—Mr. Harris (Grey-Bruce)—Mr. Beaudoin in the chair:

That it is expedient to introduce a measure to amend, consolidate and clarify the Indian Act, and to provide, inter alia, for band funds and expenditures therefrom, and for other appropriations in case of deficiency or lack of band funds.

Mr. Blackmore: I can understand, Mr. Chairman, how the position I have been taking might not be very acceptable to the minister. As do other hon. members, I realize that the Indians are here to look at this bill, and they are expecting to look at the bill tomorrow. I realize that tomorrow is private members' day, and in order to get the bill through so that the Indians could look at it, according to the rules of the house, it may be necessary for the government to ask permission of the house to suspend the rules tomorrow for a time long enough to get this bill through. But I have a feeling that the Indians will feel far more as though they had been taken into partnership in respect of this legislation if they are given the privilege of talking it over in detail before this house advances the bill one stage toward becoming an act. If I were an Indian that is exactly the reaction I would have.

The Indians have always considered themselves to be partners with the white men. All the treaties they signed indicated that the white man looked upon them as partners; but since the Indians signed the treaties they have had an excessively difficult time asserting their right to be looked upon as partners. The white men choose to disregard their claim for partnership.

I believe that has been one of the major factors in the general discouragement of the Indians throughout the country over all the years. I think today is a pretty good time to change our ways and take the Indians actually into partnership and say to them just as the queen's representative used to say: "The Queen is your mother." Well, let us say that now and mean it, and let us do it. Let us talk the thing over.

The minister mentioned Andy Paull and other men from British Columbia. I know these men. They are outstanding men. The men from Alberta are outstanding men, and I presume that the men from the other provinces are equally outstanding.

Mr. Chairman, if they had had the opportunities you and I have had they would sit in the House of Commons with as great dignity and effectiveness as the very finest members in the house. They would occupy governmental benches with just as great dignity and effectiveness.

Why not allow them to participate in a free and open discussion of the bill which is to decide their fate for probably thirty years? That is the way I feel about it. I believe that if we just do not proceed with the bill tonight we would be wise. If the minister would say, "Well, I will do that for these Indians", he would never have cause to regret it, and I do not believe the House of Commons would ever regret it.

It might take us another day or two, but if we can give the Indians throughout the country the feeling that we honestly intend to be fair with them, it would be a wonderful step forward in making out of these men and their decendants the great citizens we all know they are capable of becoming, and we all desire they shall be. That is my general approach to the matter.

I should like to see this done: I should like to see the minister go to meet the Indians—as, indeed, he has already done; and all honour to him for his having done it. I think it is the first time a minister in Canada has ever done that. It has had a profound effect upon the Indians. I know, because I have talked with them.

If the minister would go to them tomorrow and say to them frankly, "I want your advice on this whole matter. We are going to do this thing in partnership. If there are things in the act that you want but which we feel we cannot give you, we want to tell you frankly about them. We do not want to trick you into anything. If you cannot see it our way, just let us keep talking it over until you can, even if we have to defer the passage of our act for another year,"—if the minister would say that to them, I know it would be helpful.

We are entering trying times. Thousands of these men may be called upon to have their sons don the colours of the nation. Well, we might as well have them feel that they are blood brothers, that they are really Canadians. A few days extra will not make any difference. If the minister were to say to them, "Now, look, if you people will just say so, we will make arrangements to have the house put the bill through first and second readings tomorrow", then, so far as I am concerned, I will do everything within my power to expedite that very achievement.

Then they would know that they had a hand in the passage of the bill. We could put the bill through so that they could see it tomorrow night, tomorrow afternoon, or perhaps the next day. And, even if they have to stay over in Ottawa an extra day, the cost of keeping them in the Chateau Laurier would not be very great—especially in times like these, when we allow such liberal expense allowances to our government representatives, even to the extent of $25 a day and the like. In those circumstances why not make a little bit of an allowance to some of these delegates, some of these great Indian people throughout Canada?

That is my general reaction to the matter. I would rather see us not put this resolution through tonight, and for the reasons I have advanced.

Then, I should like to say one or two other things which I did not have time to say this afternoon. These are facts which I am sure many hon. members would wish to have before them, as will also those thousands of people throughout the country who are vitally interested in the Indians and who will be happy to know that we are taking time to consider them.

This afternoon I referred to certain requests from the Caughnawaga reservation. I should now like to refer to certain requests made by the Alberta Indian association, because I think it is worth while putting these things before the house. The Indian association of Alberta is under the able direction of John Laurie, a school teacher in Calgary who has worked so hard for the Indians in the last twelve or fifteen years that he is in danger of death from heart failure. This man has toiled inconceivably in order to have this brief prepared. He has called the Indians together and talked with them.

Here are the recommendations of those Indians, in convention. They say, concerning the act:

> The provisions of the bill fail to provide for the logical second step in the progress of the treaty Indian, gradual extension of self-government and administration of reserve affairs. The bill admits the existence of only two grades of Indians—the incapable old-fashioned Indian who in mind and mode of life has made no real progress since the coming of the white man, and the Indian whom your government, in spite of all agreements and treaties of any kind at any time, proposes to catapult into the responsibilities of full citizenship.

It will be noticed that the wording there is moderate. The condemnation of the act is emphatic, incisive and definite. And it is very serious. Then:

> 2. The provisions of the bill fail to provide for the continued recognition of the Indian as an Indian. That is his right by every moral precept. He does not wish to be a white man. He wishes to preserve his identity as an Indian within the protection of his reserve.

One more condemnation of the act!

> 3. The provisions of the bill fail to provide that band membership must remain undisturbed as at April 1, 1950, and that the descendants of the present members must be guaranteed full privileges of Indian status within treaty or agreement.
>
> 4. The provisions of the bill fail to provide that in all matters affecting the integrity of the reserves the administration and expenditure of all Indian moneys, whether revenue or capital, the consent of the majority of the electors of the band must first be had and obtained.
>
> 5. The provisions of the bill fail to provide that hunting, fishing and trapping rights must be restored to the Indian as at the time of the treaties or agreements.
>
> 6. No form of voting in any white man's election must be forced upon the Indian without his consent. It appears that such provision is being considered by an amendment to the Elections Act.
>
> 7. The provisions of the bill fail to recognize that in the words of Lieutenant Governor Alexander Laird, "it takes two to make the bargain."

And may I stop there to observe that that is the very thought I have been trying to express to the minister since I commenced speaking after supper. Let the act be a bargain in which two peoples participate. It should not be a bargain made by one of them and thrust upon the other.

> 8. Above all, we respectfully urge that a clause be written into the bill granting any Indian the right to appeal to the supreme court of their respective provinces in case of a dispute over the exercise of the discretionary powers which may be vested in either the minister or the governor in council.

This eighth paragraph is not in their brief, but it is the closing paragraph of a letter

written by Mr. Laurie on September 7, accompanying the Alberta statement. The other seven points are directly from the Alberta Indian brief. I would feel relieved if the minister could take each one of these points and show that there is no valid basis for the conclusion reached. If the minister can satisfy me in that respect I shall say no more. I will hasten along the bill.

Hon. members must know that I have lived alongside Indians all my life. My father took up a homestead bordering the Blood Indian reservation, with just a road between. As a little boy I rode on that reserve. I know the Indians and their trials and tribulations. If we continue with the discussion of this legislation long enough I shall tell the house about the experience the Blood Indian tribe had in 1918 at the close of world war I. This experience is set forth ably by a man who was the agent of the Blood Indians from 1898 on for some time. It is an experience that I believe every hon. member of this house would revolt at.

It involved the required surrender of large sections of their splendid reservation regardless of the needs of their children in the future. If every hon. member of this house heard the details of that whole arrangement which spread over four years and more and which was carried out by a certain Indian agent I know he would never lift a hand to forward this legislation until he had an unbreakable guarantee that never again in the future would any Indian agent or group of men be able to perpetrate on any group of Indians anything comparable with that experience. But it happened right in Canada on the Blood reserve.

Mr. Gillis: Sounds like the maritime rights.

Mr. Blackmore: It was a dreadful thing. The worst thing about it was that no matter what the Indians thought about it, they simply could not get redress. I do not propose to go into that now, but it is a fact that I have had experience with things of that sort. I lived right there when that thing happened. I saw the lands that were attempted to be taken away from the Indians under what you might call compulsory consent. I have been over them time and time again.

I am in a peculiar position in respect to this matter. I am sure that if every hon. member were in a similar position he would feel responsible to do just exactly what I am doing and would urge moderation and great reservation in proceeding with this legislation. While it may not particularly interest the house, perhaps I might appropriately give some sort of idea of the position I occupy. In addition to being a member of parliament I possess as another set of credentials the fact that I was raised right close to the Blood reserve. I have ridden over that reserve ever since. I am a member of parliament for the Blood Indians and I am an honorary chief of the Blood Indians. It makes a difference when you are an honorary chief. You feel you have more responsibility.

Mr. Fleming: What is your Indian name?

Mr. Blackmore: I shall give it in good time. I was initiated at the sun dance in 1945 by Head Chief Shot From Both Sides, Chief Cross Child and Chief John Cotton, and given the name of Motuskumau, "The Good Adviser." In addition to that I am director on the executive of what is known as the Kainai chieftainship, which is an organization comprised of thirty-five members who have thus far been selected by the Blood Indians as honorary chiefs from among their white brothers. This Kainai chieftainship organization was set up through the earnest efforts of Archdeacon S. H. Middleton in Lethbridge on December 14, 1950, with E. R. McFarland of Lethbridge as president. The aim of the organization is to help the Indians help their children to a better life.

I suppose that is enough to show the minister that some indulgence ought to be exercised on my behalf for appearing to be so uncooperative in the matter of advancing this bill. I want to be sure that everybody feels happy about it. Before I discontinue these remarks I should like to say that there seems to be considerable anxiety on the part of hon. members that the cost of giving the Indians the services they deserve is going to be so great, probably in the course of the next hundred years, that the nation will not be able to sustain it. A suspicion which prevails everywhere is that the Liberal government is endeavouring to "get out from under" the burden of supporting the Indians up to a standard of living they know the Indians should have, before the burden becomes too heavy. They are using their great majority in order to accomplish that objective and have been exerting a certain measure of pressure.

I am not saying that that is correct, but it looks as though it were the case. The changes in the act seem to be designed to enable men to limit membership on the reserve and to obtain greater control over things on the reserve.

There is no justification for the anxiety that we shall not be able to support the Indians. This nation has only begun its career of production and industrial and economic

development. As days go by we shall come more and more to see that where we can produce goods, we can produce money.

All we need to do is to devise means whereby the Indians can share in the production which we can so abundantly bring into being and which they will gladly help us to bring into being. All we need to do is to bring ourselves to the point where we can see that and then we shall have no anxiety about how many Indians there are. The only thing we shall wish is that there were more of them. I do not know of any Indians who are communistically inclined or even suspected, notwithstanding the way we have treated them.

I believe I have pretty well cleared away the reasons why we should not be urgent about passing this resolution. I am now going to ask the minister to explain away each of these charges that have been made. It is only fair that he have a chance to do that after all that has been said. If he can clear away these charges it may change my attitude in regard to the matter of letting the resolution pass. I am going to give them to him one by one. First I ask him to show that the bill which he proposes to introduce does not fail to provide for the logical second step in the progress of treaty Indians, the gradual extension of self-government and the administration of reserve affairs. Will the minister state whether or not he considers that charge invalid?

Mr. Harris (Grey-Bruce): If my hon. friend wants to see the bill he should permit this resolution to pass. He will then see that that provision has been made. In fact it was made by Bill No. 267. Bill No. 267 gave ample authority for every kind of self-government from the least unto the greatest, to complete citizenship. This objection to the bill was unfounded with respect to 267 and is equally unfounded with respect to the one that will be introduced after the resolution passes.

Mr. Blackmore: The minister has answered very well but you know the words that he used are what we call weasel words out west. You can say everything that he said and justify it by simply saying: We are going to make all the Indians assume citizenship and vote, and the result is that by voting for members of parliament and M.L.A.'s they are going to become self-governing as we are. That is exactly what the Indians are afraid of, and everything the minister has said could be justified through that very interpretation.

Mr. Harris (Grey-Bruce): I had that in mind to some extent but only to a very limited extent. I was really referring to the powers of the band councils over the management of affairs and the moneys of the bands, which I think is what my hon. friend had in mind.

Mr. Blackmore: That is right.

Mr. Fulton: Ask him if they are still subject to veto.

Mr. Blackmore: The question is: Can the decision of the band council be vetoed by the agent or the minister? If it can then obviously there is a power which overrules the band's decision and renders it of no avail. That has been the unhappy experience of bands in the past, and that is their fear today. What has the minister to say with respect to that matter?

Mr. Harris (Grey-Bruce): Mr. Chairman, the present Indian Act does not give band councils complete authority over the expenditure of their moneys, as my hon. friend knows. Bill 267 did not do that nor will the bill that is to be introduced do that for the simple reason that there are some things which must remain the responsibility of the government of Canada as long as they are handling the money of the Indian.

Mr. Blackmore: That is well answered. What other items are there, other than the handling of money, which enter into the ruling of a reservation? There must be several other things besides controlling their own money which enter into the ruling of a reservation. For example, there is membership in the band, and whether or not an Indian person shall be able to buy a portion of land, hold it himself, and probably in the course of a generation sell it to some person off the reserve. All such matters certainly come within the purview of band control or government over the reserve.

Mr. Harris (Grey-Bruce): Have we disposed of No. 1 yet?

Mr. Blackmore: I am not sure that we have. I am trying to get all the details.

Mr. Harris (Grey-Bruce): Because what my hon. friend is talking about now is a section later on which deals with the disposition of reserves without the consent of the majority of the electors of the band. I think he is referring to No. 4 which says that the provisions of the bill—that is Bill 267—fail to provide that in all matters affecting the integrity of the reserves, the administration and expenditure of all Indian moneys, whether revenue or capital, the consent of the majority of the electors of the band must first be had and obtained.

That is the only representation from any Indian organization asking for that amount of control over their own affairs. Most of

them feel that the council can deal with these things without having a vote of the majority of the electors of the band.

Mr. Blackmore: That seems a rather satisfactory and straightforward answer. No. 2 is:

> The provisions of the bill fail to provide for the continued recognition of the Indian as an Indian. That is his right by every moral precept. He does not wish to be a "white man"; he wishes to preserve his identity . . .

What would the minister say with respect to that?

Mr. Harris (Grey-Bruce): The present Indian Act does not say anything about preserving the right of an Indian to be an Indian. We have never taken that away from him. No bill is taking it away from him. He may call himself an Indian forever.

Mr. Blackmore: But the important question is, does it go further than calling himself an Indian? Can he enjoy and claim legally all rights which appertain to the status of being an Indian?

Mr. Harris (Grey-Bruce): Certainly.

Mr. Blackmore: Now we will take No. 3.

Mr. Fleming: How many more are there?

Mr. Blackmore: There are eight. I am sure everybody wants to know what they are, and I am sure that the minister wants an opportunity to answer them. He feels confident of being able to do so, and when he meets the Indians tomorrow he will be able to say: "This is what I said". No. 3 is:

> The provisions of the bill fail to provide that band membership must remain undisturbed as at April 1, 1950 . . .

Is this the case or is it not the case?

Mr. Harris (Grey-Bruce): It is not the case. I cannot understand why the date April 1, 1950, has been chosen. It has no significance to me or the department. What the bill does do is define an Indian, and so far as I am informed those who are now properly called Indians will continue to be Indians under the new bill.

Mr. Blackmore: But everything depends on what the meaning of "properly" is, how it is to be interpreted. That is where the trouble lies. Who is going to determine whether an Indian is properly a member of a band or whether he is not? Where does the jurisdiction lie? Does it lie in the band council, in the band membership as a whole, in the two together, in the agent or in the minister?

Mr. Harris (Grey-Bruce): It lies in parliament to determine the definition of an Indian. If my hon. friend is not satisfied with the definition of an Indian in the bill when he sees it he may move an amendment.

[Mr. Harris (Grey-Bruce).]

Mr. Blackmore: The Indians feel that it does not properly reside in parliament. May I express the Indian's point of view? He says: We Indians made a treaty with the white people. We were equals with the white people. Why should a parliament consisting entirely of white men, towards the election of hardly any one of whom we contributed by a single vote, have the authority to determine the definition of an Indian? As far as I can see there is no answer. Here is one of their key points. I think I have said enough on that. The minister says the word "properly" is the whole thing.

Mr. Harris (Grey-Bruce): I used that word because there may be people today who are not Indians but who are calling themselves such, and I would not want to be understood as guaranteeing that they would continue a status which they took unto themselves and which is not proper.

Mr. Blackmore: The trouble is that there are some Indians who are properly Indians, and who have been ejected from the Indian reserves. I have this information. I do not know whether the minister has it. It has to do with section 5 of Bill 267. This is another letter from John Laurie, the indefatigable servant of the Indians, a man whose devotion to the Indians I find it almost impossible to understand. You would ordinarily expect a man to do something with the hope of some ultimate achievement. John Laurie can have no advancement as a result of all the work he has done and is doing. He puts the matter this way:

> In the case of Robert Walker, formerly No. 83 of Driftpile band, the officers of the Indian affairs branch (Mr. McCrimmon) were satisfied to accept a statement from an aged Indian (late Chief Estachikon) who could not speak English, and through an interpreter who had already been discovered practising fraud in connection with his own children who were the progeny of himself and a treaty woman. This man was Charlie Anderson, interpreter at the Driftpile reserve.
>
> The Indians assert that this man, and especially his wife, are well known trouble makers but the field officers have consistently protected him and dismissed any protests. It is true that the late chief signed an affidavit, but it is unlikely that he knew what an affidavit was. Is it not possible that the interpreter, Charlie Anderson, was determined to make others suffer because he himself had been in trouble? In any event the late chief repudiated his affidavit when an Indian of his band talked to him about what he had done. (Correspondence on this must be on file in the branch, as we submitted it). But his repudiation passed without recognition and the word of Anderson was accepted. Was it because the branch officers were determined to gain their ends that a fraudist was allowed to determine the destiny of another man? The man Walker was already thirty-three or thirty-four years of age. How could anyone establish Walker's parentage at that late date?

In this case the Indian was ejected from the reserve, quite unprepared to compete

successfully in the society of the white men. He had no recourse whatever to any tribunal but had to accept the fiat of certain members of the department. What conceivable control could that band exercise over the disposition of this man Walker, who they maintained was one of their own members?

Mr. Harris (Grey-Bruce): I am not familiar with this particular case. If my hon. friend will send me the details I will look into it and give him an explanation.

Mr. Blackmore: I knew the minister would say that. I have already paid the minister one compliment, because I greatly admire him and I do not mind saying so. My goodness, we get so few bouquets as we go through life that it does not hurt to get or give one once in a while. But the Indians want some stipulation in the act that will render it impossible or at least highly improbable that such a thing will ever be repeated in any band in Canada as long as the Indians live. If that Indian had been free to take his case to the supreme court of Alberta and the decision had gone against him he would have had to do as a white man does when he loses a decision. As it was, however, all the evidence it appears was in his favour, all the facts it seems were in his favour, but he was ejected from the reserve with all his descendants.

Mr. Harris (Grey-Bruce): I think the hon. member knows that I spent a whole day with the president and secretary of the Indian association of Alberta discussing this brief. They made certain representations with respect to the subject now under discussion, and I suggest that when my hon. friend sees the bill he may find that they are satisfied on that point, at least in part if not wholly.

Mr. Blackmore: I would be inclined to accept what the minister says, but what bothers me is that once we see the bill it will have gone through first reading, and the government with its steamroller can put it through second reading in spite of anything that can be done by all the people of Canada. That is the risk we run, and that is why I am very much concerned. However, the minister has given his answer; now let us take No. 5.

5. The provisions of the bill fail to provide that hunting, fishing and trapping rights must be restored to the Indian as at the time of the treaties or agreements.

In that connection I am going to make this statement. I have never had the consent of the Indians to do so, but I am going to make it no matter how they feel about it. It must be recognized that a province has jurisdiction over the game and fish in that province. It must be recognized that a province must make regulations in order to protect and preserve that game; and this applies to every province in Canada including Alberta. The Indians, of course, feel unhappy because they are denied the privilege of catching fish during a certain season, or shooting game of all kinds throughout the season. The answer to that cannot possibly be put into any act of this parliament, and I would not expect the minister to try to do so since he would have no constitutional authority. However, I repeat what I indicated in my talk this afternoon. Where the Indians find it necessary to hunt and fish in order to live, and that privilege is denied them because of the growth of civilization—that is the way you have to put it; because of the onward progress of civilization—provision should be made to make up their loss.

This, of course, represents a tremendous advance beyond anything men have dreamed of, but some such advance has to be made. Take beef, for example. Indians hunt deer and other animals because they need meat. If they cannot get deer or other game, we could produce the beef and let them have it. There is no difficulty about it, if we can only discover the proper method of financing. Obviously there is a way of financing, so I say in this case I would not expect the minister to put any such provision in the act; but I would expect some provision for making up to the Indian the loss he suffers in this way, and that certainly can be done. My heart simply bleeds when I think of certain Indians in British Columbia who used to live on salmon and who now find their salmon supply entirely gone, with nothing done to remedy the situation. However, I will not ask the minister to answer that unless he chooses to do so.

Mr. Harris (Grey-Bruce): Before I do attempt a very brief answer may I respectfully point to the clock and express the hope that we can finish this before eleven o'clock? The question of hunting and fishing regulations in all provinces will probably come in for a good deal of discussion while this bill is in the process of going through the house. I appreciate what my hon. friend has said, though it does not precisely agree with this recommendation. I believe he is right; I do not think we could put in the bill anything along the lines of the suggestion here. It is a very large question and one on which we will need a lot of advice and good judgment when the bill is going through the house.

Mr. Blackmore: One could hardly ask for anything more. I am sure the minister clearly recognizes that there is a problem which must be met. It cannot be met by the only means the Indians can think of, but it can be met

by a sufficiently liberal allowance to those Indians who find themselves in this difficult position.

I am still watching the clock; I do not know whether I will go beyond eleven o'clock or not. It will depend upon how the minister answers these questions. The next is:

No form of voting in any white man's election must be forced upon the Indian without his consent.

It appears that such a provision is being considered through an amendment to the elections act. Will the minister make a pronouncement on that?

Mr. Harris (Grey-Bruce): I think my hon. friend could have done that himself. He is quite aware of the fact that the amendment of the Dominion Elections Act last year did not force the white man's vote upon the Indian. He may exercise the franchise if he wishes. If he does not wish he need not do so.

Mr. Blackmore: The important thing the Indians were thinking about was whether or not there would be an additional amendment of the elections act. The minister naturally will answer that he has no control over that act, but just the same he is a member of the government; when he speaks he speaks for the government, and the government must be bound by what he says. Would the minister express it as his solemn conviction that there is in the mind of the government no thought of doing any such thing as changing the elections act so as to jeopardize the position of the Indian with respect to his citizenship?

Mr. Harris (Grey-Bruce): I think that is a little too much to ask a minister. All I can say is that the amendment of last year speaks for itself. I think it was well thought out and will be justified by the passage of time.

Mr. Blackmore: The chief difficulty I find is that deep in their minds the Indians feel they cannot trust the white man in respect to this matter. They know that by devices of this kind they can be dispossessed and turned adrift without adequate preparation to compete in the economy of the white man, and they will not be able to do a thing about it. I suppose the government cannot go any farther, but it should make a declaration, as binding as a treaty with the Indians, that for at least thirty or forty years no such thing as that will be even contemplated. I should go a little further on this point, and I am watching the clock. It should be recognized that until the Indians have been educated and trained in all branches of education in which we train our own youth, no one should even remotely contemplate such a thing as jeopardizing the Indians' position on the reserve. In so doing they would be committing a crime against the Indians, for which there could be no compensation. I suppose that is the best thing we can do, but it is a matter of our attitude as a nation.

There is one more matter. Do the provisions of the bill fail to recognize, that in the words of Lieutenant Governor Alexander Laird, "It takes two to make a bargain"? What is the minister's opinion on that?

Mr. Harris (Grey-Bruce): That particular quotation had to do with treaties and the making of treaties. As my friend has already pointed out, we are not dealing with treaties in this particular legislation. There are occasional references to treaties, guaranteeing their continued existence in one respect or another. The Indian Act has been on the statute books of this country from 1869, and from the recital I gave this afternoon of the efforts which have been made to ascertain Indian opinion concerning this bill, we have gone just about as far as anyone can be expected to go. This afternoon I assured the house that if out of the conference we are going to have there are opinions to be brought to the attention of the house, or amendments to be made, I shall certainly draw them to the attention of the house.

Mr. Blackmore: Now, that is good. This is the last point. Is there any reason why we should not put a stipulation in the bill which will give the Indian the right, either individually or through the band council, to appeal to the supreme court of his province in case he feels he has been treated unjustly?

Mr. Harris (Grey-Bruce): Mr. Chairman, this afternoon the member for Kamloops pointed out that at the meeting he attended the Indians felt that the act might be divided into sections in which there would be a part applying to British Columbia, having in mind the fact that those Indians are not under treaty. I think the point is clear that this bill, and the Indian Act, must cover all the Indians in Canada. There will be sections in the act which do not relate to the Indians in one province but to those in another. Now, that is understandable. Similarly, there are sections in the act under which a decision must be made administratively by the minister, and upon which I think the house would agree no appeal is necessary or desirable, in the interests of the Indian and the administration of the act.

On the other hand, there are certain rights the Indian may have which, if passed upon by the minister, may properly be the subject of reference to some other body, be it a supreme court judge or a county court judge; that is

only a matter of detail and can be worked out. I do not think my hon. friend would expect that, in every case where a minister made a decision, there should be an appeal to a judge. For example, if refusal is given to a loan under the revolving fund, would my hon. friend expect an appeal to the supreme court of Alberta concerning why the minister refused that particular loan? I do not think so.

Mr. Blackmore: It could be safeguarded by stipulating that it should be with the consent of the band.

Mr. Bryce: Has the minister had an opportunity of consulting his cabinet colleagues and the officers of the department on whether the Indian committee will be set up and have the opportunity of hearing the Indians?

Mr. Harris (Grey-Bruce): I thought I said this afternoon that we would have a special committee.

Mr. Bryce: I am just trying to get this point clear, Mr. Chairman. I do not want to go away under any misapprehension. Will the committee be appointed in time to meet the Indians who are here?

Mr. Harris (Grey-Bruce): I said this afternoon if the house agreed to second reading, of course.

Mr. Blackmore: I am in a position in which it is difficult for me and my colleagues to make a decision. It would be easy for me to carry the debate over eleven o'clock, but whether or not that is in the best interests of the Indians, I do not know. I wish I could have an opportunity of consulting with the Indians. Everything being considered, it looks to us, considering the fact that the minister has impressed us as being honest in his intention, as if it is best for us to allow the resolution to go through.

Resolution reported, read the second time and concurred in.

Mr. Harris (Grey-Bruce) thereupon moved for leave to introduce Bill No. 79, respecting Indians.

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow is private members' day, Mr. Speaker, and we will follow the order set out in standing order 15.

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

HOUSE OF COMMONS

Wednesday, February 28, 1951

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

GANDER AIRPORT

Mr. Higgins:

1. Is it planned to extend the runways at Gander airport this year? If so, which runways are to be extended, and by how many feet?
2. What material is to be used in the construction of the additions to the runways?
3. Is it proposed to build a new terminal building at Gander airport this year? If so, where is it planned to locate such building?
4. What is the total area to be made available for use by the various air line companies in the said terminal?
5. How is it proposed to allocate the space to the various air lines for ticket counters, and general offices?
6. What amount of traffic is anticipated?
7. What public facilities are to be installed?
8. Are the meteorological offices to be relocated?
9. What is to be the expenditure for the proposed terminal?

Mr. Benidickson:

1. It is planned to extend one runway this year. The runway to be extended is still under study by engineers and technical engineers and technical officers.

2. Plans call for the use of a hot asphaltic concrete surface on crushed gravel base.

3. The over-all plan for the reconstruction of the Gander airport includes the construction of a new terminal building, but due to the cut-back in non-defence expenditures no construction will be undertaken this year.

4. Before the final plans for the new building are drafted, all air line companies and others concerned will be requested to submit information as to their requirements.

5. According to the need of each in relation to the space available.

6. Approximately the same as last year, i.e., 20,000 aircraft movements (departure or arrival).

7. Waiting rooms, wash rooms, restaurants, snack bar and facilities for customs, immigration and health.

8. It is not expected that the meteorological offices will be relocated before the new terminal building is erected.

9. Plans have not been developed to a stage where an estimate of cost can be made.

NATIONAL ADVISORY COUNCIL ON MANPOWER

Mr. Pouliot:

1. Are any of the members of the national advisory council on manpower connected with any firm or company which was awarded government contracts directly or through subsidiary companies?
2. If so, who are they?

Mr. Cote (Verdun-La Salle):

1. Yes.

2. (a) Mr. Rhys M. Sale, Ford Motor Company of Canada, Windsor, reports:

We have not at this time any war orders as such. We have supplied a few commercial type vehicles to the forces which is normal business and does not relate to any emergency. We are doing some experimental engineering and design work for Department of National Defence but have no orders for products of this design.

(b) Mr. Albert Deschamps, Montreal, advises:

Albert Deschamps & Company, contracting engineers, Montreal, had a general contract to remodel the Ford hotel for the Canadian Broadcasting Corporation, and the work has been completed.

(c) Mr. William Mainwaring, vice-president, British Columbia Electric Company, Vancouver, advises:

The B.C. Electric Company supplies light and power under provincial regulation and therefore would have no occasion to enter into any contract with the government, but it does supply electrical energy and gas to various government departments and also to companies which undoubtedly have contracts with the government. I feel sure Mr. Pouliot had in mind contracts for materials of one type or another and such would be entirely foreign to our business.

NATIONAL HARBOURS BOARD, NEWFOUNDLAND

Mr. Higgins:

1. Has the province of Newfoundland requested the federal government to investigate the desirability of establishing one or more national harbours under the national harbours board?
2. If so, what areas have been designated for the establishment of national harbours?

Mr. Benidickson:

1. No.

2. See answer to No. 1.

DEFENCE CONTRACTS—SASKATCHEWAN

Mr. Thatcher:

1. What companies received defence contracts in Saskatchewan during the first nine months of the past year, valued at $10,000 or more?
2. What equipment or supplies were each of these contracts for?

Questions

Mr. McIlraith:

1. (a) Army and Navy Department Store, Regina; (b) T. M. Ball Lumber Co. Limited, Saskatoon; (c) Builders Supply & Fuel Co. Limited, Saskatoon; (d) Harvey Lunam Construction Co. and Blondin Roofing Co., Regina; (e) Mackenzie & Thayer Ltd., Saskatoon; (f) Underwood & McLellan, Saskatoon; (g) Western Construction Co., Swift Current.

2. (a) Beds; (b) coal; (c) coal; (d) repairs to roof of 16 ROD warehouse; (e) coal; (f) engineering investigation of sewage disposal system; (g) construction of a 6-target outdoor rifle range.

QUESTIONS PASSED AS ORDERS FOR RETURNS

NEWFOUNDLAND MARINE SERVICES

Mr. Higgins:

1. Have any requests been made for marine services, such as wharves, slipways and breakwaters, in the province of Newfoundland?

2. If so (a) from whom; (b) on what dates; (c) for what repairs or replacements?

BUTTER

Mr. Cardiff:

1. How many firms handle the distribution of butter from the dairy board to the trade?

2. How much butter has been imported into Canada from January, 1950, to date?

MOTIONS FOR PAPERS

PASSAMAQUODDY TIDAL PROJECT

Mr. Brooks:

For a copy of all correspondence, reports and other documents in the possession of the federal government, exchanged during the past ten years between the international waterways commission, the provincial government of New Brunswick, the federal government and the government of the United States, concerning the inspection and the proposal for the development of hydroelectric power from Passamaquoddy bay, bay of Fundy.

Mr. Lesage: Mr. Speaker, there is no objection to accepting this motion, but it would be with the reservation that permission will have to be obtained from the government of the United States and the government of New Brunswick.

Mr. Speaker: Carried, subject to the reservation stated by the parliamentary assistant.

ASSISTANT GRAIN COMMISSIONER, SASKATCHEWAN —TRAVELLING EXPENSES

Mr. Wright:

For a copy of each claim for travelling expenses, showing detailed amounts spent on transportation, hotels, meals and other items, submitted by Mr. A. G. MacLean, assistant commissioner, board of grain commissioners at Saskatoon, for the period from January 1, 1949, to January 31, 1951.

[Mr. Thatcher.]

WHEAT

QUESTION AS TO FINAL PAYMENT ON FIVE-YEAR POOL

On the orders of the day:

Mr. J. S. Sinnott (Springfield): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Now that he has returned to Canada, would he like to give the house the information he has obtained in Great Britain in respect to the wheat contract?

Right Hon. J. G. Gardiner (Minister of Agriculture): I have not yet had an opportunity of making a report to the government with regard to the matters discussed in London. As soon as I have had that opportunity and any decisions have been reached, I shall seek an opportunity of making the results known to the house.

Mr. J. A. Ross (Souris): Mr. Speaker, I should like to direct a similar question to the Minister of Trade and Commerce. In a press report of proceedings in the House of Commons in London yesterday Mr. Gaitskell is reported to have answered a question by stating that there will be no further payment on the United Kingdom-Canada wheat agreement, and that the matter was fully discussed and settled last summer with the Minister of Trade and Commerce—

Some hon. Members: Order.

Mr. Ross (Souris): Could I have an answer from the minister as to what is the situation?

Mr. Speaker: I do not think the house heard the question asked by the hon. member for Souris. In putting his question I would ask him not to quote from press reports. Would he put his question briefly?

Mr. Ross (Souris): It is in reference to a question answered by Mr. Gaitskell in the House of Commons in London, to the effect that after a thorough discussion—

Some hon. Members: Oh, oh.

Mr. Speaker: I think the hon. member can put his question without quoting the report.

Mr. Ross (Souris): Is it true, as reported yesterday, that the statement was made in the House of Commons that a final settlement on the wheat agreement was completed last summer between the Minister of Trade and Commerce and the proper officials in London?

Mr. Howe: Who is being asked the question?

An hon. Member: You.

Mr. Ross (Souris): I directed the question to the Minister of Trade and Commerce on three occasions. He and the responsible

ministers of the United Kingdom government are reported as having reached a final settlement last summer. I am asking a question as to that final settlement on behalf of the wheat board, which is under his department.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Last summer is a long time ago, and I have really forgotten what happened. I shall be glad to look it up.

Mr. Coldwell: May I ask the Minister of Agriculture and the Minister of Trade and Commerce a supplementary question? If there is in existence correspondence or documentary evidence dealing with the final settlement on the wheat agreement will both ministers produce it when making statements to the house?

Mr. Gardiner: I was the minister who conducted the negotiations at the time the agreement was entered into. When a statement is made some time during the session, all matters which have any relationship to the decisions reached will be presented to the house.

Mr. Coldwell: Will the Minister of Trade and Commerce agree that any written evidence of that description will be presented?

An hon. Member: He has forgotten.

Mr. Howe: The Minister of Trade and Commerce has been away on a holiday and he needs a little time.

Mr. Coldwell: In connection with the minister's statement last June.

Mr. Howe: I have no statement to make at this time.

Mr. Macdonnell (Greenwood): May I address a supplementary question to the Minister of Agriculture? In view of the defects of the holiday memory of the Minister of Trade and Commerce, can the Minister of Agriculture tell us whether the Minister of Trade and Commerce settled these matters last summer?

Mr. St. Laurent: Have not we had enough of these attempts to make political capital out of a very serious problem?

Mr. Graydon: May I suggest to the Prime Minister that the best example of making political capital is to be found on his own side of the chamber?

Mr. St. Laurent: I thank the hon. member for Peel for his suggestion. As usual, it is very helpful.

Mr. Graydon: You are playing to the grandstand.

Inquiries of the Ministry

EMMA MOIR

EXPRESSIONS OF CONGRATULATIONS ON HER 107TH BIRTHDAY

On the orders of the day:

Mr. L. E. Roberge (Stanstead): On a question of privilege, I should like to point out that two weeks ago we celebrated in our county the 100th anniversary of the birthday of Mrs. James Parker, and today I should like to convey to Mrs. Emma Moir, of Beebe, Quebec, our congratulations and best wishes on her 107th birthday.

Mr. Abbott: What a county!

CIVIL AVIATION

QUESTION AS TO TRAINING COURSES FOR COMMERCIAL PILOTS

On the orders of the day:

Mr. F. D. Shaw (Red Deer): Mr. Speaker, I should like to address a question to the parliamentary assistant to the Minister of Transport, of which notice has been given. Has the government, or any department of government, established an approved course of training under which student pilots can qualify for commercial licences after 150 hours of flight time? If such a course has not been established, is the Department of Transport giving consideration to the matter?

Mr. W. M. Benidickson (Parliamentary Assistant to the Minister of Transport): The hon. member was good enough to give the department notice of his question, and therefore I am able to give him an answer. The answer to his first question is no. The answer to the second question is: Yes, the approval of a course of training for commercial pilots to meet international standards has been under review and has been subject to discussion with the Royal Canadian Flying Clubs Association and the Air Industries and Transport Association.

Mr. Speaker: I allowed this question to be asked by the hon. member for Red Deer, but it seems to me that a question of this kind should be put on the order paper rather than asked on the orders of the day.

Mr. Shaw: On a question of privilege, I took my lead from the brown bread question of two or three days ago.

Mr. Speaker: I do not want to get into a controversy with hon. members. I agree with the hon. member that the question to which he refers should have been placed on the order paper.

Industrial Relations

CIVIL DEFENCE

INQUIRY AS TO GOVERNMENT POLICY

On the orders of the day:

Mr. Gordon Graydon (Peel): I should like to ask the Prime Minister a question arising out of the unanimity of opinion which was indicated yesterday by the three parties in the Ontario legislature. When does the government intend to give a clarification of its policy on civil defence?

Right Hon. L. S. St. Laurent (Prime Minister): That is a matter of government policy. I did not attend the meeting yesterday of the Ontario legislature. The responsibility of the government is to this house, not to the provincial legislatures. This matter is under consideration, and as soon as a determination has been made it will be announced first of all in this house.

Mr. Graydon: That is what we want.

HOUSE OF COMMONS

AUDIBILITY OF DEBATE—QUESTION AS TO REPORT ON ACOUSTICS OF CHAMBER

On the orders of the day:

Mr. Daniel McIvor (Fort William): I should like to direct a question to the Minister of Public Works. I have not given him notice but I do not think he needs it. In view of the investigations that have been made in regard to improving the acoustics of the House of Commons chamber I was wondering whether he had any progressive report to make, either today or tomorrow.

Hon. Alphonse Fournier (Minister of Public Works): Mr. Speaker, may I very respectfully refer the question to Your Honour? I understand you will have a report to read to the house in the near future.

Mr. Speaker: The Minister of Public Works has referred the question to me. I can say that I shall have a report on acoustics to present to the house in the very near future.

INDUSTRIAL RELATIONS

AMENDMENT OF CHAPTER 54, STATUTES OF 1947-48—VOLUNTARY REVOCABLE CHECK-OFF OF UNION DUES

The house resumed, from Friday, February 23, consideration of the motion of Mr. Knowles for the second reading of Bill No. 4, to amend the Industrial Relations and Disputes Investigation Act (voluntary revocable check-off).

Mr. David A. Croll (Spadina): Mr. Speaker, the principle underlying this measure is already the unwritten law of Canada with respect to labour relations. What is sought in the bill is the first and tiniest step towards union security, which is a plank in our platform. The check-off, along with its more vigorous and younger brother, the Rand formula, is now being followed in hundreds of labour contracts in Canada. The bill merely points out that it is high time it was written into the law. Labour has already earned it, and it would appear that at this time it deserves to have it written into the law. The management philosophy of "keep them poor and keep them fighting" is not in accordance with modern trends, and is not good for labour-management relations.

There are two safeguards in the bill, the word "voluntary", and the word "revocable". The employee must ask management to make the deduction, and the employee has the right to cancel the request whenever he or she feels so inclined. It seems to me no greater precaution is necessary. Having regard to our long history of good labour relations, I think it is a most logical step. I am sure that no member of the house questions the right of any man to belong to the union of his choice. As a matter of fact we encourage it. No one in the house questions the right of unions to impose union dues. We recognize that, and in many instances management collects the dues. It is hard to understand what possible objection employers could have to deducting union dues on request. As has been pointed out, they already do so with respect to income tax, unemployment insurance, pension and hospitalization plans. As a matter of fact the dominion government is very helpful in that regard and co-operates with the civil servants. I have a clipping from the Ottawa *Citizen* of April 3, 1950, to which I should like to refer. It reads in part:

> The amalgamated civil servants of Canada and the civil service association of Ottawa issued statements over the week end welcoming Saturday's announcement that the government would provide the check-off for a proposed civil service health plan, but indicating a belief in the principle of employer contribution to the cost of the premiums.

Then the article quotes a man by the name of Fred Knowles—not from Winnipeg North Centre—as follows:

> We are very pleased that the government has agreed to provide the check-off as a means of furthering a comprehensive hospitalization and medical insurance plan for civil servants as recommended by the national joint council of the public service of Canada.

All that is involved in the check-off of union dues is just another operation for the bookkeeper. In a discussion in the house a few days ago the matter of income tax deductions was mentioned, and some members raised the question whether farmers who belonged to farm organizations would be

permitted to deduct their dues to such organizations in the same way as was proposed for union members. I think the answer was that it was intended that they should have the same opportunity. Perhaps it would be interesting to the house to know that, in Ontario at least, farmers already possess the right to check off their dues to the federation of agriculture despite the fact that there is no check-off for union dues in that province. Section 315 of the municipal act provides that any township council may levy a special rate, not exceeding one-half mill, on all persons who appear upon the rolls as farmers. That is to be the annual membership fee to the federation of agriculture. A person so taxed may within thirty days after the delivery of the assessment indicate that he objects to the assessment, in which case the assessor must amend and deliver a new assessment. There is the revocable check-off, but there is nothing particularly voluntary about it. The council may pass it on their own without any recourse to the farmers of the township. The tax collected is the same as any other assessment, and appears on the rolls of the assessor as "federation of agriculture membership fees." It is not a charge on land, and there is no penalty for non-payment. The treasurer must deposit the money in a special account which he pays over to the federation of agriculture at the end of the year when he sends them a list of all those who did not pay the assessment. For performing this service the assessor may charge the federation whatever the federation agrees to pay.

As I recall it, the opposition to the check-off is that it is a proper matter for collective bargaining, that there is some compulsion and coercion connected with it. It is also suggested that it may lead to legislation with respect to wages and working conditions. Speaking in the house the other day the minister pointed out that the province of Saskatchewan, the industrialized province of British Columbia, and the provinces of Alberta, Nova Scotia and Prince Edward Island, all have upon their statute books at the present time provision for a check-off. I leave it to the house to answer the question whether labour conditions in those provinces are not better than they are in the provinces that have not enacted the check-off. I point out that five provinces have already on their statute books legislation calling for the check-off, and that labour relations in those provinces have never been better. The check-off has been helpful. Perhaps one reason why Ontario has not legislation in reference to the check-off is that the unions are so strong they are able to get the check-off without difficulty. Where we have weak unions and strong companies, however, it is impossible for the unions to get the check-off.

We in this house have a special responsibility. A few years ago many hon. members from all sides took time to write what we considered to be a national labour code. It is a very good code. It has been followed in many instances by legislatures across Canada. Our hope was that it would be a model. Now we find that with respect to a very important matter, the check-off, we in Ottawa are lagging behind. It may be said that it will not affect a large number of people, since not many come under the dominion labour code; but that in itself is not important. What is important, I think, is that we should give leadership. It is our duty and responsibility to give the same sort of leadership we have been giving in other matters.

All the check-off requires is co-operation on the part of the employer. Why anyone who desires good labour relations in his plant should refuse it is beyond me. Labour relations in this country are improving from year to year, as we have more understanding on the one side and greater reasonableness on the other. The check-off can help. It would give labour leaders and union members an opportunity to devote their time to other matters concerning labour relations which are more important than the collecting of dues. It may be that ultimately it will lead to the Rand formula, which of course is what labour would like and what it is entitled to have. For too long too many people have been riding free, getting the benefits of labour organization without paying anything for it. I think it should be understood that the money the labour unions collect is not used for the purpose of paying high salaries. They do welfare work. They have credit unions to finance. From time to time they have to augment the pensions of their members. They have other things to do that are of considerable importance.

We have been talking about this problem for a very long time—too long. The check-off has been taken for granted by a large number of people across the country. As for me, I think it is as inevitable as tomorrow. It seems to me this is a good opportunity to write it into our statutes as an act of this parliament; to say that it flows as a natural result wherever we have a collective bargaining agreement coming within the four corners of the act. It is my belief that the check-off improves labour relations. I think you will find those relations have improved in plants where the check-off has been given an opportunity to prove itself. I ask the house to take this opportunity to support this bill.

Mr. A. F. Macdonald (Edmonton East): Mr. Speaker, for over thirty years I have paid my trade union dues monthly, quarterly, half-yearly or yearly. I have done this willingly, because I have participated in the great benefits my trade union organization, acting for me in the industry in which I am engaged, has brought about. It has benefited my economic life; it has given me a better standard of living, and a greater appreciation of the cordial relations that should exist under an agreement negotiated between management and the bargaining authority on behalf of the employees. Almost every pay day on the railway a collector comes around for the trade union dues. He is not a paid representative of the union, but someone like myself, working in the industry. He comes to the office or shop and says, "Listen, chum, fork over your dues for the current month." Up to a year or a year and a half ago I would hand over $1.25 to that collector. Now I pay a little more.

On the other hand there are people who have been engaged in the industry for many years, who have worked alongside me, whom I respect and admire and work with very sociably, but who think the union is not of any great value, and who accept all the benefits under the agreements negotiated on their behalf but still pay no union dues. I have no particular objection if those people do not want to belong to the union, except that my dues and assessments are higher because I have to help carry those fellows on my back. I agree that a check-off of union dues should be negotiated and put into effect by our strong, respected unions at the very earliest opportunity. When our present contract expires, that is one matter my union will take up in negotiating a new agreement; but when they negotiate a check-off I want them to be sure it will not catch me only, who have been paying my dues for over thirty years, but will also catch those in our industry who have been enjoying all the benefits without belonging to the union or paying their dues.

It seems to me that if we were to support the amendment to the Industrial Relations and Disputes Investigation Act as proposed by the hon. member for Winnipeg North Centre (Mr. Knowles) in Bill No. 4, we would not only establish a floor but also a ceiling. That is not the kind of check-off I want, nor is it the kind of check-off the people want with whom I am associated in the trade union movement. We want a different form of check-off, the form that is commonly known as the Rand formula. Under this formula a person who is covered by a collective agreement, whether or not he belongs to the union, pays his dues to the union. Those dues will be checked off his wages. That is the very minimum we should expect to have as a check-off.

I do not subscribe to the views of those well intentioned people who do not belong to the trade union movement, and who are trying to be the saviours of trade union people. The member for Toronto Spadina (Mr. Croll), a very good friend of mine, has suggested that if we do not have the check-off we are going to keep the unions fighting, and we are going to keep them poor. My union is well aware of its responsibilities. We do not fight with management; we negotiate as gentlemen. We are not poor. I can take you over to the headquarters of my organization in the city of Ottawa. I am proud of the fact that in only thirty years we have built up a head office personnel comprising well-trained and educated people, who handle our trade union activities in a responsible manner. I do not believe they would wish the Industrial Relations and Disputes Investigation Act amended by the innocuous sort of check-off that is suggested in this bill. I have every confidence that in time we shall have the sort of check-off we want.

I believe that discussions of this type are valuable. I do know, and I wish you to know, that my union is strong enough and has the confidence of its members to such an extent that it will be able, when the appropriate time arrives to open the contract, then negotiate for a check-off provision. It will get the sort of check-off provision that is going to be of some value to my colleagues who are trade unionists, and who are covered by that agreement.

Mr. Charles Henry (Rosedale): Mr. Speaker, in rising to speak on this bill this afternoon I am necessarily under certain physical limitations, having just recovered from a serious illness of six months' duration. My remarks will, therefore, be brief. Nevertheless I think the issues are clear, and brevity is the thing that is necessary under the circumstances.

The constituency of Toronto Rosedale sent me here because a good many supporters responded to my platform of social security without socialism. In my opinion this bill is based on union security without socialism. In my view it will produce a strong and stronger trade union movement in this country if it is enacted. I support, therefore, the principle of the voluntary revocable check-off contained in this proposed legislation. I will vote for the bill.

Mr. Paul E. Cote (Verdun-La Salle): Mr. Speaker, I would not let this opportunity pass without informing the house of my personal reaction to the principle to which

the sponsor of this bill has drawn the attention of the house. The member for Winnipeg North Centre (Mr. Knowles) draws the attention of the house to a form of union security which should appeal, and in fact undoubtedly appeals, to most hon. members and to the people of the country generally. The voluntary revocable check-off is, as has been justly stated, the minimum measure of union security that can be put into effect. I favour the principle of union security, and consequently have no quarrel with anyone who wishes to promote it. Personally I feel that the voluntary revocable check-off is too little, and that it will not serve the purpose for which it is intended. I do not know of many agreements in which there is a clause calling for the voluntary revocable check-off because, as I said a moment ago, it affords so little union security.

The purpose of this debate is not to seek the views of this house on the principle of union security, as it more particularly concerns the advisability of this measure of check-off in the relations between labour and management. The bill goes much further, and it is at this juncture that I must part company with my friend the member for Winnipeg North Centre. The bill is intended to amend the Industrial Relations and Disputes Investigation Act by inserting therein a clause which would make it mandatory, in any labour-management agreement, to have this voluntary revocable check-off. I consider it important first to remind my friend that by his bill he aims at amending peacetime permanent legislation. The Industrial Relations and Disputes Investigation Act is the result of the experience of our federal Department of Labour in the administration of the Industrial Disputes Investigation Act, and the administration of the wartime labour relations regulations, P.C. 1003, up until about 1947. It is also the result of consultation with the various provincial authorities, labour organizations and management organizations across the country. They all considered that this was to be a permanent basis, set up by statutory action, for the regulation of labour relations across the country in the fields which properly belong to the federal jurisdiction.

Before going any further, I should like to call as an authority an hon. member of this house who had this to say during the discussion which took place on Bill No. 195 in 1948:

> I agree with the minister as to the desirability of having free collective bargaining and that it should be done by the employees and the employers and not by the state for them. But we have got to the place where we realize that the state has to do some of the umpiring and lay down some of the rules. This whole act provides that under collective bargaining you cannot go out on strike unless you have gone through certain conditions. I am now saying that in collective bargaining the pension and rights must not be in jeopardy at all.

Those words were used by the mover of this motion, the hon. member for Winnipeg North Centre (Mr. Knowles), and they can be found at page 286 of the minutes of proceedings and evidence of the standing committee on industrial relations, 1948. I quite see what my hon. friend had in mind, having laid down this general principle that the state should not trespass in the field of free collective bargaining, and after that, stating an example as to which, to his mind, an encroachment on that principle could be admitted. But at the time my hon. friend was aiming at stating what would be called by statute an unfair labour practice, which was a determination, in his mind, of section 4, subsection 2, paragraph (b) of the act. In the mind of the then minister of labour, the addition advocated by my hon. friend was not necessary. The general statement of this paragraph (b) is as follows:

> impose any condition in a contract of employment seeking to restrain an employee from exercising his rights under this act . . .

This was sufficient to cover the point which my hon. friend was discussing, but he finally succeeded in adding this subparagraph. I myself did not have any objection. On the contrary, I congratulated my hon. friend on making a précis of the purport of this subparagraph.

I fully agree with the general principle he laid down in my first quotation of his words, namely, that free collective bargaining should be done by employers and employees—not by the state for them, which is the principle involved in the motion we are considering, and to which I am opposed. I favour the check-off in a better way than what is called the voluntary revocable check-off. I think that the check-off agreed upon between management and labour should be at least irrevocable for the duration of the agreement. That would be my starting point in matters of union security. But the other principle, which calls for the intrusion of the state into matters of collective bargaining, is to my mind an objectionable principle, because it means a usurpation by the state of a field of action and decision which has been so far regarded as the exclusive privilege of labour and management.

If one looks back to the past and realizes what we could achieve under the existing federal legislation and wartime orders which left absolutely free to the initiative of labour and management the field of collective bargaining, one must hesitate before sapping, I

would say, the very structure of our existing machinery. So far there is in the act no principle of a like nature which my hon. friend could invoke in support of his amendment.

To my mind the passing of this measure would set an extremely dangerous precedent. I venture to say that if I were to ask the hon. member for Winnipeg North Centre what he would do at an ensuing session, assuming that today we adopted his amendment, I would find it would be a starting point for him or for others in this house to urge the inclusion in the act of more and more of those steps which have been so far reserved for collective bargaining. I am sure that my hon. friend would not be satisfied, even if we were to pass this bill providing for the voluntary revocable check-off. I am sure that it would not be long before he would come to the house again and ask for another amendment calling for a greater measure of union security. Do I understand that my hon. friend agrees with what I say?

Mr. Knowles: Yes.

Mr. Cote (Verdun-La Salle): Thank you. If that is so, by adopting this amendment we are engaging the state in a field of activity which belongs to labour and management, and we would be restricting more and more as we went along the area of free collective bargaining between labour and management. As the late Humphrey Mitchell used to say, some of these days all collective agreements will be settled on the floor of this house, and once we start in that direction it will be difficult to draw the line. He also used to say that what parliament can give to labour, it can take away from it. My hon. friends will recall vividly the various ways in which he would illustrate that point time and again. But his strongest argument was his reference to the experience in the United States. As was mentioned by the present Minister of Labour (Mr. Gregg), there was a swing in the United States from a rather leftist labour act towards a rather rightist one. When the first labour act, the Wagner act, was introduced in 1935, there was a preponderance of support for a greater measure of security and protection to labour. In the course of the years that followed there was a gradual reaction which resulted in a preponderance of influence favouring a change in the act, and in the bringing into force of the Taft-Hartley act. That is only a natural course.

The Canadian parliament and the Department of Labour here should not be pro-labour or pro-management. Its first duty should be the safeguarding of the public. That function was well illustrated last fall when a measure was submitted to the house to put an end to the railway strike. Canadian policy in matters of labour relations so far—and that has been the key to the success which it has achieved—has been one of proper balance between management and labour. Our act sets the procedure to be followed by both parties. It squarely places on both management and labour, without any kind of discrimination or preferential treatment, the strict obligation to bargain together in good faith, but does not say what the bargain should be. With this set of legislation and rules, organized labour has trebled its membership in ten years. Of course we cannot take the credit for all of this; but in the better part of that decade organized labour had to turn to the federal authorities to get its legislation and regulations. These were times of war, and emergency immediately following a state of war.

In a few words I should like along broad lines to review the chief features and purposes of the Industrial Relations and Disputes Investigation Act, so that the house may refresh its memory on the purposes and aims of the act, and the spirit underlying that legislation. The first principle of interest and importance, set out in the act, is the right of labour to organize. On this point I shall not do more than to explain how important the federal authorities deemed this to be, if both management and labour were to deal with each other on an equal footing.

Another important feature is the setting up of provisions condemning unfair labour practices and outlawing company unions. Then there was the certification of bargaining agencies, giving to the majority of the workers in a plant the absolute right to be officially recognized for the purposes of this act as the bargaining agent for that plant.

Compulsory collective bargaining is a very important feature of the act, making it possible for management and labour to bargain together in good faith. Then, there was the setting up of machinery which the department placed at the disposal of both parties with a view to facilitating the settlement of disputes and for co-operation in the negotiations and the agreements resulting therefrom. There was the appointment of conciliation officers and the establishment of boards of conciliation.

Without taking any sides in the matter—and this was the cornerstone of the policy of the late Right Hon. W. L. Mackenzie King in labour matters—there was the invoking of publicity as a force which would work toward reasonableness in collective bargaining. There is machinery in the act which makes provision for a cooling-off period.

which is the time during which restrictions are placed on strikes and lockouts, and on the unilateral revision of working conditions until certification and conciliation proceedings have been complied with, and the minister has received a report.

In the act one will find a limited measure of compulsory arbitration. Strictly speaking this is not compulsory arbitration, but rather an effort to settle any differences of opinion that may arise between labour and management in the interpretation of collective agreements. This is intended to make agreements work without too much difficulty. It is provided that each agreement shall have a section making provision for such arbitration in the determination of the meaning of a word or a section in an agreement.

Having reviewed briefly the purpose of our act, one must readily admit that there is nothing in it which purports to interfere with the freedom of both parties in the conduct of their negotiations and the signing of their collective agreements. I repeat that this is a field which has been left the absolute privilege of management and labour, one from which the state has kept away and still intends to keep away.

If my hon. friend had built his argument on the fact that at the present time the majority of agreements connected with matters falling under federal jurisdiction have clauses dealing with union security, or on this medium of union security, the voluntary revocable check-off, his argument would surely gain strength. He would be asking the house to recognize a state of affairs which actually exists, and which has been made possible through collective agreements and understandings between management and labour. That however is not the situation.

The important body of workers to whom this act applies, in so far as their relations with management are concerned, is the body of railway workers. They have not the check-off. As hon. members know, there was a long process of negotiation with the railway companies. They had a severe dispute which resulted in a strike, about which we have all the important information. So far as I know the check-off was not a deciding issue in that dispute, although it was one of the demands of the Canadian brotherhoods, one of the organizations involved. But this matter of the check-off was soon dropped when the dispute reached the final stage of settlement. The check-off was not one of the terms of reference to Mr. Justice Kellock, who finally arbitrated the dispute.

The check-off is still a matter to be discussed between management and labour, so far as railway workers are concerned. That is the situation in most other fields of labour relations under federal jurisdiction. Would the hon. member contend that in such a situation the federal parliament could intervene in order to place on the statute books a compulsory measure making provision for the voluntary revocable check-off, which would involve compulsion as it affected management, when there has been so little done thus far along the lines mentioned in the act, with the assistance of the machinery set up by the act for negotiation and collective agreements between management and labour in the federal field of jurisdiction?

Mr. Carroll: What other organizations employing labour outside of the railroads and shipping companies would this act apply to?

Mr. Cote (Verdun-La Salle): I would not like to state definitely the fields of jurisdiction, but I would refer the hon. member to section 53 of the act which contains the terms of section 91 of the British North America Act and sets out the fields of jurisdiction of the federal parliament. Those fields of jurisdiction have been brought under the Industrial Relations and Disputes Investigation Act.

Mr. Carroll: There are very few outside of the two I have mentioned to which the act would apply.

Mr. Cote (Verdun-La Salle): There are a certain number, such as radio broadcasting, air transport and public works. Referring again to the principle which has been so well enunciated by the hon. member for Winnipeg North Centre during the debates in the standing committee to which I referred, I want to point out that so far the federal authorities have left the free collective bargaining field to management and labour. The state has not endeavoured to interfere in any way. I must point out that I am discussing the advisability of amending permanent peacetime legislation. There is nothing in the bill before the house that claims the existence of a national emergency. Circumstances such as those which existed last September would justify the establishment of a special principle in matters of labour relations. When he was introducing the special measure to put an end to the railroad dispute the Prime Minister (Mr. St. Laurent) stated that there was no intention to amend the peacetime legislation, the Industrial Relations and Disputes Investigation Act, in order to bring an end to the railroad dispute. This house passed that special legislation

which was justified by the existence of a state of emergency, but that is not the case here.

In the quotation to which I referred my hon. friend tried to make out a case for the right of the state to act in certain cases and lay down certain rules. That is what the present act gives to the Minister of Labour. The Minister of Labour is an umpire; he is not any more for one party that he is for another. He is concerned seriously with the maintenance of good labour relations. Surely organized labour is interested in maintaining good labour relations. That is one reason why it has made such great strides during the past ten years.

At this point I should like to quote from a speech made by Professor G. W. Taylor of the university of Pennsylvania who is regarded as an authority on labour relation matters in the United States. In referring to United States legislation he states that the fundamental significance of the Taft-Hartley act is in the far-reaching extension of government control over industrial relations. He says:

> So broad is the jurisdiction of government under that act that it raises serious questions about whether or not collective bargaining is destined to be largely supplanted by government directive.

Under the Taft-Hartley act government direction is extended well into collective bargaining itself. It prescribes certain uses of economic power in cases where labour and management are unable amicably to resolve their differences, and it also decides a number of substantive issues such as union security and welfare fund terms that commonly arise in collective bargaining. Further on he states that political power is substituted for economic power as the ultimate determinant of industrial relations issues.

It is precisely to guard against such consequences in connection with our present labour relations legislation that I am determined to oppose the present bill. It is not that I condemn the check-off, because I approve of it and would like to see a greater measure of union security in all collective agreements. There are over 3,000 railroad workers in my riding and I am not afraid to go back to them because I think we are doing the proper thing.

We are trying to hold a proper balance between management and labour. If we enter the path which my hon. friend invites us to enter, we do not know where we will end. We may end with something like the Wagner act in the event of a substantial change in the structure of this parliament, or we may end with something like the Taft-Hartley act. Neither act is good legislation because in neither case is there a proper holding of a just balance between management and labour.

I am for the middle of the road. That is basically the Liberal philosophy in politics and I think I am true to that philosophy. It has been accepted as the right one by a large majority of the Canadian people. Holding the middle of the road in matters of labour relations, I cannot support my hon. friend. I am sorry this bill has had to be presented to the house in such a way because it leads to misunderstanding among the public.

It may happen that those of my colleagues who may decide to vote against the bill will be labelled elsewhere in the country as opponents of the check-off. I am sure that that is not the case with most of them. In spite of my desire to promote union security in this country I must oppose the bill because I do not think it is the right way to create more union security for organized labour. By passing this bill we would be inviting reaction to the right in the event of a change in the make-up of this parliament and we might have to live through the experiences of the United States.

Finally—and this is my last point—since the bill tends to lay down a new principle, that of interference by the state in matters of free collective bargaining, it should not be hastily disposed of. We should not consider a change in the spirit of our actual law without going over the whole act and without referring the matter to the standing committee on industrial relations. This is a dangerous principle to introduce in the act. We should not adopt after a few hours' discussion something which the house and the country might regret in a few years time.

I invite hon. members to give serious thought to the matter before casting their votes, and not to be misled by being under the impression that they have to vote either for or against the check-off. That is not the case. The point at issue is this. After the good experience that the federal government has had with labour relations, especially in the past ten years, is the state to start now to interfere with free collective bargaining and lay down a principle which will be a precedent and will invite even further trespassing upon and usurpation of what has been regarded so far, and justly so, as the exclusive jurisdiction and privilege of labour and management?

Mr. James Sinclair (Coast-Capilano): So far as this bill is concerned, in the last two or three years I have been content merely to cast my vote, but in view of the invitation of my colleague, the parliamentary assistant to the Minister of Labour, to give the matter

further consideration and to express our views, and also in view of some of the remarks made by my fellow Liberal, the hon. member for Edmonton East (Mr. Macdonald), I think I should say a few words this time in support of the vote which I have cast in favour of the bill in the past. The opening point I should like to make has to do with the remark made by the hon. member for Edmonton East that he was a union man, giving the impression that others who are not union men perhaps are not as well qualified to speak on the matter. There is an old saying that the average man is a better judge of a good egg than any hen that ever laid an egg, and I think that may be true in such affairs as are now under consideration.

If members of parliament were restricted to speaking on subjects of which they have professional experience our debates would be pretty limited, and many of our constituents would certainly have little representation from their members of parliament. I represent a large labour riding in British Columbia, and if results at the polls are any indication I enjoy some measure of their confidence. I also worked at one time in one of the large mines in my riding at a time when it was not organized. Today I represent it in parliament when it is very highly organized, and perhaps I can see best the very great improvement in working and living conditions at Britannia mines since the unions entered that field.

I was a member of the industrial relations committee which considered the present national labour code. I supported the amendment of my deskmate, the hon. member for Spadina (Mr. Croll), to include in the code the voluntary revocable check-off. Because of the remarks of the parliamentary assistant I am reminded that there was a Liberal majority on the committee, and I am also reminded that the Liberal majority was composed for the most part of representatives of ridings which were largely industrial. That amendment carried in the committee and was rejected later in the House of Commons. I have taken an interest in such legislation outside the federal field because I have been fairly active in the Liberal party in British Columbia. When attending one of our provincial conventions I remember supporting a similar resolution. We were more successful there because in 1947 the provincial government incorporated this very principle in their labour code. I think hon. members will agree that there is no province in Canada where labour is better organized than in the province of British Columbia. We have now had experience in the province with this legislation for four years, and none of the dire forebodings of the parliamentary assistant have followed. There has been no Taft-Hartley law. The change has worked very well in our large industrial province.

On these general grounds, the fact that I have supported such legislation both federally and provincially, I of course must support the bill when it comes to a vote. What are the arguments against incorporation which have been repeated in the house? The first is that it should be left to the free process of collective bargaining between employer and employee. Our national labour code does force them to negotiate collectively. That is very true in principle. However, if it were left entirely to this process all across the country we would find that the powerful industrial unions would certainly get it, because they are very powerful when it comes to negotiating, and the small craft union, only a small part of the working force of a great plant, would have very great difficulty in getting such a concession included in its working agreement.

Mr. Macdonald (Edmonton East): May I be permitted a question?

Mr. Sinclair: Yes.

Mr. Macdonald (Edmonton East): Are there any small organizations without the strength that are under the coverage of the Industrial Relations and Disputes Investigation Act proposed to be amended by the bill?

Mr. Sinclair: In his argument the hon. member was not restricting himself at all to the few fields under the national code. Even in the federal field I do not think all unions are as powerful, and apparently as well financed, as the union which he himself described. That has been one of the arguments both federally and provincially against extending the principle in the bill to the general labour code. The other argument which has been made in this debate, and in the debates last year and two years ago, was to this effect: Yes, it may be quite true this will work well within the confines of a province with those industries which are fairly local but it would be very difficult to work out in the principal federal labour field, the railways, which are enormous transcontinental systems working under varying conditions.

So far as railways are concerned, there is one in my riding, the Pacific Great Eastern Railway. Its terminus is in my riding. It does not come under federal legislation because it is entirely a provincial railway and comes within the provisions of the British Columbia labour act. Such a provision has worked very well for the men of the railway unions working out of Squamish

on the P.G.E. So far as the C.P.R. and the C.N.R. are concerned, as well as being in the railway business they are also in the hotel and coastal steamship businesses in British Columbia. The British Columbia law giving the voluntary revocable check-off applies to the various unions working in the C.P.R. and C.N.R. hotels and on the coastal steamships—not on the deep-sea steamships. It has worked very well there.

More than that, the C.P.R. and the C.N.R. right across the country have various check-offs for their employees now in force, and not just voluntary revocable check-offs. There are many involuntary irrevocable check-offs. First and foremost must come income tax. The income tax deduction is certainly a part of the pay of a man but the companies check that off without his consent, and he cannot voluntarily cancel it as he could cancel this type of check-off. Second, in the provinces workmen's compensation premiums are checked off. Third—and it is a federal check-off—are the premiums for unemployment insurance—involuntary, irrevocable. In addition, both railway systems have of course voluntary revocable check-offs in force for group insurance and pensions. Coming back to the Department of Finance, during the war there were voluntary deductions for war bonds, and since the war we have encouraged employees of industries across the country to purchase dominion savings bonds on exactly the same basis, voluntary revocable check-off by the employer, thus assuring regular payment to the crown for the purchase of these bonds. To add one more revocable check-off to that list should not present insuperable difficulties to either the Canadian National or the Canadian Pacific.

Then both the hon. member for Edmonton East (Mr. Macdonald) and the hon. member for Verdun-La Salle (Mr. Coté) expressed their opposition on what are old grounds to anyone who has studied political history. They were opposed to this measure because it was too little. The hon. member for Edmonton East said this was not good enough. What he wants is something much better, the Rand formula. My colleague the parliamentary assistant repeated almost the same thing; what he wanted was the irrevocable check-off for the duration of the contract.

Mr. Cote (Verdun-La Salle): By collective agreement.

Mr. Sinclair: That would be a great improvement over what is being asked in this bill; but once again, to have these things you must take the first step. This may be asking only a little, but I think it is a step in the right direction. If this bill is successful this year, then next year I am sure the people who are supporting this now will gladly support these other hon. members when they want to bring in the Rand formula and the irrevocable check-off for the duration of an agreement.

If this bill is not successful this year I have a suggestion to make. It is that next year the bill be handled by the hon. member for Spadina (Mr. Croll) who first introduced it in the industrial relations committee. I am sure those of us who are in favour of it will support it quite apart from who may be the sponsor.

Mr. Angus MacInnis (Vancouver East): Mr. Speaker, I too was a member of the committee that dealt with the Industrial Relations and Disputes Investigation Act, and supported this proposal when it was introduced in that committee by the hon. member for Spadina (Mr. Croll). I have also supported it in this chamber on one or two occasions when amendments have been introduced by the hon. member for Winnipeg North Centre (Mr. Knowles). I need not again go over the arguments I used on those occasions, arguments that have been repeated by others who today are supporting this amending bill. May I just say, though, that the support it is receiving today is more enthusiastic than anything I have seen since the amendment was first proposed.

On another occasion I heard the parliamentary assistant speak to a similar amendment, but on that occasion he made a much better fist of it than he did today. Let us take his main argument in opposition to the bill. He says the amendment would interfere with free collective bargaining. I ask the members of this house, what does the act itself do but interfere with free collective bargaining? All laws of this kind interfere with the freedom of somebody. It extends the freedom of those who have too little freedom. It curtails the freedom of those who have too much, and who use it to curtail the freedom of others. That is the purpose of legislation of this kind.

Then the parliamentary assistant went on to say that he was opposed to it because if the house approved this amendment today the hon. member for Winnipeg North Centre would be back next year asking for something else. Well, surely that is what parliament is for. Surely even if we pass this amendment today the act will not be perfect, and someone like the hon. member for Winnipeg North Centre will note that we have not yet attained perfection and will come forward here, where

such matters should be brought up, and propose other amendments that will make the act more nearly perfect.

Mr. Cote (Verdun-La Salle): Where will it end if you accept that principle?

Mr. MacInnis: It will never end as long as there is a human wrong to be corrected, as long as the weak person or the weak organization needs protection from the strong. If a time should come when all the things parliament could do to improve the lot of the human family have been done—

Mr. Sinclair: We will be in heaven.

Mr. MacInnis: I expect to be there a long time before that. Another argument the hon. gentleman put forward was that he was a middle of the road man and was opposed to this because evidently he does not think it is middle of the road legislation. I suggest that it is just as much middle of the road legislation as the rest of the act. There is no more compulsion in it, if as much, than in some of the other provisions of the act. I suggest to the parliamentary assistant that in the world in which we live today the man who walks in the middle of the road is liable to be run over.

Mr. Cote (Verdun-La Salle): Would my hon. friend permit me to correct him? He has misinterpreted my remarks. When I referred to a middle of the road position I was referring to the function of the state as between labour on the one hand and management on the other.

Mr. MacInnis: I am not disagreeing with that. In my opinion it is fundamental that the purpose of the act is neither to protect employers nor labour organizations. I think the act recognizes that there is a community interest, and that parliament must take steps to see that the community is not torn to pieces between organized labour and organized employers. The purpose of the act is to regulate collective bargaining as between employers and trade unions. So there is nothing involved here which has not been recognized in this country for many years.

I was not in the house during the entire speech by the hon. member for Edmonton East (Mr. Macdonald). When I came in he was telling us what a strong and useful organization he was a member of and that if the time ever came when his organization wanted the check-off it had the strength to get it. It seems to me the hon. member has a rather short memory. When we came here in September of last year the first matter we had to deal with was a dispute between the railway companies and some of their employees. I believe the organization to which the hon. member belongs, the C.B. of R.E., was one of the principals in that dispute. It is also my understanding that one of the proposals they made to the railway companies was for the check-off, whether the irrevocable or the revocable check-off I cannot remember at the moment. But they dropped that proposal; they were not able to get it, just as they were not able to get many other things of which this parliament had to take cognizance when taking steps to see that they got an agreement of some kind. As a matter of fact in the world of today we cannot leave things to a sheer trial of strength. Legislation should be designed not to protect the strong, who do not need it, but the weak, who do need it. When the Minister of Labour (Mr. Gregg) was speaking of this question a few evenings ago, he honoured me by referring to me. He also referred to a statement of an interview that appeared in a Vancouver paper after my return from the ILO conference in Geneva. I am glad of this opportunity to say something to the minister on this point, because the Department of Labour took action at the time which very much displeased me.

The minister quoted me from the Vancouver *Province* "Labour Laws 'Tops' ", and that is what I said on my return. He was good enough to say, of course, that the member for Vancouver East had not written the article. I shall read from the article as it appears on page 639 of *Hansard:*

> "Canada provides as much machinery for the settlement of labour-management grievances as does any country in the world. In fact, Canada is far in advance of most countries," said Mr. MacInnis.

The fact is that most countries have no labour legislation of this kind.

Then, the item goes on:

> "The Canadian government does not consider industrial disputes a matter for labour and management alone. In providing machinery for conciliation and arbitration, the government is considering the welfare of communities as a whole," he declared.

I am still of that opinion and I declare it right now. I believe it is a sound principle. Of course, the article appearing in the Vancouver *Province* was the result of a twenty or thirty-minute interview condensed into a few lines. I was referring particularly to one of the principal matters that came before the ILO conference, a draft recommendation on collective bargaining, arbitration and conciliation. The delegation from Canada was instructed to support to a certain point compulsory conciliation. In that connection in the interview I was drawing attention to the fact that in our Industrial Relations and Disputes Investigation Act, and in the various acts in the provinces, we are in advance of most

countries, and we could very easily support that part of the measure which came before the conference.

It may be of interest to the members of the house to know that in the conference compulsory conciliation was unanimously supported by the workers' delegates. It was opposed almost unanimously by the employers' delegates. The government delegates were more or less divided on the subject, because in some countries such as the United Kingdom they have no legislation of that type. In that country it has been assumed for quite a long time that trade unions were able to look after themselves. Let me draw this to the attention of the house, that the British workers' delegates supported the recommendation in this way: "We may not need it, but if workers in other countries who are not as well organized as we are need it, then we are for it and are supporting it".

The Minister of Labour made one other quotation from what I was supposed to have said, as it appeared in the Vancouver *Province*. This quotation appears on page 640 of *Hansard*:

"The workers' right to strike has been won and now he should lay emphasis on the right to work, the right to produce, and the right to increase efficiency," he declared.

I do not know just exactly where the minister got those words, but I have in my hand an editorial which appeared in the Vancouver *Province* of July 21, 1950. Those words are in the editorial, but they are not quoted as my words. I shall read a short portion of the editorial:

Angus MacInnis, M.P., home from a conference of the international labour organization at Geneva, has some good advice to offer organized labour. Now that the right of the worker to strike has been won, says Mr. MacInnis, the worker should recognize the right to work, produce and increase efficiency.

It appeared to me that statement in the Vancouver *Province* would be misconstrued by organized labour throughout the country, so the next day I wrote a letter to the Vancouver *Province* pointing out that they should have given more of what I said or none at all. I think I should read my letter to the Vancouver *Province* into the record, because that paper did not extend the courtesy of printing it. I said:

Dear Sir:

In your editorial comment on my remark that the right to strike having been won, the workers should now place more emphasis on the right to work, to produce, to increase efficiency, you convey the impression that these are matters which are wholly in the control of the workers. I am convinced that that is far from being the case.

[Mr. MacInnis.]

The right to strike was won by workers without much help. The other rights which I mentioned can be attained only by giving the workers some share in the purpose and management of industry. If the workers are to attain this position, they must have the co-operation of employers and government. A start has been made in this direction through the development of labour-management production committees.

Your editorial also infers that the greater the production, the greater the workers' share of the product. Unfortunately that is not the way it has worked out over a period of time. The nightmare of every worker's life is the fear of unemployment. It is my experience that unemployment comes when there is too much, and not too little production—that is, when goods pile up undistributed. Before the workers can be asked, by their union leaders or anyone else, for greater production and greater efficiency, they must have assurance that such action will result in a general increase in the standard of living, and not in unemployment.

I am convinced that the next objective of the trade union movement should be along lines of greater productivity. But along with greater productivity must go an improvement in consumer spending and a more equitable distribution of the produced wealth. Only by such far-reaching changes can an effective frontal attack be made on mass poverty.

Yours sincerely,

Angus MacInnis, M.P.

Before the department circularized a statement such as the Vancouver *Province* editorial, without any suggestion as to its authorship, when my name was prominently mentioned in it, I think they should at least have consulted me. I drew this matter to the attention of the deputy minister in a letter dated August 23, 1950. In the concluding paragraph I said:

I suppose that nothing can be done to correct the impression that has been conveyed, but I would be glad if, in future, the Department of Labour wishes to use my name it would consult me first. I hope I do not appear egotistical, but I imagine this item was circulated, not because it appeared in the Vancouver *Province* but because my name was connected with it.

Although this matter does not come directly under the heading of arguments either for or against this bill, I am glad of this opportunity to refer to it.

Let me say again that there is in this amendment nothing that is repugnant to any other part of the act. It is purely permissive legislation; and it is legislation that is today being more and more accepted by employers in their relations with trade unions. The parliamentary assistant to the Minister of Labour (Mr. Cote) referred to the great strides made by labour during the last decade. It is true that labour has made great strides during the last decade, but there is nothing unusual about that. Labour made those strides because of the demand for labour. Labour because of that demand was strong, a position that it had not held for several decades previously. It must be remembered that labour organization in this country was backward up until

the beginning of the last decade when the demand for labour during the war made its position much stronger. Let me point out again that the purpose of legislation of this kind is to protect the weak and not the strong. The purpose also is to make labour relations as between employers and labour organizations run more smoothly. I hope the house will approve the amendment.

Mr. George H. Hees (Broadview): Mr. Speaker, I feel that the measure which is now before us is a good one, for four reasons; and those are the reasons why I am going to support it.

First of all, I think it provides a service to a great many men and women in industry because, if they want to take advantage of the service, they can have their union dues deducted. I think we all know it is much easier to pay dues of any kind if they are first deducted from your pay cheque before you receive it, instead of receiving the money and then having to pay it over for union dues or dues of any other kind.

The second reason is that I do not believe it costs anything—or, if anything, very little—to the management of companies to have this measure in operation. Already today a great majority of companies have anything up to half a dozen or more deductions which they make from their employees' pay cheques before they go out at the end of each month; there are deductions for such things as unemployment insurance, health insurance, pensions, group insurance and so on. The addition of one more deduction will cost little, if anything, more to the company.

The third reason is that there is no compulsion whatsoever upon the employee to have his union dues deducted. Before any deductions can be made, he must first notify his employer, in writing, to that effect; and if at any time he wishes to have the practice discontinued, he merely has to notify his employer, again in writing, and no further deductions can be made.

The fourth reason is that it will provide a real service to the unions, which play such an important role in our industrial life of today.

A number of those who have supported this measure have done so from the point of view of union members, speaking from practical experience. I should like to express an opinion on behalf of management, because I happen to be associated with the management of a firm employing approximately 500 people. We have had the voluntary revocable check-off in operation in our company for several years past, and we have found that it has produced nothing but good. We have found that it has contributed materially to mutual understanding and co-operation, without which good labour-management relations cannot exist.

For those reasons, I believe that this measure is one which will promote good labour-management relations generally; and hence I believe it is a measure which should commend itself to the support of all members of this house. I intend to vote for it.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker—

Mr. Deputy Speaker: I must inform the house that if the hon. member speaks now he will close the debate.

Mr. Knowles: —I am sure that those of us who are particularly interested in this measure and in labour relations generally, feel that we have had a good discussion of this question of the voluntary revocable check-off. Maybe I am a bit prejudiced, but I think that those who have spoken for the bill have had much the better of the argument. It so happens that a total of twelve members have taken part in the debate and if my arithmetic is correct—and I believe it is—the score is nine to three. Nine have spoken for it and only three have spoken against it. The members who have spoken include seven Liberals, including the Minister of Labour (Mr. Gregg) and the parliamentary assistant to the Minister of Labour (Mr. Cote). But of those seven Liberals, four have spoken for the bill.

I suggest that this augurs well for the vote that will be taken as soon as I complete these closing remarks. As I indicated the other evening when I moved the second reading of the bill, progress is being made. When this principle was voted on in 1948 on the floor of the house, 35 members voted for the voluntary revocable check-off. When it was voted on in 1950, that number had increased to 45 members. In view of the wide and strong support that has been given to this measure today, particularly by individuals on the government side of the house, I am hopeful that we shall have a much better vote today. Indeed, the time has come for this bill to pass.

I appreciate the remarks that the hon. member for Coast-Capilano (Mr. Sinclair) made with reference to the fact that this measure was introduced in the committee in 1948 by the hon. member for Spadina (Mr. Croll); and I notice he suggested to the hon. member for Spadina that if it failed this year, he might bring it in next year. Why wait until next year? Is this not the day when not only the hon. member for Spadina, the hon. member for Coast-Capilano, the hon. member for Kootenay East (Mr. Byrne) and

the hon. member for Rosedale (Mr. Henry) but all other good Liberals should stand and vote for the principle of this bill and write the voluntary revocable check-off into the national labour code.

There have been so many speakers in favour of this bill, and they have dealt so well with many of the arguments put up by the three who tried to oppose it, that there is not much that I need to say. However, I should like to comment upon one sentence in the speech of the Minister of Labour the other night. As reported at page 639 of *Hansard* he said:

> The question as to whether the check-off is to be instituted might well be left to the parties themselves to determine, in accordance with the needs of particular situations and in accordance with relative economic power.

As the hon. member for Coast-Capilano has pointed out, it is that very situation that it is parliament's job to do something about. If we leave these matters to groups to determine on the basis of relative economic power, we do not always get what is right and fair. If a principle such as the one I am advocating is right and fair and just, then it is the job of parliament to write it into our statute books.

The hon. member for Edmonton East (Mr. Macdonald) has said that he is anxious to have something far more than this bill asks for. I understood him to favour the Rand formula. The hon. member for Coast-Capilano has already pointed out that that is no argument against taking the first step, and getting started on the road in that direction.

As a matter of fact the hon. member for Edmonton East is a member of an organization which last year was trying to get the check-off. I am sure that the Canadian brotherhood of railway employees would like to have the Rand formula on the railways. But they knew, in their negotiations with the railways, that they had to start by asking for something they might be able to obtain, with the result that they started by asking for the check-off. Unfortunately they did not have sufficient power to get even that, and it went by the board during the course of the negotiations that led up to the dispute last fall. His own organization needs the help of this bill; surely that is clear.

I say to the hon. member for Edmonton East that I agree with him as to the desirability of the Rand formula. Like the hon. member, I have been paying dues to a trade union for many years—and still do. In other words I help to pay into funds that are used to improve the conditions of all those who work at the printing trade in Winnipeg and in other places. There are workers at the trade who receive the advantages the union is winning for them, without paying their share of the costs. The aim of the Rand formula is to correct situations of that kind.

But we have not yet reached that point in this house. Here is a step in the right direction. Surely this is the day to take that step, in positive terms. The hon. member for Verdun-La Salle (Mr. Cote), parliamentary assistant to the Minister of Labour, likewise said he thought we should have something better than the voluntary revocable check-off. I wondered for a moment if he, too, was seeking the Rand formula; but I take it what he prefers is the check-off made irrevocable during the period of the contract. Having said that we should have something better than this, the parliamentary assistant then goes on to express his fear that my bill goes too far. He says we would have to consult the provinces and others involved in the drafting of the original labour code.

It is the same old story we have had over and over again: if we bring in bills which take a minimum step we are told by some members we have not asked for enough. But everyone knows that if I had brought in legislation asking for something more, such as either the Rand formula type of check-off or the irrevocable check-off for the length of a contract, hon. members on the government side would take the stand that I was asking for too much.

I do suggest seriously that arguments of that sort should not carry much weight with members generally. I wish to say again that I welcome, and I am sure labour generally will welcome, the support that has been given to the bill by those who have spoken for it. I hope the freedom with which Liberal members have spoken—and I say this sincerely, because I do appreciate the freedom they have shown on this occasion—indicates a readiness on the part of the government to let its members vote for this measure, on its merits.

One word, and I shall have finished. All of us in political life have said many times that labour plays a very important part in the life of this country. That is very true. Let us not only say it; let us show it by passing a measure of this kind, thereby helping to place labour in its rightful place in our national picture.

The house divided on the motion (Mr. Knowles) which was negatived on the following division:

YEAS

Messrs:

Applewhaite	Blackmore
Argue	Blair
Beyerstein	Breton
Black (Cumberland)	Brooks

Brown (Essex West)	Hunter
Browne (St. John's West)	Jeffery
Bryce	Johnston
Byrne	Jones
Campney	Knight
Cardiff	Knowles
Casselman	LaCroix
Catherwood	Laing
Charlton	Low
Coldwell	MacInnis
Courtemanche	McGregor
Croll	McLure
Cruickshank	McMillan
Diefenbaker	Murphy
Fair	Noseworthy
Fairclough, Mrs.	Pearkes
Fraser	Poulin
Fulton	Quelch
Gagnon	Ross (Souris)
Gibson	Shaw
Gillis	Sinclair
Goode	Stewart (Winnipeg North)
Graydon	Thatcher
Green	Thomas
Hees	Thomson
Hellyer	Tustin
Henry	White (Hastings-Peterborough)
Herridge	
Higgins	White (Middlesex East)
Hodgson	Wright—67.

NAYS

Messrs:

Abbott	Garson
Anderson	Gauthier (Lake St. John)
Arsenault	Gauthier (Lapointe)
Ashbourne	Gauthier (Portneuf)
Balcom	Gingras
Bater	Gosselin
Bennett	Gour (Russell)
Black (Chateauguay-Huntingdon-Laprairie)	Gregg
	Harkness
Blanchette	Harrison
Blue	Helme
Boisvert	Henderson
Boivin	Hetland
Bonnier	Hosking
Boucher	Howe
Bradette	Huffman
Bradley	James
Breithaupt	Jutras
Brisson	Kent
Bruneau	Kickham
Cannon	Kirk (Digby-Yarmouth)
Carroll	Lafontaine
Carter	Langlois (Berthier-Maskinonge)
Claxton	
Cleaver	Langlois (Gaspe)
Cloutier	Lapointe
Corry	Larson
Cote (St. Johns-Iberville-Napierville)	Leduc
	Lefrancois
Cote (Verdun-La Salle)	Leger
Cournoyer	Lesage
Crestohl	Little
Darroch	Macdonald (Edmonton East)
Dechene	
Demers	MacDougall
Denis	MacLean (Cape Breton North and Victoria)
Dickey	
Dion	MacNaught
Dube	Macnaughton
Eudes	McCann
Ferrie	McCubbin
Fournier (Hull)	McCulloch
Fournier (Maisonneuve-Rosemont)	McDonald (Parry Sound-Muskoka)
Gardiner	McIlraith
Garland	McLean (Huron-Perth)
McWilliam	St. Laurent
Major	Simmons
Maltais	Sinnott
Masse	Smith (Moose Mountain)
Mayhew	Smith (Queens-Shelburne)
Monette	
Nadon	Stanfield
Parent	Stuart (Charlotte)
Pearson	Studer
Picard	Tremblay
Pinard	Valois
Ratelle	Viau
Richard (Gloucester)	Ward
Richard (St. Maurice-Lafleche)	Warren
	Weaver
Rinfret	Weir
Roberge	Welbourn
Robinson	Whiteside
Rochefort	Whitman
Rooney	Winkler
Ross (Hamilton East)	Winters
Rousseau	Wood—127.

BANK ACT

AMENDMENT TO PLACE FARMERS IN PREFERRED CLASS AS TO PAYMENT FOR PRODUCTS DELIVERED FOR PROCESSING

The house resumed, from Monday, February 26, consideration of the motion of Mr. Anderson:

That, in the opinion of this house, the government should take into consideration the advisability of amending the Bank Act so as to place farmers in the same preferred class as labour, particularly in relation to protection for payments of farm produce delivered for processing.

Mr. R. E. Anderson (Norfolk): Mr. Speaker, I do not wish to add very much to the remarks I made on Monday. Since that time several hon. members have indicated to me their desire to speak on the resolution. My sole purpose in introducing it is to give the primary producers a better deal and more security.

Mr. J. A. Charlton (Brant-Wentworth): Mr. Speaker, I wish to make a few remarks in support of the resolution moved by the hon. member for Norfolk (Mr. Anderson). With one or two exceptions, I agree with what he has said. I wish to read the resolution again. It is as follows:

That, in the opinion of this house, the government should take into consideration the advisability of amending the Bank Act so as to place farmers in the same preferred class as labour, particularly in relation to protection for payments of farm produce delivered for processing.

As I said at the outset, I support the resolution, but there are a few things the hon. member for Norfolk said with which I do not quite agree. I want to quote some of his remarks which I believe leave a misrepresentation of the facts. At page 668 of *Hansard* for February 26 he said:

I should like this house to know that the farmer receives three cents or less for the green peas that

go into a can, and he must pay $28 per acre for seed, fertilizer, trucking, and also his own wages and labour and all other expenses.

That leaves the impression that the total cost of growing an acre of peas is $28, which is very far from the facts. Last year pea seed cost growers anywhere from $28 to $42 per acre. Seed cost the grower $7 a bushel, and he required four to six bushels an acre depending on the size of the peas. In addition the farmer has his fertilizer, the working of the ground and all the other expenses connected with the growing of a crop.

The situation at present is much better than it was a few years ago. Formerly the farmer signed his contract, grew his crop and, in the case of peas, took them to the cannery around the first week of July; but in most cases he did not receive any money until December 1. You will realize, Mr. Speaker, that in those cases the farmer was providing the capital on which the canning factory was running. In many cases the canning factory did not pay the producer until it had sold the product in cans to the wholesaler. In addition, if you bought fertilizer through the canning factory, usually they insisted that you pay interest starting one month from the time the fertilizer was purchased. That, I contend, was very unfair. Of course that is not the situation today. Since the Ontario farm products marketing act has come into force, with the amendments that have been made, the situation has been largely rectified. Now half the amount due for the product is paid within two or three weeks of the time it is taken to the cannery, and for the other half you wait until perhaps November 1, according to the various agreements the canning factories make through the marketing board.

This resolution seeks to amend section 88(7) of the Bank Act. I am not sure whether amending the Bank Act is the correct way to go about remedying this injustice. I do not profess to know enough about the Bank Act or about banking to express an opinion on that. I will say, however, that the situation is serious; and if this resolution will bring to the attention of hon. members and of the people generally the seriousness of the situation, I think it will have served its purpose. I would urge, however, that the subject matter of this resolution be sent to the banking and commerce committee for further study, in the hope that some solution may be found.

Mr. Arthur Laing (Vancouver South): Mr. Speaker, first of all I should like to compliment the hon. member for Norfolk (Mr. Anderson) on having introduced this motion. The condition he has pointed up concerns farmers in practically every agricultural riding in Canada, and as far as I know he is the first hon. member to have shown the need for some remedial measures. I know in my own province a great many farm products are shipped to processors or grading stations with no protection at all to the farmer. As a matter of fact some of our regulations pertaining to the shipment of those products make it impossible to sell them until they have been graded, so they have to be transported strictly on consignment.

An example of that is the case of eggs. According to dominion regulations it is illegal to transport ungraded eggs unless they carry a little sign saying, "Ungraded eggs. Not for sale." They must be graded at a licensed grading station before they are priceable at all; and the same situation exists in regard to the peas referred to by the previous speaker. The hon. member for Fraser Valley (Mr. Cruickshank) has a large number of canning plants in his riding, and I know he will agree with me that a price cannot properly be placed upon these products until they have arrived at the station and been graded. Those of us whose knowledge of canned goods is gained chiefly in the stores will recall that in the case of peas you can buy grades 2, 3 or 4, or peas ungraded as to size, and the same is true in regard to cut beans. So there is no basis at all on which those products could be priced before leaving the farm.

What position is the farmer in? I know of many instances in Vancouver where wholesale egg handlers have gone into the country and bought ungraded eggs, graded them, sold them, taken the money and then gone bankrupt; and some of that group have a habit of starting up a week or a month later under a different name and doing it all over again. Manifestly some protection must be provided against that sort of thing. Like my hon. friend who has just spoken, I am not sure whether an amendment to the Bank Act is required or whether there should be an amendment to the Bankruptcy Act. Certainly I do want to highly praise the hon. member for having brought to the attention of the house a matter that is very live in our agricultural districts. If it is referred to the appropriate committee I am sure a sore point as far as the farmers of Canada are concerned will be taken care of as a result of his initiative.

Mr. M. J. Coldwell (Rosetown-Biggar): I want to support the motion that has been brought in, and I would join in expressing appreciation because it has been brought to the attention of this house. For the last year or two from various parts of Canada I have heard of farmers who have been unable to

collect for the produce they delivered because the company to which they delivered it had gone into bankruptcy. I have the details of such a case before me at the moment, but I should like to see a decision reached today so I am not going into those details. I can say, however, that last July I received a communication from New Brunswick with regard to a dairy company operating in Saint John which had been unable to pay the farmers in the locality who had supplied it. One young man, I was told, was owed $500; and in the maritime provinces $500 probably means rather more to that kind of farmer than this amount would mean in other parts of Canada, because there the feed problem is so difficult. The production of $500 worth of milk and cream would mean a considerable outlay on the part of the producer.

At the time I took up the case with the superintendent of bankruptcy to see if anything could be done. I have his reply before me, and substantially it is that in spite of the fact that we amended the Bankruptcy Act in 1949, no provision designed to protect a farmer under these circumstances can be found in that act. It seems to me the hon. member for Vancouver South (Mr. Laing) is probably right when he suggests that this is not a matter for the Bank Act but for the Bankruptcy Act; and apparently that is the opinion of the officials in charge of the Bankruptcy Act. The purpose of that act is, of course, to make a disposition of the assets of the bankrupt firm to all those who have something against that firm. The preferred position to which my hon. friend refers is that the workers' wages are a first charge on the assets of a company which has gone into bankruptcy. It seems to me that a farmer's produce should be put upon the same basis. The Bankruptcy Act should be amended in that respect. Since I do not want to talk this measure out or prevent other members from expressing their point of view, I am merely going to say I support the resolution, and support the suggestion made that it be referred to the appropriate committee in the hope that some remedial amendments will be brought down to give justice to the producers.

Mr. J. A. Ross (Souris): Mr. Speaker, I wish to take a few minutes to endorse this resolution, and congratulate the member who proposed it. I would like to add that I hope he will consent to referring the measure to the standing committee on banking and commerce, because it might be possible that in amending this act we may to some extent endanger the credit of the farmers, and that would be a bad thing. The farmer obtains credit under section 88, and that is an important factor with the banker when anyone is talking to him about a loan. I am very keen to see that the producer's credit is protected, and for that reason I am anxious to have the mover of this resolution refer it at the proper time to the committee on banking and commerce. Then these producers about which the member is so concerned will have their credit protected.

Mr. Gordon Graydon (Peel): I should like to make one of the shortest speeches in this debate. I merely say I am in favour of what the member for Norfolk (Mr. Anderson) has in mind, and I think we all ought to support it.

Mr. H. O. White (Middlesex East): I should like to briefly endorse the motion proposed by the member for Norfolk (Mr. Anderson). I want to point out to the house that apparently the canning factories, and other processing factories, are not financing on their own collateral but on collateral supplied by the primary producers of this country. It is difficult for a farmer or any other businessman to procure a loan on someone else's property, but that is what the canning factories are doing. It is not only the farmer's labour that goes into the produce the processors are handling, but there is the expense of fertilizer, machinery and possibly rent on the land. If bankruptcy proceedings are carried out, the farmer finds he has a very small interest in the assets. I merely want to mention again that, in this case, the farmer is providing not only the raw materials to enable the canning factories to operate, but he is also supplying a part of the capital on which those factories operate. It is about time a change was made.

Mr. A. Earl Catherwood (Haldimand): I should like to add my voice to the support for this amendment to the Bank Act which has been introduced by the member for Norfolk (Mr. Anderson). I know of many cases in the constituency which I represent, as well as in the bordering constituencies of Wentworth, Lincoln and Welland, in which producers have lost anywhere from $100 up to $4,000 just because no provision was made in this act for them to share in the assets of a bankrupt company. None of us in this house would like to see any restriction placed on the operations of a company, but at the same time I see no valid reason why producers should not be placed in the same category as labour.

As has been pointed out labour can only lose two weeks' pay, but a producer can lose, in fact in many cases has lost, almost his entire income when a company has become

bankrupt. On previous occasions when a similar bill was under discussion, it has been stated that the bank would reduce credit to the producers if the act were amended in this way. Mr. Speaker, I do not see how this would possibly be so, because I do feel the banks could issue credit to the producer if this amendment were put into effect. I commend the member for Norfolk for introducing the subject. I know that in my own constituency a company went into bankruptcy some years ago, and the people in that small area lost $60,000. I know of another case, not too far distant, where the company went into bankruptcy and the producers lost $77,000. I do urge, Mr. Speaker, that every support be given this resolution.

Mr. G. A. Cruickshank (Fraser Valley): I should like to say a word on this subject. I want to congratulate the member for Norfolk (Mr. Anderson), and I entirely endorse what the previous speakers have said. I hope the resolution goes through.

Mr. J. H. Blackmore (Lethbridge): I also desire to place myself on record as being in support of this resolution.

Mr. H. W. Herridge (Kootenay West): I shall be quite brief. I want to express my support of this resolution, and congratulate the mover on bringing the subject before the house. I think it is an important one. I have had some experience as a farmer, and I have had some experience as an inspector of bankruptcies under the Bankruptcy Act. I know of a good many cases where farmers have suffered because of the lack of the type of legislation suggested in the resolution. I urge general support for this measure.

Mr. T. J. Kickham (Kings): I wish to congratulate the member for Norfolk (Mr. Anderson), and to say that I am heartily in accord with the resolution.

Hon. Douglas Abbott (Minister of Finance): Mr. Speaker, after this series of short speeches I want to make one almost as short. I, too, want to congratulate the member for Norfolk (Mr. Anderson) on bringing this very important question before the house. As the house will realize, it involves a matter of priorities in the event of the bankruptcy of certain types of processors.

Mr. Graydon: Does the Bank Act come into it?

Mr. Abbott: Yes. Under the provisions of the Bank Act, a bank can take security under a warehouse receipt or section 88 of the Bank Act. The bank then has a claim against the proceeds from the merchandise on which security is taken, and it has precedence over all other claims except those of the wage earners who have been engaged in processing the goods.

Mr. McLure: May I ask the minister who has the right to hypothecate the farmer's produce? Does the farmer sign a waiver so that the canning processors can hypothecate to the banks?

Mr. Abbott: Oh, no. I am not familiar with the canning business, but I presume the ordinary course is followed, and this applies not only to the manufacture of canned goods but refers to all types of manufacturing, whether it is clothing or anything else. Anyone who supplies materials to a manufacturer sells them to him under the ordinary contract of sale, and is subject to the ordinary rules that apply. As I say, under the Bank Act this is a special type of security which has existed since the early days of confederation. It confers upon the bank a prior claim on the proceeds, ranking only after a restricted claim for the wages of the people who process the goods.

The resolution here suggests that another priority should be created, namely that of the farmer who has supplied the raw material that went into the manufactured goods. A very strong argument in equity can be established for some such priority. I think we should realize, however, that no bank is obliged to lend to processors of either farm products or any other form of product unless it believes it is going to get adequate security for the repayment of those loans. I had some practical experience in this sort of thing when I was practising law. I think there is a serious question whether, if the Bank Act were amended to provide for this priority additional to that for wages now, the banks would be willing to lend to processors the necessary amounts to enable the business to be carried on and the primary products to be processed. That is a matter of opinion.

Mr. Graydon: May I ask the minister—

Mr. Abbott: I wonder if my hon. friend would allow me to continue. It is a little bit difficult to keep your sequence of thought when questions are asked. As the house knows, the Bank Act is subject to decennial revision. Speaking from memory, I think it will be up again for revision within the next two years. At that time it is given exhaustive consideration by the banking and commerce committee of this house. The banks appear before the committee; interested parties appear before it; and at that time all aspects of the Bank Act are carefully considered. My own view would be that this extremely important suggestion which, if it were adopted, might well, as I say, have far-reaching effects on the ability of this type of enter-

prise and other types of enterprise to obtain needed credit, should be carefully considered when the Bank Act itself is under complete revision. Consequently, if this measure were pressed to any sort of vote now I would feel obliged to vote against it. I think I should be frank and say also that, taking into account the relative advantage of obtaining credit and not obtaining credit, I have serious doubts whether it would be desirable to insert such a provision in the act. However, I have an open mind on the matter, and I should be glad to hear a good deal of detailed evidence as to the desirability of it or otherwise. But I do not think that the house should attempt to indicate at this time that it should necessarily be inserted in the Bank Act. If it met with the approval of the house, now that the matter has received this consideration, now that it has received the public attention which is inevitably drawn to a question of this kind when it is raised in the House of Commons, I think the desirable thing would be that the motion should be withdrawn, if everyone who wishes to express views on it has already done so. I think we can take it for granted that, when the Bank Act is under revision, it will receive fairly active consideration. I think it has been brought up before, perhaps not in this form, although I am not sure.

An hon. Member: No.

Mr. Abbott: Perhaps not. It certainly has not been brought up in this house before. As one who has had some considerable experience in seeing how a security of this kind is taken and how it works out, I want to impress on the house the view that we should not attempt to arrive at any firm opinion as to the complete desirability of such a move. I should be glad now to answer the question which the hon. member for Peel (Mr. Graydon) indicated he wished to ask.

Mr. Graydon: My hon. friend raised the question of the credit of these various processors and the possibility of its being affected by the change which has been suggested by the hon. member for Norfolk (Mr. Anderson). If there are processors that are for their own purposes pledging the credit of farmers' products and then going into bankruptcy, with the farmer being gypped out of his fair share, I think the credit of such people ought to be curtailed, and I do not think the banks should be encouraged to lend to them. That defeats the whole purpose of this thing, because some of these people may be conducting fly-by-night businesses. I would ask the minister if he does not think my suggestion has some merit.

Mr. Abbott: I thank my hon. friend for asking the question. In principle, the point is much wider than just a question of processing tomatoes or peas, for example. This same principle applies to any manufacturer who secures raw materials from primary producers or anybody else. The essence of section 88 of the Bank Act and of section 86, under which warehouse receipts are taken, is this. Possession presumes title; and the manufacturer who has to pay wages and incur other expenses to process the goods and put them into a form in which they can be sold for distribution is under the Bank Act—and has been for a great many years—entitled to go to the bank which advances the loan on security of those goods, which ranks as I say ahead of every other claim with the exception of wage claims. That has been the law for a great many years. Perhaps it is time that it should be changed. I do not know. I have some doubts myself. But I merely say that it is an important question and one which I feel should receive full consideration by the banking and commerce committee of this house when the Bank Act is being reviewed in its entirety.

Mr. Coldwell: May I ask why? Why not have a preliminary study of it before the Bank Act is under review?

Mr. Abbott: I suppose there would be no objection to having a preliminary study of it now, except this. It involves in essence the whole lending authority of the banks under the special powers in the Bank Act. It seems to me that as it is such an important part of the Bank Act, it should be looked at in connection with all the other powers the banks have.

Mr. Graydon: It has rather limited application as I see it. It has not the broad application that the minister indicates.

Mr. Abbott: When he got before the banking and commerce committee, I think my hon. friend would find that there would be just about as many suppliers who might be against putting such a provision in the act as there would be for it. Admittedly there may be serious cases of what appears to be injustice. But the primary producer has a very real interest in seeing that the normal credit processes are available in order to enable the goods to be taken from the primary stage, through the manufacturing stage and put on the market. For every loss that is sustained through some financially unstable processor or loss sustained perhaps because of some more objectionable qualities he may have, I think that the primary producers—and they are the ones we are talking about today—get a great deal more benefit out

of the processor being able to get these credit facilities which might not otherwise be available to him than they lose on the average in the occasional bankruptcy. The record so far as bankruptcies are concerned over the past few years has been extremely good and I do not know of many cases in which anybody has sustained serious loss as a result of bankruptcy of the kind being discussed here today; not in recent years. In more difficult times it may be that that is the case. But I feel that we should not attempt to consider this security provision in the Bank Act piecemeal because there would be bound to arise not only the question of this more limited credit but the much wider credit of the businesses in the country who rely on this type of security to enable them to obtain bank credit. I would hope that after this discussion—I have not been able to hear all of it but I have heard quite a bit of it—the mover would be prepared to withdraw the motion. If I should be minister of finance—and I hope devoutly that I will not be—when the Bank Act comes up for revision I will certainly see that this matter is brought before the banking and commerce committee at that time.

Mr. Cardiff: If what the minister has just stated is true, then the bankers are using the farmers as guinea pigs to bolster up the processors in order to lend them money.

Mr. Abbott: I am not here to defend the banks or anybody else. This suggestion can only be justified if, on its merits, it gives the bank the type of security which it is entitled to get. It is lending the depositors' money and it is entitled to take the security which the law allows it to take. The banks will not lend money unless they feel the security they are getting is adequate to protect the loan. If we put other reservations in, it may well be that you might as well leave that type of security out of the Bank Act.

Mr. Graydon: There is one reservation in it now.

Mr. Abbott: There is a reservation in it now, but that is a reservation which exists in every bankruptcy act and in every act respecting liquidation, namely the wage claim, the claim of the man who has worked on the thing and who has really no means of protecting himself. On the other hand, the farmer can refuse to deliver goods to the processor that he thinks is going to go bust.

Mr. Ross (Souris): Six o'clock.

Mr. Charlton: By implication, the minister is suggesting that the farmers should finance these companies.

An hon. Member: No.

Mr. Charlton: The bank will not give credit unless it has the farmer's produce; if the bank is not going to give credit, the business will not be operating and it is expected that the farmer should supply—

Mr. Ross (Souris): Six o'clock.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow is government day, and we will proceed with the following bills, the first three named of which will be proceeded with in the order indicated: Bill No. 78, to amend the Farm Improvement Loans Act, 1944; Bill No. 24, to confer certain emergency powers upon the governor in council; Bill No. 77, respecting the Department of Defence Production. Then, if we dispose of those bills, we will take up Bill No. 6, respecting the appointing of auditors for the national railways; Bill No. 76, to amend the Radio Act, 1938; Bill No. 5, to amend the Canadian Wheat Board Act, 1935. I do not know in what order we will proceed with the three last-mentioned bills.

Mr. Graydon: Better not contemplate it.

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

HOUSE OF COMMONS

Thursday, March 1, 1951

The house met at three o'clock.

STANDING COMMITTEES

PUBLIC ACCOUNTS—CONCURRENCE IN FIRST REPORT

Mr. L. Philippe Picard (Bellechasse) presented the first report of the standing committee on public accounts, and moved that the report be concurred in.

Motion agreed to.

BANKING AND COMMERCE—FIRST AND SECOND REPORTS—CONCURRENCE IN FIRST REPORT

Mr. Hughes Cleaver (Halton) presented the first and second reports of the standing committee on banking and commerce, and moved that the first report be concurred in.

Motion agreed to.

MISCELLANEOUS PRIVATE BILLS

First, second and third reports of standing committee on miscellaneous private bills.—Mr. Winkler.

MIGRATORY BIRDS CONVENTION ACT

POWERS OF GAME OFFICERS TO SEIZE MOTOR VEHICLES OR AIRCRAFT, ETC.

Hon. Robert H. Winters (Minister of Resources and Development) moved the first reading of Bill No. 80 (from the Senate) to amend the Migratory Birds Convention Act.

Motion agreed to and bill read the first time.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 81, for the relief of Jean Zelda Schacter Shmukler.—Mr. Winkler.

Bill No. 82, for the relief of Beatrice Sullivan Lees.—Mr. Winkler.

Bill No. 83, for the relief of Kathleen Louise Jones Robinson.—Mr. Winkler.

Bill No. 84, for the relief of Myrtle Dorcas Perry Rogers.—Mr. Winkler.

Bill No. 85, for the relief of Nell Gohenberg Lipson.—Mr. Winkler.

Bill No. 86, for the relief of Rosyln Beverly Gold Browman.—Mr. Winkler.

Bill No. 87, for the relief of Rolande Dumas Fritsch.—Mr. Winkler.

Bill No. 88, for the relief of Edith Frances Storrier Ritchie.—Mr. Winkler.

Bill No. 89, for the relief of Dorothy Isabel Pitcher Flipping.—Mr. Winkler.

Bill No. 90, for the relief of Sylvia Miller Ginsberg.—Mr. Winkler.

Bill No. 91, for the relief of Fernand Senecal.—Mr. Winkler.

Bill No. 92, for the relief of Vincent Tutino.—Mr. Winkler.

Bill No. 93, for the relief of Paulette Joly Foley.—Mr. Winkler.

Bill No. 94, for the relief of Jean Eurwen Jones Shaw.—Mr. Winkler.

Bill No. 95, for the relief of Edna Donnelly Boyle.—Mr. Winkler.

Bill No. 96, for the relief of Norma Phoebe Mary Buchanan Baker.—Mr. Winkler.

Bill No. 97, for the relief of Grace Gloria Ramsey Racine.—Mr. Winkler.

Bill No. 98, for the relief of Emily Ivy Rose Cook.—Mr. Winkler.

Bill No. 99, for the relief of Homer Leavitt Ayer.—Mr. Winkler.

Bill No. 100, for the relief of Elma Lillian Le Drew Wells.—Mr. Winkler.

Bill No. 101, for the relief of Bertha Ellen Bradley Grant.—Mr. Winkler.

Bill No. 102, for the relief of Brenda Mary Powell-Tuck Buhr.—Mr. Winkler.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

SEPT ILES, QUE., WHARF

Mr. McGregor:

1. Are tenders being called for the construction of a pier or wharf at Sept Iles, Quebec?
2. Has any engineering firm been retained to prepare plans for the same?
3. If so, what firms?
4. What is the basis upon which fees will be paid to this firm?
5. Will this firm also be retained to supervise construction?
6. If so, on what basis?

Mr. Fournier (Hull):

1. A public call for tenders is being prepared.

2. Yes.

3. C. D. Howe Company Limited, Port Arthur, Ont.

4. Two and one-half per cent of the cost of the work.

5. Yes.

6. Four per cent of the cost of the work.

Questions

DUTIES AND TAXES ON FISHING GEAR

Mr. McLure:

1. Is all fishing gear used by an individual fisherman tax and duty free?

2. Is the heavier rope over 21 thread (one-half inch diameter) taxable and dutiable?

3. Is the steel cable, sometimes used instead of rope, for hoisting nets and traps, taxable and dutiable?

Mr. McCann:

1. Without knowing specifically what is meant by fishing gear, it is difficult to answer this question. It is thought that in the main the question could be answered in the affirmative, but there may be items that are subject to both duty and/or sales tax.

2. For customs duty purposes, the answer is yes. Provision is made for the exemption from sales tax of "threads, twines, marlines, fishing lines, rope and cordage of cotton, hemp, manila or other vegetable fibre, not exceeding one and one-half inches in circumference, to be used for fishing purposes or for the construction or repair of fishing nets".

3. For customs duty purposes, the answer is yes. Provision is made for exemption from sales tax of "materials for use only in the construction, equipment and repair of ships" and if this steel cable was equipment of a ship, it would be exempt.

BRITISH AND CANADIAN SELLING PRICE OF BRITISH CARS

Mr. Dickey:

1. What is the domestic selling price quoted in pounds and dollars, in the United Kingdom, (a) excluding purchase tax, if any, and (b) including purchase tax, of the following (i) Morris Minor; (ii) Austin 10; (iii) Hillman Minx?

2. What is the selling price, quoted in pounds and dollars, in Canada, including ocean freight, customs duties and excise taxes, but excluding Canadian freight charges, of the following automobiles (i) Morris Minor; (ii) Austin 10; (iii) Hillman Minx?

Mr. McCann: Information as to exporters' home market values and selling prices to purchasers in Canada is furnished to the department in strict confidence for administrative purposes. It is contrary to the practice of this department to furnish information which would disclose the private transactions of importers or exporters at customs.

SUNNYBROOK HOSPITAL—MILK SUPPLY

Mr. Aylesworth:

1. What firm or firms supply milk to Sunnybrook hospital?

2. What is the price per gallon paid for this milk?

[Mr. Fournier (Hull).]

Mr. Mutch:

1. Highland Dairy Ltd., 674 Ontario street, Toronto, Ont., has the contract for period from February 1 to April 30, 1951.

2. 60 cents.

QUESTION PASSED AS ORDER FOR RETURN

DEPARTMENT OF FISHERIES—APPOINTMENTS IN NEWFOUNDLAND

Mr. Browne (St. John's West):

1. How many appointments have been made in the Department of Fisheries, province of Newfoundland, since April 1, 1950?

2. What are their names and respective salaries?

SPECIAL FORCE VETERANS

PROVISION FOR EXTENSION OF BENEFITS TO MEMBERS OF SPECIAL FORCES

Hon. Hugues Lapointe (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 introduce a measure to make certain rights, privileges and benefits applicable to persons serving in that part of the armed forces of Canada designated as the special force.

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.

THE MINISTER OF AGRICULTURE

QUESTION AS TO APPOINTMENT TO THE SENATE

On the orders of the day:

Mr. H. O. White (Middlesex East): I wish to direct a question to the Prime Minister. Is it true that as a reward for completion of food contracts the Minister of Agriculture (Mr. Gardiner) is going to the Senate? In this case I did not like to say "the other place". Second, is the rumour true that Dr. Hannam is likely to succeed him?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I do not think I am required to answer these rumours. Certainly they have no foundation in fact so far as I am concerned.

THE BUDGET

INQUIRY AS TO DATE OF PRESENTATION

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to address a question to the

Minister of Finance. Will the budget be brought down before Easter, or has a date been fixed, and if so, what is it?

Hon. Douglas Abbott (Minister of Finance): I am not in a position yet to give the house an answer to either of the questions. We are working hard on it.

BUSINESS OF THE HOUSE

EASTER ADJOURNMENT

On the orders of the day:

Mr. G. F. Higgins (St. John's East): As one who lives a long distance from Ottawa, I wish to direct a question to the Prime Minister. Can he say if there is going to be an Easter recess, and if so, how long will it be?

Right Hon. L. S. St. Laurent (Prime Minister): The question whether there will be an Easter recess—and by that I understand the hon. member to mean more than the adjournment provided for by the standing orders—and how long its duration may be, will be for the house to determine; but my colleagues and I decided this morning that I would put a notice on the order paper as soon as possible, and our recommendation will be that when the house adjourns on Wednesday, the 21st of March, it stand adjourned until three o'clock on Monday, the 2nd of April.

QUESTION AS TO TABLING OF MAIN ESTIMATES

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Can the Minister of Finance tell us when he expects to be able to table the main estimates for the coming fiscal year?

Hon. Douglas Abbott (Minister of Finance): I cannot say with absolute certainty. They are in the hands of the printer now. It is entirely a printing job. I confidently expect it will be some time next week, but I am not yet in a position to say definitely what day.

NORTH ATLANTIC TREATY

INQUIRY AS TO MOVEMENT OF TROOPS FROM CANADA TO EUROPE

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): I should like to ask the Prime Minister whether he was correctly reported in this morning's papers as having made a statement to the effect that troops are being sent to Europe. If so, I think it would have been better if the announcement had been made in the house.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I was quite as much surprised as the hon. member by the statement over the radio and the announcement in some of the newspapers that I said anything that could be looked upon as news in that connection. In the course of my address last night I referred to the fact that, to implement the announced policy of the government and our obligations under the North Atlantic treaty, it would be necessary for us to propose to parliament that both land forces and a detachment of the R.C.A.F. be sent to Europe to be placed under the command of General Eisenhower. I can assure the hon. member that as soon as the details as to those forces have been arranged with our associates, and there has been a determination of the time at which and the place to which they will be sent, an announcement will be made to the house in conformity with the undertaking I gave the house last June.

CIVIL SERVANTS

INQUIRY AS TO DATE OF PAYMENT OF SALARY INCREASES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I ask the Minister of Finance if he can tell us yet at what date the current salary increases will be given to federal civil servants?

Hon. Douglas Abbott (Minister of Finance): No, I cannot. Preparation of the final supplementary estimates is now under way; I hope that they will be available to the house within the next week or ten days. They should be passed—and I expect they will be passed—before the house adjourns on the 21st of March. After the vote has been passed, the civil servants will receive their increases from December 1, and other payments that have to be authorized under the supplementary estimates will be made.

Mr. Coldwell: I presume any person who has retired since December 1 and before payment of the money will be entitled to the increase?

Mr. Abbott: Yes; those who were on strength on December 1 will be entitled to the increases which were announced in the house as being effective from that date.

COARSE GRAIN

INQUIRY AS TO INTERIM PAYMENT ON 1950 CROP

On the orders of the day:

Mr. Robert Fair (Battle River): I should like to ask the Minister of Trade and Commerce whether he will soon be able to make a statement with respect to the commencement of the interim payment on coarse grains from the 1950 crop.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I am informed by the wheat board that the returns from the country on coarse grains are now practically complete, and I think payments will begin today. Coarse grains payments will be followed immediately by payments on wheat.

FARM IMPROVEMENT LOANS

AMENDMENT OF ACT OF 1944 EXTENDING ITS OPERATION FOR THREE YEARS

The house resumed, from Tuesday, February 27, consideration in committee of Bill No. 78, to amend the Farm Improvement Loans Act, 1944—Mr. Abbott—Mr. Dion in the chair.

On section 1—*Limitation of amount of liability to bank.*

Mr. Sinclair: On Tuesday, when the house was good enough to give the bill second reading a little ahead of schedule, we had quite a wide discussion on the details of this legislation, but there were one or two questions which I asked to have stand over with the understanding that I would answer them now.

The first point was raised by the hon. member for Assiniboia, the hon. member for The Battlefords, and I believe the hon. member for Prince Albert, on the matter of banks requiring the deposit of title as security against some loans. In the regulations under this act the conditions are defined under which these loans may be made, and it is provided that the banks may, in certain classes of loans, require title, as the hon. members pointed out. In addition, section 6 of the regulations provides that in cases where in the opinion of a responsible officer of the bank further security is required or deemed advisable, the bank may take such further security as a responsible officer of the bank considers appropriate in the circumstances.

I have made inquiry as to how often that provision was taken advantage of, and I find that it is done mainly in the frontier areas; in the Peace river district of British Columbia and Alberta, in northern Saskatchewan, in the interlake area of Manitoba, where the actual loan is generally made either for the clearing of the land or for the building of small barns. In those cases there is little chattel security to be obtained. In such circumstances the banks have asked in some cases for deposit of title. In the case of the hon. member for Assiniboia, most of the loans in his riding, according to my records, seem to be for implements, and it is not a common practice there. In the case of doubtful security, however, under section 6 the bank may ask for deposit of such title. The bank is not compelled to make the loan; the farmer is not compelled to accept the loan.

The next question was by the hon. member for Prince Albert and the hon. member for Greenwood, followed up by the hon. members for Melfort and Souris, suggesting that, while the act has worked very well up to now, perhaps the top limit on loans of $3,000 for ten years could be raised. At the time I pointed out that my figures did not seem to indicate very much pressure on that ceiling, because the average amount of the 170,000 loans made is $980. But I was asked whether I could obtain a table showing the number of $3,000 loans, and the hon. member for Prince Albert also asked whether I could have a sample prepared for one district. That was a little more difficult, but since he asked it I had the sample prepared for the area around Prince Albert. Once again, I do not know whether there is much interest in the details of the table; it is not very long. In our office the loans are classified by provinces, by banks and then in the five classifications for which loans can be made. These $3,000 loans are listed in that way, by banks, by provinces, and by class. Since the inception of the act in 1945 the number of loans of $3,000 total 2,214, or roughly 1·3 per cent of all the loans made. That would not indicate very much pressure on the present ceiling.

It is a little difficult because of the way in which the records are kept, to ascertain what is the medial loan, though the average is around $980; but examination of the amounts for one province by one bank shows that the great bulk of the loans range between $300 and $1,500. Of the loans, eighty-five per cent are for the purchase of agricultural implements; most of the small loans seem to be for the purchase of low-priced items such as binders.

So far as this table is concerned, if there is interest in it I can ask to have it appear in *Hansard*. If there is not that interest, hon. members who are concerned may see it for themselves.

Mr. Browne (St. John's West): Mr. Chairman, I ask that it be included in *Hansard*.

Mr. Ross (Souris): Is the break-down by provinces shown?

Mr. Sinclair: Yes; by provinces, by banks and by classifications. Only four of the five classifications are shown; in one classification there are no loans of that size. The table is as follows:

Farm Improvement Loans

All Loans Since Inception in the Amount of $3,000

	B.C.	Alta.	Sask.	Man.	Ont.	Que.	N.B.	N.S.	P.E.I.	
Purchase of agricultural implements										
Bank—Nova Scotia	1	51	86	11	1	..	..	..	2	..
National	12	..	..	..	..	5	..	..	..	..
Dominion	..	9	11	22	3	..	..	..	..	..
Toronto	2	30	92	22	16	..	..	..	..	..
Imperial	..	31	49	6	1	..	..	..	..	..
Commerce	23	101	177	65	7	2	..	..	..	..
Royal	5	162	163	179	4	1	1	..	1	..
Montreal	4	154	97	42	6	..	..	..	..	..
	47	538	675	347	38	8	1	..	3	1,657
Purchase of livestock										
Bank—Nova Scotia	1	4	3	..	5	..	1	..	1	..
National	..	..	..	..	..	4	..	..	..	..
Dominion	..	..	..	..	..	..	..	..	..	..
Toronto	..	1	3	..	1	..	..	..	..	..
Imperial	1	..	..	..	1	..	..	..	..	..
Commerce	2	4	..	1	10	1	..	..	..	..
Royal	3	7	1	1	6	..	..	1	..	..
Montreal	3	3	2	..	4	..	..	..	..	..
	10	19	9	2	27	5	1	1	1	75
Construction										
Bank—Nova Scotia	1	13	..	2	10	..	1	..	..	..
National	..	..	..	4	1	11	..	..	..	..
Dominion	..	1	3	2	14	..	..	..	..	..
Toronto	..	7	9	1	16	..	..	..	..	..
Imperial	..	9	5	..	23	..	..	..	..	..
Commerce	17	16	13	1	41	1	4	..	..	..
Royal	4	27	5	14	51	..	1	..	1	..
Montreal	13	44	6	3	71	6	..	..	..	..
	35	117	41	27	227	18	6	..	1	472
Brushing and breaking										
Bank—Commerce	..	2	..	..	1	..	..	..	..	..
Royal	..	2	..	1	..	..	..	..	..	..
Dominion	..	..	..	1	..	..	..	..	..	..
Imperial	..	..	..	..	2	..	..	..	..	..
Toronto	..	1	..	..	..	..	..	..	..	..
	..	5	..	2	3	..	..	..	..	10
Grand Totals	92	679	725	378	295	31	8	1	5	2,214

It might also be interesting to table the break-down for one district to show the classification of loans in that district. This is for the district around Prince Albert. Is that agreed?

Some hon. Members: Agreed.

Mr. Sinclair: That table is as follows:

Summary of $3,000 Loans in Prince Albert, Sask., and surrounding area

	Total loans	$3,000 Loans
Bank of Montreal		
Duck Lake, Sask.	188	2
Prince Albert, Sask.	277	3
Bank of Nova Scotia		
Kinistino, Sask	263	5
Prince Albert, Sask.	513	6
Shellbrook, Sask.	266	5
Canadian Bank of Commerce		
Birch Hills, Sask.	592	2
Prince Albert, Sask.	204	1
Imperial Bank of Canada		
Prince Albert, Sask.	391	13
Royal Bank of Canada		
Leask, Sask.	91	3
Prince Albert, Sask.	310	12
	3,095	59

Loans made for $3,000 in this area amounted to 1·9 per cent of total.

The one other question outstanding was that of the hon. member for Glengarry, who asked whether it was possible for a farmer who had purchased implements under a commercial finance scheme at fairly high rates

to refinance through the facilities of this legislation. I am informed that this is not possible, that the intent of this act was to help in the financing of the purchase of equipment, alterations, land clearing and so on, not to help in refinancing existing obligations. These were the questions outstanding at that time, and I thought I should clear them up first.

Mr. Higgins: I was not here the other evening and I should like to ask a couple of questions. Last week in reply to a question I placed on the order paper, I was informed that no branch under the farm loan board had been set up in Newfoundland, as the number of requests did not warrant it, and that requests from Newfoundland were now being handled by Ottawa direct. Could the parliamentary assistant tell me how many requests have been received, and what are the mechanics by which these requests are handled now?

Mr. Sinclair: I can answer the hon. member in this way. We are not now discussing the farm loan board act; this is the Farm Improvement Loans Act. It is true that the farm loan board has no facilities in Newfoundland; but the actual handling of transactions under the Farm Improvement Loans Act is done by the branch managers of the chartered banks in Newfoundland. So far there have been only two loans in Newfoundland, but that is a matter for the branch managers. Just as a matter of interest, I can find out what progress has been made so far as the farm loan board is concerned and communicate it to the hon. member.

Mr. Higgins: I would appreciate that.

Mr. Herridge: As I said when the resolution was under discussion I think this act has been of great service to many farmers in this country, but even around my own constituency I occasionally run into farmers who are not aware that they may obtain loans under it. I would like the parliamentary assistant to explain to the house what the department does to inform farmers of the existence of this legislation.

Mr. Sinclair: The hon. member for Greenwood asked a similar question Tuesday evening, and at that time I told him the principal source of information had been the branch managers of banks themselves, when farmers came to inquire as to loans. I suppose it is quite true that many farmers do not go near banks because they do not think they could get loans. I also said that we had put out one or two small pamphlets. Since then I have checked, and find that all told we have put out four small pamphlets in the last six years. In the expenditures for the present year, however, we have an item—and I say this with perhaps some reluctance to the hon. member for Greenwood—of $9,000 for publicity for pamphlets setting out very briefly the provisions of this legislation and how farmers may secure help. I think the most striking fact we could quote in that pamphlet would be the astounding increase in service from 4,300 loans in the first year of operation to 59,000 loans last year; but I think this is a field where it would be a real help to the farmer if a little more publicity were given by the board in pamphlet form, rather than through the banks. The farm associations have been most helpful in spreading word to their members, but perhaps in this case even the hon. member for Greenwood may agree that there is justification for a small expenditure for a pamphlet to tell the farmers what they can expect under this act.

Mr. Bater: Is it absolutely a necessity that the applicant have title to his land before he can qualify for a loan under this act?

Mr. Sinclair: I must apologize to the hon. member. I shall need the aid of my assistant on these detailed questions, and he has not yet appeared. Would the member just hold that question for a moment?

Mr. Murray (Cariboo): Could the act be extended a little to service the country north of the Peace river? This loan board does good work in the more settled areas, but in new areas where the buildings and fences are not up to the same standards as they are in Ontario, for instance, and the farms are removed from large centres of population, the inspectors take a very stern view of the situation and often refuse loans. I know of one case where a loan was refused to a man who had cleared five hundred acres of land and who needed a loan in order to purchase seed and tools. He had exhausted his cash in clearing this large area. The farm loan board could not see its way clear to lending him any money. The excuse given was that the man was a bachelor, and he was over sixty years of age. We might provide him with a wife and set him up in a good home, then probably he would qualify for the loan. The fact was that the man had a good reputation for paying his debts; he was a practical farmer and therefore a good risk.

I believe the act should be extended, so that these new areas could be given just as careful attention as the more settled areas.

Mr. Sinclair: In reply to the member for Cariboo, I should like to point out that we are not considering the Canadian Farm Loan Act but the Canadian farm improvement act. Actually, the record of this act in outlying areas is even better than it is in the established areas, as is shown by the table I filed last Tuesday night. It is in the Peace river

district, northern Alberta and Saskatchewan, that the loans for the clearing of land and improvement of buildings have been most successful.

As I pointed out to the member for Assiniboia, in those areas they often ask for security by way of the deposit of title. The Farm Improvement Loans Act has no connection with the Canadian farm loan board, which is an organized body lending funds on land. The Farm Improvement Loans Act is simply a means by which the Canadian government guarantees the credit extended by the banks for farm improvements, and the bank managers are the ones who pass on the farm loans.

Mr. Murray (Cariboo): I am not one to advocate advertising the lending of money to farmers. I think that the farm loan board does good work, and so does this farm improvement act. I still believe, however, that even the trust companies refuse to lend money on lands on the north side of the Peace river in British Columbia that are profitably cultivated. These properties are regarded as poor risks simply because they are fifty miles away from a railway. Farms can be operated successfully in spite of the fact they are some distance away from large centres of population. I believe that both the banks and trust companies could extend their lending operations in this part of the country, in which there are worthy people who are good risks and who should be given a little financial assistance.

Mr. Argue: I wish to thank the parliamentary assistant for the answer he gave to my question. I do not object to the practice of the banks in frontier areas asking for the deposit of titles for a loan for the improvement of land or buildings, because there is not much else in the way of security that could be given to the banks. I do say, however, that I believe the practice, which is quite prevalent in my locality, of asking for the deposit of title on a farm implement loan, should be frowned upon. The banks have adequate security. Up to about ten per cent of the aggregate loans are guaranteed by parliament. To show that that guarantee is worth a good deal, one needs only to mention that out of $170 million of loans, claims have been made by the banks for only $19,000.

In addition to the ten per cent guarantee on farm implement loans the bank takes a lien on the farm implement. In my opinion that should be adequate security. I believe one of the reasons why the banks in certain areas are asking for a deposit of title is the fact that they are faced with competition from credit unions. The bankers take the attitude that if they can get the farmer to deposit his title he will not be eligible for a loan from the credit union. In some areas I know there is a good deal of competition between active credit unions and the local banks. If the bank can get the farmer's title to the farm on an improvement loan, then of course it is much more difficult for the farmer to get a loan from the credit union. I wonder if the parliamentary assistant would explore the possibility of having credit unions brought under this act, so that they would be eligible for the same ten per cent guarantee. If that were done, then I imagine that the practice of the banks in certain areas of requesting a deposit of title on farm implement loans would be discontinued.

Mr. Baier: My question was, is it necessary for the applicant to have a clear title to his property before he can qualify under this act?

Mr. Sinclair: The answer is no.

Mr. Fair: I believe that the farmers all across Canada are grateful for the passage of this legislation, and will appreciate having it extended for a further term. I am supporting it, but I want to go a little further. The latest figures we have from the dominion bureau of statistics show that approximately twenty-five per cent of the people of Canada are living on the land. At the present time they are receiving somewhere between ten and fifteen per cent of the national income. Something of greater importance than the passage of a farm loan act would be the bringing about of parity prices for the Canadian farmer. If that were done, the necessity for a Farm Improvement Loans Act would be eliminated.

Mr. Browne (St. John's West): Will the parliamentary assistant say whether there is a quota for each province?

Mr. Sinclair: There is no quota for each province, nor is there a quota for any one of the banks. It is just a matter of the business risks available in the various provinces for loans by the various banking institutions.

So far as the point raised by the member for Assiniboia is concerned, I rather think he defeated his own purpose when he mentioned the strong competition between the credit unions and the banks for this type of business. If there is any competition, the banks would not put any block in the way of getting the business. His second point was whether or not credit unions could be included in this act. This problem we discussed three years ago when the act was first reviewed. Two points were raised immediately. First, this is a federal act, and the ten chartered banks of Canada are controlled

by federal legislation and inspected by federal inspectors. Credit unions are under provincial authority and control.

A third point, perhaps not so important in these times as at other times, is the matter of solvency. The institution lending the money must be solvent, just as the farmer who is borrowing the money must be solvent. The ten chartered banks of Canada are certainly much more secure than the great variety of credit unions across this country. Some credit unions are in excellent financial shape. Others are in not too strong a position. It is for that reason, for simplicity of operation and the fact that under this federal act we have federal control of the banks, that the guaranteed loans have been restricted to the ten banks chartered under the federal government.

Mr. Argue: Did the department ever call in the credit unions or their officials and try to work out some formula under which they might get the same consideration as the banks? Was anything done to try to bring the credit unions in?

Mr. Sinclair: The answer, I am informed, is no.

Mr. Murray (Cariboo): May I say that in our district the credit union is a valuable organization, and it does not compete with the banks. The banks welcome the credit union, and the credit union is helpful to the banks. In British Columbia it is under the department headed by Hon. Mr. Wismer, and it is doing excellent work all through the province, particularly in the northern areas.

Mr. Cardiff: I am glad to know from the parliamentary assistant that money is being set aside to advertise this assistance to the farmers. I think the reason why many of them have not taken advantage of this assistance is that they did not know anything about it; therefore the money that is being set aside for advertising will be well spent. In my own district I am sure that many of the farmers have no knowledge of it at all. If it is left to the bankers to advertise it, I do not think they would do it. Perhaps they would rather lend money in some other way and get a little more interest on it. I am glad that money is being set aside for advertising.

Mr. Studer: If the objection to the banks' obtaining title for some of these loans is valid, the same thing would have to hold true with regard to credit unions, provided that they had the same prerogatives. My difficulty is not with regard to the bank's obtaining my title; it is with regard to the credit union, because the credit union has the title to my land and I do not know what to do about it.

[Mr. Sinclair.]

Mr. Argue: But they have no ten per cent guarantee. That is important.

Mr. Jones: In the table submitted by the parliamentary assistant the other day I notice that the loans made to farmers in British Columbia were roughly eight per cent of those made to farmers in Alberta and Saskatchewan. I was wondering what was the reason for that. I believe that the government's intent is sound and that they will bend over backwards to help the farmer, but to what extent are the banks co-operating? The question is this. Has the parliamentary assistant the figures indicating the amount and the number of loans applied for and the number rejected or not granted?

Mr. Sinclair: This table I filed on Tuesday evening was one which I was quite sure would arouse great interest when it was actually printed, because the three prairie provinces are far ahead of the other provinces, despite the great size of the agricultural industry in Ontario and Quebec. There are reasons for that. In the three prairie provinces the farms are large in size; the farmers use expensive mechanical equipment; and there are also many new farms. The clearing of land, the improvement and the extension of buildings is an important factor with regard to the prairie farms. In Ontario and Quebec, on the other hand, the farms are for the most part much smaller; there is not the same need for the large mechanical equipment, such as the combine that is used in the west. More than that, the farms in the east are much older. They have had fifty years or a hundred years of careful husbandry over the farms, fences, houses and that sort of thing, which undoubtedly is one of the main reasons for the great difference in the number of loans in the prairie provinces as compared with those in the old provinces of Ontario and Quebec. As to British Columbia, the agriculture industry there is fairly well limited to two or three areas; and the area represented by my hon. friend from Yale did not qualify quite as easily as did the prairies until this amendment I mentioned the other night, which included the planting and purchase of fruit trees.

As to the number of applications which have been refused, we have no official record of them. The situation here is the same as that with regard to most business loans made by a bank. The record is of the loans made, not of the loans refused, because of the very nature of the application. The farmer or businessman goes in to see his bank manager

and talks over the problem. From that conversation he can soon see whether it will be possible for him to obtain a loan or not.

However, we have a much better way of estimating the number of rejections, and it is this. Of all people in Canada I believe the farmers are the ones who are the most vocal in complaining when they think they are suffering from an injustice, and the administration would certainly be the first to get letters from farmers complaining about the matter if this act was not working in the way it was intended to work and many applications were refused. Second to the farmers in the matter of complaint would be the businessmen in these communities who have been put on a cash basis, as has been said, by this act. In the third place, and perhaps most important right here, we would certainly have heard from members of parliament. I raised that point with the administration and I found that, for example, in the last year, only three members of parliament had brought cases of refusal of loans to the attention of the administration; the explanation in each of those cases was perfectly satisfactory to the members concerned. So I would think that there is not much in the way of refusal of loans where there is reasonable security, remembering that we have this ten per cent guarantee by the federal government.

Mr. Quelch: Did I understand the parliamentary assistant to say that, as to loans that are made for the purchase of machinery, there would be no change in the regulations; there would be no increase in the down payment and no shortening of the term of repayment?

Mr. Sinclair: That is quite right.

Section agreed to.

On section 2—*Limitation of amount of liability to a bank.*

Mr. Charlton: In the explanatory notes to clause 2 I find the following:

> The period during which guaranteed farm improvement loans may be made expires on February 28, 1951. The proposed amendments extend this period to February 28, 1954, and also increase the aggregate amount of farm improvement loans that may be guaranteed.

I checked back on the original bill which was passed in 1944. Section 5 of that bill reads as follows:

> The minister shall not be liable under this act to make any payment to a bank in respect of loss sustained by it as a result of a farm improvement loan made after the aggregate principal amount of guaranteed farm improvement loans made by all banks exceeds two hundred and fifty million dollars or made more than three years after the commencement of this act.

I beg your pardon; that was the amendment as of 1948. The original act is just the same; it deals with the amount of $250 million. The explanatory note in this bill says the amendment is to increase the aggregate amount. But still this section in the amendment mentions $200 million. The parliamentary assistant to the minister stated the other night that this amount was to be increased. It appears to me as though there has been a decrease. Can the parliamentary assistant explain that?

Mr. Sinclair: On the surface, it looks as if there had been a decrease. When the bill was first passed in 1944 the amount mentioned was $250 million. At that time it was not known whether the act would be accepted by the farmers, or whether it would work out well; it was a probationary period. At the end of three years it was found that it did not work too well. I remember that the then member for Wood Mountain, now the hon. member for Assiniboia, said that it did not work well because out of $250 million we had lent only $35 million in those three years. The next act, therefore, did not repeat the $250 million but did say, the balance of the $250 million first voted; in other words, loans made in the next three-year period would be for that balance of $215 million—I think it was $35 million for the first three years, and the loans were limited then for the whole six years to that first $250 million. Now the rate of lending has increased greatly. Last year it was around $63 million. Although there is some $30 million left over of the first $250 million total loans, we made a fresh start and said that for the next three years the total loans on which we would pay a ten per cent guarantee would be $200 million. Although it seems to be a contradiction, the fact is that in the first three years we made $250 million available. Actually, the amount of guaranteed loans for the first three years was $35 million. The amount in the next three years was $135 million; therefore the total of the first six years was $170 million of the $250 million provided. Now we are dropping all mention of the original guarantee; for the next three years we are going to make the $200 million available for loans in this period of three years, of which we guarantee ten per cent.

Mr. Macdonnell (Greenwood): What would the indication be if you took the rate of increase of the last few years and projected it three years forward?

Mr. Sinclair: I have the actual table here. That would be the best way of showing it. The last three years was as follows: $30 million, $45 million and $63 million, a total

of $130 million odd over the last three years. So that it looks at the moment, especially with those minor restrictions on credit which we are now making, as though $200 million will be all right for the next three years. If it is not—

Mr. Macdonnell (Greenwood): You can always come back and ask for more.

Mr. Sinclair: In the third year we can come back, especially since this act has won such commendation from the farmers and hon. members of every party in the house.

Mr. Charlton: What happened to the $80 million which was not taken up in the first six years? Was it put back in the treasury?

Mr. Sinclair: No money is set aside at all for this. Actually, all that this has cost the treasury so far has been the $19,000 in claims which the banks could not recover in 1949 and 1950. We are just limiting our liability. It is the banks that make the loans. We do not put up any money at all. We say, we are not going to be responsible for losses of more than ten per cent of the $200 million gross lent by all the banks in the next three years.

Mr. Charlton: Has the government taken into consideration at all the increasing of the maximum loan from $3,000 to a greater amount, say $4,000?

Mr. Sinclair: We had quite a discussion on that on Tuesday night, and at the beginning of this discussion I pointed out that consideration had been given to it. But the evidence of loans did not seem to show very great need for it, because the average loan over the entire six years of operation has been $980; the average group of loans is between $300 and $1,500. Less than 1.3 per cent of loans paid in the last six years is for $3,000.

Mr. Argue: I do not think there is any need at the present time to increase the $3,000 limit. I am thinking mainly of the purposes of the act. In Saskatchewan, and in the prairie provinces, in regard to machinery, the most expensive implement on the farm is a $5,000 combine. I think almost any farmer who contemplates buying a $5,000 combine feels that he must have $2,000 cash before he can buy such an expensive implement. If the prices of machinery keep going up and up and if inflation stays with us, before very long that $3,000 ceiling may be too low. I think the same thing would apply to the $200 million total ceiling on the loans that may be made in the three years. The sum of $200 million is enough for the coming year, and certainly I would think it is enough for the first two years. In the third year, if prices continue to rise, and there is at the same time a reasonable production of farm implements, lumber and building materials, the $200 million may need to be increased toward the end of the three-year period.

Mr. Macdonnell (Greenwood): While the fact that the average loan is $1,000 does seem on the face of it a complete answer to the suggestion that you should raise the limit above $3,000, does it go further than that? Is there a feeling that actually to lend more than $3,000 is unwise in the contemplation of those who set up the act? Will the parliamentary assistant say this to us; if, in fact, it should turn out that rising prices should cause frequent applications for loans of more than $3,000, the matter may be considered?

Mr. Sinclair: That is quite true. The matter would certainly be reviewed, because this act has been a very useful one. The hon. member for Greenwood has I think put his finger on another point. After all, the real intent of this act was not to help every farmer in he country, particularly not those prosperous farmers, to buy probably the biggest and best machines on the market—

Mr. Argue: They are not all prosperous.

Mr. Sinclair: A farmer who was buying a new $5,000 machine would not have to put up very much because he could get $3,000. In any case, he could get two-thirds of the cost up to $4,500 even under our restricted credit rulings on the cost of it; and a farmer buying equipment of that size should be able to put up the balance himself. That is certainly in accord with the hope of the Minister of Finance that more and more people will be paying cash instead of using credit at the present time in purchases of every description.

Mr. Quelch: Will the agreement reached between the Bank of Canada and the chartered banks curtailing loans have the tendency to curtail loans under this act?

Mr. Sinclair: No; the suggestion of this farm improvement credit curtailment came from the government itself. The discussion between the Bank of Canada and the chartered banks had to do with business loans and personal loans. The restrictions on these farm improvement loans suggested limits on time, and they are spelled out in regulations. I pointed out on Tuesday night that the new regulations, published on January 24, 1951, cut back the time of repayment of loans. For example, you used to be able to pay off a $400 loan in two years; now you must pay it off in eighteen months. A separate directive has been given. I put that list on *Hansard* on Tuesday night.

Mr. Quelch: I thought there might be a general restrictive policy which indirectly might affect this act.

Mr. Sinclair: No.

Mr. Sinnott: Following up the ceiling mentioned by the hon. member for Assiniboia, may I say that this particular clause does not apply only to the increase in the price of machinery. It also applies to the increase in the price of cattle. A man who has a lot of feed grain, as has happened in the west in the past year, will be able to buy only half the amount of livestock that he could buy previously. The government should keep its eyes on this matter with a view to raising the ceiling if high prices continue.

Mr. Sinclair: I had the table, but I have given it to *Hansard*. With regard to the $3,000 loan, a very small number of these were made for the purchase of livestock. The largest percentage of these loans was made for the purchase of agricultural equipment. I doubt whether two per cent of these $3,000 loans was made for the purchase of livestock. But the table will be in *Hansard* in the morning.

Section agreed to.

Section 3 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

EMERGENCY POWERS ACT

PROVISION FOR ORDERS AND REGULATIONS DEEMED ADVISABLE FOR NATIONAL DEFENCE AND SECURITY

The house resumed, from Friday, February 23, consideration in committee of Bill No. 24, to confer certain emergency powers upon the governor in council—Mr. St. Laurent—Mr. Dion in the chair.

On section 1—*Short title.*

Mr. Garson: Mr. Chairman, in keeping with the great importance of the subject matter with which this bill is concerned, the debate which took place on the second reading was of a high order, if I may express that opinion. The only regrettable feature of it was referred to by the hon. member for Winnipeg North Centre, that is that we did not have with us to add the important contribution which he always made to discussions of this sort the former member for Kindersley, Mr. Jaenicke. I was very saddened one day when the hon. member for Rosetown-Biggar told me that Mr. Jaenicke was extremely ill. I immediately wrote Mr. Jaenicke a long chatty letter about some of the legal problems which had arisen here only to find with dismay that about a day after it had been sent his death was announced. I am sure that everyone regrets his passing, because in dealing with matters of constitutional law he made a contribution which was not excelled by that of any hon. member on either side of this house.

The main policy issues of this bill have been pretty well covered. They may be discussed again and if they are I should like to reply to any further criticisms that may be made. It will expedite discussion in committee if I deal at this time with certain specific criticisms which were directed against the bill, largely by the hon. members for Kamloops and Eglinton. Inasmuch as the matters they have raised are related to a greater or lesser degree to one another it might perhaps be expedient for me to deal with them all at the same time.

The first criticism was that this bill might lead to an unwarranted invasion of provincial rights. In that connection I will perhaps be labouring the obvious by pointing out that the bill is manifestly brought forth as a result of the creation of an emergency which threatens the security of the nation. That emergency makes it imperative that measures should be taken in the interests of national defence. The defence which is involved in this bill is not only the defence of the federal government but of all provincial governments and of all citizens of Canada. I do not see how it can be logically argued, as long as the orders in council which are passed under this bill, if it becomes operative, are confined strictly to the powers granted under it, that this will be an invocation of powers by the governor in council which may be regarded as an encroachment upon provincial authority.

If this parliament, which is specifically empowered by section 91 of the British North America Act to deal with matters of defence, cannot in this emergency invest the governor in council with authority to deal with such matters as come under the heading of defence, although they may in another aspect come under provincial jurisdiction under the heading of property and civil rights, then we would have a constitution which would be unworkable indeed. The granting to the federal governor in council of jurisdiction to make defence preparations contemplates the giving to the governor in council of authority to deal with precisely the kind of emergency with which we are now confronted.

The second criticism was that the bill provides for an unwarranted interference with individual rights. This argument was developed by both the hon. member for Kamloops and the hon. member for Eglinton. As I

understood their remarks, they were based upon the omission of the word "arrest" from the specific powers excluded from the act. The War Measures Act provides in effect that the government may by order in council provide for the arrest, detention, exclusion or deportation of any person. This bill omits to include in the powers granted any provision for detention, exclusion or deportation of any person. Indeed it goes on to exclude those powers, but it does not exclude the power of "arrests". Whereupon my friends drew the inference that there is something sinister about the omission of the word "arrest" and that the government instructed the draftsman of the bill to leave out the word "arrest" in order that it might retain the power of arrest by executive fiat and in that way invade the liberty of the subject.

The reason for that omission is neither sinister nor mysterious. It was not an oversight because the matter was considered carefully by the draftsman of the bill. The reason the word "arrest" was omitted from these exclusions, thereby leaving the power of arrest with the governor in council, will be made clear if hon. members will look at the bill itself. They will see that in section three there is a provision for the creation of offences by order in council, the offence of violating the orders which the governor in council may make pursuant to this act. The governor in council has the power to provide that individuals may be fined or imprisoned for not obeying the orders and regulations made pursuant to the powers conveyed by this bill.

Mr. Fleming: I think the minister will agree that it is not confined to that matter.

Mr. Garson: I quite agree. This is a customary provision, not only in statutes of this parliament but in provincial statutes. The lieutenant governor in council or the governor in council are empowered to make regulations and provide for their enforcement. Obviously if one is going to create a new offence it will not be worth while unless some provision is made to enforce it.

Mr. Drew: Would the minister give us an illustration of the type of provincial statute to which he is referring?

Mr. Garson: I would not like to undertake to quote with accuracy, but my impression is that in most provinces there are regulations made by the lieutenant governor in council dealing for example with the operation of dairies and prescribing certain rules of sanitation. Such regulations would provide that if there is a breach of the regulations certain steps will be taken to enforce them. I am sure my hon. friend, the leader of the opposition, from his wide knowledge of provincial administration, must recollect many examples of regulations of that kind which have been made.

Mr. Drew: I will not interrupt the minister again on this, but I must confess that I cannot remember any provincial legislation conferring any such powers as those contemplated in this section.

Mr. Garson: But making regulations—

Mr. Drew: Yes, but not making regulations of this kind.

Mr. Garson: —accompanied by provision for their enforcement. Let me ask my hon. friend a question. Does he not recollect that regulations are made under the Ontario health act—I do not know whether that is the proper title—by the lieutenant governor in council?

Mr. Drew: There are a number of provisions for regulations relating to administrative responsibilities under acts of a nature which call for adjustment from time to time to, shall we say, the ordinary practices and circumstances that must be met. What I am pointing out is that in this case the rules and regulations are rules and regulations that obviously contemplate the declaration of severe penalties for as yet unstated offences, and the word "arrest" relates to all these. I know of no similar provision in any provincial statute, and I was simply asking the minister if he could illustrate it by reference to some provincial statute he has in mind in that respect.

Mr. Garson: I am sure I could turn up the exact reference but speaking from memory, and confining it to the province with which I am most familiar, I would say we had in the province of Manitoba—and I am sure my hon. friend can recollect the same thing in the case of the province of Ontario—very elaborate health regulations that took up a good deal of space in pamphlets put out by the government. If my memory serves me rightly there was provision in those regulations for their adequate enforcement. Whether or not those provisions provided for arrest I would not like to say at the moment, but certainly they provided for fines, and if I remember correctly they also provided imprisonment in certain circumstances.

At any rate in this particular case, as the leader of the opposition correctly states, the powers which are being conveyed are of a wider and more important character perhaps than those which are ordinarily exercised by the lieutenant governor in council in a province. When they are being conveyed—and to take a counterpart, under the

War Measures Act they resulted in the wartime prices and trade board—obviously provision must be made for their enforcement, and it would be rather absurd if in providing for imprisonment no provision was made for the arrest of the offender.

May I point out that where the power of arrest is continued but not any longer in juxtaposition with the power of detention—which is not given by the bill—not any longer as an adjunct to detention, when a man is arrested under the power that is under discussion here he is arrested only for the purpose of being brought to trial in the ordinary way before the ordinary courts with all of his rights of habeas corpus and all of the other safeguards which are thrown around the liberty of the individual.

With deference, I think the confusion has arisen in the minds of the hon. member for Kamloops and the hon. member for Eglinton because they have failed to distinguish between arrest as an adjunct to detention and deportation and the law which contemplates the withdrawal—I will confess under conditions of war—of individual liberties by executive fiat; but arrest in its present context is merely a part of the necessary method of enforcement of the order in council that may be passed pursuant to this bill if enacted.

Mr. Fleming: If the minister has confidence in that argument why does he need to retain in the governor in council the power to make orders in council with respect to arrest when he is not asking for the power to make orders in council with respect to detention, and when under section 3 of the bill power to prescribe penalties by way of fine and imprisonment is vested in the governor in council?

Mr. Garson: I think I can answer that question quite definitely. It is simply because in the judgment of the gentlemen who drafted the bill it was unwise and unnecessary to rely upon the provisions in the existing law, that is, the law that would exist before these orders in council were passed, for any arrest of a person in respect of an offence which will not come into existence until the governor general in council invokes the provisions of the bill, and that rather than have any doubt about it it was much preferable that we should provide in this existing legislation that when the governor general in council created some offence, perhaps under an analogue of the wartime prices and trade board, or under an order in council which has not yet been passed, it should be clear in creating the offence that in the enforcement of the order in council or regulation there would be the power of arrest but not the power of detention, deportation and the like. In such a case when an accused, having offended against the provisions of that order in council, was brought to justice he would have available to him all of the protections which a man has available under any of the existing statutes or the Criminal Code at the present time.

Mr. Drew: I want to interrupt as little as possible, but so that this may be in sequence may I ask the Minister of Justice what there is under this measure that would prevent an order being passed under the section to which he now refers which would state that the habeas corpus provision would not apply?

Mr. Garson: I should think that there would be a great deal. With no power of detention by executive fiat, without any question I think it would be ultra vires of the governor in council to make any provision in the order in council denying the writ of habeas corpus to the subject, and I think most of the lawyer members of this assembly will agree with me.

Mr. Fulton: Does the minister not recall what was done in the espionage cases? I am not asking for an opinion as to whether it was justified. The argument was that it was justified, but under the War Measures Act, containing very similar powers, an order in council was passed which effectively denied the right of habeas corpus and the right of representation by counsel.

Mr. Garson: I must apologize for the infirmity of my language. I have been labouring the point for about five minutes now and it has made no impression whatever upon the hon. member for Kamloops. The difference between the two statutes that we are discussing, the War Measures Act on the one hand and this measure on the other, is that under the War Measures Act there is provision for arrest, detention, deportation, and so on. In other words, there are pretty broad powers to interfere with the liberty of the individual by executive fiat whereas under the present bill, as I think was pointed out by the hon. member for Eglinton at some length and with considerable accuracy except in one respect—

Mr. Fleming: Just one?

Mr. Garson: —the powers of detention, deportation and so on are not taken. I am only speaking offhand now but I suggest that the validity of the orders in council passed with reference to the espionage case would depend upon the language used in the War Measures Act, which included not only the power to arrest but the power to detain, deport, and so on.

Mr. Drew: But may I ask the minister just what happens after the arrest? Does the policeman go up and tag him, as though he were playing a game, and say, "You are arrested" and leave him there?

Mr. Garson: I think my hon. friend's question can be answered with the greatest of ease. Exactly the same thing happens then that happens when a man is arrested for committing a robbery. He is brought in; the law is examined, and he is brought before the court. If he applies for bail, if he applies for habeas corpus, if he invokes any of those traditional bulwarks of British liberty, they are available to him; none are denied. But if you create a new offence under this act or by passing an order in council you must have some provision for bringing to justice any person who may contravene that order in council.

The next point raised was that while in our act there was provision for the tabling of orders passed pursuant to this bill and further subsequent annulment of these orders by a resolution of the Commons and the Senate, their objection was, as I understood it—and I hope my friends will correct me if I am wrong—that this resolution would have to be moved as a private member's resolution. It would be subject to all the disabilities of procedure which pertain to the resolutions of private members. It might be some time before it could reach a place of priority on the agenda which would enable it to be heard, especially if the government did not want it heard. The suggestion, as I took it, was that the government would employ tactics of that sort to delay its being brought to a hearing.

Mr. Drew: What if parliament was not sitting?

Mr. Fulton: Not necessarily. The minister will recall that in the normal procedure, when the session is about half way over the government asks parliament to consent to the giving up of private members' days.

Mr. Garson: That is right.

Mr. Fulton: And the regulation might be passed when the session was more than half over.

Mr. Garson: I do not want to labour this point because nothing in particular turns on it, but in the language used by the hon. member for Eglinton I detected a certain suggestion that the government would not receive with too much enthusiasm a resolution of that kind—

Mr. Fulton: Would they?

[Mr. Garson.]

Mr. Garson: —and, shall I say, would not facilitate it. But whatever may have been the intention of the hon. member I want to put a quietus to this point. I have conferred with the Prime Minister, and he has authorized me to assure the house that the government is prepared to waive any existing rules in order to get promptly before the house for its consideration any resolution moved by a member of the opposition whose purpose is to accomplish the annulment of an order in council passed pursuant to this emergency powers bill.

Mr. Fleming: What about the Senate?

Mr. Garson: I am afraid I cannot speak with any great authority as far as the other place is concerned, but my impression is that the accumulation of business in the other place ordinarily is not such that any problem would be presented in having a resolution of this character brought promptly to the attention of the members of that body. In fairness to the government I think I should point out that the position I have just stated is not a new position for the government to take. When the National Emergency Transitional Powers Act of 1945 was before the house it contained a provision similar to the one now under discussion. During the course of that debate the Prime Minister, who was then minister of justice, gave an undertaking on behalf of the government with regard to that act which in effect is the same as that I have just stated in relation to the present bill. I quote his words from page 3003 of *Hansard* for December 5, 1945:

> The third subsection provides that the orders shall be laid before parliament and that there shall be a period of twenty-eight days during which, in either house, a resolution may be moved to annul; and once more, if such a resolution is moved, the government will do its best to bring it to a decision at once, because it has no fear that the kind of things it will pass will not have the approval of the majority of this house, whatever may be the views of those who challenge the order in the resolution tabled.

Mr. Drew: In other words there is not much doubt about what will happen.

Mr. Garson: No; and in that connection, why should there be? My hon. friends of the opposition seem to think that because they are opposed to these measures, though they are in a fairly pronounced minority, parliament is also opposed. Well, surely the majority has some rights in this house, and if the supporters of the government are prepared to endorse what has been authorized by the governor in council, in their judgment and wisdom, then why should they not have the right to do so?

Mr. Drew: That is a beautifully naïve explanation.

Mr. Garson: If I have omitted any of the points raised I hope hon. gentlemen will call those omissions to my attention. The next point made was that the present bill calls for the tabling of only orders in council and not for regulations which may be made under this bill, and that is objected to as being inadequate. They say we should table everything. I believe there are important reasons why the view they have expressed is quite erroneous. Under the act it is provided in effect that orders—what kind of orders?—of a legislative character shall be tabled in the house. The first steps usually taken under a bill of this sort are orders in council of a legislative nature, because they provide for the set-up under which the regulations that may be passed will operate. Thus an analogue of the wartime prices and trade board, for example, when it gets in operation under these orders which are legislative in character, will make subordinate regulations. One of the emanations of the wartime prices and trade board had to do with rent control, and it made thousands of separate regulations or orders dealing with what was to happen as between John Doe and Richard Roe in reference to what rent is to be paid for a certain house, what extension was to be given and so on. Surely it is fair to the members of this house and to everyone concerned to provide, as this bill does, that the orders in council that are legislative in character shall be tabled, and that on balance it would be unwise to provide, even from the standpoint of parliament, that the legislative orders parliament might wish to check should be cluttered up with a myriad of executive regulations in which this house would not be interested.

It was also suggested by my hon. friends of the opposition that there is danger of abrogation of the right of the individual to resort to the courts in connection of the operation of this act. The hon. member for Eglinton agreed with my contention that there was no section in this bill which denied any citizen of Canada access to the courts.

Mr. Fleming: Expressly.

Mr. Garson: That is right. But he went on to say, and quite accurately, that under the wartime powers granted by this act it would be possible for the governor general in council to deny to citizens access to the courts in respect of some action of an analogue of the wartime prices and trade board, for example, which might be set up. I think the answer to that is that what parliament has before it now has no express or direct denial of access to the court by the individual.

So far as any denial which may result from the invocation of the powers granted under this bill by the governor general in council is concerned, that will be an order in council which is legislative in character and it will be tabled in parliament. Provision for the consideration of it by parliament is provided right in this bill. If there is some invocation of these powers which my hon. friend or his colleagues think is an intemperate or unwise denial of access to the courts which is harmful to the liberty of Canadians, an opportunity has been expressly provided in advance by this bill for the consideration by this parliament of the merits of that denial.

Mr. Carroll: Did I understand the minister to say that the procedure for bringing to justice any person who offends against the general regulations will be outlined by order in council also?

Mr. Garson: I would not like to forecast precisely the way in which it will be done.

Mr. Carroll: So far as crime is concerned today, there is a general provision in the code, you see; and also where there is no provision in the specific act the provinces have made a general provision concerning the procedure to be followed in bringing persons to justice.

Mr. Garson: I would not like to give any firm undertaking as to the precise manner in which this would be done, but with that reservation my answer to the hon. member's question would be this. In passing an order in council under this bill, we would examine all of the existing provisions for administration to see to what extent they were properly applicable to any action which we might propose under our order in council. Then, if they were not completely applicable we would invoke the quite wide powers under this bill to make them applicable, and to fill in any of the gaps. It was in part for that reason we retained these powers of arrest to be covered by order in council.

As I understood the member for Eglinton, he was suggesting that when this order in council was passed it could contain those powers granted by this bill in a clause worded something like this: that no order or regulation made under and by virtue of this order in council shall be questioned in any court by writ of certiorari, and so forth. I confess that under those powers such a provision could be inserted in the order in council, but I say that if it were inserted it would be a legislative order in council which would be tabled in parliament, and could later be considered and attacked by my hon. friend if he thought the powers were unfair in precisely the same manner as he can attack any specific provision contained in the bill.

Mr. Knowles: Who decides which orders in council are legislative and which are not?

Mr. Garson: I think the answer to that is this. I have been referring all the time to the analogue of the wartime prices and trade board, because that is a very good example of the type of administrative body this legislation contemplates. Manifestly the members of that board have not the power to clothe themselves with powers. Any powers which they exercise must be vested in them by the governor general in council pursuant to the powers given under this statute. Whatever line may be drawn including legislative orders in council and excluding those which are executive in character, it certainly will include the order in council which sets up a board and says what powers it shall exercise, and such a legislative order in council is the one which would contain a provision clothing such a board with its powers. Such an order in council would come before parliament, and be open to review by parliament in just the same manner as if the provision were contained in this bill.

Mr. Knowles: In other words any order passed by the analogue of the wartime prices and trade board would not be laid before parliament.

Mr. Garson: I did not say that, and I took great pains not to say that. I said that whatever division there may be made between executive orders and legislative orders, the one we are discussing would fall in the latter group.

Mr. Knowles: An order setting up the board, and any order in council expanding or detracting from the powers of the board would be legislative in character and would be tabled?

Mr. Garson: That is right.

Mr. Knowles: Could there be any orders in council passed by the governor in council relating to the board that might be considered as not being legislative in character?

Mr. Garson: Mr. Chairman, what my hon. friend is asking for is an offhand legal opinion, which I am always reluctant to give. Perhaps as a member of the house I am more or less forced to give an opinion, but I shall give it without prejudice. I believe that the orders in council to which my hon. friend refers would be legislative in character and would be tabled. I would add, although this does not arise under this bill but does arise under the Regulations Act, that members will recall there is a provision concerning certain orders in council as to which the government many entertain the view that they should not be tabled or published. There is a provision in that act that such orders in council can be withheld from being tabled and published. That provision would apply to the orders in council we are discussing in the present context, but would not apply to them any more than it does to any of the other orders in council which are passed from time to time by the government.

Mr. Fleming: I believe the minister will agree that very often regulations which are made pursuant to authority conferred in an order in council are legislative in character, sometimes equally with the order in council. Do I understand the minister to be suggesting that there may be regulations passed under the authority of this measure which would be tabled in parliament, being legislative in character, and would be subject to procedure by way of annulment?

Mr. Garson: My hon. friend's question is not one which I should like to answer in the abstract way in which he has stated it. This would be my answer to his question. I should think that the proper practice would be that any such regulation as he states might preferably take the form of an order in council which would be tabled. If, by misadventure, some regulation of a legislative character came into existence, the question would arise. I must confess that right at the moment I should not like to give an offhand opinion as to whether it would be tabled, but I believe the practice which we should support, and which we would follow, subject to those difficulties of handling a tremendous volume of business which sometimes causes mistakes, is that anything which is legislative in character should be tabled. It should then be open to attack if my hon. friend wishes to attack it under the provision which is contained in this bill.

Mr. Fleming: Will the minister permit me to say that, while I quite agree with him that should be so, it is not the position of the matter under this bill. If the minister will look at section 2, subsection 4 of the bill, the one dealing with this annulment procedure, he will see that it applies only to orders in council. There is no provision in this bill for annulling any regulations passed pursuant to authority conferred by order in council.

Mr. Garson: That is the very point I made a moment ago. I do not know whether I made myself clear to my hon. friend. What I was saying was that we should take care to see that those provisions which are legislative in character should be by order in council and should be tabled, so that the spirit of the present bill could be carried out. I think

my hon. friend would agree with me that there would be no purpose whatever in having tabled in this house all of these myriad executive regulations such as those, for example, dealing with the rent of specific premises.

The last objection that was taken was to the effect that under the War Measures Act it was provided that if orders or regulations are extended or varied, the rights which have been vested under the original order and which have been acquired will not be interfered with. Because of the fact that a similar provision does not appear in the present bill, the argument was made that this was another invasion of the liberty of the subject, and that we were just riding roughshod over those vested interests. The explanation for our not having put in the present bill a provision to that effect is not that it was any oversight or anything of that sort, but is simply this. Since the War Measures Act was passed, in the year 1947 the Interpretation Act was amended by chapter 64 of the statutes of that year. Previously to this amendment the Interpretation Act had provided that if statutes or orders had been repealed, the vested rights acquired thereunder would be preserved; that is, if you had a statute and a right vested under it, and if you repealed the statute, the right would still stay in effect.

But this previous provision of the Interpretation Act did not entirely meet the situation created by the emergency legislation and the orders made under the emergency legislation, because such emergency legislation may not, in some instances, be repealed but may merely lapse or otherwise cease to have effect through the efflux of time or for some other reasons. Therefore, in order to cover this hiatus, in 1947 section 19 of the Interpretation Act was amended to provide that the lapse of such act or regulation would have the same effect as if it were repealed and that thereby vested rights acquired thereunder would be preserved. So that the reason that, in the judgment of our draftsmen —with whom I must say I concur—it is not necessary to repeat in this statute what was previously in the War Measures Act is simply that in the interval the Interpretation Act has been amended by an amendment which no longer makes it necessary to repeat it. I do not recommend this to the house for a moment, but I do not think there would be any objection in principle to re-enacting in this present legislation the effect of that Interpretation Act amendment, although it is a drafting practice which I am sure my hon. friend would be the first to agree has nothing much to recommend it. I think I have covered all the specific points raised up to the moment.

Mr. Fleming: May I ask the minister a question?

Mr. Garson: Yes.

Mr. Fleming: Does the minister contend that section 5 of the 1947 act, chapter 64, of the statutes of that year preserves the rights—

Mr. Garson: Yes.

Mr. Fleming: —that are created under an order in council that either lapses or is revoked? If he does, may I say with great respect that I think he has completely misread section 5 of the 1947 act.

Mr. Garson: If my hon. friend will look up section 19 there—

Mr. Fleming: I have the 1947 amendment of the Interpretation Act before me.

Mr. Garson: Look at section 19.

Mr. Fleming: Yes; the amendment of section 19 made by section 5 of this act.

Mr. Garson: That is right.

Mr. Fleming: Section 5 reads as follows:

> 5. (1) Paragraph (e) of subsection one of section nineteen of the said act is repealed and the following is substituted therefor:—
>
> "(e) affect any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid;"

In other words, the section does not purport to maintain the life of the right. It simply purports to continue the investigation, legal proceeding or remedy in respect of any such right.

Mr. Garson: All I can do is repeat what I have just finished saying, namely, that if it is thought by my hon. friend—who in this respect does not agree with the view of those who are responsible for drafting this provision—that the point is not covered by the section that he has just referred to, there would be no objection on our part to incorporating in this language some wording which would have this effect; because certainly that is what we desire.

Mr. Fleming: The minister would be willing to put in the language of the War Measures Act?

Mr. Garson: I should not like to undertake to do that. What I should be glad to undertake to do is to confer with my hon. friend, examine the merits of the point that he raises, and either satisfy him or have him satisfy me as to the adequacy of the language. The point is this. We are agreeable to

achieving the result which my hon. friend has in mind, and we think it is achieved now. But if it is not, we desire to see that it is.

Mr. Drew: I wish to make some observations under this section, because it is under section 1 that there can be made the general comments which would embrace the various sections of this act. At the time the resolution was before the house, which resolution had the effect of bringing into the house the bill itself, and while the bill was not yet before hon. members, the Prime Minister in his remarks indicated that it was desirable that this bill should place before this house and before parliament their responsibility for legislation and for what would be done. Following his remarks I expressed my own approval of the thought that had been expressed by the Prime Minister, to the effect that parliament was to be called upon to exercise its responsibility, and that parliament was to have the opportunity to deal with whatever measures were to be taken. I am not attempting to quote the exact words but I think what I said accurately summarizes the effect of the explanation that was given and of my comments at that time.

We now have the bill before us. When the resolution was under consideration the Prime Minister made it clear that it was intended to introduce this bill because the government did not desire to invoke the War Measures Act. I followed the Prime Minister and agreed with what he had said about the desirability of seeking to impress, in every way possible, upon the minds of the people of our country the fact that war is not inevitable and that what we are really trying to do at this time is to prepare those measures of defence which may assure peace. To the extent that any action by this government, properly taken, would produce this result, I believe I indicated my own approval.

We have the bill before us now, and the wording of it. I submit, Mr. Chairman, that there is no reason for this bill to be introduced at all. This is in effect the War Measures Act, subject only to the limitations which are largely illusory, except to the extent that I shall mention, and the provisions under which orders in council might be annulled if the government decided to concur in the views expressed by any hon. members who indicate it should be annulled.

I hope I made it clear before that I was not suggesting the War Measures Act should be invoked. I do not think it should be invoked, and I do not think we should be called upon now to pass a bill in this form. As far as the question of granting emergency powers is concerned, I think there is general agreement that, under proper definition and proper limitation, certain emergency powers undoubtedly will be necessary. For that reason the principle as to whether emergency powers shall be introduced is not the point in issue so much as the details within this bill, and the wide open powers that are conferred, so similar to the War Measures Act.

Let us see exactly what this bill does. Let us see to what extent it in any way limits the authority of the government to a greater extent than would the War Measures Act itself. Section 2 provides that:

> The governor in council may do and authorize such acts and things, and make from time to time such orders and regulations, as he may by reason of the existing international emergency deem necessary or advisable for the security, defence, peace, order and welfare of Canada;

Except for the restrictions contained in subsection 2, and the provision in subsection 4, which makes it possible to take certain proceedings in this house and in this parliament for annulment, that is simply a wide open declaration, similar to the declaration contained in the War Measures Act. Nothing has yet been said either by the Prime Minister or by the Minister of Justice which gives the slightest indication to hon. members as to what parliament is being asked to do, other than simply to say that except for these very limited restrictions the government can do anything that it deems necessary at any time to meet whatever circumstances arise out of this emergency. That after all is precisely what the War Measures Act permits, and therefore the only thing that is before us, other than the wide open powers of the War Measures Act, is the effect of the limitation and the practical possibility of annulment referred to in subsection 4 of section 2. Subsection 2 (a) provides that the powers conferred on the governor in council shall not include the power to make orders or regulations in relation to detention, exclusion or deportation of any person. The word "arrest" contained in the corresponding provision of the War Measures Act is not excluded, as has already been explained by the Minister of Justice.

As the Minister of Justice has pointed out, the word "arrest" then relates to the power of the governor in council to prescribe penalties by way of fine, by way of imprisonment for a term not exceeding five years, or by way of both the fine and such imprisonment. That after all brings together the word "arrest" and the provisions in subsection 3 for penalties that might be created.

The Minister of Justice says than anyone arrested, after having been charged with an offence created by an order in council under section 3 of the bill now before us. would

have available the habeas corpus procedure, or any similar protection of the individual. I cannot see how it is possible for the Minister of Justice to argue, in view of what has already been done on other occasions, that the governor in council under this bill, if it becomes law, would not be in a position to declare that habeas corpus shall not apply to any proceedings taken under section 3.

The Minister of Justice smiles. The Minister of Justice, however, is well aware that under the same general powers of the War Measures Act, habeas corpus proceedings were suspended by order in council. There is nothing in this bill to suggest that the government would not have similar power in relation to any proceedings under the section set up.

Mr. Garson: Would my hon. friend permit me to make a correction? I am sure that he does not mean to indicate what is not the fact. If he will look at section 2 of the bill he will see that it reads as follows:

> Notwithstanding anything contained therein, the powers conferred on the governor in council by subsection one do not include power to make orders or regulations in relation to (a) detention, exclusion or deportation of any person. . .

That is expressly excluded from this bill, and it was expressly included in the War Measures Act. That is the difference.

Mr. Drew: That has no relationship whatever to the proposition I am now putting forward. What that provided for in the War Measures Act was that an order could be made detaining individuals, as was done in a number of cases, and excluding or deporting persons where that was deemed advisable. But in this particular case, if the detention is detention upon the basis of a charge under the ordinary proceedings, then I submit there is nothing in this bill that would prevent an order in council being made which would declare that in the case of detention under any order in council passed as a result of subsection 3 habeas corpus proceedings would not be available to those detained under orders made within that section. That is what I am submitting. It certainly does prevent the sending of people into concentration camps as was done by this government without trial in many cases under the War Measures Act. But I submit that it does not prevent orders which would deny certain protection, once the steps have been taken to lay a charge in accordance with whatever penalties might be imposed under section 3 of this bill if it becomes law. Such orders would lay down the procedure or rather would deny the effect of some other act.

The Minister of Justice will recall that many orders were passed under the War Measures Act which contained the phrase, "notwithstanding the provisions of such and such an act", not habeas corpus alone but other individual safeguards. It was quite a customary procedure under acts very similar to this for the government to pass orders in council which stated clearly that notwithstanding the provisions of any other act certain things could be done.

I agree that under this legislation a charge must be laid, that the charge would be laid under whatever order was passed under section 3. If bail were permitted a man might be free to leave just as he would in an ordinary case. The question of habeas corpus would not apply. But for the sake of argument let us assume that the court regarded a case as being a serious one and imposed bail that practically meant it was impossible for it to be provided. That has been done at times with the knowledge that that will be the effect. I submit that there is nothing here to prevent the passage of an order in council which would provide that some other act of this parliament shall not apply in such proceedings. I am not going to go further than to put that proposition forward in the conviction that that is so and that there is no restriction which would prevent that being done.

We come now to the next exception in section 2, subsection 2(b), which provides that there shall not be power to pass orders or regulations in relation to censorship or the control and suppression of publications and writings. Undoubtedly that provision is desirable, but I would point out that it would be very easy to introduce a bill giving such protection without passing a bill of this kind simply for that purpose. I would think that such a provision is a highly desirable one.

On the other hand, I would point out that if the government is not going to deal with things of that kind there is all the more reason why the government should bring down very soon in this session, because of the emergency which the Minister of Justice has described as grave, some legislation which will make it possible for the government to deal with those subversive communist publications which are seeking to undermine the thoughts of newcomers to this country in languages that they can understand better than the two recognized languages of this country.

The very fact that the government, properly, is limiting its power in regard to censorship and the control and suppression of publications and writings, and by that very fact in this emergency would deny itself the opportunity to deal with these subversive

publications put out in languages which perhaps can be understood only by many people who have just come to this country and who desire to become Canadian citizens, does indicate the need for immediate action along that line. I leave that thought with the minister.

I would point out once again that simply to provide such protection as this for the press and for individuals in this country did not require an only slightly modified form of the War Measures Act which is now before us.

The third limitation is contained in section 2, subsection 2(c), which provides that the government may not make orders in council or regulations in relation to expenditures of money other than in accordance with an appropriation by parliament except expenditure of moneys from any fund or account established by order or regulation in connection with a scheme of control for the purposes of that scheme of control.

If the Minister of Justice can explain that section in more understandable words I feel sure the members of this house would like to know what is intended to be done under this section, no matter how little they may know about what the government intends to do otherwise. In so far as I am able to read this mumbo-jumbo, it simply means that the government is free to set up any fund of any size for any purpose it declares, and then having set up such fund or funds the government shall not be free to spend other moneys apart from those funds which are not provided for by an appropriation of parliament.

Unless there is some limitation which I am unable to read into that rather involved wording, it simply means that at any time the government wishes to have funds available apart from those provided by appropriations in parliament they can create a fund so large and under such terms that they could carry on anything they wished to carry on without this limitation really having any practical effect. If that contention is true it seems to me that the exceptions are very important. Certainly the real exceptions that are made could have been introduced in some declaratory bill and could have established the rights of citizens in that respect.

The other point is the question of annulment. This is an illusory protection. After forty days, no matter how important the order may be, proceedings may be taken, if parliament is in session, by way of resolution to seek the annulment of a particular order. What happens during the extended periods when parliament is not in session? Orders having profound effect upon the freedom of the individual and the whole economy of this country could stand unchallenged and there would be no procedure of which I am aware by which the members of this parliament would have any opportunity to exercise any measure of authority over what had been done. I submit that if, as the Prime Minister said, we wish to deal with legislation in this house with the thought that this emergency is one which may extend for a considerable period we should retain the parliamentary procedure of our democracy as much as possible.

Then I suggest that this War Measures Act only slightly restricted is not the bill to bring before the house but rather that we should have a bill telling us exactly what the government intends to do. After all, one of the most important issues in this struggle—and it has been said by those with knowledge and authority that the struggle may last for ten, twenty, twenty-five or even fifty years—is whether we are going to retain the processes of democracy in reality, whether we are going to carry forward the business of the country by the rule of law, or whether because of the emergency we are going to abandon these practices and for long years place in the hands of the government undefined powers which have not in any way been stated or worded by the members of parliament.

I repeat that, subject to these minor limitations and the illusory protection afforded by section 2, subsection 4, the bill simply says in effect that because of the emergency the government can do anything that it thinks should be done. I cannot see where that is an overstatement. I do not know where there is any restriction on the generality of that statement in this measure. Certainly the extent to which orders under the War Measures Act, so similar to this—in fact with exactly similar wording—were upheld, indicates how wide the powers are.

What is the government asking parliament to pass? It was indicated that if the government decided to adopt any measures of control it would be under this legislation that they would bring them into being. The government has indicated that if a national registration of manpower is undertaken by it it will be under this act.

Mr. St. Laurent: It could be under this act. I was asked if the act would be sufficient in terms to allow it to be done. There was no statement that it would be done under the act. I was replying to a question whether the terms of the act would be broad enough to cover that.

Mr. Drew: The answer of the Prime Minister, as he now says, was that it could be done. I must confess that the interpretation

I placed upon that was what I have now said, that if it were to be done this would be the act because I was not aware that the government had indicated that it contemplated any other legislation. I recall the very clear, and I thought very understandable, statement of the Prime Minister that events might bring about the exercise of any of these powers under this act, and I do not know of any other act under which it could be done.

I wish to leave no interpretation on the Prime Minister's words beyond what he himself has placed upon them, but it seemed to me that was the reasonable interpretation in view of the absence of any other legislation under which it could be done. We now have something new in our minds. The Minister of Justice has referred today to a board. What board? We do not know. The act does not say. There is no statement as to what board he has in mind. Therefore any remarks that he has made about what the board would do, or the kind of regulations that would be brought before the house, involve undefined orders relating to an undefined board which would be called upon to deal with an undefined subject, and that is supposed to be responsible government at a time when the responsibility of government to parliament is in fact the essence of the very struggle in which we are engaged today.

In dealing with the points that had been raised, the Minister of Justice spoke of what had been said about the extent to which the bill would make it possible for the government, by order in council, to disregard any of the ordinary constitutional limitations upon its authority over those things specifically placed under the authority of the provincial governments by the British North America Act. As I recall his words, he sought to emphasize that in a grave emergency of this kind it was not just defence of this house or defence of this government that was involved but defence of the provinces and of the people of Canada.

Again, if this emergency in fact is an emergency that may continue for years to come, then what happens to this constitution that was going to be rewritten? Are we to have no real constitution for possibly fifty years except the discretion of the government from day to day? That would be the result. What is the effect on the discussions that have already taken place? I submit that the provincial governments, which now have under consideration certain financial proposals as an alternative for the taxing powers conferred upon them at confederation, simply could not know whether the amount proposed would be adequate or inadequate because under this act the dominion government could at any time pass an order that would have a profound effect upon the revenues of the provinces. Therefore the fixed amount which they would receive would not tell them whether or not they were going to have enough to carry on their business if they did not know what was going to be available to them from the remaining fields of taxation.

Let me give a clear illustration. For the sake of argument let us suppose that the government under this act, as it could, passed regulations with respect to the amount of gasoline that would be available for motorists, or passed regulations as to the use of automobiles. Immediately that would have a direct impact upon revenues available from that particular source, and the remaining taxes available to the provinces, in addition to the amounts now under consideration, might change greatly as a result of the passage of some order of which they would be wholly unaware until the federal government had already made its decision.

Again, let us assume that the government decided to exercise its emergency powers with respect to the amount of alcoholic beverages that could be produced or sold, not an impossible consideration. If they did that it would have a very considerable effect upon the revenues of all provinces. The minister may say that no such thing would be contemplated, but I would be interested in what the province of Newfoundland, so recently joined with the rest of us in one nation, would think of the possible effect of an act of this kind upon the agreement which defined their rights and made certain provisions which could be made relatively ineffective as a result of other things done under this legislation.

I suggest that if we are going to show our people that we can carry forward democracy in the face of this threat, the first place to make democracy operative is right here in this house. The first step we should take in tackling that first line of defence of our democracy is to make sure that the members of this house, who represent the people of Canada, do in fact have the opportunity to exercise their judgment and discretion as the representatives of the people as to what laws shall govern this country. I think it is for the members of this house to know, with a measure of clarity we do not now have, exactly what powers the government is really asking and what they have in mind. If they have in mind the wide powers of the War Measures Act, why bring in that act with only a couple of hairs cut off the tail?

It is the same animal with just a slight clipping, which has not greatly changed its appearance or anything about it.

This is not just something for us to pass over lightly. This is not just something put forward by the opposition because, as the Minister of Justice indicated, they sometimes feel it their duty to raise objections. I am putting this forward with the utmost earnestness in the belief that perhaps the first duty of the members of this parliament, next to the assurance of forces in being to meet such obligations as this country has assumed or will assume under its collective responsibilities, is to make sure that government by the people is a reality. Government of the people by the people is a reality only when the representatives of the people decide on the laws that are going to affect the lives of those who sent the members here. I would point out that when our neighbouring democracy—which it is perfectly true has a system very different from ours but which nevertheless is founded upon the basic principles of democracy which came from Magna Carta—introduced emergency legislation, they said what boards they were setting up. Congress was asked to decide whether certain bodies would be created for the purpose of dealing with the affairs of the people represented by the members of congress. The bill in the United States, which would deal with some of the powers that have been suggested as possible powers to be exercised under this act if it becomes law, consists of more than 900 sections. I am not mentioning that fact to suggest that the length of the document necessarily indicates how good it is. I do point out, however, that when the members of congress, representing people who live lives so similar to ours in an economy very much more like ours in many ways than that of any other country in the world, considered that legislation, they knew what they were doing. The members of congress knew what powers they were conferring upon the government. What remained to be decided was the administrative authority of those bodies that were to be set up.

Here we are simply left in the position that we cannot even guess what the government has in mind. Some people, perhaps wrongly, interpreted the remarks of the Prime Minister in an earlier debate as indicating that the government was considering the possibility of price and other controls; and as I understand it this was the legislation under which those controls would be brought into effect if that should be done. Since that time, however, through a speech by the Prime Minister at the Chateau Laurier and a speech by the Minister of Trade and Commerce at the Royal York hotel in Toronto, hon. members have learned that there are very definite limitations as to the intentions of the government in this respect. The press has been very helpful to us in that regard. We now know, if it has been reported correctly, that it is not the intention of the government to introduce controls of that kind unless we face something in the nature of general war.

If that is so, it would seem that we do not need such wide open powers as these. If the government has something else in mind, we should be informed. And if the government has something else in mind, why does not the Minister of Justice instruct his draftsmen to put into understandable sections exactly what it has in mind, and then let the members of this house exercise the judgment they are supposed to exercise as to whether this government shall have this power? I conceive that to be the basic principle of democracy that we are trying to preserve. After all, whether or not we are inclined to realize it day by day, this is the place in all Canada where the kind of democracy we have in this country is to be determined.

Right now we have before us a bill that suspends our constitution at the whim of the government and leaves the members of this house with no measure of authority over the laws that are to affect the lives of our people in very important ways. That is so with this exception, that if the house is sitting, and only if it is sitting, after forty days we may have the privilege of introducing a resolution which would annul any step which might have have been taken. I hope I may not be criticized as cynical if I suggest that the Minister of Justice has given a fair indication of just how much we might hope to accomplish with a resolution of that kind. The Minister of Justice does not take kindly to even courts disagreeing with his legal opinions. When he is so unwilling to accept the decision of the court which has been enlarged by this government to become the court of final resort to which the people of Canada may appeal and seeks still to go to the privy council, which he regarded as an emblem of colonialism only a short time ago, can we expect that he will be greatly inclined to listen to arguments which might be put forward here by any hon. members who may disagree with the opinions that he has expressed?

I was interested in the statement he made today that, while perhaps it was not his role to give legal opinions, nevertheless he was going to do so. I suggest it is his role. I suggest that, as Minister of Justice and attorney general, it is his duty. I also suggest

it is equally his duty to be prepared to listen to other arguments, and to be willing to place before his legal draftsmen the suggestions that may be made, and not to indicate to the house, as he has this afternoon, that with the wise judgment of this government it is most unlikely there would be any different result if a resolution came forward. I would say, in view of the statement he has made, we could pretty well wipe out any thought that section 2, subsection 4, is intended to have any real effect. In any event, it would not have any effect during a considerable part of the year when orders of immense importance might be made while the house was not in session.

The Minister of Justice is also anxious to create the impression that the government has not any thought of going so far as it could go under the War Measures Act. If that is so, then I suggest that much more extensive limitations be included than those now put forward. I repeat my contention that if this house is to be an instrument of democracy, which is government by the people through the thought, judgment and expressed opinion of the representatives of the people, then this act should go back, and it should go back on the decision of the Minister of Justice himself. We should have brought before us an act which really tells what the government has in mind, what powers it is really conferring, and what the government will do. It is not only that we should want to know what the government will not do, but many of the members of this house want to know what the government is going to do about a number of things of immense importance. Unless there is a change in the attitude of the government we are simply going to be told that is not for us. This all-wise government is going to decide.

The furthest the curtain has been pulled aside from the secrecy of that exalted body, the government of Canada, is that the minister has referred to an undefined board dealing with the affairs of this country under undefined powers and exercising those powers for an undefined period and to an undefined extent. Now, Mr. Chairman, if that is democracy, then it is time the textbooks on democracy were rewritten. I suggest in real earnestness to the Minister of Justice that there is no urgency in regard to the exact date on which this bill passes. Unless the government is prepared to say there is something being held up, and tell us what it is, then he should advise his draftsmen to present a truly democratic bill to this house so the members will know what the government is going to do, and what powers we are asked to confer upon the government.

Mr. St. Laurent: I do not want to make a speech about this, but there are certain points which evidently the leader of the opposition has overlooked. He held up to us the terrible prospect that this world may be facing a long period during which this emergency condition may persist, and that by this bill, for the whole of that period, parliament was going to suspend the Canadian constitution. If the hon. member had read the fourth section of the bill, which has to do with its duration, he would have found that the act will expire on May 31, 1952.

Mr. Drew: May I ask the Prime Minister if he gives an undertaking that the act will not be extended past that date?

Mr. St. Laurent: I will give no such undertaking; but I will give the undertaking that if it is done parliament will have to do it. It will not be done by the government.

Mr. Drew: Parliament will not know any more then than it does now.

Mr. St. Laurent: I did not catch what the hon. member said.

Mr. Drew: Will the Prime Minister tell us that parliament will know any more then than it does now concerning the powers the government will exercise under the bill?

Mr. St. Laurent: I would hope that parliament and its members would know as much as the government knows about the future of this world. It is one of great uncertainty, and one in which it would be, I believe, presumptuous for anyone to say, what is going to be his course for the next year or any indicated period of time. This government has not that presumption.

The hon. member says the exclusion of the right to deal with detention would not exclude the possibility of taking away by order in council the right of habeas corpus. If the hon. member will just reflect upon what habeas corpus is, he will see that it is a high court judge saying: have the body of so and so whom you are detaining brought before me so that I can look into the causes of his detention and decide whether or not that detention is legal. Then, if the hon. member will read the bill, he will see that no regulation whatever can be made in relation to detention. I believe it is quite evident that any regulation that may be made affecting the right of habeas corpus would be a regulation concerning detention. Habeas corpus is essentially something in relation to detention, and is nothing else.

The hon. member says that after forty days there can be a resolution of annulment. I believe that was probably a lapsus linguae. It is within forty days of the tabling of the order in the house that the resolution can be made. If hon. members feel that period is too short and it should be extended beyond forty days, we will have no objection to that.

With respect to the other matter that was raised, I believe by the hon. member for Winnipeg North Centre, he will recall that last year we passed the Regulations Act. In that act it was provided that every regulation-making authority shall, within seven days after it makes a regulation, transmit copies of the regulation in English and in French to the clerk of the privy council. Thereafter it is the duty of the clerk to publish those regulations in the *Canada Gazette*, and it is the duty of the government to table them here within fifteen days of their publication in the *Canada Gazette*. According to the act "regulation" means:

> . . . a rule, order, regulation, by-law or proclamation (i) made, in the exercise of a legislative power conferred by or under an act of parliament, by the governor in council . . .

It was provided then, and explained, that we were trying to use the broadest possible language so that it would be only those things about which an order of exemption was passed that would not have to come under the terms of this statute, and any order passed exempting a regulation or an order in council from the terms of this act has to be tabled. We had a serious discussion over that, as to whether it was proper that we should require the government to tell parliament that there was something that was not being tabled, and as to whether security might be endangered in that way; and we came to the conclusion that, at the present time, we would take the risk; and that if there was anything that we thought should not be brought to the attention of parliament, we would have to pass an order and bring that exempting order to the attention of parliament. We would try to draw that order in the form that would do the least harm to security. If there were questions about it, we would try to explain to those who were asking the questions, if we felt that we could not give the explanation openly, what it was all about and why we were not being more specific. For my part I felt hon. members would show understanding if we had to withhold something, referred to it in rather vague terms and explained to hon. members who raised any question about it why we were not going to be more explicit. If they did not show such understanding, any who did not would take the responsibility. I did not think there was any member of parliament who was going to be anxious to take the responsibility of doing anything that might in any way be harmful to our national security.

Although the bill is drawn to apply only to orders in council—the requirement to table applies to everything—we might all feel happier if the provision for the annulling resolution could extend not merely to orders in council, but to all that comes within the term "regulations" under the Regulations Act. I do not think the government would have any objection to that. We want to bring these things to parliament and, of course, we will be doing only the kind of things that we believe parliament is not apt to repeal. We may make mistakes. We would not be human if we were not susceptible of making mistakes. We must table all these regulations and I do not know but that we might be disposed to accept an amendment, that the right to move a resolution to repeal would apply to any regulation even if not made by an order in council. In the last war regulations were made which were quite as important as anything we did by orders in council. Otherwise I think we would want to do everything by order in council.

At this time we cannot say to what extent these powers are going to have to be exercised. Th leader of the opposition says that there might be orders in council when parliament is not in session. It may be that there will be things which should be done when parliament happens not to be in session. Otherwise we would have to keep parliament in session all the time. World conditions are susceptible of rapid changes. I do not think a government would be acting properly towards parliament if it made any major decisions when parliament was not in session and did not quickly call parliament together.

I think that the power to act should be there. I hope it will not have to be exercised, but I think that the power should be there so that it could be exercised. Whenever it is exercised, whether it be in the form of an order in council or in the form of a regulation, my personal opinion is that it should be subject to this proviso: if parliament frowns upon it, parliament should annul it. I think perhaps it will be possible, when we reach this section, to have it modified in such a way that the power to annul would apply to anything that comes within the definition of a regulation of a legislative character contained in the Regulations Act passed in the regular session of 1950. We attempted to make the definition all-inclusive, so that everything would be brought to the attention of parliament. We took the security risk of leaving that to

apply to everything that might be done under this bill if it becomes law, in spite of the fact that there might be some things that, for security reasons, we would not want to publish broadcast. But we would have to exempt them, and we would have to bring the exempting order here. Once again, I express the hope that, when we bring an exempting order here, an hon. member would seek to get information privately with respect to any exempting order, before raising the question publicly in the house. By following that procedure I am sure we will not have any trouble about security. I am sure that no hon. member who obtained information privately would want to make it public unless he felt it was ridiculous to withhold the information on security grounds.

With respect to the extent of the powers, it would be a much easier thing to do if we could come here and say: This is what is going to have to be done and nothing more is required. That would be a much more satisfactory situation, and I would have been much happier last night if, in another capacity, I had been able to give that kind of information to an audience I was speaking to. They would also have been much happier. But that is not the kind of world we are living in. If parliament thinks that we can be trusted under these restrictions—and the restrictions provide that we shall not go beyond what is required in the circumstances —then parliament will give us those powers. But with the possibility of various things that we just cannot determine at this time having to be done, in order to meet the changing conditions, I suggest that the powers have to be drawn in fairly broad terms. We did not want them any broader than the Department of Justice told us was enough. But what they say is this: These things mean restrictions on some individuals and they are subject to contestation before the courts. It is therefore important to have the language so broad that the courts will not say: "You have gone beyond what parliament authorized you to do." I am sure there is contained here a good deal that goes far beyond what will be done by order in council or by regulation. But the Department of Justice feared—at least, that was the advice we obtained from the permanent officials—that if it was not drawn in the broad language that already had had the scrutiny of the courts and had been upheld by the courts, they would not guarantee that it would stand contestation. We were convinced that we should stay on the safe side and be able to support the legislation.

The hon. member referred to the restriction with respect to the expenditure of money in a special fund. Any special fund would have to be created by parliament, or it could be the kind of fund that arises out of an equalization scheme. In the case of controls and the establishment of quotas, that sort of thing existed during the last war. There were equalization funds that had to be apportioned to the producers of certain commodities in respect of the prices higher than our ceilings that they obtained on the quotas they were allowed to export. The exception in the restriction provided in the bill has to do with things of that kind. We were told that was the way to express it. It is not very elegant language, but that is the way we were told to express it if we wanted the Department of Justice to say that it would be successfully supported against any contestation.

The hon. member referred to an unidentified board. There is no board that could be identified at this time, and there will not be any board until there is something for the board to deal with. There are certain controllers who have been selected under the act which was passed at the special session, and who will probably be invited to continue as such under the Defence Production Act when it has been passed. If and when we do have to set up controls there certainly will have to be administrative machinery; but so far there is nothing in the mind of the government that could be disclosed to the committee as something that was going to be done.

Mr. Fulton: May I ask the Prime Minister a question with relation to the remarks he has just made? I think the Prime Minister will agree that the right of habeas corpus to the average individual is illusory unless he can be visited by counsel who will know the facts and draw the writ for him. Does the Prime Minister say that the inclusion of the word "arrest" and giving to the governor in council power to make orders and regulations with respect to arrest do not allow them to make orders and regulations with respect to restricting the right of counsel while under arrest?

Mr. St. Laurent: I would say, and I think my hon. friend would agree with me, that any interference whatsoever with the rights secured by the old habeas corpus statute would be invalid under a restriction which prevents an order in relation to detention. Any interference whatsoever with the procedure relating to detention would be illegal under this section.

Mr. Fleming: May I ask the Prime Minister a question? In case any drafting is being done during the dinner adjournment to embody the kind of amendment the Prime Minister suggested might be introduced in section 2, subsection 4, to include regulations

as well as orders in council in the annulment provision, I would point out that the Prime Minister, as well as the Minister of Justice, used the expression, "regulations having legislative effect, or of the nature of legislation." May I say that the Regulations Act does not use any such expression. What it speaks of in the interpretation section, 2 (a), is this:

"regulation" means a rule, order, regulation, by-law or proclamation

(i) made, in the exercise of a legislative power conferred by or under an act of parliament.

It seems to me it would be a mistake to qualify the word "regulation" if it were introduced into section 2, subsection 4, by any such expression as the one mentioned, namely, regulation "of a legislative nature" or "legislative character." That is not the language of the Regulations Act. It says:

Regulation . . . made, in the exercise of a legislative power conferred by or under an act of parliament.

Mr. St. Laurent: I think it should be regulation in the sense of the Regulations Act.

Mr. Fleming: Quite.

Mr. St. Laurent: If it was a regulation in the sense of the Regulations Act made under authority given by this bill, then it should be subject to the annulling provision that this bill contemplates. I think, therefore, that there should not be any uncertainty about that. We discussed it, and we came to the conclusion that we were going to take as a calculated risk the risk of publishing regulations as required by the Regulations Act. I do not think there could be any objection to having the power to annul extend to anything that we are required to publish under the Regulations Act.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

On section 1—*Short title.*

Mr. Knowles: Mr. Chairman, I expressed my views with respect to the bill before us when we were at the second reading stage, and I would not have felt it necessary to add anything of a general nature to those remarks but for the discussion that took place in this chamber this afternoon. But because of some of the things which were said and the attitude that was shown I feel I should say a little more at this time.

I take second place to no one in my concern for the rights and privileges, for the practices and procedures of democracy. I think I have demonstrated in the nine years I have been in this house my concern for the rights of parliament and for the responsibility of the government to parliament, both in the letter and in the spirit. I would say that one of the factors essential to parliamentary democracy is that there be an opposition. The government is conscious of its own importance in the affairs of state, but the opposition is equally important, and I use the word "equally" advisedly.

Mr. Fleming: More important.

Mr. Knowles: I hear the hon. member for Eglinton suggesting that in a sense the opposition is more important. At any rate the importance of the opposition in a democracy is beyond question. If ever a day is reached in this country, in this House of Commons, no matter what the emergency might be, when there is no voice of opposition to be heard, democracy will be in a bad way.

At the same time I think we on the opposition side are under the obligation to be consistent. We should oppose whenever there is something that we feel should be opposed. We should examine legislation in detail and find and ferret out any flaw we possibly can. We should call upon the government to come through with measures for the good of the country when we feel they are failing to come through with such measures. But I do not think the opposition should just oppose for the sake of opposing.

What is the situation in this House of Commons, at least so far as hon. members are concerned, with respect to this question of controls? Everyone knows that all who have been speaking about controls, except the ministers who have stalled for time, have been calling for controls. I could say that parliament has been hollering for controls. We have been calling upon the government to speed up with controls, particularly price control, so as to protect the health and the living standards of the Canadian people. We have done it on the floor of parliament, we have done it on the hustings, and only the other evening the leader of the opposition went on a national hook-up and made a strong plea for the imposition of controls. I believe he called upon his listeners to flood members of parliament with more postcards so that we could have behind us that much more weight with which to press this government to bring in controls.

Mr. Fulton: Letters.

Mr. Knowles: The hon. member for Kamloops says that the leader of the opposition asked for letters, not postcards. Letters are just that much more weighty, and that seems

to be consistent with what the leader of the opposition wanted, namely weight behind our demand that the government bring in price control at the earliest possible date. Perhaps I should be careful because I am not sure that the leader of the opposition specifically said price control, but at least he was asking for controls.

If that is the case, that members of the opposition are now united in their demands for controls, I find it difficult to understand why we should spend so much time blocking the bill which is going to make it possible for the government to bring in controls. I think there are some things that are faulty in this bill and I am going to say a few words in a moment about one section which I think is still open to considerable improvement. But I hope earnestly that the government will not get the impression from the attitude shown here this afternoon by the Progressive Conservative opposition that there is not still a demand in the country, that there is not still a demand by members of parliament, with respect to this question of price control.

I hope that we can get some improvements in this bill, but it seems to me that the important thing is that a bill of this description should pass parliament and that the government should know that when the bill has been passed by parliament we want them to use the powers granted thereby to deal with the urgency of the rising cost of living. This afternoon at one point the leader of the opposition suggested that the Minister of Justice should send this bill back to the gentleman who drafted it and have it overhauled. He said that there was no urgency about the situation. Good heavens, if there is no urgency why did he make that appeal over the radio the other night?

Mr. Fulton: I am sure the hon. member would not want to state what I am sure is not the fact. My recollection of my leader's statement is that he said that there appeared to be no sense of urgency on the part of the government and that therefore they could give themselves time to send this bill back and get us a better bill.

Mr. Fleming: Urgency with respect to the enactment of the bill, not the situation.

Mr. Knowles: I am perfectly prepared to accept the correction; in fact I think the correction is well made. But if it is our job to get into the minds of the government a realization as to the urgency of the situation then I do not think the tactics this afternoon were designed to do that. The tactics this afternoon would have the effect of making the government feel that they can stall along the way they have been doing because no great pressure was being put on them by the official opposition.

I want the government to know that so far as this section of the opposition is concerned we are still putting pressure on the government. They know that we have been doing that for the last six years. When they started to talk of taking price controls off back in 1945 we objected and indicated what the results would be. All during the years when decontrol was the motto of the government we objected and asked that controls be retained. When the cost of living began to get completely out of bounds we were right in there demanding the reimposition of controls.

The purpose of what I am saying now is to rectify if I can the impression which I felt was given to the government this afternoon, namely, that they need not worry too much about there being any sense of urgency so far as the question of controls is concerned. It is most urgent. The cost of living is still going up and people are literally getting frantic over this problem. I know, as do other members, from letters I am getting that people like old age pensioners who have been puzzled through the years as to how they were going to get by, are not now just puzzled, they are literally frantic as to how they are going to make both ends meet and keep body and soul together. Therefore I urge upon the government that they realize this is an urgent problem and, just as soon as the bill has been fixed up to the satisfaction of those of us who are suggesting a few reasonable changes, that they act upon it and do something about the rising cost of living.

I have said that we who are asking for controls cannot oppose the bill, but in line with what I said earlier as to the duty of the opposition I feel that we have to scan a measure of this kind very closely to make sure that it does not violate any of the principles of parliamentary democracy. One place where I feel the government could lean over backward to achieve that end is with respect to section 2, subsection 4, the clause which the Prime Minister indicated this afternoon the government is prepared to amend in part.

The suggestion made by the Prime Minister was that the kind of orders to be tabled under that part might include not merely orders in council but almost everything that can be called an order or regulation in any sense of the term. But the aspect of that clause that I want to speak about relates rather to the provision for parliament to annul any order that the government may have put into effect. May I make it clear that

at this moment I am not so much concerned, speaking practically, with annulling orders as I am to get the government to pass some of these orders. However, the plain fact of the matter is that if we are going to perform our function as a parliament, particularly as opposition members of parliament, we have to retain the parliamentary way of doing things just as much as we possibly can, but if by passing this bill, which I want passed, we are going to give the government the power to pass orders of a far-reaching character I think we have got to retain in the hands of parliament as much power as is needed to annul these orders if parliament should wish to do so.

This afternoon the Minister of Justice in commenting on this matter said two things that were of interest to me. On the one hand he gave us the Prime Minister's assurance that, if a motion should be introduced seeking to annul a government order, the government would see to it that consideration of such a motion would be facilitated. I think the words were to that effect; at least it was in that spirit. The other comment made by the Minister of Justice was that we in the opposition should not think that just because we were opposing something that made it wrong. He said that the majority has rights in this parliament too, and it is so obvious one cannot but agree with him.

But I ask the Minister of Justice and the Prime Minister to notice this difference with respect to the annulling of orders compared with the ordinary measures that go through parliament. Usually a bill or resolution or motion is introduced or initiated here in the house, and its passage is decided on the floor of parliament. In that circumstance we on the opposition side may differ with it but if the majority votes for it it becomes law. That is the rule of democracy. But in the case of these orders, although they may be passed by a government, a cabinet, that ostensibly has the confidence of the majority, there has not been a positive vote for them by the majority of the house. This is a case where the process is in reverse. The law is passed first by order in council and it becomes law. It is in effect. That having been done without a vote having been taken on the floor of parliament, it seems to me that special efforts should be made to make sure that if there is any substantial body of objection to it, full opportunity is provided for that objection to be expressed and for votes of the House of Commons and the other place to be taken.

I am not casting any doubts at all upon the assurance given this afternoon by the Prime Minister through the Minister of Justice. I am not suggesting it is going to happen but prime ministers do change once in a while in the life of this country. People do come and go, and it is also the case that what really counts when we are dealing with laws, parliamentary and governmental matters, is the written word. I should like to see the Minister of Justice go back to the law officers of the crown and see if there is not some way in which subsection 4 of section 2 can be reworded so that it will contain right in its text provision as to how that annulment can be proceeded with on the floor of parliament.

Mr. Macdonnell (Greenwood): Are you sending it back to the justice department too?

Mr. Knowles: That would not take quite so long as it would to make the complete change in the whole basis of the bill that the leader of the opposition was suggesting. It can be done while he is changing the same clause to meet the point made by the hon. member for Eglinton. I will write it for the minister myself. He does not need to go to the law officers of the crown. All he needs to do is to add a sentence to subsection 4 to the effect that such a motion can be considered by the House of Commons or by the Senate after forty-eight hours' notice under the heading of "motions" which appears on the routine proceedings part of the order paper.

The point that worries me—and I know that the government does not see this as we do from this side of the house—is that any attempt on the part of a private member to bring in a motion of annulment would result in its becoming a notice of motion. It would go into the class of notices of motions where private members' notices of motions go. It would then require the upsetting of the rules of the house by unanimous consent, by consent of the government if you will, for such a motion to be brought forward.

I recognize the assurance given in the name of the Prime Minister by the Minister of Justice this afternoon, but I think both the Prime Minister and the Minister of Justice would feel happier about this if it were written right into the law. In other words, if I may say it again, if parliament is going to give to the government the very wide powers set out in section 2, subsection 1, powers which the Prime Minister admitted this afternoon are on the safe side, powers whereby the government say they can do anything that it might be necessary to do for the well-being of the country, I think we should retain as much control as possible in the hands of parliament over the government with respect to the use of these powers. I would say that the best way to do that is to have it clearly spelled out in the act that there is a way in which the matter can be dealt with on the floor of parliament.

If I may take a moment longer to spell it out, I think it should be possible for any private member of parliament to give notice in the usual way of a motion to annul an order in council or regulation, and notice having been given it should come up not under private members' notices of motions away at the back of the order paper but on the order for motions under routine proceedings on page 2, the kind of motion that normally deals with the proceedings and business of the house. Then there would be no question as to the possibility of such a matter being sidetracked. I feel that if we had that kind of guaranteed protection, that kind of provision written right into the law, it would take away a good deal of the sting that there is to parliament in being asked to grant the wide powers set out in section 2, subsection 1.

I hope the two things I am saying will not be portrayed by someone else as inconsistent. I think they go together. These are times of emergency; the situation is urgent. I think we have to give the government powers, and I want the government to use those powers to deal with the present critical situation. At the same time, however, we are a parliamentary democracy, and I want this parliament to retain as much control as possible over the government in the exercise of those powers.

Mr. St. Laurent: For the benefit of my hon. friend may I say that his suggestion is something we ourselves had considered. It would be convenient to have something of that kind; but the hon. gentleman is not only concerned about the powers of parliament, I am sure. He is also concerned about the respective powers of each of the houses of parliament. When the suggestion was put forward it was suggested to us that it would be a bad precedent to have parliament fix by law the rules of procedure of either of its houses. The standing orders in this house are fixed by this house, and in that regard we do not have to get the assent of the other place or the sanction of the third branch of parliament, the king's representative. It was suggested to us that while there might not be immediate objection to this, we would be creating a precedent by interfering by legislation with the privileges of one or both of the houses of parliament.

Mr. Knowles: I appreciate that point. As a matter of fact when I was thinking the matter over here before six o'clock I pulled out from under my desk the Senate orders of the day to look over the situation there and see how it compared with the practice in our house. I appreciate the point the Prime Minister made about the rules which govern our procedure and the procedure in the other place. The suggestion I made, which I am glad to learn has been given consideration by the government, does not alter those rules in any general way. It would just provide a special guarantee with respect to this particular act under which wide powers are being granted to the government. If my suggestion were carried out and such a proposal were written into the subclause in question, it would have to relate to both houses and both houses would have to concur in it as far as this particular bill is concerned. Personally I do not think there would be any objection to that. I think it would be welcomed in the other place, as well as here, if we had that written assurance right in the act as to a way in which we would have the right to deal with such motions of annulment.

Mr. Fulton: I am quite certain I speak for all members on this side when I say we were impressed with the fact that in what he had to say this afternoon the Minister of Justice obviously had given a good deal of careful consideration to the points raised in the debate on second reading. The fact that he should have considered them, and that in certain respects he and the Prime Minister should have made concessions or, to put it perhaps more mildly, indicated that they were prepared to share at least to some extent the views put forward by members on this side, encourages us to think that by making reasonable suggestions we can work out a bill which will be a great deal better than we consider this bill to be, at least in its present form.

For that reason, on the first clause I should like to deal with this bill in general for a few minutes, and particularly with some of the further points where we think there is room for accommodation, room for our views to be given effect in order perhaps to have amendments made which will further improve the bill. Perhaps I should indicate the approach we take to this matter so the minister will understand the basis for the request we make for a further limitation in the statute on the extent to which these powers may be exercised. It seemed to me that in what he had to say this afternoon the Prime Minister based his case, in asking for our consent to the granting of powers which he admitted were wider than at the moment they could say would have to be used, upon the principle that in a time like this parliament should say to the government, "Very well. We will surrender to you all the powers you ask in spite of the fact that at the moment those powers may be wider than you can justify."

I take a rather different approach to that question. We are agreed that the times are extremely serious and urgent, and that there is an emergency. This emergency has not yet been narrowly defined. It is an emergency, however, which calls upon us to grant emergency powers, and that is a departure from the normal. The normal procedure is that laws interfering with the liberty of the subject, laws taking away from the individual rights we have won over the centuries, can be passed only by the representatives of the people, that is by the parliament of Canada. That is where the residue of power lies as between the cabinet and parliament; and I do not believe we should be asked to surrender powers beyond the actual requirements of the moment. When a case is made out I believe we should surrender now those powers required; we should agree with the government that they must take those powers, and we should place no obstacles in the way. But I do view with grave misgivings any assertion of a principle which seems to me, at any rate, to imply that the government is entitled by the mere fact that there is an emergency to ask for and receive powers which the government itself admits go beyond what can be justified at the moment.

I trust the minister will appreciate that we hold this view in all sincerity; and I think he will understand why we say, no specific case having been made out to show to what extent these powers are required or are going to be used, we believe we should seek to limit this bill, to limit those discretionary powers which normally belong to parliament, to the extent to which you and we can agree it is absolutely necessary to grant them now. Having been successful in writing in those limitations, if the government then should meet a situation in which they need more powers, I am convinced that they have only to make out that case and the necessary further powers will be willingly granted.

The first and most important limitation that occurs to me as being necessary in this bill is a limitation protecting the traditional right of the individual to have recourse to the courts. We can find instances where, though the intention to interfere with the liberty of the individual in that respect is not written into the statute, nevertheless that power has been given in words very similar to those which have been used to effectively deny the right of action on the part of an ordinary man or woman in Canada who is aggrieved by the act of some controller in the exercise of these powers. I do not mean just put out, or to suffer some imaginary loss, but someone who is actually injured by an excess of authority on the part of a controller appointed under a regulation or order in council passed pursuant to emergency legislation. There was a clause in the order in council setting up the wartime prices and trade board, and this was a type of order which was repeated a number of times throughout the years, providing that no member of the board and no administrator acting on behalf or under authority of the board shall be or become liable to any person in respect of any act or omission of himself or any other person in the exercise or purported exercise of any power, discretion, or authority, or in the performance or purported performance of any duty conferred or imposed under these regulations or under regulations for which these regulations are substituted, or otherwise conferred or imposed by order in council. A provision of that sort, Mr. Chairman, effectively denies the right of an individual to have recourse to the courts.

I am not talking here about powers that may be taken to control industry, to limit profits or anything of that sort that affects big industry. I am talking about the ordinary man and woman, because if these powers are exercised to the full extent the regulations made do not just affect the big fellow, they affect the ordinary man and woman of Canada, who is perhaps more vitally concerned than anyone else in the preservation of the right to have recourse to the courts. If the right to question in the courts any action or omission on the part of a controller is lost, then one of the fundamental freedoms enjoyed in this country has been lost. We are now being asked to surrender into the hands of the government very sweeping powers. There are only limited opportunities for parliament to question the exercise of those powers by the government. There is one institution open to the ordinary man and woman, an institution which is normally, along with parliament, the custodian of the liberty of the individual; one institution which has traditionally enjoyed independence, and to which the ordinary man and woman has always been free to go in order to assert and protect his or her rights, and that is to the courts.

What we are doing here, if we give powers to make such regulations as the one I have just read, is to remove that other safeguard on the freedoms and rights of the people, a traditional safeguard under our system, by refusing to allow an individual to appeal to that institution. I certainly feel that before this bill passes there should be written into it, not any provision which will prevent the government from taking such action as it needs to control whatever it needs to control, but a provision which will prevent it

from passing such orders in council or regulations as will needlessly and dangerously interfere with the liberty of the individual by taking away his ordinary right of recourse to the courts.

Then I feel there should also be a provision in this act which would restrict the right of the government to pass an order in council denying the right of any individual to be represented by counsel when he is accused of some offence against an order or regulation. The reason I say that, Mr. Chairman, and I ask you to bear with me for just a moment, is not that I am anxious to protect the rights of lawyers. In this country we have seen cases of this in connection with the right of habeas corpus, that right which affords an individual an opportunity to protest against unjust and unlawful arrest or detention. We have seen instances in which, without actually indicating or providing in express words that the right of habeas corpus was no longer to be exercised, it has been effectually removed by the simple provision that the person arrested shall not have the right to be represented by counsel. It is not of much use to the ordinary man, who may find himself innocently or unsuspectingly up against some provision of these regulations which he did not know about, to say to him that the right of habeas corpus has not been suspended. As the Prime Minister has admitted, even the government can make mistakes. If the government can make mistakes, then certainly the controllers appointed by the government can make mistakes. It is quite possible that some innocent man or woman may find themselves under arrest as a result of an action or omission mistakenly taken by one of the controllers.

Under those circumstances that man or woman would be most anxious to exercise the right of habeas corpus. The Prime Minister has said that under this measure the right of habeas corpus cannot be taken away. Mr. Chairman, I have seen examples of the right of habeas corpus being taken away by the simple expedient of denying the individual the right to be represented by counsel. It is not very much help to an individual to be told, "Oh, no, you have not lost your right to habeas corpus," when that person has no idea how to exercise the right and the one person who can tell him how to exercise it and take steps to exercise it is not allowed to interview him. It does not prevent the government from exercising the controls it needs to exercise, but I feel it is absolutely essential that we should protect the right of the individual from wrongful acts or omissions, and the consequences of those wrongful acts or omissions, by ensuring to him that the agency through which he exercises that right, the counsel of his choice, may not be denied to him. That principle can be written into this bill without derogating from any of the powers which the government wishes to take.

I believe that at this point I can call to my support an address given in this city on Tuesday by a person who, I presume, has the admiration and respect, if not the confidence because he is not in a government position, of the members on the government side of this house. Certainly, he was asked by that party to address them at their annual meeting just concluded. Professor Corry delivered an address in which he asserted the principles which support the stand I am taking. I shall read from pages 12 and 13 of the official text of his address, where he said:

> Second, when the government regulates the varied activities of millions of people in detail, it is not humanly possible for a few cabinet ministers and members of parliament unaided to prevent the oppressive operation of rules and regulations. Third, the wider the powers of government are over a long period, the more government attracts men who like to exercise that range of power.

I do not know who was in the audience, or upon whom he had his eye at that time. I simply remind you that he was addressing an audience of Liberals in this city, an audience whose members constitute the government. He went on to say:

> While we may feel quite secure in the hands of our rulers today, we can have no such assurance for the future. So it is vitally important to look to the safeguards of individual freedom.

This parliament has long been the prime safeguard of individual freedom and it will continue to be as long as it can insist, as it has in the past, on maintaining its right to pass laws having an effect on individual freedom. But there is that other body which has been the safeguard of freedom, namely the courts. I most earnestly urge that now, at a time when this parliament is being invited to surrender—and to a large extent at any rate is prepared to do so—its powers, carrying with it a surrender of its function of being the protector of the individual, we should look to it that we leave in existence the right of the individual to have recourse to that other protector of his freedom, namely, the courts.

That can be done quite easily by a simple amendment to section 2 which I think should be moved, and which we propose to move if it should be found that the minister does not feel, and does not indicate at this time that he feels, that some such safeguards as those that I have referred to can be written into this legislation. I have discussed this matter under clause 1 because, in the same spirit which the minister showed this afternoon, I want to lay the suggestions before him and obtain his view as to whether it is possible

to incorporate them into the provision of the statute rather than to move out of hand an amendment—and after all, we are limited; we have not the expert draftsmen the minister has in the department—which in some particular may have some flaw and which, as a result, may not be found to be acceptable. It would be preferable if the minister and the government would indicate that they are prepared, if they are, to incorporate some such amendment in order to save us reaching an impasse over an amendment which we might move. I think it is also proper to say that we regard this principle as of such importance that we are prepared to move an amendment unless the government can accommodate us in that respect.

Mr. Fleming: Mr. Chairman, I intend neither to repeat the remarks I made on second reading of this bill on February 23, nor to anticipate some remarks I may have occasion to make during the detailed consideration of some of the clauses of the bill at a later stage. I should like, however, to take advantage of what may be the final opportunity to say in general terms that I for one deplore this type of legislation. Before we leave this bill I hope the House of Commons will have realized just how far it is going in committing to the hands of the cabinet virtually all the sovereign legislative powers possessed by this parliament. The exceptions to or limitations on that gift of absolute sovereign power are extremely narrow indeed. They are confined to the provisions—and quite limited ones—of one subsection of the bill.

For my part, I cannot justify the transfer to the governor in council of virtually absolute powers by parliament. We were prepared, as I think were all members in the house, to recognize that the existence of a national emergency calls for the giving to the government of certain extraordinary powers that may be required to meet situations that may confront us suddenly, before parliament may have time to act, or that may arise at a time when parliament may not be in session. But that is an altogether different matter from accepting from the government an invitation to place in its hands virtually all the sovereign powers possessed by parliament.

I have been free to approach this subject with what seems to me due regard for the duty and responsibility of this parliament, namely, to make certain that we do not barter away these fundamental, constitutional safeguards of which parliament has traditionally been the champion. I hold firmly to the view that when parliament makes transfers of vast areas of its powers to the government, it is in effect placing in jeopardy not only the continuation of our freedom but indeed the whole future of our parliamentary institutions. That is why I for one make no apology whatever for having laid so much stress during this debate on the maintenance of as many safeguards as parliament can write into this bill.

I may say here that I received with no little gratification the expressions that came from the Minister of Justice and the Prime Minister this afternoon of their willingness to consider some of the concrete suggestions that were made by my colleague, the hon. member for Kamloops, and myself last Friday evening in connection with specific defects in the bill. One is glad to see, on the part of the ministers to whom I have referred, an indication of some willingness to give serious consideration to proposals that are seriously put forward, based upon an earnest attempt to study the bill and to appreciate its significance.

The ministers in question have also indicated their willingness to make certain changes in the bill, and we shall look forward at a later stage to seeing those changes made as well as others too, I hope; because there are many safeguards that need to be written into this bill, apart from the several as to which the Prime Minister indicated this afternoon that he was prepared to entertain amendments to the bill. But even with all those safeguards and many more, parliament is faced with what should be, to the majority in this chamber as well as to the minority sitting in the opposition, a most distasteful invitation to transfer to the governor in council, with few exceptions, the sovereign powers of parliament. I do not believe that that is the kind of method that will commend itself to others who are watching what is happening in democratic assemblies today as proof that democratic methods are equal to national emergencies and to the stress of grave international situations. The fact that parliament is in session makes it all the more unnecessary, it seems to me, that powers so sweeping should be taken from parliament by the government.

The hon. member for Kamloops quoted an extract from the quite notable speech made in this city two days ago by Professor Corry, the head of the department of political science at Queen's university, when addressing the Liberal convention in this city. To the extract read by my hon. friend may I add the following passage which, it seems to me, contains words of sound and timely

warning to those to whom the professor particularly directed his remarks, namely the representatives of the Liberal party gathered in assembly. He went on to say:

Since we cannot at present see any prospect of decreasing the powers of government, our most hopeful course is to look for more effective methods of control. As we put large funds and much ingenuity into enabling the government to control us more effectively, we should put some thought and expenditure into new and better ways of ensuring the responsibility of government to parliament and the people. If, as seems likely, we are to have a considerable measure of order-in-council government again, we should also be considering seriously the establishment of one or more committees of parliament to examine, not the substance and policy of orders in council but the effect that the powers and procedures contained in them will have on individual rights and freedoms.

May I interject there, sir, that there are two factors, each of them of the most vital importance to everyone who enjoys the benefit of the traditions and the institutions that we possess, two things that go hand in hand, that have historically gone hand in hand, the one the handmaid of the other. The first is the supremacy of parliament; the second, the freedom of the individual under the rule of law. It seems to me that in vesting in the governor in council powers so drastic as are contained in this bill we are placing both of those fundamentals to our freedom in jeopardy.

Professor Corry continued:

We should also be studying how to maintain the influence of parliament over policy and administration. As things now stand, the government is always adopting some new measures of great complexity and administering many old measures of great complexity. For explaining to parliament the success of the old measures and the reasons for the new ones, the government has the assistance of a numerous, able and expert civil service. The opposition is expected to criticize policy and administration effectively without any comparable expert assistance. Members of the majority party in the house are not supposed to oppose the government but they are entitled to influence both policy and administration, and they are expected to explain the government's policy to the country at large. More than ever in the future, the government will need to explain its complex policies to the electorate if it is to get the necessary co-operation. The members of the majority party also need expert assistance which they cannot get from the civil service if they are to exercise their legitimate influence on the government and put the government's case effectively before the country.

We should be considering whether the position and prestige of parliament can be maintained unless each political party is equipped with a secretariat which can then give its party an independent and informed view of government policy and administration. It is difficult to see any other way of restoring the balance that used to exist between government and parliament when governmental policies were few and simple and easily understood by the private member. The biggest objection I see to the proposal is that it increases the number of experts who find employment, but that is inevitable anyway, and they had better be employed by the responsible political parties than by someone else.

Finally, whatever we might find it expedient to do about these suggested devices, we must be vigilant to protect the right of protest and of individual criticism.

Now, sir, I do not need to go over ground with which those of us who sat in the last parliament are very familiar. Order in council government has been criticized on almost every point. It has been criticized for its secrecy and for the fact that there is no opportunity such as is ensured in the operation of parliament, sitting in public, to bring to bear the full weight of public opinion on questions which are awaiting decision by the legislating body.

We have seen examples of great injustice done during these recent years. We have seen occasions where the power and supremacy of parliament were set at nought. We have seen occasions where the responsibility which the cabinet owes to parliament was set at nought simply because the government possessed, under what was virtually an abdication of parliament in its favour, vast powers.

We cannot, without placing in jeopardy our freedoms and these institutions that we, as members of parliament, are sworn to uphold and maintain, risk the kind of action that may well be taken under a bill of this kind, if powers so vast as these are committed to the keeping of a score of men. Notwithstanding whatever members of parliament may say by way of expression of confidence or lack of confidence in that score of men who hold the seats on the treasury benches, the fact remains that there is something so utterly repugnant to the spirit of parliamentary institutions in literally transferring virtually all of parliament's absolute and sovereign powers to a small group of men that I say, Mr. Speaker, faced with anything short of immediate and compelling necessity, there can be no justification for the vesting of powers as absolute as these in the government; above all, at a time when parliament is in session, and is certain to be in session for some months to come.

What I have said, sir, about the need of adding enough safeguards will be developed, I hope, as we come to the detailed provisions of the bill, but with all the attempts that we may make here, whether successful or unsuccessful, to attach additional safeguards to the control parliament may seek to lay down in this measure, the fact remains, and is inescapable, that parliament ought not to be vesting powers as sweeping as these in the government.

I have not joined with some hon. members in vociferously demanding that the government take wide powers, and exercise wide powers. I want to make that very clear. My great concern in this debate has been to seek, as far as one may, to preserve for parliament the essence of parliamentary freedoms and parliamentary institutions, which, it seems to me, parliament is placing in jeopardy by enacting a measure of this kind. I urge on the—

Mr. Garson: Will the hon. gentleman permit a question? I am afraid I did not catch what he was urging. Was it that he was not in favour of taking these wide powers and exercising them at once?

Mr. Fleming: No; what I said was, I wanted to make it quite clear that I was not one of those who have been demanding that the government take wide powers and exercise wide powers. My concern was—

Mr. Garson: The hon. member is in disagreement with his colleagues, then?

Mr. Fleming: Wait a minute. My colleagues, I think, have been very loud in their insistent demands that the supremacy of parliament should be maintained, and that parliament should not be asked by the government to confer on the cabinet sweeping and undefined powers of the kind contemplated in this measure. What we have all said was that we acknowledge the existence of an emergency, and we are prepared to see powers given commensurate with the existence of the emergency conferred on the government; but that is no justification for the government making a demand on parliament that parliament virtually transfer to the government almost all the sovereign powers that are vested in parliament by the constitution. That is the point that I want to make as clear as it is in my power to make it. That is more important, it seems to me, than some of the other subsidiary questions that have obtruded themselves into this debate.

Whatever may be said about using powers in any particular way or for any purpose—because we can have wide areas of disagreement as to details of that kind, even though we may talk in ways that indicate superficial agreement—the essential point is that parliament at a time like this should address itself to its responsibilities to stand firm for the preservation of that which we conceive to be essential in democracy, namely, the preservation of parliamentary institutions and the safeguarding of the supremacy of parliament and responsible government.

Section agreed to.

[Mr. Fleming.]

On section 2—*Governor in council powers.*

Mr. Knowles: I think it might expedite matters if you would call section 2 by its individual subsections.

The Chairman: Subsection 1.

Mr. Knowles: I should like to ask where the government feels that there is contained in this subsection stand-by powers for the imposition of price controls or the setting up of that analogue of the wartime prices and trade board to which the Minister of Justice referred so often this afternoon.

Mr. Garson: The subsection reads:

> The governor in council may do and authorize such acts and things, and make from time to time such orders and regulations, as he may by reason of the existing international emergency deem necessary or advisable for the security, defence, peace, order and welfare of Canada.

Mr. Knowles: I take it that the stand-by power to bring in price controls is not contained in any one of the paragraphs lettered (a) to (f), but rather in the broad general power covered by the words, "the security, defence, peace, order and welfare of Canada" to which the minister has just referred.

Mr. Garson: The courts have held in a number of decisions that enumerated powers are merely illustrative of the general overriding power that is contained in the language I have just read.

Mr. Knowles: A moment ago the Minister of Justice tried to ask the hon. member for Eglinton a question in order to ascertain just where he stood with regard to giving powers to the government and the government exercising those powers. I think it is only fair that I should ask the Minister of Justice a question. It is pretty clear that he favours asking parliament to give these powers to the government because he is supporting the bill; but does he favour the government exercising those powers with respect to the rising cost of living?

Mr. Garson: Of course he does.

Mr. Fulton: When?

Mr. Garson: As the occasion arises.

Mr. Knowles: I hope the government realizes that this is a pretty serious matter as far as members of parliament and the country are concerned, and I do think that the stalling has gone on long enough. I think I made it clear a few moments ago where I stood with respect to the bill. I am anxious to see it get through because I do not think the country should be asked to wait indefinitely for some action under this bill in order to deal with the rising cost of living.

During the last few days certain reports have appeared in the newspapers which have interested me. I have not the newspapers before me so I shall have to refer to the reports from memory. If I misquote them, the ministers concerned can correct me. I believe the Prime Minister was quoted as having said last night to a meeting of a certain group of people here in Ottawa that it was not the government's intention at the present time to go into the field of price controls. On the other hand, a day or two ago I read that the Minister of Trade and Commerce had said in Chicago that Canada would have to go in for commodity controls on all war commodities. I think I am stating correctly what the newspapers said.

Mr. Howe: It is not what the minister said, though.

Mr. Knowles: Perhaps the minister would tell us what he did say.

An hon. Member: He has forgotten.

Mr. Howe: I have not my notes.

Mr. Knowles: If there has been one thing we have been sure of about the minister during all the years we have known him, it is his memory.

Mr. Howe: May I suggest to the hon. member that he could do more to make price controls possible in this country than perhaps anyone if he could get his various trade union friends to say that they would back it for two years, that is, a freeze of wages and prices. There is a challenge for him.

Mr. Fulton: Is that the only reason you do not bring them in?

Mr. Knowles: Does the minister wish to answer that?

Mr. Howe: I did not hear that.

Mr. Fulton: I asked the minister if that is the reason why they do not bring them in now?

Mr. Howe: It is one of the reasons, yes.

Mr. Knowles: Just a minute, now. Let me tell the minister that not many days ago, in fact on the day that the resolution preceding this bill was introduced, February 20, a delegation waited upon the Prime Minister. I am not sure at the moment whether other ministers were there as well.

Mr. Howe: The delegation also made it clear that they were asking for price control but not wage control.

Mr. Knowles: Just a minute; I am afraid your memory is failing.

An hon. Member: It is getting better.

Mr. Knowles: The delegation that waited on the government on February 20 represented four of the major labour organizations in this country: the Trades and Labour Congress of Canada, the Canadian Congress of Labour, the Canadian and Catholic Confederation of Labour and the dominion joint legislative committee of the railway transportation brotherhoods. That brief called for price controls and the retention of rent controls. But paragraph 23 of the document which they presented to the government read as follows:

> The labour movement recognizes that wages could go up fast enough and far enough to break a price ceiling, though it sees no immediate danger of anything of the sort. It believes that the proper way to deal with this question is a government-labour-management conference to work out methods of wage stabilization.
>
> This offers a prospect of a wage policy which will do two things, both essential (a) preserve the spirit, the principle, of collective bargaining, and (b) bring the experience of labour and management into the defence effort. If our government institutes a general policy of price and production controls, labour is ready to take part in a joint government-labour-management conference to consider wage stabilization.

Mr. Howe: It does not say anything about wage freeze, does it?

Mr. Knowles: I will answer that, but first of all I suggest to the Minister of Trade and Commerce that that is a challenge to the government by the people whom I am glad the minister calls my friends, the labour movement of this country, who waited on the government on February 20. The Minister of Trade and Commerce says that that does not say anything about a wage freeze. I am surprised that the Minister of Trade and Commerce uses the word "freeze". Surely he remembers all the arguments we had during the last war over the wage control order when the whole problem was to keep it a wage control order and not a wage freezing order. There is a wide difference. Of course labour does not want a wage freeze any more than business wants a price freeze. Price control in the last war was not a price freezing proposition.

Mr. Howe: Pretty well.

Mr. Knowles: It was a matter of controlling wages and prices and keeping them in some sort of balance. Quite frankly, Mr. Chairman, the reason labour has resisted wage control in the present situation is because prices have got completely out of hand in relation to wages. Many workers feel, and justifiably so, that their wages are already frozen, and that the next step is to do something about price control. I suggest to the Minister of Trade and Commerce and to the government that labour representatives, as

represented by the four bodies to whom I have referred, are taking a very serious and responsible attitude towards this problem. The Minister of Trade and Commerce throws out a challenge but they have thrown out a challenge to the government in paragraph 23 of the submission made to the Prime Minister on February 20. I take it from the exchanges between the hon. member for Kamloops and the Minister of Trade and Commerce that that is put forward by the government as one of the basic stumbling blocks.

Mr. Fournier (Hull): He didn't say that.

Mr. Knowles: The government and management should sit down with labour, work out an acceptable policy and get on with the job. Labour is ready; it is the government that is stalling.

Subsection 1 of section 2 agreed to.

On subsection 2 of section 2—*Powers restricted.*

Mr. Fulton: I should like to move, seconded by the hon. member for Eglinton:

That clause 2 (a) of section 2 of bill 24 be amended by inserting the word "arrest" immediately before the word "detention."

The reason for this amendment is that, notwithstanding what was said this afternoon by the Minister of Justice and the Prime Minister, with respect, if I may say so, we were not by any means convinced by their argument. If I recall rightly the Minister of Justice said that this power on the part of the governor in council to make orders and regulations regarding arrest would in effect give them no more than what was frequently done under provincial legislation where power is given to the administrative authorities to make orders and regulations which the minister stated carried with them power to make orders regarding arrest.

The minister said then he was quite certain many provincial statutes incorporated such provisions. I do not know whether during the dinner recess he has been able to get an example of what he had in mind but I have not been able to think of any such example in provincial legislation. I think particularly of the type of legislation where regulations are made, the provincial liquor acts, where power is given to make regulations regarding the administration of the act. Certainly so far as I know it is not the case that power is given to prescribe offences or to prescribe the method under which punishment will be meted out. There are administrative regulations as to the enforcement of the act, yes, but not regulations prescribing offences, penalties and the enforcement of penalties. Certainly an order in council prescribing arrest would, it seems to me, be an order in council or regulation enacting what could properly be enacted only by legislation, and that is punishment or a step invoking punishment which follows from a breach of the order or regulation.

I am not aware of any case where under any statute, under any ordinary legislative process, power is reserved to executive officials either to prescribe penalties or to prescribe the method by which those penalties shall be enforced. As a rule that is part of the legislation itself. If the government wishes to write into the bill before the house the power of arrest, if they think that is the answer, that would be one thing, and perhaps a case could be made out for putting it in at this time. But I do not think they should ask us to write into the legislation a power which will enable the government by order in council to provide under what circumstances and how a person shall be arrested. There is the Criminal Code for punishing people who are guilty of crimes or guilty of breaches of statutes. To my mind at any rate, nothing that has been said so far justifies asking at this time for power to make orders in council providing for the arrest of somebody who may be guilty of a breach of an order or regulation subsequently made under the provisions of this bill. In keeping with what was said earlier as to the necessity of safeguarding the rights of the individual, so that it can be done, as it can, without interfering in substance with the powers which the government is asking, I submit this amendment.

Mr. Garson: Mr. Chairman, if my hon. friend will look at section 3, subsection 1, of the bill he will see that it reads:

The governor in council may prescribe penalties by way of fine or by way of imprisonment for a term not exceeding five years, or by way of both fine and such imprisonment, that may be imposed for violation of orders or regulations made under this act and may also prescribe whether, and the circumstances in which, the said penalties shall be imposed upon summary conviction or indictment.

This provision corresponds very largely to what was formerly contained in the War Measures Act. With all deference to the remarks that my hon. friend has just made, I still submit that the power of arrest is quite consistent with the enforcement of the regulations that might be made under section 3.

Mr. Fleming: Mr. Chairman, when this matter was touched on in debate this afternoon it proceeded almost entirely on the basis of its being a question whether or not habeas corpus was at stake. I do not put my argument with respect to the amendment on that basis at all. Looking at the provisions of the section, it is quite apparent that the government, having deliberately omitted the

word "arrest" from the language of subsection 2 (a) of section 2 of the bill, proposes to take the power to make orders and regulations in relation to arrest. The government is prepared to forgo any request for power to make orders and regulations in relation to detention, exclusion or deportation of any person, but not in relation to arrest.

Under this bill the government does not need the power to make orders and regulations in relation to arrest in order to possess ample power to seek the imposition of penalties prescribed by the act on those who offend the terms of such orders and regulations. There is all the power under section 3, subsection 1, of the bill that is required for the prescription of penalties by way of fine or imprisonment, and for the enforcement of those penalties in any proceedings that may be taken arising out of a breach of any order or regulation passed under the authority of this act. So it is abundantly clear that the government does not require power to make orders and regulations in relation to arrest in order to carry out the enforcement of any order or regulation passed under the act, or to seek by due process of law the punishment of any individual, whether by fine or imprisonment as may be prescribed, who is convicted of any breach of any order or regulation. Therefore it seems to me that the expressed desire of the governor in council to retain power to make orders and regulations in relation to arrest is proved to be utterly unnecessary.

It is rather strange that the government seeks this power to make orders or regulations in relation to arrest, but stops short of seeking such power in relation to detention. The argument does not hold water for one minute that the government requires the power to make orders and regulations in relation to arrest in order that arrest may be carried out in cases where it is required in the enforcement of orders and regulations issued under the act. There is the Criminal Code to deal with all cases in which arrest is required. Nothing here takes anything away from the effect of the code or any other statute of this parliament. Therefore, sir, no power to make orders and regulations in relation to arrest being necessary for the enforcement of any order or regulation under this act, and since the power to make orders and regulations in relation to arrest is capable of abuse—though I am not suggesting the government intends to abuse it but am merely pointing out that power so sweeping and so vital in relation to the freedom enjoyed by every individual in this country is capable of abuse—it seems to me that parliament has no right whatever under present conditions to vest in the governor in council a power which is at the same time both dangerous and unnecessary.

Mr. St. Laurent: There is no desire whatever to have any arrest other than the arrest that would be incidental to proceedings under section 3. The hon. gentleman says there is no difference between arrest and detention or any other order. I submit there is. If after an arrest there is a trial and a sentence, the detention under that sentence would not be a detention under an order made by virtue of this statute. That detention would be by virtue of a sentence imposed by a court of justice. If there is the broad statement that there cannot be anything with relation to arrest resulting from orders under this statute there could be a serious doubt as to whether the initial proceeding by way of arrest could be instituted. The Minister of Justice suggests that instead of the amendment suggested by the hon. member for Kamloops there might be added at the end the words, "detention, exclusion or deportation of any person or arrest for any such purpose". That would not be objectionable. But if the word "arrest" is inserted as suggested in the amendment then there would have to be some qualification providing that it does not exclude the initiation of proceedings instituted by arrest under section 3.

Mr. Fleming: I thank the Prime Minister for his suggestion. Would it not be preferable, however, and perhaps clearer to those who are going to be called upon to interpret or enforce this legislation, to provide that the arrest which is permitted shall be an arrest in the course of proceedings under section 3?

Mr. St. Laurent: That is all that is required, but it must be expressed in such a way as to be quite clear that that can be done.

Mr. Fulton: Should not the amendment be to the effect that words like these be inserted: "arrest except in the course of proceedings taken under section 3 hereof, detention, exclusion or deportation".

Mr. St. Laurent: Any language that will make it clear that there will not be arrest otherwise than in the course of proceedings taken for violation of some of the regulations made thereunder is all that is required. But I think it will be advisable to have something in the bill if arrest is excluded, as it would be under the hon. member's amendment. Something will be required to make it clear that this does not exclude the institution of proceedings commencing by arrest.

Mr. Fleming: I think we all recognize that the enforcement of the provisions of a great many orders and regulations will involve arrest, and I do not think anything said by either my colleague from Kamloops or myself has been intended to exclude provision for arrest in proper cases in the course of enforcement. If a suitable amendment confining the powers to make orders and regulations in relation to arrest were written into this bill, I think it might meet the objection. Perhaps in the meantime this subclause could stand.

Mr. Garson: Before we leave the point I wonder if I might ask my hon. friends a question. Is not the arrest they are interested in doing away with under this bill an arrest which is an adjunct to detention, deportation and the like; that is, an executive arrest? As I understand it they are quite agreeable to an arrest which is an adjunct to the enforcement of any regulations under the bill. If that is the case I am quite satisfied to leave this section and obtain an opinion on it. Indeed, I have received that opinion and it is to the effect that the amendment of paragraph 2(a) by adding the words, "or arrest for any such purposes" after the words "detention, exclusion or deportation of any person" would meet my hon. friend's position.

Mr. Fleming: If the question was directed to me, I do not think it would meet our objection. It is too narrow. The case the Prime Minister has made out for retaining the right to make orders and regulations in relation to arrest is intended simply to facilitate and be in the course of enforcement as provided by section 3 (1); and that, it seems to me, is the proper limitation that should be written into the bill now.

Mr. Hees: A few moments ago, when the hon. member for Winnipeg North Centre was expressing the view that price control should be brought in as soon as possible, the right hon. Minister of Trade and Commerce suggested that the greatest contribution he could make toward bringing in price control would be to persuade the unions to agree to have wage control brought in at the same time. From that is it fair to assume that if the labour unions did agree to have wage control brought in hand in hand with price control the government would consider bringing in price control as soon as the machinery to handle it could be set in motion? Could I have an answer from the right hon. Minister of Trade and Commerce to that?

Mr. Howe: Is that a hypothetical question?

Mr. Hees: No, it is a practical question.

[Mr. St. Laurent.]

Mr. Howe: No, it is a hypothetical question.

Mr. Hees: I am asking a question having to do with something the right hon. minister said on this matter. I put the question again. The right hon. minister said that the greatest contribution the hon. member for Winnipeg North Centre could make toward bringing in price control would be to persuade the unions to agree to having wage control brought in at the same time. If these unions would agree, and I have very good reason to believe that they would, then would it be the government's policy to bring in price control as soon as the machinery to set it up could be put in motion?

Mr. Howe: I very much doubt whether my hon. friend is in a position to make that offer, but when he is in a position to make that offer I will tell him the answer.

Mr. Fulton: Mr. Chairman, on subsection 2, paragraph (a), we have now had the benefit of the opinion of probably the most prominent lawyer in the country. I do not embarrass him by any attempt to say whether he is the most learned, but I think by virtue of his position everyone will agree he is the most prominent. The Prime Minister has indicated it would be acceptable to the government if my amendment were withdrawn, and another amendment submitted in the following form. By leave of the committee, I should like to withdraw my amendment and move in its place, seconded by the member for Eglinton, the following:

That clause 2 (a) of section 2 of Bill 24 be amended by inserting immediately before the word "detention" the words "arrest (except as incidental to proceedings under section 3)".

The Chairman: Has the member for Kamloops leave to withdraw his amendment?

Some hon. Members: Agreed.

Amendment withdrawn.

The Chairman: Shall the amendment to clause 2 (a) just moved by the member for Kamloops carry?

Amendment agreed to.

Mr. Knowles: Before you leave subsection 2, I should like to ask a question about subsection 2 paragraph (c). Before I do that, however, may I just make one remark about the altercation between the Minister of Trade and Commerce and the member for Broadview. The minister suggested that the question put to him by the member for Broadview was hypothetical. The terms of paragraph 23, which I read a few minutes ago, from the submission made by labour are very definite. If there is any challenge being thrown out, it is labour that is challenging the government to quit stalling.

I should like to say something about subsection 2, paragraph (c), but my hon. friend wants to say a word about subsection 2, paragraph (b). Which one of us do you want to hear?

The Chairman: We will hear the member on subsection 2, paragraph (b).

Mr. Fleming: There is one thing about 2 (b) that causes me some difficulty. It purports to except from those matters on which power is given to the governor in council to make orders and regulations, the following:

censorship or the control and suppression of publications and writings;

Now, sir, I point out that this deals only with written matter. This provision would not reserve from the power sought by the governor in council the suppression of opinion orally expressed. It seems to me that for this purpose there is no valid distinction between the suppression of opinions in written form and the suppression of opinions in oral form. In principle, they are the same. There is no higher case for giving to the government the power to make orders and regulations that might have the effect of suppressing opinion that is orally expressed than there is in the case of suppression of opinions in publications and writings.

Therefore, Mr. Chairman, I should like to move, seconded by the member for Kamloops:

That clause 2(b) of section 2 of Bill 24 be amended by the insertion of the words "or the expression of opinion" after the word "writings" in line 28.

Mr. St. Laurent: Censorship applies to any form. You cannot suppress an oral expression after it has been orally expressed. It has been expressed, so you just cannot suppress it.

Mr. Fleming: With great respect, the Prime Minister has not covered all the words in the clause. The full language is "censorship or the control and suppression of publications and writings". Now this is intended to be a limitation on the power to make orders and regulations. Leave out the word "control" for the moment, and just deal with the word "suppression". Surely, if this passes within the power of the governor in council, it lies within its power to make orders and regulations in relation to the suppression of oral opinions. In other words, he can pass orders and regulations which would have as their effect the suppression of opinions orally expressed or intended to be orally expressed.

Quite apart from that, there is this word "control". It speaks of the "control and suppression of publications and writings." Surely, it cannot be argued that if this section is allowed to pass in its present form the power which is taken would permit, if any governor in council were so advised, the passing of orders and regulations which would have as their effect the control of the free expression of opinion.

Amendment (Mr. Fleming) negatived.

Mr. Knowles: May I ask a question with regard to 2 (c)? Why are the words "otherwise than in accordance with an appropriation by parliament" necessary at all? Is it not always the case that the government has power to expend moneys in accordance with appropriation by parliament? It seems to me that the only thing you are indicating here is a prohibition against the expenditure of moneys under this act by order in council, with the one exception of moneys that you might have to expend in pursuance of any system of controls or regulations. My question is, why are those words "otherwise than in accordance with an appropriation by parliament" necessary at all?

Mr. St. Laurent: If parliament appropriated moneys, the orders might determine the fashion in which their expenditure would be carried out. Here we wish to make it clear that there were not going to be any powers to expend public money that parliament had not appropriated, except such equalization funds as might result from the administration of a control.

Mr. Knowles: Then is it the government's thought that there might be an order other than an order setting up a scheme of control, which would involve the expenditure of money but that that money would have to be appropriated by parliament?

Mr. St. Laurent: If there was appropriated by parliament a subsidy on a certain commodity, the order might have to determine the administrative machinery for the distributing of that subsidy. As an example, during the last war there was a subsidy appropriated by parliament to enable wheat to be sold by the wheat board at 78 cents a bushel for consumption in Canada whilst the wheat board was to receive the price that was fixed by the ceiling either for exports or for some other specific purpose. There were regulations established to determine what kind of evidence the one receiving any subsidy would have to provide. This provision was inserted to make it clear that there could not be, by order in council, provision made for the expenditure of money that had not been provided by parliament or that did not result from the operation of an equalization fund or something of that kind.

Mr. Knowles: I do not see that it is necessary, but I have no objection to it.

Mr. Fleming: I still have. I cannot blame the hon. member for Winnipeg North Centre for hitting upon a sound idea once in a while. In this particular case it seems to me that he he was on sound ground and that he should not back away from it.

Mr. St. Laurent: If hon. members wish paragraph (c) excluded or deleted—it was put there with the intention of its being a protection of the control of parliament—there will be no objection to deleting it.

Mr. Fleming: I am not asking for the exclusion of those words in clause 2(c) which have the effect attached to them by the Prime Minister, namely the preservation of the control of parliament over the expenditure of moneys voted by parliament. But I am taking objection to those words in clause 2(c) which have the opposite effect, namely, to make an exception from and against that salutary provision. It seems to me that we shall have accomplished the laudable purpose which is described by the Prime Minister, of seeking to do all that we can to buttress and to strengthen the controls to be exercised by parliament over the expenditure of public moneys, if we omit all the words after the word "parliament" in the thirtieth line. Let me say to the Prime Minister—

Mr. Knowles: That was not my idea.

Mr. Fleming: Therefore I say to my friend the hon. member for Winnipeg North Centre that that is the limitation on the good idea that I thought he had.

Mr. Knowles: That would spoil any chance of price controls or subsidies.

Mr. Fleming: No, it would not; not at all. The hon. member for Winnipeg North Centre has, I think, quite missed the point here. Here you are introducing a limitation on the control which parliament, and parliament alone, will exercise with respect to the expenditure of moneys under this clause. In appropriating moneys for any purpose, parliament is quite competent to lay down whatever procedure is required. If the type of regulation which the Prime Minister has just indicated might be necessary commends itself to parliament at that time as being necessary, parliament can do all that is required in appropriating moneys, as is its proper function.

I submit, Mr. Chairman, that this clause will accomplish its purpose if it stops at the end of the word "parliament".

The Chairman: Shall paragraph 2(c) carry?

Subsection 2 of section 2 agreed to.

Mr. Fulton: Before you come to subsection 3, Mr. Chairman, I have an amendment to move which would involve the insertion of a clause between subsections 2 and 3. The purpose of this amendment is to attempt to write into the bill a clause which would preserve the rule of law and make it impossible for the governor in council, by order in council or regulation, to abrogate that principle. In the course of my general remarks on clause 1 I indicated to the minister that we, realizing our limitations as draftsmen, would much prefer it if the minister felt that he could accommodate us to some extent and would so indicate and say whether the government itself would be prepared to consider such an amendment in order to save us the necessity of moving one, which immediately creates an impasse. Would the minister give us some indication at this time?

Mr. Garson: Can my hon. friend indicate what he has in mind to move?

Mr. Fulton: The amendment I have drafted—and I will send a copy of it to the minister immediately, so that he can follow it—reads as follows:

That section 2 of Bill 24 be amended by adding as subsection (2A) thereof, the following after subsection (2):

(2A) Notwithstanding the foregoing, nothing in this section or elsewhere in this act contained shall confer or be construed as conferring any power (a) to make orders or regulations restricting, revoking or in any way abrogating the right of the individual to have recourse to the courts by way of appeal, prerogative writ or otherwise; (b) to make orders or regulations providing that an official acting in excess of his authority under any order or regulation made hereunder shall be immune from action in the courts by an individual thereby injured; (c) to make orders or regulations setting aside the judgment of any court; (d) to make orders or regulations having retroactive effect.

That would be the amendment that I propose to move. I will not move it at the moment if the minister is going to give us an indication of his reaction.

Mr. Garson: I do not think that we could undertake to introduce that.

Mr. Fulton: Can the minister undertake to introduce anything along those lines?

Mr. Garson: No.

Mr. Fulton: Then I see that I have no alternative, Mr. Chairman, but to move that amendment. If I may I should like to speak briefly in support of the various clauses of that amendment.

What we are attempting to do is to have incorporated into the bill a provision which, in the first place, would make it impossible to make orders or regulations restricting the right of appeal or the right of recourse to the courts. I have referred already to the provisions which, in previous orders in council, have been passed under similar legislation,

and which have exactly that effect. An example would be clause 15 of the order in council establishing the wartime prices and trade board regulations, P.C. 8528, as amended by subsequent orders in council, which clearly provided that not only shall a member of the board who acts in excess of his authority not be responsible in the courts for any act or omission, but that no individual shall be able to start an action in the courts by way of any injunction or prerogative writ, to assert his rights or to protect his rights or to seek redress from such injuries. Up to the moment the minister has not dealt with the point which I have raised, and I do not think the Prime Minister has either. The point is that this protection of the rights of the individual would in no way prevent the government from exercising the power which it seeks under this bill, under extremely broad terms, to control our economy. Surely it is not necessary, in order to effectively control the economy of the country, to go so far as to say that a controller who acts in excess of his authority, or commits some wrong by omitting to do something which he should have done, shall be immune from any action in the courts by the person aggrieved. That is all the first clause of this amendment seeks to do. What it seeks to do is to prevent the governor in council at any time in the future enacting a regulation which would take away from a person aggrieved by a wrongful act of some official appointed under such regulation his right of appeal to the courts.

The second clause is directed to the same object. Clause (b) reads that the governor in council shall not have the power:

> To make orders or regulations providing that an official acting in excess of his authority under any order or regulation made hereunder shall be immune from action in the courts by an individual thereby injured.

Clause (c) covers the restriction on the right to make orders or regulations setting aside the judgment of any court. What I am seeking to preserve here, Mr. Chairman, is the rule of law. It is an established principle of the rule that individuals who have rights under present legislation in the present circumstances, and who seek to assert or preserve those rights and succeed before the courts which, along with parliament, are charged with the preservation of our rights, shall not have that right removed *ex post facto* by legislation which would seek to set aside a decision of the court. We have a pretty fair indication of the extent to which the government is prepared to go in the announcement made recently by the Minister of Justice, as a matter of fact, on February 16, in this house, namely, that if they lost the appeal which the government proposed to take to the privy council in the Hallet and Carey case, they intend to introduce legislation which would amend—perhaps I had better use the minister's words. This is what he said, as reported at page 420 of *Hansard*:

> Should this appeal not be successful, the government of Canada, being desirous of applying to the decontrol measures in oats and barley the same principles of preventing fortuitous profits as were applied to other commodities, gives notice that it will, in order to carry out the principle of preventing such fortuitous profits, introduce legislation in parliament confirming the settlement with all of the commercial traders in oats and barley, other than Mr. Nolan.

That is going fairly far along the road. It is not taking away the rights of this particular litigant. That is true. To be fair, I have to admit that. At the moment they will have to introduce legislation to accomplish the results the Minister of Justice has in mind. But now the government is asking us to give it power to do all equivalent acts by orders in council. The assertion which was made by the Minister of Justice here, that if they lose the Hallet case under the present law, they are going to introduce legislation to change the law with respect to rights established under that law, is a very dangerous principle to establish. It is because of the danger of the principle, which is so easy to extend and to abuse by order in council, that I have included in here subparagraph (c) which would simply provide that the governor in council shall not in the future be able to make orders or regulations setting aside the judgment of any court.

I do not imagine that the minister will say it is the intention of the governor in council to do such a thing. I cannot imagine any circumstances, in order to implement this control legislation, in which it would be necessary to do such a thing. This would amount to the insertion of a provision in the bill preserving the rule of law; and unless the minister is prepared to say that at the same time he feels it may be necessary to abrogate the rule of law, I do not see that he should have any objection to allowing this to be included in the bill.

Subparagraph (d) of this proposed section is very much to the same effect. It would prohibit the governor in council from making orders or regulations having retroactive effect, and in accordance with the same principle which I have mentioned, in order that the individuals, the ordinary men and women of this country, can know where they are with respect to the enactments which are put through here, and which subsequently will be made by order in council if this bill becomes law, it should not be possible for them to do an act, knowing they have reason

to believe that the law is in one condition and gives them certain rights and privileges, and they act accordingly, and tomorrow find that by an order in council with retroactive effect what they did yesterday was made wrong.

I cannot imagine the minister will say that it would be necessary, in order to make this legislation effective, that such orders in council having retroactive effect would ever be passed. Unless the minister is prepared to say that, I cannot quite see that there would be any objection to the insertion of the safeguard in the legislation. It is for these reasons, again believing that it is essential that we should preserve the rule of law and that parliament under this bill, if it passes, having transferred to the governor in council the right to make laws over such a vast field of our national activities, at least the citizens whom parliament will no longer be in a position to protect should have the right to appeal to an impartial body, which will be their last protection in the courts of justice in this land. It is in pursuance of that principle that I am seeking to have this section inserted in the bill before the committee.

Mr. St. Laurent: With respect to subparagraph (b) of the amendment there could be a restriction if parliament feels that it is necessary to put it in. It would relate to something done and there might be recourse for any damages caused by the act of an official acting in excess of his authority; but the recourse to writs of prerogative would interfere with the proper administration of any controls that it might be sought to institute.

As to subparagraphs (c) and (d), why stop there? Why not have subparagraph (e) saying that nothing in this act will permit the governor in council to establish by orders in council divorce courts in the province of Quebec? Why not have another subparagraph (f) to make bigamy legitimate? You can imagine a great many things that the governor in council should not have the power to do under this legislation. There are many that I do not think he should have the power to do. I do not think it is necessary that they be all enumerated. There is a provision that all these orders will have to be brought to parliament and that parliament can, by resolution, annul them. I think that that is sufficient.

As to the other matter of whether there should be a reservation of right to sue after the fact if an official does something beyond his authority whereby someone is injured, that may be a proper thing to be tried by the courts. If it were established that he had exceeded his authority and that someone had been injured it would not prevent the controls from having operated in the meantime. But the issuance of writs of prerogative when orders are made or when proceedings are taken to enforce those orders would seriously interfere with the expeditious administration of any controls that are set up.

Now if controls do not require to be administered expeditiously, then they are not required at all. If they are required and if they are the kind of measures that the government can bring to this house in the confident expectation that the house will approve them, then they are measures which will have to be administered expeditiously.

There is nothing in the act itself which would exclude these prerogative writs. With respect to something that the government felt should not be interfered with by prerogative writs, that would have to be expressed in the order that was brought to the house and the house could deal with it as it saw fit. I do not think there should be the exclusion of the power to make such a provision in connection with certain controls.

Mr. Hees: When speaking to the hon. member for Winnipeg North Centre the right hon. Minister of Trade and Commerce a few minutes ago implied that one of the things in the way of bringing in price controls is the apparent reluctance, as he put it, of the labour unions to agree to wage control coming in at the same time. A direct offer was made to the government in the brief submitted by the four major labour unions and recorded on page 511 of *Hansard* of February 20 as follows:

> The labour movement recognizes that wages could go up fast enough and far enough to break a price ceiling, though it sees no immediate danger of anything of the sort. It believes that the proper way to deal with this question is a government-labour-management conference to work out methods of wage stabilization.

I should like to ask the Prime Minister if the government has taken up the offer of the four major labour unions to sit in and talk over this matter in a government-labour-management conference?

Mr. St. Laurent: The government has not done it.

Mr. Coldwell: Would the government do so?

Mr. St. Laurent: I think the offer made in the brief by the labour unions was made in good faith in an effort to co-operate with the government. If the government came to the conclusion that it should recommend controls in the hope that they would be effective, and assumed the responsibility of

putting forward a scheme which it hoped would be effective, it would do its best to get the sympathetic assistance of all the Canadian public, including the labour unions.

Mr. Coldwell: That seems to clear up a very important point because throughout the country it is generally said that because the labour unions resist anything of this sort, price control could not be made effective. If the Prime Minister says that if and when controls come into effect this conference will be held and an attempt made to reach an understanding I think it clears up a very important point.

Mr. St. Laurent: If and when controls are being considered in the hope that they will work successfully there will be an effort to enlist the assistance of all Canadians.

Mr. Coldwell: That is even better than my comment implied.

Mr. Fulton: Just to refer to the arguments of the Prime Minister: Of course it is a useful legal argument to say that the principle of *reductio ad absurdum* should apply in respect of clauses (c) and (d) of this amendment, but I think the Prime Minister slipped into error by suggesting that we might add to this amendment restrictions against doing the things which the bill gives the governor in council the power to do in any case.

Although the bill does cover a pretty wide field I do not think it can be argued that it grants powers to make regulations or orders in council affecting divorce or other matters to which the Prime Minister referred, unless the Prime Minister is asserting that divorce is a matter having a bearing on the economy of the country. I have not heard that and I doubt if the right hon. gentleman would follow it up seriously.

The two restrictions which it is sought to impose upon subclauses (c) and (d) of the amendment relate to powers which the governor in council would very definitely have if the bill before the committee were to pass. Not only would they be powers which the governor in council would have if the bill were to pass, they would be powers which the Minister of Justice has indicated he is prepared to exercise, even by legislation if necessary. He has given notice to this house and to the courts of this country, and incidentally to the privy council in so far as appeals started before the abolition act became effective, that if they do not give a judgment which is according to his opinion of the law, he will change the law so as to render the decisions of the courts of no effect. It is not a very great step from that to passing an order in council setting aside the decision of the courts in a certain case. If that principle is carried out it means the end of the rule of law in this country.

Some hon. Members: Oh, no.

Mr. Fulton: My hon. friends say, "No," but do they mean to say that the proposition put forth by the Minister of Justice that if a decision of the courts is unpopular with the government in power they can pass an order in council rendering that decision of no effect does not end the rule of law? That is the logical outcome of the principle enunciated in this house by the Minister of Justice on February 16 with reference to an appeal now before the courts. The minister said that if the decision did not suit him he would introduce legislation taking away rights which others would have under the law as declared by the privy council, if it should confirm the decision of the Supreme Court of Canada. The Minister of Justice has said that he will introduce legislation which would deny to those who have made settlements the right to demand the same treatment and terms as Mr. Nolan will have been granted by the privy council if it confirms the decision of the Supreme Court of Canada.

If we have arrived at the position where the Minister of Justice is prepared to do this by legislation which would have to be brought before parliament—with all the force of the government behind it, it would still have to be brought before parliament and I hope there would be a chance of defeating such legislation which would end forever the principle of the rule of law—if he has the power to do that by order in council, then the only right we have is an illusory right of introducing a motion on the order paper which may or may not be reached. The motion might be introduced six months after the order in council had been passed if it should have been passed while parliament was not sitting. If that is the only safeguard we have, then the only way of taking care of the situation is by introducing into this legislation provisions which will make it impossible for such orders in council to be passed.

Mr. Drew: Mr. Chairman, the argument that the Prime Minister has put forward with regard to this matter constitutes in itself a substantial argument in favour of the inclusion of a provision of this kind. The very fact that it was necessary for the Prime Minister to go so far afield in order to suggest the kind of thing that should be guarded against indicates that an attempt is being made to create an impression of the retention of the rule of law, which in fact is not being

preserved at all. The government constantly asserts its anxiety to maintain it, but it is anxious only to maintain the appearance of the rule of law while preserving in fact only a fiction of parliamentary responsibility.

The hon. member for Kamloops has pointed to one reason why there should be protection of this kind. The Minister of Justice has stated in the house that, were the decision of the privy council in the appeal in the Nolan case to be adverse to his opinion, he serves notice now to the privy council and everyone else that, as regards the legal rights established by that judgment, with respect to every other case but the Nolan case the rule of law will not apply.

I think hon. members should realize how important that declaration is. Dealing with this only as a legal question, and not in any way with the merits or otherwise of the particular trading transactions in question, it should be remembered that others besides Mr. Nolan, who delivered their grain under orders that were made, did so with a very clear and unmistakable reservation of their legal rights. They delivered the grain with formal protest and with the reservation of their legal rights. That being so, there are many people besides Mr. Nolan affected now by the judgment that was given. The statement by the Minister of Justice simply amounts to this, that because one man happened to go to the courts and so far has got a judgment we will let his judgment stand even if the privy council goes against us, but in every one of these other cases where their legal right is now so clearly established we serve notice that their legal right means nothing. That ends the rule of law.

No more dangerous doctrine has been asserted in this house at any time. If that doctrine is to stand, then we have notice of the intention of the minister. We were told it was the intention of the minister to introduce legislation that would make it possible to deal with these cases. The minister may have had in mind this very act. I am not sure that is not the real purpose of this bobtailed War Measures Act we have before us. After all, we have had no other reason given to us why the government could not wait and avail itself of laws now on the statute books. The government is not prepared to indicate to us any reason why this War Measures Act only slightly truncated is now before the house, but it would serve the purpose of the Minister of Justice in accordance with the declaration he made because this act would make it possible for him, without anybody knowing it was being done, to carry out his threat to deprive people of the legal rights clearly established by the Nolan case under the reservation these people made at the time that their grain was delivered.

For that very reason it seems to me abundantly clear that an amendment of this kind is an amendment which should be contained in the act. The act is bad anyway, but the least that we can do, since the government is determined to use its majority to push it through, is to seek amendments that will meet the threat clearly made in this chamber by the government, and leave no doubt that this act is not intended for the very purpose which was left as a possibility by the Minister of Justice himself. I cannot help breaking into my remarks at this point to suggest that one of the dangerous evidences of what is taking place here is the chatter and the silly comments that are being made by some of the government supporters at a time when this bill is under consideration. Not one of them has the slightest idea of what the bill is about.

Some hon. Members: Oh, oh.

Mr. Drew: Yet the moment any attempt is made to bring this bill clearly within the principles of the rule of law these members who are here as representatives of people within their constituencies of all political parties object to that and indicate quite clearly that they do not want to know what the bill is about. They do not know because the government cannot tell us. The Prime Minister has made that quite clear. They do not know yet what they want it for. Perhaps the Minister of Justice wants it for the purpose covered by the amendment. I would also point out that the bill is not just a bill carrying through till next year. Let us keep this on a logical basis. Of course I have read the bill, and of course I am aware that the bill declares that it comes to an end next year; but if the emergency today demands this bill now, then the government could not in consistency tell us a year from now that they did not require the bill, unless the emergency itself is ended.

Members of the government have told us that the emergency is going to continue for a long time. Consequently if the arguments they make now are valid for the introduction of this bill and the emergency remains the same a year from now, they must in consistency tell us that it should continue unless they propose to introduce a more rigorous act, one which denies even more the rights of parliament with respect to the control of legislation. For that reason I think there is more involved than just an amendment which the Prime Minister suggests

would simply be a declaration of a few of many things that should not be dealt with under this act.

Mr. St. Laurent: The desire there seems to be to discuss the Nolan case on occasions when it has no relevancy to the matters before the house is quite extraordinary. However, since there is that desire perhaps we might go into it a little further and see whether there should be this concern for the other dealers who would benefit not at the expense of the government but at the expense of the Canadian taxpayer to the extent of several million dollars. We think it was the intention of parliament that there should be none of these fortuitous profits allowed in the process of decontrol, and that was done in practically all cases of decontrol. We thought that the way to carry out the intention of parliament when there was a change made in the ceiling price of coarse grains was to vest the coarse grains in the government at the ceiling price that existed, and provide that the former owners might take them back at the new price when it was established.

We thought that was authorized, and we have the support of the law officers of the crown to that effect. The courts decided that, although the general language used in the extension acts was sufficient to include that power, because there had been in the original act an illustration given that was not repeated in the subsequent acts it should be assumed the intention of parliament was to exclude that power. They may be right but if they are right the government made a mistake in the method adopted to carry out the intention of parliament. It did not make any mistake as to what was the intention of parliament. It made a mistake, if that is correct, as to the method it adopted to carry out the intention of parliament. All that was said in the statement made by the Minister of Justice on behalf of the government was that if the courts finally held that the course adopted by the government to carry out the intention of parliament had been a mistaken course we would come to parliament and say, "The courts have said we made a mistake as to the procedure adopted. We did not make any mistake as to what parliament wanted done, and we ask you to confirm the settlements that were made with those who did not institute proceedings." I understand there were 348 concerned; that one brought proceedings; that 19 made protests, and that 328 accepted settlement without protest. What the government said was that it would come before parliament and recommend that it confirm those settlements as being settlements that it intended to have as the result of the decontrol policy.

If that is destroying the rule of law, parliament will not pass the legislation. I can assure the hon. gentleman that there was no connection whatsoever between the preparation and language of this bill and the decision of the government announced to the House of Commons by the Minister of Justice. There will be no attempt at any time to bring about the result that we think parliament intended to be brought about otherwise than by coming to parliament and asking parliament whether or not it wishes to do it. That is the whole situation with respect to this matter. If, the courts having found that the procedure we adopted was not the right procedure, parliament says the people or Canada should lose the several million dollars represented by these fortuitous profits, that will be a responsibility parliament will assume, and those traders will get the fortuitous benefits arising from the fact that they were holding grain at the time the ceiling was varied. If, the courts having found that the method we adopted was wrong, parliament thinks those traders are entitled to that fortuitous profit they will retain it. But we felt that before bringing that matter to parliament we should have what was the final court when the litigation was instituted pass upon the conduct of the parties in that instance, and not ask parliament to adopt legislation of this kind, which is not normal legislation, until every other method of asserting that there had been a mistake was exhausted.

Mr. Drew: Might I first of all point out that there was a very obvious reason for mentioning the Nolan case. That is, it was in relation to that case that the Minister of Justice asserted the proposition that no matter what were the legal rights of certain people, the government was prepared to introduce legislation to deal with that matter. The Prime Minister has now told us that this is not the act that was contemplated. We have that assurance, but for the first time; and this act—

Mr. St. Laurent: But this is not the first time the hon. gentleman has referred to the Nolan case.

Mr. Drew: No, and it will not be the last time. But since the Prime Minister has carried us off on another angle, I would point out that parliament did not pass the legislation which caused this action. This action was caused by an order in council of which parliament was wholly unaware. We are dealing now with a parliamentary principle relating to the rule of law. The Prime Minister expresses concern about this situation and indicates that a course which is unquestionably

contrary to well-established legal and parliamentary principles should be adopted because in this case it might prevent certain fortuitous profits. May I point out, I am sure with fairness, that the government has not shown the same concern about fortuitous profits being made on a very much larger scale right today through the failure of the government to act in regard to some of the things that have been done by the government itself. After all, large fortuitous profits are being made today because of the shortage of materials created by certain government buying. So if there is this concern about fortuitous profits, may I suggest that this is an appropriate time to remind the government that we are asking them to give consideration to methods which will prevent those fortuitous profits and do away with that additional pressure on the inflationary spiral which is causing so much concern to the Canadian people at this time.

There is nothing in the proposal before the committee that should be objectionable to the government unless in fact the government does contemplate the possibility of doing something that would set aside judgments of the courts, or unless it has thought of making some retroactive provisions, or unless it has thought of doing some of these other things which would deny the ordinary rights of the individual. It does not seem to me that these amendments are drawn carelessly or that they can cause any difficulty unless in fact there is some possibility in the mind of the government that something of the kind actually may be done under this act.

Amendment negatived: Yeas, 20; nays, 57.

Subsection 3 of section 2 agreed to.

On subsection 4 of section 2—*Annulment of orders in council by Senate and House of Commons resolution.*

Mr. Fleming: I should like to raise a couple of matters on this paragraph, but perhaps first the Minister of Justice would be prepared to introduce the amendment dealing with the inclusion of regulations as well as orders in council within the annulment provisions.

Mr. Garson: Yes. The suggestion is that clause 2, subclause 4, should be amended by deleting the words "order in council" where they occur in the second and third lines thereof and substituting therefor "regulation as defined by the Regulations Act." I think that will cover the matter, since this is the definition of regulations under that act:

> . . . a rule, order, regulation, by-law, or proclamation (i) made, in the exercise of a legislative power conferred by or under an act of parliament, by the governor in council, the treasury board, a minister of the crown, or a board, commission, corporation or other body or person that is an agent or servant of His Majesty in right of Canada,

I believe that is sufficiently inclusive to cover all the regulations the member for Eglinton mentioned.

Mr. Fleming: I am satisfied that that covers the point I raised. I shall be happy to see that amendment carried.

Mr. Garson: I would then move that:

> The words "order in council" be deleted and the word "regulation" as defined in the Regulations Act be substituted therefor.

Subsection 4 would then read:

> If the Senate and House of Commons within a period of forty days, beginning with the day on which any regulation as defined under the Regulations Act, made under this act is laid before parliament in accordance with the Regulations Act . . .

And so on for the rest of the section.

The Chairman: Shall the amendment carry?

Mr. Knowles: Mr. Chairman, since that discussion is over, I should like to have another word with the Prime Minister, and perhaps he would favour us with a word about the procedure if parliament seeks to annul one of these orders. I have already spoken on this question and the Prime Minister knows my views. I appreciate his statement that the government did consider trying to find some way—

The Chairman: Order. I believe the amendment should be disposed of before we continue.

Mr. Knowles: I thought the amendment had been carried.

The Chairman: Shall the amendment carry?

Amendment agreed to.

Mr. Knowles: The Prime Minister indicated that some consideration had been given by the government concerning the possibility of writing into the statute a provision so as to make it clear that any member of the house or Senate could propose such a motion for annulling an order passed under this act. Now, assurance was given by the Prime Minister earlier today that the government would facilitate any motion, if one were made. I wonder if the Prime Minister would care to tell us how he pictures such a course would be pursued, if it should happen. I realize it is hypothetical, and I realize the government is going to mind its p's and q's, and try not to bring in anything which parliament would want to annul. I do believe it would be helpful if he would tell us how he thinks this would work in actual practice if an instance should arise.

Mr. St. Laurent: If there were a notice or a motion on the order paper it would be proper to suggest, at the end of the day preceding the expiry of the forty-eight hours, that the house should consider immediately after routine proceedings, the motion on the order paper.

Mr. Knowles: No matter where that motion might be on the order paper?

Mr. St. Laurent: No matter where it might be on the order paper, that it would be convenient to consider that after the routine proceedings on the day on which it would mature.

Mr. Knowles: The Prime Minister would favour that course being followed?

Mr. St. Laurent: I would favour that course, and I would ask those over whom I had any influence to agree to that course being followed.

Mr. Knowles: I am sure the Prime Minister does not mind our appearing to try to get an undertaking out of him on this point. But it is very important, and a definite undertaking would be appreciated.

Mr. St. Laurent: If there were not unanimous consent to that procedure being followed, if there were objections to that procedure, I would give an undertaking to put a notice on the order paper as a government notice that such a resolution be dealt with at the earliest opportunity.

Mr. Fleming: I am sure we all appreciate the statement the Prime Minister has just made. May I turn now to two other matters in connection with subsection 4. The first has to do with the length of time which may elapse before one of these orders or regulations comes to the notice of parliament. The forty-day period referred to in the subsection has to do with the period within which, if there were an order or regulation tabled in the house, a member may seek by way of notice of motion to annul it. But what about the period of time which may elapse before the regulation or order in council is tabled in the house or comes to the notice of the house?

All this subsection contemplates is that the procedure provided for by the Regulations Act should be followed in every case. The procedure under that act, which was adopted last year and which is chapter 50 of the statutes of 1950, is that within thirty days after an order in council or regulation is passed it must be gazetted in the *Canada Gazette*. Then, within another fifteen days after being there gazetted, it must be tabled in the house by the government. If the full time provided for is used, forty-five days may elapse after the order in council is passed before it is tabled in the house. It is only when it is tabled in the house that the annulment proceedings contemplated by subsection 4 can be instituted.

I appreciate that it may not always be possible to table orders in council the day they are made. I do not wish to be unreasonable about this, but I do think that a period of forty-five days being allowed to elapse is grossly excessive when one considers the extraordinary nature of the legislation, and the importance and far-reaching effect of many of the orders in council and regulations that may be adopted under the terms of such legislation. It seems to me that with respect to extraordinary measures of this kind, there is no occasion for passing through the slow and cumbersome proceedings contemplated by the Regulations Act with respect to regulations in ordinary cases. That procedure may be satisfactory with respect to measures that are not passed under extraordinary powers such as are proposed to be conferred by this bill on the governor in council. I believe we must have some procedure that will enable parliament to have immediate or nearly immediate knowledge of the contents of such orders in council and, if not satisfied with them, to be able to institute annulment proceedings as contemplated in this subsection.

Therefore, I move, seconded by the member for Kamloops:

That clause 4 of section 2 of Bill 24 be amended by striking out the words "in accordance with the Regulations Act" in lines 39 and 40 and by renumbering the said clause (5):

And that section 2 be further amended by inserting between clauses 3 and 5 the following clause:

"(4) Every order in council made under or pursuant to authority conferred under this act shall be laid before parliament within five days after it is made or, if parliament is not then in session, within five days after the commencement of the next ensuing session thereof."

May I just add this further explanation, Mr. Chairman. If these extraordinary orders in council and regulations are tabled in the house, it is not necessary that they should first be required to appear in the *Canada Gazette*. That can be done in due course later on, in accordance with the provisions of the Regulations Act. But for extraordinary measures of this kind there should be provision for almost immediate tabling in the house, so that parliament will promptly have knowledge of their contents.

Mr. St. Laurent: I understand what the hon. member wants is this: it would not apply to the regulations. He wants the orders in council made under the act, if parliament is in session, to be laid on the table within

five days. I do not think there can be any objection to doing that. But I do not think that he should strike out the words "in accordance with the Regulations Act" because that phrase applies also to the regulations. This should be something additional to what is required in the Regulations Act and not a substitution; because the phrase "in accordance with the Regulations Act" covers more than what would be covered by this subsection 4. There is no objection to requiring the orders in council to be tabled here even before they go through the procedure set up under the Regulations Act. There should be no objection to putting a provision in section 4 as it is, something that would not prevent the moving of the resolution as soon as the order in council is tabled, whether the tabling had been done in accordance with section 4 or in accordance with the Regulations Act.

Mr. Fleming: The suggestion of the Prime Minister is entirely satisfactory, so far as I am concerned. The section might be allowed to stand until this is put in satisfactory form. I think we are in agreement.

Mr. St. Laurent: Perhaps the section might stand. There is no objection to having the two requirements. With respect to the regulations, I think the Regulations Act is the thing that should govern; because these regulations or orders may be made by different authorities, and we want to have them come to the privy council office and be recorded there, and to have them published in the *Canada Gazette*.

As to the things that we do by orders in council, which would be the foundation of the regulations, there is no objection to tabling the orders in council at once.

Mr. Fleming: I thank the Prime Minister. We are in thorough agreement as to the object. It is just a question of reducing the matter to satisfactory phraseology. I suggest that the section might stand.

Mr. Garson: I will see that the drafting is taken in hand right away.

The Chairman: Shall the subsection stand?

Mr. Fleming: May I pass on to the other matter I should like to raise?

Mr. St. Laurent: Perhaps if we were merely to add "in accordance with subsection 4 or with the Regulations Act" it would meet the situation. Whatever brings them to the table starts the delay.

Mr. Knowles: Should not some thought be given to the problem that arises as to the differing lengths of time before parliament can deal with them, as between orders in council and regulations?

[Mr. St. Laurent.]

Mr. St. Laurent: It would be forty days from the time they were laid on the table, whether the laying on the table was in accordance with subsection 4 or in accordance with the Regulations Act.

Mr. Knowles: I recognize that fact. But in the one case, that of orders in council, they reach the table within five days after they are passed.

Mr. St. Laurent: Yes.

Mr. Knowles: But in the case of regulations, other than orders in council, it would be longer than that before they would reach the table.

Mr. St. Laurent: Yes.

Mr. Knowles: I am not at the moment proposing any solution to the problem nor am I indicating that it is a serious one. I just suggest that the draftsmen might look at it.

Mr. Fleming: If that matter of draftsmanship is in hand may I, in order to save time, go on to the other matter I should like to raise with regard to this subsection 4?

The Chairman: In connection with the same subsection 4?

Mr. Fleming: Yes. You will notice that in the concluding lines of subsection 4, where annulment is brought about by resolution of the two houses of parliament, it is provided that the order in council or regulation—

> —shall cease to have effect, but without prejudice to its previous operations or anything duly done or suffered thereunder or any offence committed or any penalty or forfeiture or punishment incurred.

It seems to me that these concluding provisions are extremely drastic. Let us assume that an order in council has been passed which has had the effect of laying down law in that form and attaching penalties by way of imprisonment and fine for a breach. Then let us assume that some individual has committed a breach, has been prosecuted, fined and imprisoned. Then suppose that parliament, on receiving notice—and this no doubt would all be in a short space of time—of the order in council when tabled in the house, takes the annulment procedure contemplated by subsection 4 and decides that it cannot approve the order in council in that form, annuls it, and expresses, let us say, strong disapproval of it. Under this provision, the unfortunate transgressor who has committed a breach of the order in council which has since been annulled is still bound by the sentence imposed upon him. That sentence stands; the imprisonment continues; the fine is imposed; notwithstanding that parliament has in the meantime annulled the order in council.

It seems to me that that is an indefensible situation. I can see that, in certain situations, in order to give sufficient protection to those who are charged with the enforcement of an order in council which is law under this section until it is annulled, there is required some provision that will give clear legal effect to what they have done, in good faith, while the order in council was in effect. But that is no warrant whatever or justification for going on to provide that the annulment shall be without prejudice to the offence, the penalty, the forfeiture or the punishment incurred. It seems to me that if parliament, acting in the exercise of its sovereign rights, decides that it will annul the order in council, then whatever has been done by way of the imposition of penalty, fine or imprisonment should end with the annulment of the main provisions of the order in council. Therefore I should like to move, seconded by my colleague, the hon. member for Kamloops:

That clause 4 of section 2 of Bill No. 24 be amended by striking out the words "or any offence committed or any penalty or forfeiture or punishment incurred" in lines 45, 46 and 47.

The Chairman: This amendment should not be disposed of until the other amendment has been dealt with. Therefore it will stand.

Subsection 4 of section 2 stands.

On section 3—*Penalties.*

Mr. Fleming: There is one matter in regard to section 3 that I should like to raise. Section 3 is unlike the provision of section 4 of the War Measures Act in this respect, that while it maintains the same ceiling on the period of imprisonment that may be imposed, namely, five years, it does not put any ceiling whatever on the fine which may be imposed. Section 4 of the War Measures Act, while in similar terms, does place a ceiling on the fine which may be imposed, namely, $5,000. As I indicated to the Prime Minister and the Minister of Justice in conversation at the dinner adjournment, it seems to me that $5,000 ceiling on the fine in the War Measures Act should be revised upwards. It does not meet the needs of the situation today. Although in the case of a drastic offence the penalty that should be imposed should be imprisonment, not simply a fine, there is the problem of corporations, which may be offenders, for whose offence imprisonment is not a suitable penalty; and in the case of a drastic offence a fine of $5,000 might be quite inadequate. However, while I appreciate the point the Prime Minister made on that occasion, that the order in council or regulation passed under the authority of section 3 of this bill would require to stipulate the maximum penalty that may be imposed, maximum both as to fine and as to imprisonment, nevertheless it seems to me that in this foundation provision, namely, section 3, subsection 1, from which authority will be derived to write such provisions into orders in council and regulations passed under the authority of this legislation, there should likewise be some clear definition of the ceiling on the amount of fine that may be imposed.

There is a ceiling here on the term of imprisonment. That is a proper limitation. It seems to me there should also be some ceiling in the case of the fine, so that we might carry out our function of seeing that proper limitations are written into extraordinary legislation of this kind.

Mr. Garson: The difficulty here is that quite wide powers are being taken by the governor in council to deal with situations that we may not possibly be able to foresee at this time in all their outlines to create controls and in connection with them to create offences. The commission of some of such offences may have serious consequences for the nation, and it would seem that it would be wiser for us at the present time to leave discretion to the governor in council as to what the limitation should be on the matter of a fine, especially having regard to the fact that quite extensive provisions have been made for review of these orders in council by parliament, and most of the suggestions of my hon. friends to facilitate that review have also been adopted.

These orders in council will come here with whatever penalties they do provide, and then we can judge whether the penalties are fair in relation to the offences to which they apply.

Mr. Drew: Before section 3 carries perhaps it may be well to have an explanation of the change in subsection 2, because section 3, subsection 2, is in fact simply a rewriting of section 8 of the War Measures Act. For the benefit of hon. members perhaps the Minister of Justice might explain why certain of the authority in section 8 of the War Measures Act is omitted. I should imagine there is some particular reason.

Mr. Garson: Yes, that is right. I do not know whether my hon. friend was in the chamber when that was explained this afternoon, but the reason for it is this. At the time the War Measures Act was in force the Interpretation Act, a separate act entirely, provided that rights which had vested, pursuant to a statute, would remain in effect after the statute had been repealed; but it was found with regard to a number of these statutes of the type that we are discussing here that they would not necessarily be

repealed, but might merely lapse or expire by the efflux of time, and would not therefore fall within the provision of the Interpretation Act relating to statutes which had been repealed.

Mr. Drew: I do not want to interrupt the minister, but he has misapprehended what I was referring to. I referred to subsection 2 of section 3 which starts with the words:

> Any goods, wares or merchandise dealt with contrary to any order or regulation made under this act . . .

I was pointing out that this is really a rewriting of section 8 of the War Measures Act, but that a portion at the beginning of that section had been omitted. That portion referred to any ship or vessel used or moved. There must be some reason why section 8 of the War Measures Act has been carried in as section 3, subsection 2, but with these deletions.

Mr. Garson: I am afraid I will have to check on that before I can answer my hon. friend's question.

Section stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we shall continue with this bill. Then we shall proceed with Bill No. 77, respecting the department of defence production; then Bill No. 5, to amend the Canadian Wheat Board Act, 1935; two bills in the name of the Minister of Transport, namely, Nos. 6 and 76, and Bill No. 80.

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

HOUSE OF COMMONS

Friday, March 2, 1951

The house met at three o'clock.

WHEAT

FINAL SETTLEMENT ON FIVE-YEAR POOL—ADDITION OF $65 MILLION TO SUMS AWAITING DISTRIBUTION

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I have a brief statement to make concerning the final settlement of the five-year wheat pool.

Some hon. Members: Hear, hear.

Mr. St. Laurent: Perhaps the applause might be deferred until I make the statement.

As the house is aware, there have been discussions with the United Kingdom government on several occasions concerning article 2(b) of the wheat agreement entered into in 1946—the so-called "have regard to" clause. The United Kingdom government has made it clear that no further payment will be made by them under that agreement. Hon. members may also have seen an announcement by the Chancellor of the Exchequer on February 20 that the United Kingdom will not draw further on the remainder of the credit of $1,250 million which was made available in May, 1946, and which expires on December 31, 1951.

The government has decided to recommend to parliament that an amount equal to the balance of the United Kingdom credit, namely, $65 million, be added to the sums now awaiting distribution in settlement of the five-year pool. The amount will be included in the final supplementary estimates for the fiscal year 1950-51 which are shortly to be placed before the house for approval.

The contribution we will be asking parliament to make is the equivalent of about 23 cents per bushel on the deliveries made during the last two years of the agreement to which article 2(b) had reference. The addition of $65 million to the pool would make a total of approximately $120 million for distribution. On the basis of deliveries of 1,428 million bushels during the period of the five-year pool, this would provide a final payment of about 8·3 cents per bushel. Final payments will be made as soon as possible after parliament has dealt with the supplementary estimates.

Mr. Fair: When will the balance of the loss of approximately 30 cents a bushel on the five-year wheat pool be made up to the farmers of the prairie provinces?

Mr. St. Laurent: Mr. Speaker, I have announced the decision of the government; and on this occasion I am not going to express any opinion or add anything to the declaration I have made.

Mr. Argue: Even though the announcement is completely unsatisfactory, in my opinion—

Some hon. Members: Order.

Mr. Argue: —I would ask the Minister of Trade and Commerce when the farmers may expect that their cheques will be mailed.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Yesterday I was asked when the interim payments would begin, and I stated that they would begin that day, which was my information at that time. I telephoned through to Winnipeg to confirm that statement, and was told there had been some delay in obtaining the cheque forms and that payment would start on March 9; but I was told that extra staff would be put on so that in the long run there would be no delay in getting out the interim payments. The cheques in settlement of the five-year pool will go out just as soon as the other payments have been completed. The equipment will be kept working at full speed, provided always that parliament has voted the necessary money by that time.

Mr. Coldwell: May I ask the Prime Minister when it is expected that the supplementary estimate dealing with this wheat payment will be brought down? Will it be soon?

Mr. St. Laurent: It will be included in the final supplementary estimates for 1950-51 about which the Minister of Finance gave information yesterday.

PUBLIC ACCOUNTS

CHANGE IN PERSONNEL OF STANDING COMMITTEE

Mr. W. G. Weir (Portage-Neepawa) moved:

That the name of Mr. Fulton be substituted for that of Mr. Diefenbaker on the standing committee on public accounts.

Motion agreed to.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 103, for the relief of Eileen McDermott McRandall.—Mr. Winkler.

Bill No. 104, for the relief of Laurice Mary Michel Shatilla.—Mr. Winkler.

Bill No. 105, for the relief of Mihaly Kovacs.—Mr. Winkler.

Bill No. 106, for the relief of Rebecca Glicofsky Brown.—Mr. Winkler.

Bill No. 107, for the relief of Selma Rokowsky Kirzner.—Mr. Winkler.

Bill No. 108, for the relief of Ferdinand Langlois.—Mr. Weir.

Bill No. 109, for the relief of Violet Edith Macdonald Harris.—Mr. Winkler.

Bill No. 110, for the relief of Françoise Brunet Crassowski.—Mr. Winkler.

Bill No. 111, for the relief of Emily Rita Rowlands Simpson.—Mr. Winkler.

Bill No. 112, for the relief of Ivy Lucas Levitt.—Mr. Winkler.

Bill No. 113, for the relief of Marguerite Marie Rita Fournier Cook.—Mr. Winkler.

Bill No. 114, for the relief of Paul Emile Piuze.—Mr. Winkler.

BUSINESS OF THE HOUSE

PRECEDENCE OF GOVERNMENT BUSINESS ON MONDAYS

Right Hon. L. S. St. Laurent (Prime Minister) moved:

That on Monday, the fifth day of March, 1951, and every Monday thereafter to the end of the session, government notices of motions and government orders shall have precedence over all business except the introduction of bills, questions by members and notices of motions for the production of papers.

Motion agreed to.

BRITISH NORTH AMERICA ACT

AMENDMENTS TO THE CONSTITUTION—CORRESPONDENCE WITH PROVINCIAL GOVERNMENTS

On the orders of the day:

Mr. A. J. Bater (The Battlefords): Has the Minister of Justice received from the premier of Saskatchewan a reply to his letters of January 2 and January 20 forwarding two proposed amendments to the British North America Act respecting old age pensions and the provincial sales tax; and if so, will the minister state the nature of the reply?

Hon. Stuart S. Garson (Minister of Justice): Yes; a written reply was received dated February 5, 1951, in which Premier Douglas stated he was satisfied that the two proposed constitutional amendments would carry out the spirit and intent of the decisions arrived at during the federal-provincial conference of last December.

Mr. Coldwell: Have similar replies been received from other provinces?

[Mr. Weir.]

Mr. Garson: No, not similar replies. Replies have been received from all the provinces, but not all have expressed the same sentiments of agreement.

Mr. Coldwell: Could we have the other replies tabled?

Mr. Garson: They will be tabled in due course. Some have been tabled already.

KOREA

EMBARKATION LEAVE FOR CANADIAN BRIGADE PERSONNEL

On the orders of the day:

Mr. George H. Hees (Broadview): Has the government decided whether or not the members of the special Korean brigade who are about to embark at Fort Lewis for Korea will be granted embarkation leave?

Hon. Brooke Claxton (Minister of National Defence): The great majority of the members of the 25th brigade have already had embarkation leave. Any who have not had that leave will have it, in addition to the time necessary for travel.

NATIONAL DEFENCE

AIR FORCE TRAINING—REOPENING OF AIRPORTS IN WESTERN CANADA

On the orders of the day:

Mr. F. D. Shaw (Red Deer): Is the minister able to announce as yet which of the airports in western Canada will be reopened for the training of R.C.A.F. personnel?

Mr. Claxton: No, sir; I am not yet in a position to do so.

FEED GRAINS

INQUIRY AS TO FUTURE FREIGHT ASSISTANCE

On the orders of the day:

Mr. P. C. Black (Cumberland): I should like to ask the Minister of Agriculture or the Prime Minister if any assurance can yet be given, in connection with the subsidy on feed grain for stock raisers, dairymen, and poultrymen, more particularly in eastern Canada, that payments will be made say for the next fiscal year, or that it has been adopted as a permanent policy. It is important that they know as soon as possible if this is a long-term undertaking. I think the question is particularly appropriate in view of the large amounts of money being distributed in western Canada.

Right Hon. J. G. Gardiner (Minister of Agriculture): Since we have had this freight assistance the practice has been to put sufficient in the general estimates to carry us down to the end of the crop year in which we are operating. This year sufficient was

put in the estimates to carry us to July 31 next, paying the rates that have been paid during the last year. Between now and that time final consideration will be given by the government to the policy for the future, and it will be announced to the house in due course.

EMERGENCY POWERS ACT

PROVISION FOR ORDERS AND REGULATIONS DEEMED ADVISABLE FOR NATIONAL DEFENCE AND SECURITY

The house resumed, from Thursday, March 1, consideration in committee of Bill No. 24, to confer certain emergency powers upon the governor in council—Mr. St. Laurent—Mr. Dion in the chair.

On section 3—*Penalties.*

Mr. Garson: Just before the house rose last evening the leader of the opposition asked a question which is reported at page 832 of *Hansard* in these terms:

I referred to subsection 2 of section 3 which starts with the words:

"Any goods, wares or merchandise dealt with contrary to any order or regulation made under this act. . ."

I was pointing out that this is really a rewriting of section 8 of the War Measures Act, but that a portion at the beginning of that section had been omitted. That portion referred to any ship or vessel used or moved. There must be some reason why section 8 of the War Measures Act has been carried in as section 3, subsection 2, but with these deletions.

The answer to my hon. friend's question is that this wording which appears in the present bill is taken from the corresponding section of the National Emergency Transitional Powers Act. In that act, and in the present bill, the words "any ship or vessel used or moved", which occurred at the beginning of section 8 of the War Measures Act, to which my hon. friend referred, were omitted because of the fact that in the period following the last war which was covered by the National Emergency Transitional Powers Act, and, in the period covered by the present bill, wartime convoys and wartime shipping control are not in operation; so there is no reason for these words being included.

Section agreed to.

The Chairman: We shall now revert to section 2, subsection 4. There is an amendment before the committee.

On subsection 4 of section 2—*Annulment of orders in council by Senate and House of Commons resolution.*

Mr. Garson: I believe there are two amendments. The thought was that the section should be left in the committee with a view to ascertaining what could be done toward drafting a new amendment which would incorporate the substance of the two amendments. This has been done, and I have given the member for Eglinton a copy of it. If he has had time to consider it, I shall be glad to move it and explain it.

Mr. Fleming: The Minister of Justice was good enough to let me see a copy of the amendment. I may say at once that I am quite satisfied with it. I believe it meets the points I sought to raise with respect to the language of section 2, subsection 4.

There is another question that I raised concerning the concluding words of section 2, subsection 4, but that is a different matter.

Mr. Garson: I believe it is covered too.

Mr. Fleming: Yes, the minister is right. I proposed that all the words after the word "effect" in line 44 be omitted. He has accomplished the two purposes in this amendment, and I am entirely satisfied with it.

The Chairman: Has the hon. member leave to withdraw his amendment?

Some hon. Members: Agreed.

Amendment (Mr. Fleming) withdrawn.

Mr. Garson: Then I would move, Mr. Chairman:

That subclause 4 of clause 2 of Bill 24 be amended by deleting the words "regulation as defined in the Regulations Act made under this act is laid before parliament in accordance with the Regulations Act" and substituting therefor "regulation is laid before parliament in accordance with subsection 4" and by deleting all that part after the word "effect" in line 44 and by renumbering the said subclause as subclause 5;

And that clause 2 be further amended by inserting between subclauses 3 and 5 the following subclause numbered 4:

"In respect of a regulation made under this act, the period for laying a regulation before parliament under section 7 of the Regulations Act is

(a) five days after the making of a regulation if it is made by the governor in council, and

(b) fifteen days after the making of the regulation in the case of any other regulation,

or if parliament is not then in session, a like period after the commencement of the next ensuing session thereof."

If this amendment is carried, then the new subsection 5 will read as follows:

"If the Senate and House of Commons within a period of forty days, beginning with the day on which any regulation is laid before parliament in accordance with subsection 4 and excluding any time during which parliament is dissolved or prorogued or during which both the Senate and House of Commons are adjourned for more than four days, resolve that it be annulled, it shall cease to have effect."

Subsections 4 and 5 of section 2 as amended agreed to.

Section 2 as amended agreed to.

Bill reported.

Defence Production Act

DEFENCE PRODUCTION ACT

CREATION OF NEW DEPARTMENT—MOBILIZATION OF ECONOMIC AND INDUSTRIAL FACILITIES

Right Hon. L. S. St. Laurent (Prime Minister) moved the second reading of Bill No. 77, respecting the department of defence production.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I do not think it is necessary to speak at length on this bill. The Prime Minister has already pointed out the need for a separate department to carry out the procurement functions needed for the defence program, and to control essential materials to meet these requirements.

The bill before the house is designed to do three things. In the first place, it will establish a department of defence production. Second, it would confer powers on the minister with respect to procurement very similar to those formerly held by the minister of munitions and supply. Third, it would confer powers on the governor in council and on the minister to control essential materials in substantially the same terms as the present Essential Materials (Defence) Act.

It is proposed that the act would expire on July 31, 1956. There is no particular significance to this date, other than to recognize that some of the powers sought in this bill are special powers which should not be of a continuing nature. Bearing in mind the present situation, and the program which has been announced by my colleague the Minister of National Defence (Mr. Claxton), a period of five years seems a reasonable minimum for the duration of the act. In the bill, provision is also made for the repeal of the Essential Materials (Defence) Act and for the suspension of the Defence Supplies Act during the period of operation of the Defence Production Act.

The more detailed proposals under each of the three heads that I have mentioned are as follows:

Departmental organization and responsibility.—There are the usual provisions for a minister and a deputy minister. Departmental staff is to be employed as far as possible under the normal procedures of the Civil Service Act, although the minister with the approval of the governor in council is to be given special authority to engage personnel outside the normal procedure. The temporary nature of the act, and the special nature of the staff to be recruited, make this course advisable. Because of the specialized nature of much of the work to be done by the new department it is expected the staff will need many skills and abilities not normally available to the public service. Since the act will be temporary, these employees will not come under the Superannuation Act, but arrangements are being made to protect existing contributors.

The bill also provides that crown companies may be set up to assist the minister in the administration of the act. The efficiency of this technique of operation needs little explanation to anyone who has had experience with it during the last war. The bill provides that the minister may authorize departmental staff to act on his behalf and he may employ companies to act as agents of the crown. There are the usual provisions relating to actions against crown companies.

The responsibilities of the minister include the administration of the act, the exclusive procurement of defence supplies, and the construction of defence projects for the Department of National Defence. In addition, the minister is to be responsible for Canadian Arsenals Limited, Crown Assets Disposal Corporation, Defence Construction Limited, Polymer Corporation Limited, Eldorado Mining and Refining (1944) Limited and its subsidiary, Northern Transportation Company (1947) Limited, and Canadian Commercial Corporation. Provision is made to transfer the administration in relation to these matters from the Minister of Trade and Commerce. In connection with defence procurement, the bill gives the minister powers to undertake the organization of industry for defence purposes. In this connection, he will be authorized to require returns from persons who have defence supplies or the facilities to produce them, and from those constructing defence projects or having facilities for storage.

Procurement and production.—The powers proposed to be conferred on the minister for procurement include acquiring, holding and disposing of defence supplies; manufacturing or producing them; or operating facilities for these purposes. The powers also cover the construction and maintenance of defence projects, and permit the minister to employ commercial services and acquire property for these purposes. The bill also provides for authority to make loans or advances to assist in carrying out these functions.

It is also proposed that there should be a defence production revolving fund of $100 million for the following three purposes: (a) to finance stockpiling of defence supplies which include strategic materials; (b) to make loans or advances to aid in defence procurement, for example, working capital loans or advance payments on contracts, but not including advance for capital purpose; (c) to

permit the department to make initial payments for defence supplies, which will be subsequently reimbursed by the Department of National Defence. While there was no provision for a revolving fund in the Munitions and Supply Act, the procedure was actually followed during the last war under the War Measures Act and the War Appropriation Act. It was found to be the only practicable method of dealing with many of the situations that arose.

The provisions requiring prior approval by the governor in council of contracts entered into by the minister are substantially those now contained in the Defence Supplies Act.

In relation to defence contracts, the minister would have powers (a) to direct that they be performed in priority to the contractors' other work or within a fixed period, as is now provided under the Defence Supplies Act; (b) to renegotiate in a similar way to that provided under the Department of Munitions and Supply Act with an appeal to the exchequer court—this will not apply to contracts entered into before the act comes into force; (c) to direct an investigation into the performance of defence contracts; and (d) to appoint a controller to operate a person's business if he is not carrying out a defence contract properly or if he fails to keep proper books or accounts.

The minister would also have power to direct a person, for fair and reasonable compensation, to store defence supplies or to undertake production. The minister could also requisition defence supplies necessary for defence purposes in return for reasonable compensation in much the same way as is now provided under the Defence Supplies Act. In each case, provision is made for an appeal to the exchequer court.

Control of essential markets.—In connection with essential materials, the powers to be conferred are identical with those under the Essential Materials (Defence) Act. The plan is that the governor in council may designate "materials or substances" which are considered necessary to control in order to ensure availability of defence supplies. The governor in council may make regulations, and the minister has wide powers of control, in relation to materials so designated.

It is under these powers of the Essential Materials (Defence) Act that the steel limitation orders have been issued. Similarly, although formal orders have not been issued in the field of non-ferrous metals, the producers of the five principal metals are now operating a plan of rationing whereby deliveries to their customers are regulated. In the case of nickel each customer may be supplied with primary metal on the basis of 65 per cent of his average monthly purchases during 1950. In the cases of copper, zinc, aluminum and lead the basis is 100 per cent of his average monthly purchases during 1950.

One important addition that is made to previous powers, and that runs throughout the whole bill, is provision for powers of procurement and of regulation of essential materials to be used by the minister for the benefit of associated governments; that is, for member nations of the commonwealth, North Atlantic treaty nations, and for nations whose defence the governor in council considers vital to Canada.

As the Prime Minister (Mr. St. Laurent) has already mentioned, I have, at his request, supervised the drafting of this bill, and I have also given a good deal of thought to the type of organization that will be needed to deal with matters pertaining to defence production and supply. In the Department of Trade and Commerce we have, in the last few months, been attempting to lay the foundation for an organization to carry out these functions. The steps taken so far have been under the authority of the Essential Materials (Defence) Act and the Defence Supplies Act. These have included the establishment of separate units within the Department of Trade and Commerce to deal with steel, base metals, explosives and chemicals, priorities and finance, and the setting up of a crown company to deal with defence construction. Arrangements will be made to have all of these come under the direction of the Minister of Defence Production.

Present plans being suggested for the new department provide for the setting up of three main operating branches, together with a number of auxiliary branches to service the main branches and the department as a whole.

First of all, there would be a branch concerned with the major production programs. In this branch there would be divisions, or where necessary, crown companies, to deal with the production of vehicles, ammunition, guns and armament, et cetera, and in such fields as aircraft, shipbuilding, construction and electronics. I announced February 28 that we had been successful in securing the services of Crawford Gordon, Jr., of Toronto, to act as co-ordinator of this branch. Some months ago I announced the appointment of R. G. Johnson to direct the construction program through the facilities of a crown company, Defence Construction Limited, of which he is president. I can now announce the appointments of J. M. Cochrane of Windsor, Ontario, to direct the vehicle program; E. Barker of Toronto to direct the machine tool

division; and H. R. Malley, president of Crown Assets Disposal Corporation, to direct the gun and ammunition division. Other appointments will be announced as made for such programs as aircraft, shipbuilding, electronics, and any other divisions that it may be found necessary to establish.

The second main branch of the department would concern itself with materials needed to carry out the defence program. A number of the divisions which would form this branch have, as I have said already, been established in the Department of Trade and Commerce. We have a steel division under the direction of Kenneth S. Harris; a non-ferrous metals division under the direction of F. V. C. Hewett; a chemicals division under the direction of J. R. Donald, who served in the same capacity in the Department of Munitions and Supply during the last war; a petroleum division under the direction of Dr. Oliver Hopkins; and a priorities division under the direction of Henry J. Sissons. These five divisions are already in operation, or are in the process of formation, and would be transferred to the new department. Others would be established as circumstances dictate.

The third main branch of the new department would be the general purchasing branch, which would consist of the central organization of the Canadian Commercial Corporation. The Canadian Commercial Corporation now acts as an agent of the minister in carrying out procurement of the requirements of the three services. With a separate department of defence production, the general purchasing would be carried out as a direct function of the department and the great majority of the staff of the Canadian Commercial Corporation would be transferred to the department for that purpose. This branch would be responsible for the procurement of all items that were not the direct responsibility of the production or materials branches that I have described. It is not proposed, however, to wind up the corporation as such, but rather to retain it as a special agency to handle transactions with other governments or to engage in the bulk purchasing or stockpiling of any defence supplies or strategic materials that may be necessary. The corporation, with such terms of reference, would probably fulfil a role not dissimilar to that filled by War Supplies Limited during the last war.

In addition to these three main branches, there would be a financial adviser, who, with his staff, would be concerned with the general financial policy of the department, involving such matters as capital assistance, accelerated depreciation and problems of renegotiation and profit limitation. I was pleased to be able to announce the other day that the government had been successful in securing the services of Mr. Harold G. Hesler, of Montreal, to fill this important post.

Then there would, of course, have to be a legal branch, an administration branch, a controller's branch, and an economics and statistics branch, as well as a branch dealing with the various types of international relations with which the department would be concerned. The latter involves arrangements with NATO, problems relating to the allocation and distribution of assistance made available to our North Atlantic treaty allies, and general questions in the international field such as the allocation of raw materials on an international basis.

In the development of the program thus far, and in laying plans for the future, I have been greatly assisted by numerous individuals in the business community who have been most generous in the giving of their time and advice. In addition, I would like to mention specifically the help that has been rendered by two organizations.

The first is the industrial defence board originally set up by my colleague, the Minister of National Defence (Mr. Claxton), and subsequently transferred under my jurisdiction. Under the able chairmanship of Mr. H. J. Carmichael, who so successfully filled the role in the last war of co-ordinator of production, this board has rendered valuable service in examining various proposals from industry and in making recommendations. Most of the members of that board will be associated with the defence production program in some direct capacity. With the proposal to establish a separate department of defence production, it therefore seems unnecessary to continue the industrial defence board as such. The board was established just three years ago and as its members were appointed for a three-year term, it is proposed that the board should wind up its activities and disband within the next month or so. I should like at this time to extend the thanks of the government to the members of this board for the excellent service that they have rendered.

The other agency to which I wish to refer is the Canadian Industrial Preparedness Association. This organization was established several years ago on a voluntary basis by a number of manufacturers who felt that, in the event of another emergency, they would be directly involved in the production of war supplies. The organization, which consists of a number of individual industry groups, has concerned itself with the steps that private industry could take to prepare for just such a period as we are now entering, which calls for greatly expanded defence

production. Much valuable work has been done by the organization, but I might mention specifically the service that they rendered in connection with the visits to Canada of the various task forces of the North Atlantic treaty organization. These task forces were concerned with developing information on the productive capabilities of the various members of the North Atlantic treaty. The association took the responsibility for reception of these visitors to Canada, and organized their inspection of the various plants in which they were interested. This association is not government sponsored, but we welcome its existence and look forward to a very close association with it in the future.

In introducing this bill at this time, the government is carrying out plans for war mobilization that it has been developing over the past few years. The experience in the last war showed the wisdom of building a separate department for defence production. Since the end of the last war, the nucleus of such a department has been retained. What is now proposed is to expand this nucleus to meet the increasing demands upon it and to establish a special department of government which should be vested with wide powers. Some of these powers are ones that are appropriate at any time, whether in peace, in war, or in the present state of international tension. By and large, these are the powers that are now contained in the Defence Supplies Act, which, hon. members will notice, is only being suspended during the life of the present proposed act. Other powers are of an extraordinary nature but fitted to the extraordinary circumstances of today.

There will be little disagreement in any part of the house that speed in getting on with the defence preparations is of the utmost importance. This need for speed dictates the need for special powers both to requisition supplies and to direct production, as well as special authority to renegotiate contracts. The government makes no apology for asking for these extensive powers at this time, and the record of its administration of similar powers which it exercised during the last war speaks for itself.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, the principle of this bill, as members of the official opposition see it, is to set up a department of defence production, whose main aim will be the purchasing of defence supplies for Canada and for her allies. Because we believe that to be the main principle of the bill we propose to support it. However, we do ask that the members of the government, and the members of the house, give further consideration to some of the terms which are set out in this bill. The minister himself described them accurately in the last moment of his speech when he said they were extraordinary powers.

In addition to setting up a department, this bill interferes drastically with the rights of the individual Canadian, and also overrides parliament to a degree which we believe unnecessary and unwise at this time—in fact, to a degree which is justifiable only when the nation is in the midst of war; and even under those conditions the wisdom of using some of those powers is very questionable.

In fact, this bill gives the minister full wartime powers. It is a war bill. It gives him all the powers that would be required if we were in a third world war. But that is not the position. The country is not in a third world war. The policy of Canada, and also the policy of the other free nations, is to become strong quickly and thus prevent war, and to continue strong in the hope that eventually Russia will decide that co-operation is the best policy.

I read in some of the journals that the Americans expect to reach the apex of their strength within the next year or two, and that then they will level off at that strength. In other words it is their intention to continue strong. The position here in Canada was very clearly outlined by the Prime Minister (Mr. St. Laurent) himself when he spoke to the Liberal federation in this city earlier this week, upon which occasion he said:

> Today we are trying to prevent world war III. That, too, is going to require a tremendous effort; but it is going to be different in many ways from what we were doing ten or eleven years ago. Some of the things we did then have to be done again. But other things called for to win a shooting war are completely unsuited to the task of preventing a shooting war.

As we see it, this policy adopted by Canada, and agreed to by all members in the house, is a long-term policy. If it succeeds it will prevent war; but we must all admit that it is bound to be a long-term policy. Canada is in for a long pull; this is no short-term plan that we have adopted. That fact must be kept in mind when considering a bill of this kind, and particularly the wartime powers given under the bill.

As the Minister of Trade and Commerce (Mr. Howe) explained quite frankly today, the powers in the bill are derived largely from the old Department of Munitions and Supply Act, which was passed in 1939 after the outbreak of war, was amended in 1940 to give additional powers, and was further

amended in 1943 to give further powers, with the result that as finally amended it gave the then minister of munitions and supply, who is now Minister of Trade and Commerce, the widest possible powers that could be written in the English language.

The minister himself explained that very clearly last June when he was speaking in the debate on the Defence Supplies Act. I would refer hon. members to page 3489 of *Hansard* for June 12, 1950, where he said:

> The Munitions and Supply Act was wartime legislation which gave the minister the widest possible powers; power to renegotiate contracts, power to order a man to accept a contract at prices fixed by the minister, and various other arbitrary powers.

All those powers, and more, are included in the bill now before us. It contains the provisions of an act known as the Essential Materials (Defence) Act, which was passed at the special session last fall. In the debate on that bill the minister made a statement as to the powers he was taking. It appears at page 448 of *Hansard* for that special session, at which point, referring to the Essential Materials (Defence) Act he said:

> We believe that, barring a major emergency, the powers of the act will be sufficient to cope with the problem we anticipate.

That was last September. In addition to the powers contained in the two acts to which I have just referred, there are here also additional powers, such as the setting up of a revolving fund of $100 million, and various other provisions.

I propose to outline some of these powers the need for which at this time we question. They are powers which interfere with the rights of the individual Canadian, and we believe sincerely that they should be considered again by the government and the house before they are put in statute form.

The first is the power to force a person to enter into a contract. Whether he wants to contract or not, under the provisions of section 23 of the bill he can be compelled to do so. That is the power to which the minister referred last June when he mentioned a power "to order a man to accept a contract at prices fixed by the minister". It should be remembered too that practically all of these powers are exercised, not by the cabinet but by the minister, and also by anyone the minister may wish to appoint.

Then there is the power to take over that man's business, if he does not comply with the direction to enter into a contract with the government. The minister or his appointee can take over that man's business in whole or in part and appoint a controller to run the business, including that portion which has nothing whatever to do with a defence contract. There is a further provision in the bill that such controller will be under no legal liability if he exceeds his authority.

That is a pretty drastic power to be approved by parliament, if indeed we intend to retain here any powers at all. The power to take over a business is found in section 27, and the same section includes power to take over in whole or in part the business of a Canadian who has already entered into a contract. I am now referring to the man who has actually made a contract; the man about whom I spoke a few moments ago was the one who did not contract and was forced by the government to do business with it.

With regard to both of these men we find that if the minister or his appointee thinks that a man is likely to fail to carry out a contract, the business can be taken over. It is not the power of taking it over only if there is failure under the contract, but also of taking it over if the minister or his appointee is satisfied that there will be failure, or that there is likely to be. That decision, whether it is thought that a Canadian is likely to fail, is left entirely in the hands of the minister or the minister's appointee. There may be one appointee to decide with regard to one class of business, another appointee to decide with respect to another class of business and so on.

There is also the very wide power contained in the bill to conduct an investigation into the business of a Canadian. It is contained in section 29. The minister or an appointee of the minister can order an investigator to walk into anybody's business to investigate all the details thereof. Provision is made that if the investigator exceeds his authority he is not liable. He is under no obligation. The businessman who has had his business investigated, and has been caused damage or loss because the investigator has gone too far, has no remedy. That is under the provisions of section 36 of the bill, the same section which exempts a controller who exceeds his authority from any liability.

Then there is a provision that, if the minister or the minister's appointee so directs, a businessman is freed from any obligations which may be imposed upon him by a contract that he has made with someone else, by bylaw of a municipality or by a statute either of this parliament or a provincial legislature. In section 28 there is the power to brush aside municipal bylaws, and laws of this parliament and of provincial legislatures.

There is also the power to which I have been referring which gives the minister the

right to assign all his powers. That is found in section 5, which reads:

> The minister may authorize any person, on his behalf and under his control and direction, to do any act or thing or to exercise any power that the minister may do or exercise under this act.

Those are only some of the extraordinary powers contained in the bill which we believe should be considered further before they become law. There are some powers in the bill which we approve. For example, there are powers taken to prevent profiteering. We believe that such powers are properly placed in the bill because no one in a responsible position in Canada today wants any profiteering under present conditions, or for that matter under any other conditions.

There is also in the bill a very strong penalty section setting out the penalties for offences. That is quite a proper provision and we suggest under present conditions the minister should depend on these penalty sections rather than these powers to take over a man's business and all the other extraordinary powers contained in the bill. If a businessman commits an offence under the act, then let him be brought into court where he will get a fair hearing, where he will have a chance to be defended and to have his case properly considered; in that way people will have some rights and not be subject to a touch on the shoulder by somebody appointed by the assistant assistant deputy minister, or something of that kind.

You see, Mr. Speaker, the bill is out of line with the Emergency Powers Act which received third reading a few moments ago. The Prime Minister (Mr. St. Laurent) was careful to point out that he did not want to use the War Measures Act under present conditions. He said this was not the proper time to use that act. He said: We are not in a state of war and we are not in what could be considered a state of apprehended war. Therefore I am proposing to use a special act known as the Emergency Powers Act, not as strong a measure as the War Measures Act. He believed that such a policy was in line with the present times, and we are asking that this bill be of the same type as the Emergency Powers Act; in other words, an act in line with the times. The government cannot have it both ways. If it is wrong to use the War Measures Act under present conditions then it is wrong to use this particular measure. There should be the same kind of act to meet these two different problems.

We are suggesting that the government delete these powers from the bill. In his speech today the minister demonstrated no need for such powers. He did not bother to outline any need for the extraordinary powers to which I have referred. He simply said: They are in the bill and there they are going to stay. There was no attempt to justify putting these extraordinary powers into the act.

If the situation deteriorates, if the possibility of war becomes greater, if tension increases, then the house can very quickly amend this act and grant further powers. That was done in 1940. The original Munitions and Supply Department Act was passed at the special session called when war first broke out. It was not proclaimed for many months afterwards. When we met in 1940 for our regular session further powers were given. If the house is not sitting at the time the situation grows worse then the government can take further powers under the provisions of the Emergency Powers Act passed a few moments ago. Let us not make these extraordinary powers part of the peacetime statute law of Canada. It is far better to exercise them by order in council under the Emergency Powers Act than to make them a part of the permanent law.

If the government will not agree to that suggestion, if these extraordinary powers must remain in the bill, then let there be some distinction made in the measure between extraordinary powers and the powers to which there can be no objection. That could be done by providing that those sections of the act containing the objectionable powers would be brought into effect only by proclamation. Let them not come into effect when the bill comes into operation, but insert a provision that they can be brought in later by proclamation.

So much for the powers interfering unduly with the rights of the individual. Finally let me deal with the manner in which this bill overrides parliament. There is no provision in the bill requiring this department to file an annual report. In 1949 three new departments were set up, and each of the acts contained this provision with regard to an annual report:

> The minister shall submit to parliament within thirty days of the commencement of the first session of parliament in each year a report showing the operations of the department during the year then last preceding.

I do urge that this bill be amended to provide for the filing of an annual report. Such a provision was also contained in the legislation setting up the department of reconstruction.

Mr. Howe: There is no objection to that amendment.

Mr. Green: The minister would have no objection to an amendment of that kind?

Mr. Howe: We will bring in such an amendment.

Mr. Green: I think it will help preserve the rights of parliament if provision is made for an annual report. Then there is no provision whatever in this bill for the tabling of orders in council and regulations enacted under its provisions. I would point out that in the legislation setting up the department of reconstruction, which was chapter 18 of the statutes of 1944, provision was made for the tabling of orders and regulations. That provision is in section 9, dealing with the orders and regulations which were to help carry out the terms of the bill. It reads:

> Orders and regulations under this section shall forthwith be published in the *Canada Gazette* and laid before parliament within fifteen days after they are made if parliament is then sitting, and, if not, then within fifteen days after the commencement of the next ensuing session thereof.

A similar provision was contained in the Essential Materials (Defence) Act which was passed at the special session last fall. That is also section 9, which reads:

> Every order or regulation made by the governor in council under sections three, four or ten shall be published forthwith in the *Canada Gazette* and shall be laid before parliament within ten days after publication thereof, if parliament is then in session, or, if parliament is not then in session, within ten days after the commencement of the next ensuing session thereof.

So I urge the minister that a similar section be written into this bill providing that these orders in council and regulations be tabled in the House of Commons.

With regard to the time limit, the minister has pointed out that the period provided in the bill is five years; in other words it is continued in effect until 1956. The defence plan outlined a few days ago by the Minister of National Defence covered a period of three years. The Essential Materials (Defence) Act passed during the special session of 1950 was to be in effect for a period of two years. The munitions and supply act passed in 1939 was for a period of three years. Subsequently that time limit was extended but in the original act there was a definite time limit of three years.

Yesterday in the other place—and the minister's parliamentary assistant will correct me if I am wrong—I believe an amendment was made to the Export and Import Permits Act; the provision in the bill as introduced, providing that it would be in effect for five years, was changed by those in the other place to three years. So I urge the minister to agree to cut the length of time during which this legislation will be in existence from five years to three years. That would give parliament just that much more opportunity to keep some control over the legislation and over the new department. No harm can be done by making the time limit three years instead of five, and I believe it would be much better if such a change were made.

Then this afternoon the minister made some explanation of the new type of financing provided in this bill which includes provision for a revolving fund and also, by the way, for the operation of several crown companies and the right to set up more. We all know how difficult it has always been for parliament to make a proper check of expenditures by these crown corporations. I believe that it will also be very difficult to keep track of the expenditures made under this revolving fund. When the bill gets into committee I hope there will be a full discussion of this question of financing the new department, because we are not yet satisfied that the proposed system is the proper one.

In conclusion, many of the rights of the individual Canadian and of parliament were given up during the last war, and quite properly so. Those rights have not yet been fully restored. The policy now is to prevent war; yet we find that these same powers are being taken again, not just for the duration of a war but for an indefinite term, perhaps for five years, perhaps for ten years, perhaps for twenty-five years. We are afraid that if this period should be very long the Canadian people will forget that they ever had these rights. There are young Canadians coming along, and the first thing we know we will have a generation with no knowledge of any system other than giving the government all these rights. That is bound to mean a decrease in the strength and independence of the individual. The same is true of parliament. It will mean a decrease in the strength of the nation.

We do urge upon the minister, and his associates in the government, that they give further consideration to these extraordinary powers contained in this bill, and that they allow time for the private members in the house to give further consideration to those changes. I believe that if that is done we shall be able to work out a bill which will more nearly fit the situation today than the bill under consideration.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I listened with a great deal of interest to the member for Vancouver-Quadra (Mr. Green). While he was speaking I was thinking of the type of world in which we have lived for the last thirty-five years. I remember very well that the member for Vancouver-Quadra and I served together in

the same company in the first world war. We defended the same stretch of trench, approximately two hundred yards, for a period of several days, when neither of us expected to be a member of the House of Commons. Mr. Speaker, I shall not take the same approach to this question as that taken by the member for Vancouver-Quadra, but I do want to make a few general observations.

I noticed that the minister said this bill had no political significance. This group would disagree with the minister to some extent in that respect. All parties in this house, Mr. Speaker, have expressed support of the principle of this bill. They realize the necessity for the establishment of a department of defence production. Without a doubt this is a most important bill, much more important possibly than many of the Canadian people realize at the moment. It will have a great effect on the economy of this country, and upon the personal lives of the Canadian people. There is no question about that. This group, Mr. Speaker, considers that the defence effort—when I say "this group" I mean the C.C.F. group—is a defence of freedom, and a defence of future opportunities to expand the frontiers of political and economic democracy.

I would judge, Mr. Speaker, after reading the bill that the government considers our defence effort is an effort to maintain capitalist democracy. I believe that is an accurate statement. Evidence of that is found, Mr. Speaker, in its recognition even in this defence effort of the profit incentive, regardless of the pressure of the emergency or whether this is termed a struggle for survival. No matter how great the emergency or the nation's need, even in building a defence effort under today's emergency conditions, without question the government is forced to give some consideration to the profit incentive. I believe it is further evidenced, Mr. Speaker, in the government's failure to interfere in what are considered the normal workings of this capitalist system by the establishment of the controls for which the members of this house have been asking in previous debates, and which would protect the living standards of the Canadian people. It is evidenced in the refusal to establish a rate of taxation that will make it impossible for anyone to gain an advantage from the nation's distress, and the refusal to make sufficient provision for the housing of many Canadians without housing today.

In my opinion, Mr. Speaker, there are two angles to our defence production program. There is the political angle, which has significance, and the economic angle. I think there is no question about it, the minister's ability as an administrator is recognized from the Atlantic to the Pacific. No one questions his ability or the great work he did for the Canadian people in the second world war. No one questions his integrity. After reading through this bill I would say our main criticism, Mr. Speaker, would be that the bill places enormous powers in the hands of the minister. When you can read in the bill a clause which indicates that the minister is equal to His Majesty the King—I never read that in a bill before—the minister is without a doubt assuming immense powers. Our criticism of the minister and his colleagues under present conditions is that they lack a social awareness and understanding of the Canadian people's hopes and aspirations. I think that is evidenced, Mr. Speaker, by the failure of the government to accept labour's challenge to establish a government, labour and management committee, and co-operate to establish a wage stabilization policy in this country.

It was further evidenced by the reason set forth by the parliamentary assistant to the Minister of Labour (Mr. Cote) for not agreeing to a proposed amendment to legislation. He said that if he agreed to the amendment, then next year there would be a demand for another amendment. Actually, this meant he did not believe in progress. Then, Mr. Speaker, there is evidence of a lack of awareness of the attitude of the Canadian people as a whole in the continued delay on the part of the government in instituting some over-all social security system in this country. In our opinion freedom can only be defended and maintained, Mr. Speaker, by the co-operation of freedom-loving people. When we come to the question of a defence production program, not only are there economic aspects of the program but there are political aspects, and the political aspects have to do with the question of morale. Morale depends, first of all, on the faith of the people in the democratic way of life, and also in this government continuing to give effect to progressive democratic policies.

Without question, production under our defence program depends to a great extent on morale. I should like to deal with that aspect of the question because quite a number of people in Canada have been somewhat disturbed in recent days by certain newspaper reports. In the Montreal *Standard* of February 24, I was somewhat disturbed to read that Mr. Krupp was seeking a Montreal outlet. I should like to read briefly from this report because I want to bring it to the minister's attention. It reads:

Alfred Krupp von Bohlen und Halbach, head of the vast steel and arms feeding reserve for the

German war machine, was freed from a Bavarian prison January 31 after serving six years as a war criminal.

John J. McCloy, United States high commissioner in West Germany, accompanied the release with an order for restoration of the Krupp holdings.

That is enough to make all the murdered millions turn in their graves. The article continues:

The sentence reduction and the reorganization of the Krupp firm met strong protest in Europe and elsewhere.

I am pleased to hear it. There was a strong protest from the British people.

The Krupp munitions combine became symbolic of German militarism during the century it operated from its base at Essen, in West Germany. Its growth from steel, coal and iron holdings to the inclusion of shipyard and insurance interests paralleled Germany's mounting power.

Adolph Hitler recognized the contribution of Germany's greatest armaments empire in 1943 by establishing it as a family combine for "incomparable efforts to boost Germany's military potential."

I just want to read a further short extract from this news item:

Reliable sources said Krupp was seeking to ally itself with a Canadian company which would act as a servicing and sales channel for large-scale manufacturing projects.

A Montreal industrialist said he was negotiating with the firm's German principals to become their Canadian outlet.

I might say at this point that he ought to be damn well ashamed of himself.

W. J. Keating, onetime head of the Keating Forging and Foundry Company here, said he had been negotiating with Krupp for "several months." He said the German organization, forced into a plowshares-for-guns transition at the end of the last war, planned to concentrate on prefabricated bridges, heavy transport equipment, and possibly a newly-designed type of diesel engine.

Then there is a subheading "Arms up to Government" and the item continues:

Keating said arms manufacture also might enter into the negotiations but entry of German-made arms into Canada would require sanctions from the Canadian government. Federal officials in Ottawa declined to discuss the possibility.

The Montreal industrialist said that negotiations with Krupp were "progressing" and that he was completing plans for early construction of a Krupp-sponsored forging plant here.

Officials of the import division of the trade and commerce department at Ottawa said they had not yet been informed officially of the Krupp-Keating talks. Other sources, in the external affairs department, pointed out that the wartime-trading-with-enemy regulations had gone out of existence.

I just want to make one or two observations on that, Mr. Speaker. We all know the history of the Krupp armament works in Germany and of their contribution to the first world war. We know that the Krupps were key figures in the Hitler regime. They were tried before prominent jurists in the war criminal trials and were proven guilty on a mass of evidence. This Alfred Krupp according to the evidence, from the information I have, was proven guilty of inhuman treatment of slave labour in his own plants.

This is a matter of serious concern to many veterans in this country, who fought to preserve freedom. I have no doubt that if this man Krupp comes to Montreal he will stay at a posh hotel and will live at a high standard. While this human monster, who was one of those responsible for the loss of millions of lives in the second world war, is attempting to come to Canada to reap further profits from the huge industries returned to him after his war crimes, there will be in Canada, trying to live on small pensions, thousands of widows whose husbands gave their lives to try to destroy all those vile things that the Krupps and their ilk stand for. In the interests of the Canadian people and because of the necessity for maintaining high morale in our defence production program, I hope that the minister and this government will refuse to have anything to do, in any way whatever, with such people as the Krupps and their associates, or agents.

Before proceeding I just want to say a few words with regard to another person, namely Kurt Meyer, the former German commander. There have been newspaper reports that applications are being made for his release.

The Acting Speaker (Mr. Beaudoin): Order. I wonder how the hon. member relates what he is saying to the discussion of the principle of this bill.

Mr. Herridge: Quite well, I think, Mr. Speaker. I relate my remarks to the bill because I believe that any truck or trade with a nazi or with people of this type will affect the morale of the people of this country, will undermine their confidence in our democratic principles, and in that way reduce and affect the defence production effort.

Mr. Howe: Mr. Speaker, I assure the hon. member that there is no intention in this bill to have truck or trade with the nazis. I think my hon. friend is out of order in discussing the subject upon which he has just entered.

Mr. Herridge: I had practically concluded my remarks in that connection, and I am delighted to hear the minister make the statement he has just made. I am sure that the minister's statement will be much appreciated by a good many people in this country. I now proceed with my argument.

In the House of Commons on February 1 of this year the Prime Minister (Mr. St. Laurent) said, as reported at page 27 of *Hansard*:

> What we shall be asking parliament to authorize will not be aid or assistance to anybody else. It will be something required by ourselves for the purpose of doing our part in building up this joint strength which is required to fulfil an undertaking that no one of us alone could fulfil and one that can be fulfilled only by the full co-operative efforts of all of us.

Then quoting from the Ottawa *Citizen* of March 1, under the heading "Inflation to cut Standards", I note that, when the Prime Minister was speaking at the annual banquet of the advisory council of the national Liberal federation, he is reported as saying:

> . . . inflation and Canada's defence program are going to bring about "some reduction" in Canadian consumption of goods and in living standards.

To date in the debate on the minister's announcement with regard to our defence program, in the debate on the emergency bill, and in the debate on this bill, ministers and others have emphasized the fact that this is a national emergency and a struggle for survival. We are told by the Prime Minister that we must face a reduction of the living standards of the Canadian people. I just want to bring to the attention of the house how certain corporations face this situation at this time. I want to quote, from a few reports and from a few newspaper items that I think are quite reliable, the opinion of certain companies regarding the prospects for the reduction of profits in the year ahead. First of all I will mention the annual report of Massey-Harris Company Limited, 1950, which states:

> As long as the present state of international tension continues to exist, the demand for farm implements will, in all probability, be strongly sustained.

The *Financial Post* of February 24, 1951, page 39, has a headline:

> Rouyn looks for record year in 1951—growing production levels, higher prices, outlook bright.

From the *Financial Post*, January 27, 1951, page 9, I shall give excerpts from "Special analysis by the *Post*" of movements on the Toronto stock exchange, January 1 to December 31, 1950, in industrials, mines and oils:

> International Nickel: World shortage of nickel became increasingly evident toward the end of the year. As the extent of United States military program became known, heavy buying came into this stock. Third quarter earnings were up sharply reflecting higher nickel and copper prices. Earnings are expected to rise farther still as larger tonnage operations are reached.
>
> De Haviland "A": An upward trend in earnings, possibility of war earnings growing out of current military preparedness program and a small floating supply of stock combined to give this issue the biggest year's advance among industrial stock groups.

From the *Financial Post*, January 27, 1951, page 17:

> Atlas Steel Limited has declared an interim dividend of twenty-five cents a share payable February 1, 1951, to shareholders of record January 3. No statement was made regarding the possibility of future dividends. This is the first dividend to be declared since twenty-five cents a share was declared payable on August 1, 1949.
>
> The fact that the company has declared this dividend is taken as an indication that its upward trend in earnings is continued . . . Demand for all types of steel is very strong at present which augurs well for the company.

From the *Financial Post* of February 3, 1951, page 13, excerpt from an article headed "Stock Market Boom":

> Since Korea (June, 1950) Canadian industrial stocks—as measured by the Toronto stock exchange industrial index—jumped 33 per cent in average value. Base metals have done even better with a 52 per cent spurt. The very active pulp and paper group, as measured by the Montreal stock exchange average, has moved up 44·5 per cent. Both gold and western oils have trailed the field.

The next quotation is from the *Financial Post* of February 10, 1951, page 29, and reads as follows:

> Excerpt from article:
>
> "Big and small new industries dot Quebec."
>
> Increasing defence needs are making Quebec's expanding industry more important than ever in Canada's over-all industrial defence picture. Although the flow of defence orders has not really started to gush yet, the impact of those already placed has been felt in several areas of the province.

I have one more, Mr. Speaker, which is from the *Financial Post* of February 24, 1951, page 4, and is an excerpt from a report of Eastern Steel Products Limited. It reads as follows:

> A large demand for the company's products exists, and provided materials are available, in reasonable quantities, 1951 should prove a much more satisfactory year.

There is the general attitude of these companies. In reading the reports we find that many of the statements mentioned the fact that net earnings are expected to be considerable, although many of these companies expect higher taxation this year. But, Mr. Speaker, the honey of them all is our old friend the International Nickel Company. I hold in my hand the *Trainman News*. It is a United States paper, published, I presume, by the trainmen's organization. I find in it the following heading: "Nickel Monopolists ignore United States Defence Needs. Wall Street-infested parent corporation hides its tail in Canada." I want to quote two or three paragraphs from this article, because it deals with a report of the United States committee

that had to do with armed services preparedness. This is what is stated in the article:

> The recently adopted order limiting the use of nickel for civilian purposes is official acknowledgment of the growing scarcity of this vital metal. Why is there such a scarcity?
>
> The shortage of nickel is the direct result of the monopolistic policies of the International Nickel Company, Limited, an American-Canadian-owned company that produces more than 85 per cent of the world's nickel outside Russia. This combination owns the largest nickel ore body in the world in the Sudbury basin of Ontario, and has been called by a United States Senate committee "one of the most formidable monopolies."
>
> The Senate armed services preparedness subcommittee reported these facts in December when its chairman, Senator Lyndon Johnson, expressed grave concern over the foreseeable severe shortage of nickel. The Johnson committee said:
>
> "The large increase in the production of these industries (machine tools, atomic equipment, jet aircraft engines and other armaments), which have now become basic to our survival as a free nation, depends substantially on a similar increase in nickel production."
>
> "Yet, behind this front of being a foreign corporation, these Americans choose to ignore the country's desperate need for nickel for defence, and refuse to expand production."
>
> The Senate committee points out that:
>
> In the light of the allegations made in the complaint . . . the consent decree did almost nothing to affect the basic monopoly Inco enjoys over the sale of nickel and nickel products in the United States.
>
> The foundation of the International Nickel Company's monopoly is the exclusive ownership of the largest known nickel ore body in the world, located in Ontario, Canada. Apparently because the company is Canadian the United States department of justice felt compelled to accept a settlement on terms giving far less relief than requested.

The Johnson committee declared that Inco is so typically an unregulated monopoly that it could serve well as a case study. I continue with the quotation:

> The company gives no indication that it intends to change its position. Its past behaviour, as the Johnson Senate committee points out, is typical of unregulated monopoly. In the present emergency it can be expected to stand pat lest increased capacity and output result in a situation in normal times that will interfere with the low output, high price and profit policies which it has enforced since the end of world war I.

This article deals at great length with this situation. I want to mention here that while the Prime Minister (Mr. St. Laurent) says we face a struggle for survival, we face a great national emergency, this great monopoly, according to a committee of the United States senate, refuses to expand production to meet the emergency.

Further the article states a recommendation was made by that committee that the matter be taken up with the Canadian government to see if it could do anything to get the International Nickel Company to expand production. When the minister speaks I should like to hear him tell the house whether any representations have been received from the United States government and what action has been taken to get the International Nickel to co-operate with our defence production effort.

We cannot defend freedom, Mr. Speaker, and continue to chant the litanies of the countinghouse, or approach the struggle for survival in the spirit of the money changers. While these companies from their balance sheets and from the statements of their officers and as a result of an investigation by one senate committee in the United States with respect to International Nickel indicate that they expect higher profits, while living standards fall, the Canadian people are told by the Prime Minister that they must accept a lower standard of living. In my opinion the Canadian people will accept the sacrifice that is necessary to defend freedom provided that sacrifice is on the basis of equality. That has been the attitude of this group throughout the years. Its attitude has been that in any national emergency the national effort in all its phases should be on the basis of equality of sacrifice. Therefore, Mr. Speaker, I would urge upon this government a political understanding and approach that will reflect the public understanding of the principles of democracy, and their opposition to any association with war criminals and people of that ilk.

I further suggest with respect to the economic aspects of this program that the government still do something to equalize the burden of the defence effort program by the reinstatement of price controls and subsidies that the Canadian people have been urging by rationing of goods in short supply when that is necessary; by a policy that will provide houses for thousands of Canadians in the lower income groups who need them badly now; and by establishing a rate of taxation when the budget is brought down that will prevent all profiteering and make our defence effort a real co-operative effort; also by the decentralization of industry and by the use of production potential of the smaller industrialists in this country.

In my plea for equal treatment of the Canadian people, and the placing of the burden with some degree of equality, I am reminded of a quotation from Burke. It is strange that I have to return to a former Conservative to finish my argument. The quotation is as follows:

> Justice is itself the standing policy of civil society, and any departure from it under any circumstances lies under the suspicion of being no policy at all.

If our defence production program is not based on the principle of equality of sacrifice it will be no policy at all so far as effects are concerned. Throughout the years this group has defended the principle of equality

of sacrifice in every field in a national emergency, and will continue to do so. To demonstrate its faith in democracy and the principles of justice this government's program must at least demand equality of sacrifice.

Mr. W. Ross Thatcher (Moose Jaw): I want only two or three minutes—

The Acting Speaker (Mr. Beaudoin): Before any other hon. member speaks, perhaps I should remind the house that what we are discussing now is not the defence production program but a bill setting up a department.

Mr. Thatcher: I wish to take only two or three minutes at this time, in the hope that the minister will clear up one matter which is disturbing me.

In principle the bill before us asks for very wide and comprehensive powers to set up a Department of Defence Production. I am inclined to think such a department is needed, and I shall vote for it. I think it is apparent that such a department is needed when we look at some of the defence production figures which have been given to us in recent weeks.

The Korean war has been going on for about nine months. Thus far, apparently, Canadian rearming is progressing at a very slow rate. In the house on February 5, the Minister of National Defence put on *Hansard* figures that I cannot reconcile. He said this:

> In the first nine months of the present fiscal year, which ended on December 31, 1950, 80,000 orders were actually placed with industry.

I suppose those orders were placed by the Department of Trade and Commerce. The minister then continued:

> During this period orders have been placed with trade and commerce for the sum of $701 million.
>
> The main items are:
>
> Aircraft, $331 million; ships, $96 million; radar and wireless, $50 million; clothing and textiles, $35 million; motor vehicles, $50 million.

On February 26, about three weeks later, a reply was tabled to a question I had asked about motor production. My question was:

> 1. Since June, 1950, have any defence contracts been placed with (a) Ford Motor Company; (b) General Motors; (c) Chrysler Motor Corporation; (d) Studebaker of Canada?
>
> 2. If so, what was the dollar value of contracts placed with each company?

The answer I received stated that defence orders of less than $2,500,000 had been placed with the motor industry—in other words less than five per cent of the figure the minister had given two weeks earlier. Are we to assume from these figures that our defence program so far is still a program on paper only? Many Canadians fear that such is the case. If only five per cent of motor contracts reported have been actually placed, is the same true of ships, is the same true of radar, is the same true of aircraft?

I suppose that the department to be set up by this measure will ensure that defence contracts are placed more rapidly. However, before we go further, I believe the minister should tell us the present position of our defence production—the proportion which is on paper only, and the proportion which has actually been given out to industry. The figures to which I have referred are startling, and I cannot reconcile them.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, already the point of view of our party has been stated by the hon. member for Vancouver-Quadra (Mr. Green). I should like to go over some of the ground he has covered, most certainly not for the purpose of in any way seeking to explain his extremely clear and excellent analysis of the bill, but rather so that I may keep the remarks I wish to make in consecutive order in relation to the bill itself.

As the hon. member told the house, a distinction must be drawn between the principle of any bill and the details of that bill which can be discussed in committee, and at which time amendments can be proposed. The principle of the bill was set forth in the statement made earlier this afternoon by the Minister of Trade and Commerce (Mr. Howe). He said correctly that the effect of the bill, if it became law, would be to produce three important results. One would be that it would establish the Department of Defence Production, another that it would confer powers on the minister to carry out the duties of that department, and the third that it would confer on the minister and the government authority to control and direct supplies as well as to take the appropriate steps to assure the production of defence requirements.

It seems to me the principle we have under consideration in the debate on second reading is whether or not in the opinion of the house there should be a department of defence production, and whether that department should have the appropriate powers to carry out its duties. Naturally the existence of any department calls for the appointment of a minister and for the setting up of the necessary staff to operate the department, which is in fact covered by the bill.

In so far as the bill sets up a department of defence production and gives proper authority to carry out the appropriate duties of that department, I feel sure there is approval throughout the whole of the house.

I would say that there is more than approval, that there is a feeling of great urgency, and that as has already been pointed out by one hon. member the time is long overdue for the production of certain defence requirements which the country was promised long ago.

Let me give one example of the reason for concern that should be in the minds of all hon. members. This subject has been referred to before, but I believe there should be reference to it again in relation to the purpose of the bill, because it is so closely associated with the reasons why steps should be taken to set up a department of this kind. It was two years ago this Easter that the Minister of National Defence (Mr. Claxton) made the important announcement that the Canadian government had decided to adopt the .300 calibre weapons of the United States, and to produce machine guns and rifles of the .300 calibre, which is the standard of the United States army, as well as to adopt as our standard certain equipment used by the forces of that country, so that there could be a closer integration of our activities.

It was certainly a cause for very real concern by every Canadian who had been reassured by that statement that something was going to be done—whether they agreed with the decision to adopt the American calibre or not—when we learned that publicly-owned arsenals in this country capable of producing very large quantities of machine guns and rifles had been making sporting weapons, while we had been selling our .303 calibre weapons to countries in different parts of the world, including the agents of communist China.

I do not see how it is possible to have any feeling but the feeling that there is something approaching criminal neglect when we see that, in the face of these emergencies which are so constantly impressed upon us by the government, it fails to use the productive capacity already owned by the state to produce the weapons we need so badly, and which are needed not only by the active force but also by the reserve force, about which during the present session there has already been discussion in the house.

Mr. Howe: Would my hon. friend mind an interruption?

Mr. Drew: Not at all.

Mr. Howe: I may say to him that no standard specification for rifles has yet been adopted by the United Nations. Great Britain and the United States have not been able to agree on the calibre of the weapon or on the type of ammunition. Canada wished to tool up for rifles, although we have a good stock of the British type and there are plenty of the United States type available from United States sources, but we naturally were reluctant to tool up for a weapon that did not represent a standard recognized by the United Nations. A committee has just recently been appointed, and its first task will be to decide the question of what will be the standard weapon for the United Nations.

Mr. Drew: Mr. Speaker, I think that statement is a very important one in relation to the work that is to be done by this department. I think it is important that there be some explanation to the house by the Minister of National Defence (Mr. Claxton) of why he announced publicly two years ago that the decision had been made to adopt the United States calibre when we are now told by the Minister of Trade and Commerce (Mr. Howe) that no decision has yet been made. This is the very sort of thing that indicates a disregard for the rights of parliament as well as the democratic rights of the people of Canada when no one knows exactly what the facts really are, no matter what statements may be made by supposedly responsible members of the government.

I feel sure that the Minister of Trade and Commerce is stating the facts in this case. I say that, not because I would accept without reservation many of the statements he makes, but in this case I do accept his statement for the simple reason that at the very time he is about to take over his department I am certain he would not wish to create the impression that production has not yet commenced if in fact that decision had already been made. But since the Minister of Trade and Commerce has now made this statement, may I suggest that perhaps there is no decision of more importance awaiting consideration by those who are associated in the Atlantic treaty. I think the minister meant the Atlantic treaty.

Mr. Howe: Thank you for straightening me out. I did not mean the United Nations.

Mr. Drew: I realized that. That would have been a difficult problem. We might have had difficulty in getting agreement with the Russians. I realized that the Minister of Trade and Commerce meant the Atlantic powers. It is a very easy slip to make because actually it seems at the moment that the most effective segment of the activities with regard to the European aspect of this problem is related to what is being done under the Atlantic pact. I would point out that it is of immense importance that this decision be made. After all, there are so many members on both sides of the house who know that it is

important for men to become accustomed to the weapon they will be using if they are to be effectively trained as units of any defence force. I would hope that this decision will not be long delayed. I know that it has been under consideration for some time and that a decision may not be easy to make, but certainly it is a decision that is very urgently required. We are told now for the first time that no decision was made, and I hope at the first opportunity the Minister of National Defence will explain what he meant when he made the statement which was reported two years ago.

Because we believe that there should be a Department of Defence Production with the appropriate agencies to carry it into effect we will support the principle of the bill on second reading. For reasons which have already been very carefully put forward by the hon. member for Vancouver-Quadra (Mr. Green), that does not imply acceptance of the details of the bill or of many of the provisions which we regard as entirely out of keeping at this time with the arguments put forward by the government with respect to other measures under consideration, and entirely out of keeping with the attempt that is being made to create the impression in the house that we should not act as though we were yet fully engaged in something of the nature of a general war.

We have indicated our own belief that emphasis should be placed on the fact that the preparations taking place are preparations which we hope will result in peace. We believe, however, that everything should proceed as rapidly as possible but under proper supervision of parliament. In presenting the criticisms which the hon. member for Vancouver-Quadra directed to certain sections of the bill, he made it clear he was hoping that by bringing these criticisms forward in detail at this time the government might consider the advisability of amending many of these sections before we are called upon to deal with the bill in committee, and that the government would voluntarily come before the house and present a bill which in fact retains the responsibility of parliament over the things that are to be done by this defence production board.

Every effort has been made by the government to create the impression that we must not proceed as though we were in a state of war, and with that I agree. The achievement of peace should be the goal towards which anything that we do is directed, but this act is drafted as though we were already in a more terrible war than that in which we became involved in September, 1939. In some respects this act confers more arbitrary powers than did the legislation which this government saw fit to introduce during the most terrible war that has been known in all the history of the world. I think it is essential that, in considering the extent to which the bill now goes and why we urge in all earnestness that the government redraft the bill with recognition that we should continue the authority of parliament during a period of an emergency which may extend for long years, we should recognize the arguments that have been put before the people of Canada outside the house by the Prime Minister (Mr. St. Laurent) and his associates. For that reason I should like to quote the exact words of the Prime Minister from a speech outside the house, it is true, but here in the city of Ottawa the day before yesterday. I shall quote from the exact text of his speech. At one point he said:

> Nothing is easier than to assume that because there is some resemblance between the circumstances of today and the circumstances of eleven or twelve years ago the same course of action is called for.
>
> We must not forget that we are not trying to win the second world war today. Today we are trying to prevent a third world war. That too is going to require a tremendous effort. But it is going to be different in many ways from what we were doing ten or eleven years ago. Some of the things we did then do have to be done again. But other things called for to win a shooting war are completely unsuited to the task of preventing a shooting war.

There the Prime Minister (Mr. St. Laurent) was seeking to emphasize the fact that we should not now be called upon in parliament to confer upon the government emergency measures with as wide authority as some of those that were regarded as necessary in that war which began more than ten years ago. Then at a later point in the same speech he had something else to say which I think is worth reading into the record at this point because this speech obviously was intended as a statement to the people of Canada in relation to a subject under consideration in this house. Later on the Prime Minister said:

> The most serious domestic problem we face is inflation. That was a serious problem ten years ago and it is a serious problem today. I suppose the consequence of inflation which creates the greatest anxiety for most men and women—especially with families—is the rising cost of living. And the increase in the cost of living is a very real anxiety to the government, too.
>
> Almost ten years ago, the government of the day undertook to keep down the cost of living while the war was on by establishing price ceilings. Our wartime price control policy was an outstanding success. For that very reason it is hard for many people to understand why we are not able to do in 1951 what worked so well after 1941. And you may be sure we would adopt the same policy now if we believed it would really work. But would it? It is true prices were rising in 1941

and they are rising in 1951; but many other conditions in 1951 are very different from those we faced in 1941.

In 1941 the war was on. Our aim was to devote the maximum effort of our people to winning it as quickly as possible. To do that we were cutting out all non-essential activities and distributing the essentials as evenly as possible.

In 1951 we are not in the throes of a shooting war. Our aim today is to build up sufficient military strength to prevent war, and to do it as quickly as we can. But we are not engaged in the kind of total effort which people look upon as appropriate only to an actual shooting war.

May I emphasize those last words. I have read this extended quotation into the record because it indicates the attitude of the government, and we regard that attitude as not facing the full realities in many respects. The government refuse to do some of these other things because they say we should not go so far today; yet when the bill is brought down dealing with the whole economy of Canada, no matter what the purpose may be we find that it actually goes further than did the legislation introduced by this same government during the course of that most terrible war which ended in 1945.

In the consideration of the emergency powers legislation the Prime Minister sought over and over again to impress upon the house that he would not wish to ask for powers of the type required in actual war. Why, then, does this bill ask for greater powers than were asked by this government in an actual all-out war such a short time ago? I think perhaps the answer to that is to be found in the words of the minister this afternoon, and I quote his exact words: "I have supervised the drafting of this bill." In describing the bill, the minister frankly stated that it contained powers of an extraordinary nature; but, as has been pointed out, there was no explanation as to why those extraordinary powers are required at this time to do the things we all agree should be done, and very quickly. The obvious fact is that the minister sees no reason to explain. The government has a huge majority. The minister decides that this should be done; he obtains the consent of the government, and he knows that the vote will support what is before this house. Consequently the rest of us, and I suppose the members of his party as well, have no need to be told why action of this kind should be taken at this time. Surely in the light of what is before us there can be no other explanation of the fact that powers so wide as these should be required.

It seems to me that for this reason every member of this house should seek to understand what actually is the full effect of this legislation. This bill certainly confers powers which go further than powers parliament should confer upon any government or any minister without a great deal more explanation than we have had so far. The hon. member for Vancouver-Quadra (Mr. Green) has referred to one extraordinary section relating to these extraordinary powers. That is section 5, which reads:

The minister may authorize any person, on his behalf and under his control and direction, to do any act or thing or to exercise any power that the minister may do or exercise under this act.

It is in relation to this section that we should read the powers the minister really has. As he indicated, the minister has power to create crown corporations for the purpose of carrying out the objects of this legislation. That is covered by section 7, and in subsection 3 of that section we find this:

The minister may remove any members, directors, or officers of a corporation incorporated under this section at any time and may appoint others in their stead or may appoint additional persons as members.

Referring back to section 5, therefore, we find that this is not something to be done by order in council, but that corporations with immense capital, and of great importance to all Canada, may have their officers removed and other officers appointed, not by the minister, although he is named, but by any Tom, Dick or Harry authorized by the minister, utterly unknown to this house. So we are conferring upon the minister not only the power to do these extraordinary things, in many cases without the approval of the government itself; we are still further asked to let him name anyone and give him authority to exercise these tremendous powers which may so greatly affect the future of Canada. Then again we find in section 11 that it is not the government by order in council but the minister who—

—shall examine into, organize, mobilize, and conserve the resources of Canada contributory to, and the sources of supply of, defence supplies and the agencies and facilities available for the supply of the same. . .

Then it goes on to explain that this power shall extend to construction projects and the exploration of all the possibilities in that field. There again, it is not the government upon whom we are conferring a power, nor the minister alone, but someone unknown to the government, unknown to parliament, who may be appointed by the minister at any time to undertake this task. This same extension of power goes right on through the act.

Section 23, which is a section of immense power, provides the following, and I think in the text of what I am saying I shall read this section. It reads:

(1) Where a person who has been requested to enter into a defence contract on terms and conditions that the minister considers to be fair and reasonable has refused or failed to enter into the

contract, if the minister is satisfied that such person owns or controls facilities that are suitable for or can be adapted to the work required to carry out such contract and that his refusal or failure was without reasonable excuse, the minister may direct that person to produce, deliver or store, or to construct, as the case may be, on such terms and conditions and within such period as the minister considers to be fair and reasonable in the circumstances, the defence supplies or the defence project or projects that would have been the subject matter of the contract if it had been entered into.

(2) A person who stores defence supplies pursuant to a direction under this section is liable for the loss thereof or for damage thereto as if he had agreed to store them for reward.

Think of the powers conferred under that section, and then recognize that under section 5 we are asked to authorize the minister to place powers of that kind under no restraint of government, let alone parliament, in the hands of anyone who may be appointed by the minister at any time on his own discretion.

Then, section 28 is another section of great importance. Again, so that my remarks carry through the effect of this bill in sequence so far as the powers of the minister being delegated are concerned, I shall read section 28. It reads:

(1) The minister may, by order, direct that a person shall not be bound—

I should like those members who are still interested in the responsibility of parliament, and in the authority of provincial legislatures as well as municipal councils, to listen to the effect of these words:

—by any obligation, restriction or limitation imposed on that person by or under any statute, order, rule, regulation, by-law, or contract with respect to such matters as may be specified in the order affecting the entry into or performance of a defence contract by that person or the carrying out of an order made by the minister under this act.

(2) Where the failure to fulfil any contract, whether entered into before or after the commencement of this act, is due to the compliance on the part of any person with any provision of this act or any order or regulation, proof of that fact shall be a good defence to any action or proceeding in respect of the failure.

There is no necessity, Mr. Speaker, to try to extend the interpretation of this to any particular limit. It is only necessary to see what this actually means. This is not power by order in council, dangerous though that may be, but this means that under section 5 any person without legal training, without business training, without knowledge of the subject matter at all, if he happened to be appointed by the minister would have a power which would be greater than that of the legislatures of this country during the life of this act. This power conferred by section 28 would give that power to any individual, without the cabinet even knowing it, to override any dominion statute, provincial statute, any municipal bylaw or regulation or order made under them which affected any contract, or the subject matter relating to one of these defence contracts. It is not possible to conceive of a greater defiance of the responsibility of parliament than section 28.

Then, let us go to the next section, section 29.

The Acting Speaker (Mr. Beaudoin): Order. I waited as long as I could, and I am sorry to interrupt the leader of the opposition. He has quoted several sections in the bill, and I should like to refer to citation 656 of Beauchesne's third edition. It reads:

The second reading of a bill is that stage when it is proper to enter into a discussion and propose a motion relative to the principle of the measure. On the motion for the second reading, it is out of order to discuss the clauses of the bill.

Mr. Drew: Mr. Speaker, if objection is to be taken to discussing these extremely offensive sections of this bill in the hope that the government might seek to amend the bill in a way that would restore some of the responsibility of parliament, then obviously I cannot proceed in detail to urge that the government give some consideration to a restoration of parliamentary democracy in keeping with the statement made in this house and outside by the Prime Minister. Nevertheless, I am not in any way precluded from saying that the effect of the immediately succeeding sections is to give powers, again under the authority of the minister, making it possible to conduct investigations of a nature that I am sure were never contemplated by any legislation previously placed before this house.

So that there may be no question about the sections, I leave it to the members to examine them in detail. I shall say that this bill carries forward the extraordinary provisions of an act which was passed by this house last September, an act which will be repealed by this bill if it is passed in its present form. It is the Essential Materials (Defence) Act which is to be repealed by one of the sections of this act. The provisions of that act, which are fully embraced and rewritten into this act, give wider powers to this government than have ever been conferred on any government in Canada in peace or war. Fortunately for the people of Canada in one respect, the government was apparently reluctant to exercise its declared authority under that act which we contended last September was not constitutional. My own opinion stated then was that it was ultra vires. I believe the government has done so little under it because they also became convinced that it was ultra vires. They are now carrying those powers forward into a wider emergency bill, and I feel sure they hope to maintain the authority of this

bill by the fact that, under the Emergency Powers Act, this house would be called upon to declare an emergency.

This act is one which goes so far that it makes it possible for the government, without specific authority of parliament, to declare any service an essential service. If the members will carefully read the sections which it has been suggested I should not read into the record, they will find that the authority conferred is so great that a general order could be made declaring any service right across Canada an essential service which would come under the control of the dominion government, no matter how exclusively it at all times in the past had been within the exclusive jurisdiction of the provincial governments of this country.

Again I hope that, when I point out some of these things, it will not be argued that I am opposing the setting up of a department of defence production. That is the easiest and most specious defence for utterly undemocratic procedure which takes place in this house. Every time that an attempt is made to point out the dangers of legislation that is introduced, the question is raised as to whether we want action at this time. We want action, but we want action that retains the authority of parliament and that retains that core of democracy for which this parliament must speak if democracy is to survive in Canada during the critical years ahead.

I know that there are different views about extending these wide-open powers. There are those members of the house who have a comfortable feeling of confidence that, no matter how great are the powers, those powers would never be exercised to the detriment of the people of Canada.

Mr. Garson: Hear, hear.

Mr. Drew: When I hear the Minister of Justice (Mr. Garson) saying "hear, hear," I realize how far we have gone along the road to abandoning all responsibility of parliament itself, if he has his way.

Some hon. Members: Oh, oh.

Mr. Drew: After all, the Minister of Justice is the minister who has sworn to defend the laws of this country; and the Minister of Justice is the minister who has sworn to interpret our laws. His department is called upon to advise us in regard to laws. I must admit, of course, that there may be some measure of comfort in the mind of the minister that on this occasion he is able to agree with the Minister of Trade and Commerce (Mr. Howe) instead of having to submit. But, nevertheless, I suggest that there is a strong reason why the members of this house should be concerned about that interjection of the Minister of Justice; because although we were told by the Minister of Trade and Commerce that this bill was drafted under his direction, we now have the apparent assurance of the Minister of Justice that it is with his approval as well.

These wide powers go beyond anything contemplated in this house before. If hon. members will read one section, they will find that under this bill, if it becomes law, the government by order in council may actually declare as an essential service the production of electricity. Let me deal with this matter merely by way of illustration. If the government decided that the production of electricity was an essential service, they could then pass an order declaring the production of electricity right across Canada an essential service. Under that order they could appoint controllers, and take over the operation of the electrical services in every one of the ten provinces, whether publicly owned or privately owned. It is not a question of whether the minister is likely to do that. It is what the government could do. Of course, even though there may be some of the members that have such unlimited confidence in the omniscience and the wisdom of the Minister of Trade and Commerce—

Some hon. Members: Hear, hear.

Mr. Drew: If the situation were not so serious, Mr. Speaker, one might really laugh with those members who have this astonishing attitude toward powers of that kind. It would seem to me that at least one reporter of a weekly publication in this country must have been infected with that particular disease which, along with the influenza, seems to be epidemic in this house at the moment. I saw it in only one place, but in a weekly publication called *Time*, under the date of February 12 last, there is a heading: "Canada" which appears of course in the Canadian edition. Under that heading there is a paragraph headed: "All In Favor." Alongside it there is a picture of the Minister of Trade and Commerce.

Mr. Warren: Good looking.

Mr. Drew: There is one thing about the Minister of Trade and Commerce. He certainly does not lack for a vocal claque in this house, at any rate.

Mr. Winters: Genuine support.

Mr. Drew: I am not being in any way offensive to the hon. member; I do not mean the word "clack"; I mean the word "claque". Under the heading of "All in Favor", which appears beside the picture of the Minister

of Trade and Commerce, we find this extremely interesting and wholly imaginative paragraph:

> One move made by the Canadian government last week won unanimous approval from all the major parties. Tories and C.C.F. joined the Liberals in applauding the appointment of Clarence Decatur Howe, 65,—

Some hon. Members: Hear, hear.

Mr. Warren: That was a good idea.

The Acting Speaker (Mr. Beaudoin): Order.

Mr. Drew: Except that it has not been done yet. The article continues:

> —as head of the newly-created department of defence production. "A first-rate administrator," said Tory leader George Drew. "He was the one man the government had for it," echoed a C.C.F.'er.

May I point out that, in the first place, the department of defence production has not yet been created. The minister has not yet been appointed. I never made any such statement in relation to this act, and I have never thought of making it because I am satisfied that the last minister to administer this act, with terms of that kind, is the Minister of Trade and Commerce.

Mr. Howe: There is one thing about it. Nobody cares much what you think. Do not take yourself too seriously.

Mr. Drew: No. I am not taking myself as seriously as the Minister of Trade and Commerce takes himself; he obviously thinks that he is the only minister who can do anything in this government, and he shows that to every member of the government on every occasion when they cross his will. I am certainly not taking myself as seriously as is the Pooh-Bah of this government who seeks to control every department.

Mr. Garson: Who is winning the next election for us?

Mr. Drew: The Minister of Justice, sworn to observe the laws of parliament and the principles of parliament, can never get past petty politics at any time and never will.

Mr. Garson: Where are we right now?

The Acting Speaker (Mr. Beaudoin): Order. Perhaps we should come back to discussion of the principle of this bill. May I remind hon. members that although they may converse in this house, they must do so in whispers.

Mr. Drew: I am glad, Mr. Speaker, that you directed the attention of the Minister of Trade and Commerce to the rules of the house.

The Acting Speaker (Mr. Beaudoin): Order. I must point out to the leader of the opposition (Mr. Drew) that I was not doing just that. I was reminding all hon. members that the rules must be followed.

Mr. Drew: Mr. Speaker, I am quite prepared to let the *Hansard* record stand and to have that *Hansard* record decide as to whether at any point I have failed to observe the rules of the house in the discussion that has just taken place.

I do wish to point out that this imaginative article is one which apparently represents an attitude that is prevalent in this house today. One hon. member on the opposite side of the house, for whom I have the very highest regard, on one occasion said: "It is perfectly true that this confers great powers on the Minister of Trade and Commerce, but I have great faith in the Minister of Trade and Commerce." But, Mr. Speaker, the Minister of Trade and Commerce is not only taking the powers under the act, whose draftsmanship he directed, according to his own statement, but he is seeking authority to appoint any number of petty dictators all over the country, who are able to say to anyone: It does not make any difference what any provincial legislature may pass as an act of that legislature; it does not make any difference what a municipal council may pass as a by-law, or what administrative orders or otherwise may be passed under them, you do not need to observe them, they may conflict with what we want done under this act. And yet the person who makes that decision may not have had the practical legal experience that sometimes goes with activities other than the law itself, and may certainly not have practised law. Nevertheless he can interpret the law and say whether these acts are in conflict or not. That is what hon. members are being asked to pass.

Mr. Warren: That is imaginary.

Mr. Drew: I wish I could hear what the hon. member said.

The Acting Speaker (Mr. Beaudoin): Order.

Mr. Drew: I do wish I could hear. It might be possible to deal with the comment if one could hear what was being said.

Mr. Warren: I said, "That is imaginary".

Mr. Drew: Mr. Speaker, this house is not only being asked to pass legislation which would make it possible for the Minister of Trade and Commerce, by an order in council which had supported his expressed opinion, to appoint controllers who could go in and take over the Hydro Electric Power Commission of Ontario, the newly created power authorities in Quebec, or the power authorities in British Columbia or in any other part of Canada. But under this legislation, and I hope hon. members will realize it, no matter

what confidence they may have in this particular minister, misplaced though it may be, they will have the power to appoint controllers who could go in and take over the complete control of all the gas and oil production in Alberta. They could declare that the production of iron is an essential service, and that iron ore is an essential material. They could appoint controllers to go in and take over the operation of any of those great operations today.

It is not enough to say, Mr. Speaker, that a particular minister would not do these things. The duty of members of parliament is to say whether any minister or any government should have that power.

Under this legislation this government is setting up for a period of five years the full mechanism of dictatorship—nothing less. Under this legislation this government is seeking, for a period of five years, the power to deal not only with the material economy of this country but with the services offered by every Canadian. That is the effect of it. There is not a work, there is no one engaged in any activity, whether it be in the city, on the farms, or in the forests, who does not come under the effect of this act.

The very attitude that was displayed at the time when this was being examined in a very objective and detached way by the hon. member for Vancouver-Quadra (Mr. Green) indicates what complete disregard there is by this government of the suggestions that are made that parliament should retain its authority during this period of extended emergency, which we are told is not the kind of emergency which should call for full wartime powers.

This bill, Mr. Speaker, will go forward in committee. Whether the Minister of Trade and Commerce drafted the bill or not, the Minister of Justice is the minister responsible for legislation introduced by the government; and even at the dreadful risk of being once again in disagreement with the Minister of Trade and Commerce, I do urge him to accept his responsibility as Minister of Justice of a democratic parliament, and to redraft this bill before we go into committee so that we shall still have responsible government in Canada and so that hon. members of this house and of the parliament of Canada shall retain some control over the destiny of our country.

Right Hon. C. D. Howe (Minister of Trade and Commerce): I have only a few words—

Mr. Speaker: Order. The hon. member for Greenwood.

Mr. Howe: Is this a Tory monopoly?

[Mr. Drew.]

Mr. J. M. Macdonnell (Greenwood): I apologize to the minister for taking his applause. I should like to make a few observations on this bill. In the first place, I should like to say what I think we all feel, namely, that defence production must not be delayed. We must give it whatever powers are necessary for that, and second—

Mr. Howe: You are the first one who ever admitted that.

Mr. Macdonnell (Greenwood): Oh, I hope not, and I think not. Second, we must not allow private interest to stand in the way of defence measures. I believe that. I may not come to the same conclusions as hon. gentlemen on my left as to what that statement means, but I certainly believe it.

On the other hand, I think it is fair to remind the minister—I really am hoping that I may persuade the minister to make some concessions, though I have not had much success in the past. But the minister told us that he has had a holiday, though it was a short one, I admit, and I hope he has softened up. At any rate, I am not going to despair until I have to. I think it is fair to remind the minister and the house that having said what I have said—and I mean it all—there is a very great difference between wartime and peacetime, even the funny kind of peacetime we are having now.

In war I submit that we give extraordinary powers for two reasons, first of all, because it is war and we are in danger. We are ready to do almost anything for security. But there is another and very important reason, namely, because there is a natural time for the powers to end. We give the powers with the feeling that they are temporary, and that the time will come when everyone will agree that they should end. I submit that today the situation is radically different from that. We have been told again and again by the Minister of National Defence (Mr. Claxton)—well, by almost everyone who has spoken about it—that we must face this situation as a situation that may go on for a very long time. And yet—and I submit this with the hope that members on the government side of the house will consider it carefully—what the leader of the opposition (Mr. Drew) says is true, that we are asked here to give these extraordinary powers. The minister himself said earlier this afternoon that they are extraordinary powers. Therefore I think it is the duty of every one of us, having had that mentioned, to ask whether all these extraordinary powers are necessary.

The leader of the opposition has referred particularly to the Minister of Justice (Mr. Garson). I wish to point out that in this chamber last night the Prime Minister (Mr. St. Laurent) and the Minister of Justice seemed to me to set a very fine example in trying to meet a situation so that the judgment of the house would be carried. They did not just say, "We have drafted this bill, and we will not change a word of it". There was what I think the whole country would approve, a real measure of trying to find a solution which if possible would be satisfactory to all.

Now, it is not a figure of speech—and I hope that even the Minister of Trade and Commerce (Mr. Howe) will not push it aside, as he so often has pushed aside what I have said before, as theory—it is not a figure of speech to say that if this goes on long enough and that if these powers, these extraordinary and amazing powers—and I confess I had not realized the full extent of them, and did not realize the extent to which provincial and municipal jurisdiction has been swept aside, or potentially so, until I listened to my leader—I think it is not any exaggeration to say that if these amazing powers go on for five, ten, fifteen or twenty years, as the hon. member for Vancouver-Quadra (Mr. Green) says, we will have a generation of businessmen who do not know what freedom is. Because if you take the terms of the bill, take the definition section and read the extent of it, I say there is practically no business in this country, no activity in this country, which could not be brought under the terms of it. I first thought, perhaps, that cosmetics would not be included, but I see that they could, because women are in the air force; and really there is virtually nothing left out.

Therefore I say that whether we like it or not—and I say this to the minister with all respect, hoping that he will not consider it in any sense an attempt on my part to exaggerate—we are going to have an economy which exists by the grace and favour of one man. That is hardly an exaggeration. No doubt the minister, when he rises, will attempt to correct me by saying that he is going to do only such-and-such things and will not use all these powers. But I am going to discuss the principle of the reserve powers, the powers held in reserve—although I think that is very questionable practice. But I do submit—and I make the statement in all sincerity—that with the power that is proposed to be given to the minister we have an economy which exists by the grace and favour of one man.

I think that that is a bad thing in more ways than one. First, I think it gives utterly unnecessary powers to one man; secondly, I think it has a bad influence on other people. You can go through the business community and find out what it means. Let me be candid: when they express their opinions about the minister they will say he is a good man to do business with. But, nevertheless, you have this situation—and I am not going to say what it means from a party point of view; I will not take the time to go over that again, but of course the possibilities there just stagger the imagination; and I am not suggesting anything sinister or anything improper—I am just saying that when you have a good, keen, alert, forceful and aggressive politician with all these powers—well, really, if I could have only ten per cent of them I would feel that we were on the way to victory in our party.

Mr. Howe: What does my hon. friend know about politicians?

Mr. Macdonnell (Greenwood): I think the minister in his heart agrees with me. I am sure that, like the rest of us, he would agree with that. I am sure that the minister, away in the back of his mind, has the feeling, however sincerely he may feel as to the necessity for the exercise of these powers and the holding of these powers, that they are a very good thing for the people of Canada—I am sure he is satisfied of that. Nevertheless I am also sure that in the back of his mind he has said to himself, "It will not be a bad thing for the party, either."

I should like to refer to a gentleman who has been quoted quite freely in the house within the last two or three days. I think highly of him, because he is a friend of mine, and, secondly, because of his connection with Queen's university, and thirdly, because I believe he may be—and I say this advisedly—one of the liberals with a small "l" still extant. I am relying a bit upon that—but less than I used to do, because I find occasionally that people will say, as Professor Corry said the other day, that this long extension of powers is very dangerous. But they usually wind up by saying, "I am a Liberal," because I have to admit, with regret, that a good many of the so-called intellectuals around this country call themselves Liberals. I have said to the house before, and I shall not take the time to do it again, that I always twit them with being deceived not merely by a word but by a letter. But I have the hope, if they mean what they say, when they do say that certain things happen to people who have power, that some day they will do something about it.

I wish now to say a word or two from a different point of view, and to suggest that

it is very natural that the minister, when charged with a task, which in some ways looks so similar to what he was doing eight or nine or ten years ago—I say it is only natural that he should say, "Well, I know how to do all this. This is child's play. This is a piece of cake. All I have to do is take the powers I had last time, make necessary improvements in the powers I had then, cover any weaknesses I found, and add anything we found would have been useful—or comfortable—and put those in this bill." I do not doubt that that is exactly what he has done. I have never had any power myself; probably I would do the same thing if I had it. At any rate it is clear that that is what the minister did.

Now, let us examine the similarity—because I suggest there is similarity. But I suggest there is far, far more dissimilarity and that it is utterly unnecessary for the minister to ask for these vast powers. Perhaps because I am feeling optimistic this afternoon, I am hoping that possibly I might be able to persuade the minister that in certain respects, at any rate, these powers are not necessary.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

PRIVATE BILLS

TRADERS GENERAL INSURANCE COMPANY

The house in committee on Bill No. 39, to incorporate Traders General Insurance Company—Mr. Robinson—Mr. Dion in the chair.

Sections 1 to 8 inclusive agreed to.

Bill reported, read the third time and passed.

DOMINION ASSOCIATION OF CHARTERED ACCOUNTANTS

The house in committee on Bill No. 40, to change the name of the Dominion Association of Chartered Accountants—Mr. Jeffery—Mr. Dion in the chair.

On section 1—*Name changed.*

Section agreed to.

Bill reported, read the third time and passed.

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 9, for the relief of John Andrew Hague.—Mr. Winkler.

[Mr. Macdonnell (Greenwood).]

Bill No. 10, for the relief of Jane Louise Welle Kennedy.—Mr. Winkler.

Bill No. 11, for the relief of Frances Danforth Stephens Ross de Lall.—Mr. Winkler.

Bill No. 12, for the relief of Daphne May Hodgson Frosst.—Mr. Winkler.

Bill No. 13, for the relief of Celia Frances Cantlie Molson.—Mr. Winkler.

Bill No. 14, for the relief of Rowland Walter Tyner.—Mr. Winkler.

Bill No. 15, for the relief of Maeve Mary Margaret McPherson Mackenzie.—Mr. Winkler.

Bill No. 16, for the relief of Judith Francis Cohen Besner.—Mr. Winkler.

Bill No. 17, for the relief of Edith Mary Bentley Towler.—Mr. Winkler.

Bill No. 18, for the relief of Patricia Galley Mulvey.—Mr. Winkler.

Bill No. 19, for the relief of Ethel Kershaw Warren.—Mr. Winkler.

Bill No. 20, for the relief of Petrus (Peter) Surkala.—Mr. Winkler.

Bill No. 21, for the relief of Doris Demree McMullen.—Mr. Winkler.

Bill No. 25, for the relief of Isabella Potts Younger Ayton.—Mr. Winkler.

Bill No. 26, for the relief of Margaret Alice McDermid Jones.—Mr. Winkler.

Bill No. 27, for the relief of Jacqueline Moquin Verner.—Mr. Winkler.

Bill No. 28, for the relief of Ruth Chernofsky Shaffer.—Mr. Winkler.

Bill No. 29, for the relief of Florence Lachovitz Michael.—Mr. Winkler.

Bill No. 30, for the relief of Eugenia Jean Diakonuk Cuthbertson.—Mr. Winkler.

Bill No. 31, for the relief of Ruth Moffatt Bell Lansing.—Mr. Winkler.

Bill No. 32, for the relief of Kurt Roberts, otherwise known as Kurt Rosenbaum.—Mr. Winkler.

Bill No. 33, for the relief of Margaret Stevenson Erskine Withenshaw.—Mr. Winkler.

Bill No. 34, for the relief of Cecile Duguay Quenneville.—Mr. Winkler.

Bill No. 35, for the relief of Margarette Marie Hyduk Towstuk.—Mr. Winkler.

Bill No. 36, for the relief of Joseph Maurice Fernando Lemieux.—Mr. Winkler.

Bill No. 37, for the relief of Donald Benedict Cullen.—Mr. Winkler.

Bill No. 38, for the relief of Valeda Ardell Derick Thorley.—Mr. Winkler.

Bill No. 41, for the relief of Martin Raymond Quinn.—Mr. Winkler.

Bill No. 42, for the relief of Kathleen Beatrice Denman Blackadar.—Mr. Winkler.

Bill No. 43, for the relief of Dora Greenwell MacKinnon.—Mr. Winkler.

ALBERT EDOUARD DESJARDINS

The house in committee on Bill No. 44, for the relief of Albert Edouard Desjardins—Mr. Winkler—Mr. Dion in the chair.

On section 1—*Marriage dissolved.*

Mr. Murray (Cariboo): I think there ought to be some explanation about this next bill.

The Chairman: No. 44?

Mr. Murray (Cariboo): I refer to Bill No. 45.

Section agreed to.

On section 2—*Right to marry again.*

Mr. Fair: I wonder if we could not put the picture shows out of business by inviting the public to come here and listen to the way we run our business. I wonder if it would not be a good idea to see if we cannot do that. I think this procedure is a disgrace. It has been spoken about dozens of times since I came here, and yet we carry on in the same old way. When will we ever get down to business in connection with this matter? I think it is a darn shame. I am not in the habit of swearing; otherwise I would certainly do a little.

Section agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

RAYMOND BOYER

The house in committee on Bill No. 45, for the relief of Raymond Boyer—Mr. Winkler—Mr. Dion in the chair.

On section 1—*Marriage dissolved.*

Mr. Murray (Cariboo): This is a rather unusual case, and I think the attention of the house and the country should be drawn to it. As the hon. member has just said, it is not to our credit that we rush through divorce bills in this way. In other words, we allow parliament to become a place for cleaning the linen of domestic tribulation from one of the provinces. I sat here last session, I believe it was, and saw a bill go through along with a number of others without any questions being asked. To my personal knowledge, in granting the divorce in that case we made ourselves parties to inflicting great suffering upon an innocent child, a crippled boy who was wearing iron supports on his legs, a little lad of five or six years of age. In addition there was a very innocent little girl.

Their mother abandoned them. Their father was a Royal Canadian Air Force officer, and we were in the unhappy position of passing that measure without any comment at all or any query. The mother went away with another man and left the children to become objects of pity. If there is no sanctity to marriage we might as well close up parliament because parliament is based upon the proposition that we have established homes in the country. You cannot have a parliament when people are nomads travelling about on horses gathering up women in one town and carrying them on to the next. Parliament is based on the idea of the sanctity of the home and upon the fact of course that Canada is a Christian country. Marriage vows must be taken seriously if marriages are to endure. Of course Hollywood and other places have a very low standard in that respect.

In the case before us are we prepared to pass over this matter lightly, without asking anything about the parties? Hidden in this case is a drama equal to anything in the literature of Greece or Rome. If we lightly pass over these things we destroy the foundations not only of our church and our families, but of parliament. This woman has gone away with a certain American who is known to be a leader among the communists of the United States, who is known to have given money for the carrying on of subversive communistic activities in the United States. He is the son of a very wealthy Chicago family, a man who has had the benefit of everything possible in the way of luxury, education and culture that either the United States or the Canadian system could give. He took this woman away with him to the United States. Whether or not they are living in bigamy is not of any interest to me but I say to this committee that it should pause and closely analyse this bill before making the parliament of Canada a party to the project which is being proposed.

Mr. Wylie: Mr. Chairman, it is not very often that I speak in this house, but I do agree with what has been said by the hon. member for Battle River and the hon. member for Cariboo. I have been here longer than the last speaker, and I think it is unfair to every member of this house to pass bills of this kind. It is quite true that evidence is taken before a committee in the other place, but I think it is time that was stopped. Today we are making a joke out of this house by passing these divorce bills. Mind you, I do not disagree with divorce; I think if a couple cannot get along the best thing they can do is separate. But why should they bring these bills into this house, in the way they are brought in? It is just about time it was stopped. For five or six years now I have listened to this sort of thing, and I am getting

pretty well fed up with it. Why should they not do as they do in other provinces? There is no reason why they should not; and the sooner that is done the better, instead of making a joke out of every member of parliament. That is exactly what is happening today. It is true that we get the evidence, but it is all the same. If you read the evidence in one case you have read it in all the cases. I think it is time the practice was changed.

Mr. Richard (Ottawa East): Mr. Chairman, I am against divorce. I know nothing of this case, and I have no means of knowing anything about it; but if you are going to pass this bill I am going to walk out.

Mr. Carroll: I would like to ask the hon. member whether the person who is applying for this divorce is in the penitentiary at the present time.

Mr. Murray (Cariboo): No. It pains me greatly to have to refer again to this bill. The petitioner is a Canadian citizen, the son of a very distinguished family in this country. If he has made a mistake it is up to us to show Christian tolerance and forgive him that mistake. Here is a man who has been abandoned by this woman who has gone off to openly consort with a leader among the communists on this continent, and I think this is a matter that should be brought to the attention of everyone here.

Mr. Knowles: The hon. member for Cariboo has levelled a pretty damning indictment against the woman in this case, Mrs. Boyer. If she is the guilty party and Mr. Boyer has been wronged in the way the hon. member for Cariboo says he has, I ask why Mr. Boyer should be made to suffer. This parliament is not being asked to do anything at the request of Mrs. Boyer. We are being asked to grant relief to Mr. Boyer. It seems to me the other circumstances relating to Mr. Boyer do not come into the picture at all.

The fact of the matter is that though members may disagree with divorce, though I may not like it—and I hope none of us likes it—nevertheless it is within the power of this parliament to pass acts of this kind, and these people have the right under the British North America Act to come to parliament and ask for these acts. So long as that right is there, so long as these people have no other recourse, I do not see how parliament can refuse to grant the relief these people seek, so long as they can prove their right in each individual case. Nor do I see that it is any solution to the problem just to get up and walk out of the committee or, as I hear the hon. member for Lethbridge saying, just to talk about it. I am one member of the house, at any rate, who can say something about this matter, because I have proposed a concrete method whereby divorces from the provinces where the majority of the people do not want divorce courts could be dealt with in some other way than by parliament. It is very heroic for hon. members to get up and make these pious speeches about how sick and tired they are of this practice, but that reminds me of the old story about the weather. Let us not just talk about it; let us do something about it.

I have made my suggestion; indeed I put it before the house on two occasions in the form of a bill. Apparently it was not acceptable to the Prime Minister and others in this house, though I felt that perhaps it was misunderstood. My proposal was that in the case of persons residing in provinces where there are no divorce courts, divorce actions should be tried by the Exchequer Court of Canada. My thought in that connection was that this was a court that could stay here in Ottawa to hear these cases, and thereby would not be sitting within the provinces where the majority of the people do not want divorce courts; yet it would make available to the people in those provinces who required that relief the opportunity to obtain more properly the right which at present can be granted only by parliament.

If my proposal is not acceptable I suggest to the hon. member for Battle River, the hon. member for Medicine Hat, the hon. member for Ottawa East who just walked out, and any others who do not like it, that they come forward with a better proposal. I am glad to learn that some of the hon. members I have mentioned supported my proposal last year, but I think responsibility does rest upon individual members and upon the government to face up to this issue and find some other way. Let us not try to escape from the whole problem by thinking that if parliament is not prepared to find some other way we are going to deny these people who need this relief a right which is in the British North America Act. Section 91 provides that this parliament has the right to make laws with respect to marriage and divorce.

Frankly I do not see why this fuss should be raised with respect to this one case, particularly when that fuss was based upon the fact that the guilty party—and the hon. member for Cariboo says "very guilty"—is not the one we are asked to accommodate. This bill provides relief for the innocent party, in the manner in which he is by law entitled to it.

Mr. Murray (Cariboo): I am not making any charges. I am saying that this is a very important, outstanding and very dramatic case. This is a modern interpretation of Samson and Delilah. I do not think that the

fathers of confederation intended to put the new government of Canada behind such a project as that in Israelitish history which featured Samson's downfall. This is a modern interpretation of Samson and Delilah and should not be considered by the house.

Mr. Knowles: What suggestion has the member for Cariboo to offer?

Mr. LaCroix: I have a suggestion to make. The only thing is to kill all these bills. Vote them all down.

Mr. Knowles: That is consistent for the members who take that view, but do they do it? They shout "on division" now and then, but they do not prevent these divorces from going through. There are all these complaints, but the bills go through.

Mr. Fair: I do not know anything about this particular case because I do not read the evidence in any of these cases. I believe that in many cases the evidence is trumped up. Time after time you see Barney Toulin, and some of his fellows, in these cases that are brought before the Senate committee. I am rebelling against this case, and I have rebelled against all these cases. I think this farce should be discontinued. If we do not like this legislation, it is our duty to vote against these bills. Then the other members can do something about it in their own province.

The Chairman: Shall section 1 carry?

Mr. Murray (Cariboo): Mr. Chairman, I think copies of the evidence should be passed around. Some hon. gentlemen may want to throw them into the wastepaper basket.

The Chairman: Shall section 1 carry?

Mr. Wylie: I should like to refer to what the member for Winnipeg North Centre has said. He did not think it was right for any member to make flowery speeches against divorce without doing something about it. I am sure that the member knows the stand we have taken on this question in the past. A few minutes ago I believe I stated plainly that I did not object to divorce if the couple could not get along, but I certainly object to the way we are handling the divorce bills from one province. I believe I made that quite clear.

Mr. Fournier (Hull): In the past when divorce bills have come before the house, I have taken part in the debates. Within the last few years I discontinued that practice because there was always someone from the province of Quebec who could explain our attitude to the House of Commons. In the British North America Act, the constitution of our country, the duty of dealing with divorce devolves upon this parliament. Do not try to tell me you do not like it; try to have an amendment made to the constitution if you will, but you cannot succeed in this house. While we have control over divorce, we cannot shun that responsibility.

In the last eighty years legislation to create divorce courts in the different provinces has been brought before the house. The province of Alberta has such courts, and so has the province of Ontario. Today there are only two provinces in which the citizens have to apply to the dominion parliament to get relief. These divorce bills are brought before a Senate committee which listens to the evidence. This committee grants or rejects the request. The evidence is taken in shorthand and published. Copies of that evidence are sent to the members of parliament, who may or may not study each case. The bill then goes to the House of Commons, receives first and second reading and is referred to the committee on private bills. This committee goes over the evidence, calls witnesses and listens to both parties. Then it renders a decision. The bill is then referred back to the house, to the committee of the whole. Members may speak or put questions to the sponsors of those bills, and elicit all the information they wish. When a vote is called, if members do not like them why do they not vote against them?

In the twenty-one years in which I have been sitting in the house, I think there have been only two or three instances in which divorce bills have been thrown out. If this bill were voted upon, I would vote against it, both on principle and on the evidence. It all comes back to the fact that members who are not living in the province of Quebec want to tell us the way in which we should proceed with divorces. We are not yet ready to admit what they say about divorce courts. Even if we did try to establish divorce courts in the province of Quebec, the local government would not set up the court. In such an event the minority in the province would have no way of getting relief. The majority may be Catholic, but there is a minority. I do not know how this minority in the province of Quebec who believe in divorce could be dealt with. We would have to let them have some way of obtaining relief.

At every session this question seems to be brought forward. On the suggestion of the member for Winnipeg North Centre a committee was set up to consider it. The question seems to be difficult, because the committee did not arrive at any conclusion. In almost every session we spend three, four, or five hours trying to pass divorce bills to

help a minority. Though I would vote against them, you do pass them. Members will pick out one case in which they are astounded that a party will make application for a divorce on such evidence. Ask those people who believe in divorce if they would vote against that bill after reading the evidence. I would do so on principle, because I am against it. I believe it is a very bad thing for the country.

Turning to the system in these other provinces for a moment, here is what I think of it. The evidence is brought before a court, and in the majority of cases the evidence is taken ex parte. If you read the evidence given before the court, you will see it is about the same as that given before the Senate committee. We had a beautiful example right in this district some years ago when an ex-police officer investigator in divorce cases was sentenced to seven years' imprisonment. He had not brought his evidence before the Senate, but was a witness in an Ottawa court. By keeping these divorce bills here, we believe we will keep down the number of them. I know that is not the opinion of the majority in this house, but it is my opinion. Most members believe that if someone is wronged he should have a right of redress. Now, you may speak in any terms, but before you can change the jurisdiction this parliament has over divorce you have to do a lot of work amongst the Catholics, and amongst the people of the province of Quebec.

Mr. Knowles: May I have a moment to express my agreement with some of the things the Minister of Public Works has just said. In the first place I want to say that, from my point of view, I agree with him that we should not try to put divorce courts into any province in which they do not want such courts. Any solution we might make, it seems to me, would have to take that situation into consideration. Those courts would have to be somewhere else, and that was the reason I proposed that these cases be referred to the Exchequer Court of Canada, here in Ottawa.

In the second place, I want to agree with the Minister of Public Works and I want to commend him, in view of his own connections, for making the statement to this chamber that the jurisdiction at the present time is here and that, whether we like it or not, we have to deal with these cases as they come.

The third thing I should like to say to the minister is really a question. I was quite interested in his telling me that there has been a committee at work on the problem, even at work on the suggestion that I put forward in the form of a bill. Can he tell me something more definite about that committee? Is it a committee of the cabinet, a committee of the Liberal party or what is it?

Mr. Fournier (Hull): No, it was not a committee of the house. When this question came up session after session, we asked a group of people to look into it and to see if they could find a solution. We had all the suggestions that had been made in the years gone by. We took out the suggestions and had them studied. They could not find a formula which would meet the agreement of the majority of the people at least in those two provinces I have mentioned. There may be a better way than the House of Commons and the Senate. I do not argue that point.

Mr. Knowles: Was that committee a cabinet committee, a party committee, an ad hoc committee or what?

Mr. Fournier (Hull): The ministers had a committee and studied this question amongst themselves. It was not a public committee that made any report to the public or anything of that kind. They were trying to find the best ways to get out of certain difficulties concerning divorce; and really, we could not find the real solution. We did not even think the suggestion made by the hon. member for Winnipeg North Centre was the proper solution.

Mr. Knowles: May I ask if that committee is still dealing with the problem?

Mr. Fournier (Hull): No.

Mr. Knowles: I am quite prepared to have anybody or any committee bring forth a better suggestion than the one I made. But I hope that what the minister just told us will result in a further effort being made. I am glad to know that there was this voluntary or ad hoc committee at work on the problem. I hope the fact that it is now public that there was such a committee will result in further steps being taken to find a solution.

Mr. Fair: When I first rose to make a protest, I said I was opposed to the way divorce bills are handled here. In spite of what the Minister of Public Works has said, I am still "agin" it, as the Irishman says. I did not undertake at any time to name any province or to suggest to any province how it should handle its divorce cases. That is entirely its business. But I made a plea, and I make it again, that this parliament be relieved of the farce that is being carried on every session, and has been carried on for the past number of years. I might say the same thing of the committee on miscellaneous private bills. Another farce that goes on is the one that goes on there

in getting these private bills through. I served on that committee during the first parliament I was here, and I know that the farce there is just as great as it is here. As to the proceedings in the other place, I do not think there is much difference in some of the cases; I will not say all of them. All you have to do is to read the evidence in some cases. I quit reading them a long time ago.

Mr. LaCroix: If we were to reject all the divorce cases, there would not be so many next year because it would be much more difficult to come before this house.

Section agreed to.

Preamble agreed to.

The Chairman: Shall the title carry?

Mr. LaCroix: On division.

Title agreed to on division.

Bill reported, read the third time and passed.

CONSIDERED IN COMMITTEE—THIRD READINGS

The house in committee on Bills Nos. 46 to 74 inclusive, Mr. Dion in the chair.

Bill No. 46, for the relief of Aline Alina Buka Allaire.—Mr. Winkler.

Bill No. 47, for the relief of Margaret Beatrice Tynan Dossin.—Mr. Winkler.

Bill No. 48, for the relief of Kathryn Louise Morrison Ralston.—Mr. Winkler.

Bill No. 49, for the relief of Gerald Tudor Parrott.—Mr. Winkler.

Bill No. 50, for the relief of Marie Leontine Juliette Henriette Giguere Fiset.—Mr. Winkler.

Bill No. 51, for the relief of Esther Marie Henning Ober.—Mr. Winkler.

Bill No. 52, for the relief of Elmsley Alexander Leftly.—Mr. Winkler.

Bill No. 53, for the relief of Ruth Landan Goodman.—Mr. Winkler.

Bill No. 54, for the relief of Yvonne Michaud Telford.—Mr. Winkler.

Bill No. 55, for the relief of Edward Albert Flewitt.—Mr. Winkler.

Bill No. 56, for the relief of Mary Margaret Lillian Phillips Campeau.—Mr. Winkler.

Bill No. 57, for the relief of Mary Zientek Latkowski.—Mr. Winkler.

Bill No. 58, for the relief of Olga Kushner Dolny.—Mr. Winkler.

Bill No. 59, for the relief of Joseph Taite Connor.—Mr. Winkler.

Bill No. 60, for the relief of Doris Dominiqua Sernuck Wardell.—Mr. Winkler.

Bill No. 61, for the relief of Ann Galganov Schwartz.—Mr. Winkler.

Bill No. 62, for the relief of Doris Mayoff Weinstein.—Mr. Winkler.

Bill No. 63, for the relief of Jean-Maurice Martel.—Mr. Winkler.

Bill No. 64, for the relief of Ann Astroff.—Mr. Winkler.

Bill No. 65, for the relief of Margaret Elizabeth Audrey Midgley Bennett.—Mr. Winkler.

Bill No. 66, for the relief of Kathleen Agnes Margaret Saddleton Pout Boon.—Mr. Winkler.

Bill No. 67, for the relief of Bill Oleschuk.—Mr. Winkler.

Bill No. 68, for the relief of Eileen Haswell Houghton.—Mr. Winkler.

Bill No. 69, for the relief of Saul Samuel Goldsmith.—Mr. Winkler.

Bill No. 70, for the relief of Brigitte Dorothea Felicity Gutmann Lowenbach Brooks.—Mr. Winkler.

Bill No. 71, for the relief of Violet Edith Hack Findlay.—Mr. Winkler.

Bill No. 72, for the relief of Cerna Segall Bercovitch.—Mr. Winkler.

Bill No. 73, for the relief of Paulette Charbonneau Lanthier.—Mr. Winkler.

Bill No. 74, for the relief of Ernest Churchill.—Mr. Winkler.

Mr. Shaw: If I were desirous now of directing questions to someone with respect to these cases, to whom would I direct those questions? To whom would I direct any questions I may have now with respect to these cases?

Mr. Maybank: The co-respondent.

Mr. Shaw: We were advised earlier by the minister we had a right to ask questions in every case. I ask to whom the question is to be directed?

Mr. Cote (Verdun-La Salle): What is your question?

Mr. Shaw: Mr. Chairman, I may want to know, for example, how many children were involved in each case that you have enumerated. To whom shall I direct that question?

Mr. Carroll: Read the evidence.

Mr. Shaw: Mr. Chairman, all this does is supply proof as to what some hon. members have said. The sponsor of the bill is not here, as far as I can see. I do not know of anyone who would be competent to answer the questions that I may ask, so I might just as well not ask them.

An hon. Member: What do you want to know?

Mr. Shaw: Just one further question before I sit down. Who is moving the motion in each case with respect to these bills right now?

An hon. Member: Mr. Winkler.

Mr. Knowles: The hon. member for Lisgar is not here.

Mr. Shaw: The hon. member for Lisgar is not even present.

An hon. Member: Stand.

The Chairman: Order.

Mr. Bater: I will move them.

Mr. Shaw: May I ask if the vice-chairman of the committee on miscellaneous private bills is present?

Mr. Sinclair: Yes; the hon. member for Winnipeg South Centre is here.

Mr. Shaw: Is he able to tell us how many children were involved in the case? Mr. Chairman, there is not much use pursuing the matter further. This indicates just what a farce it all is.

The Chairman: Shall the bills carry?

Mr. LaCroix: On division.

The Chairman: Shall I report the bills?

Mr. LaCroix: On division.

Bills reported, read the third time and passed on division.

SECOND READINGS—SENATE BILLS

Bill No. 81, for the relief of Jean Zelda Schacter Shmukler.—Mr. Winkler.

Bill No. 82, for the relief of Beatrice Sullivan Lees.—Mr. Winkler.

Bill No. 83, for the relief of Kathleen Louise Jones Robinson.—Mr. Winkler.

Bill No. 84, for the relief of Myrtle Dorcas Perry Rogers.—Mr. Winkler.

Bill No. 85, for the relief of Nell Gohenberg Lipson.—Mr. Winkler.

Bill No. 86, for the relief of Roslyn Beverly Gold Browman.—Mr. Winkler.

Bill No. 87, for the relief of Rolande Dumas Fritsch.—Mr. Winkler.

Bill No. 88, for the relief of Edith Frances Storrier Ritchie.—Mr. Winkler.

Bill No. 89, for the relief of Dorothy Isabel Pitcher Flipping.—Mr. Winkler.

Bill No. 90, for the relief of Sylvia Miller Ginsberg.—Mr. Winkler.

Bill No. 91, for the relief of Fernand Senecal.—Mr. Winkler.

Bill No. 92, for the relief of Vincent Tutino. —Mr. Winkler.

Bill No. 93, for the relief of Paulette Joly Foley.—Mr. Winkler.

Bill No. 94, for the relief of Jean Eurwen Jones Shaw.—Mr. Winkler.

Bill No. 95, for the relief of Edna Donnelly Boyle.—Mr. Winkler.

Bill No. 96, for the relief of Norma Phoebe Mary Buchanan Baker.—Mr. Winkler.

Bill No. 97, for the relief of Grace Gloria Ramsey Racine.—Mr. Winkler.

Bill No. 98, for the relief of Emily Ivy Rose Cook.—Mr. Winkler.

Bill No. 99, for the relief of Homer Leavitt Ayer.—Mr. Winkler.

Bill No. 100, for the relief of Elma Lillian Le Drew Wells.—Mr. Winkler.

Bill No. 101, for the relief of Bertha Ellen Bradley Grant.—Mr. Winkler.

Bill No. 102, for the relief of Brenda Mary Powell-Tuck Buhr.—Mr. Winkler.

CRIMINAL CODE

SUBVERSIVE ACTIVITIES—DISSEMINATION OF SUBVERSIVE PROPAGANDA

The house resumed, from Tuesday, February 27, consideration of the motion of Mr. LaCroix for the second reading of Bill No. 3, to amend the Criminal Code (subversive activities).

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, the hon. member who introduced this bill indicated at that time what its subject matter was, and then went on to say, and I quote from page 15 of *Hansard* of February 1:

> Following numerous demands from other members and myself, according to the speech from the throne the government has decided to present a bill with an objective which may be similar. If that is done, of course, I much prefer that the government itself go through with it, in which event I might later withdraw my bill.

Now, sir, the government bill which was envisaged in the speech from the throne, and to which my hon. friend referred in the remarks which I have just quoted, has not yet been brought down, nor have we in the Department of Justice brought down our annual crop of Criminal Code amendments. These Criminal Code amendments embody ideas of the department itself, of the commissioners on uniformity of legislation, criminal section, of provincial departments of attorneys general and chiefs of police, and on some rare occasions private individuals.

At this stage I cannot of course make any commitments as to what the contents of these Criminal Code amendments will be, but I do think that it is preferable that the debate upon the subject matter of my hon. friend's bill should be adjourned until we have all of the government legislation which might possibly have any bearing upon the subject matter of my hon. friend's bill before the house, at which time we could examine the whole subject, and I think be in a somewhat better position to estimate the merits of my hon. friend's bill, and the necessity, if that may be, of passing it. I would therefore, Mr. Speaker, move the adjournment of the debate.

Mr. Wilfrid LaCroix (Quebec-Montmorency): I understand that the Minister of Justice has said that he intends to bring amendments to the Criminal Code before the house which may deal with what I am looking for. If that is so I shall wait until the amendments are known and have my bill stand.

Motion agreed to and the debate adjourned.

STATUTORY HOLIDAYS

PROPOSED OBSERVANCE OF DOMINION DAY AND VICTORIA DAY ON MONDAYS FOLLOWING JUNE 30 AND MAY 23

The house resumed, from Tuesday, February 27, consideration of the motion of Mr. MacDougall for the third reading of Bill No. 2, to amend the Dominion Day Act and Victoria Day Act.

Mr. J. M. Macdonnell (Greenwood): I should like to make some comments on the third reading of this bill. I propose to begin by confessing that I am somewhat in the nature of a convert because when this first came up I did not take it as seriously as I do now. I think I was wrong then and I am right now.

Mr. MacDougall: Hear, hear.

Mr. Macdonnell (Greenwood): Thank you.

Mr. Green: You may be surprised.

Mr. Macdonnell (Greenwood): As he is not here I should like to blame the hon. member for Cape Breton South (Mr. Gillis). Anything I say that is bad I hope will be attributed to him, and if I say anything that is good I shall be very glad to take the credit myself.

The first thing that I wish to say is that I think we, through nobody's fault and nobody's intention, were hustled into this bill; or, at any rate, we blundered into it without giving it the consideration which I think it deserves. I confess myself to being out for a few minutes when the bill was brought down, and it was nearly all over when I got in. If it had not been for the hon. member for Cape Breton South, and one or two others, the bill would be law now.

The first thing that strikes me is that I have not been able to make out that there is any argument for it, except what I call the week-end argument; that is to say, that it would be more convenient to have the holiday come on a Monday, because it is more convenient to have holidays on Monday, and have the day thrown in with Saturday and Sunday.

Well, I admit that that is an argument, and I think if you put that argument suddenly, and without any previous consideration, to a vast number of voters they would be inclined to say, yes, that is a good idea. But I equally believe that if you took the time to discuss it with a thoughtful citizen he would begin to doubt whether it is such a good idea after all. Perhaps I feel that because it expresses my own mental history in this matter. The question is therefore to ask ourselves: Is it just another week end, or is there something of value in it?

I recall again the point which the hon. member for Cape Breton South made which I thought was very sound. He said: "What do you think would happen if you asked the ordinary American, or even the extraordinary American, what he would think of casually changing the celebration of the fourth of July to some other day?" He answered the question, as I think we would probably all answer it: We think the ordinary American would toss the idea out of the window pretty quickly.

Perhaps we may sometimes feel that Americans are a little—what shall I say—excitable, a little too dramatic about these matters; but on the whole I feel that the Americans have done a very good job of taking immigrants of the widest possible variety and turning them into pretty good American citizens.

It may be objected, and I think properly so, that in England there is nothing that just corresponds to this; at least I never could discover that there was. But I think there is a reason for that. They have many centuries of history behind them. They have a great homogeneity. They have all their own local customs that go back for hundreds of years, and yet they are integrated in the large sense, too. I think that is the reason that they have not felt it necessary. But I suggest, Mr. Speaker, that in this country of ours we are as different as can be from them.

I doubt whether there is any country that has more need of celebrating and remembering and trying to cherish and to magnify whatever things of any nature we have that draw us together. I should like to read a brief extract from the book that I hold in my hand, written by a man whose name has been mentioned in this house recently, namely, the Right Hon. Vincent Massey, the chairman of the so-called Massey commission. He wrote a book which is entitled "On being Canadian", and he has a paragraph in that book I should like to read from, and which I think is interesting. He says:

> If "the man from Mars" (whose detached views are always so useful) could see us, what would he think of our future as a community? He would see fewer than thirteen millions of people widely scattered over half a continent, more than three-quarters of them living in a ribbon of settlements, broken here and there by wilderness, within two hundred miles of the border between ourselves

and a country nearly twelve times our size with all the physical attraction and the powerful influences which a large body exerts on a small one. He would note that here and there our best roads lead to the south. He would observe that our two leading cities are more than 300 miles apart;

And then skipping some, I read again:

There are forty-two Canadian periodicals carrying advertisements in foreign languages of which thirteen are represented. The Bible is distributed in Canada in over fifty languages. Such is the variety of our racial composition.

And then he says:

With all the difficulties that confront us, would our Martian have some doubts about our future as a nation? Our own confidence should be powerfully reinforced by our success up to the present.

And then he says:

And we have a meaning, however often we may forget it.

I would like to pick up that phrase, "We have a meaning", and to ask, if that is so, whether it does not suggest to us that perhaps we should develop that meaning, and whether this Dominion day is not part of the pattern—and I do not want to press it—but perhaps it is a small part of the pattern, one of the vehicles evolved to help us. I raise that question.

I should like to say, and I think it is true, that Dominion day, confederation, was the greatest achievement of the two original races in Canada, and I am glad to find, having asked French-Canadian members in the house, that le jour de la confédération is respected and celebrated in the province of Quebec. I hope very much that people who can speak on the subject with more authority than I can will be able to say, if it is true—and I believe it is—that it is acquiring significance among our newer citizens. And if that is so, as I think it is, then it seems to me that we should not lightly pass it aside and regard it as just another week end.

I was impressed when the hon. member for Vancouver-Quadra (Mr. Green) told us the other night what had been done by the late Mr. McGeer, who was a member of the other place, and whom we all remember as a man of great vigour and patriotism. He thought it was worth while, apparently despite a good deal of scepticism, to organize in Vancouver a celebration of Dominion day on a scale that had not been done before; and apparently it was a great success.

My feeling is that that is an example we might well follow, that we should cherish and magnify it, and not throw it away. I repeat what I said a moment ago, that I doubt if there is any country which should stress more the common ties that it has than should our country. I cannot help hoping that the House of Commons will take this matter more seriously than it seemed likely to do when the subject was first presented. I feel we ought to be able to give a bit of a lead here.

I said a few moments ago, and I believe it, that if you accosted the ordinary voter who had not given the matter any thought, and suggested to him that the day be changed to Monday, I think he would be inclined to say, "Yes; a good idea". But I do feel, as I said before, that if he were asked to think it over for a few moments he would not be nearly so sure; and I think further that if one undertook to make a bit of an argument with him, even as modest as the one I make now, at the end of five or ten minutes he would say, "It is not a good idea at all".

I would remind hon. members that we have a great advantage in the House of Commons. We come down here and take part in ceremonies which, I think, impress us very much, ceremonies embedded deep not only in our past but in a past which goes beyond ours. I do not find that people take those things lightly. I believe that, whatever may be the feelings of members when they arrive here, whether they think of them as a lot of fuss and feathers, they become converted, and rather quickly. I have heard no one who has treated them lightly, and I think they come to feel that, behind the dignity of those ceremonies, there is something that goes deeper.

If I am right in that, then I think those of us who have that advantage, one which is not shared by so many of the citizens of Canada, should consider carefully before we do anything which in my opinion would destroy, or at least go far to destroy an institution of great value.

After all, our whole civilization depends upon the belief, the faith and the mental attitude of a great body of citizens. As I said a moment ago, I believe that this celebration, inadequate as it is, should be kept; that it is part of the pattern—a small part, if you like—but certainly a part of the pattern of our life. As I have said, it represents, I believe, the greatest achievement of the two races. That, in itself, is a very great thing.

Lastly I should like to say this. If this is true in ordinary times, then how much truer is it today. Surely we must recognize, as we never did before, that our whole system, our whole civilization, is facing a task. It is facing an organization—and we may use any unpleasant adjective that we wish—but it is an organization which, nevertheless, has a certain toughness, a certain queer, perverted and inverted faith which we have to match with other beliefs and other moral strengths which, in the main, we have to get out of our background and out of our history.

I suggest that this day, which we have come to regard as part of our history—and I am speaking of Dominion day—is a serious part of our lives. I hope very much that there will be others who will join me in speaking in the debate. I shall not abandon hope that members in the house from all parties may, before it is too late, come to the conclusion which I have come to, rather late, I confess, that there is something here which is worthy of being preserved, and which is more than just another week end.

Mr. G. R. Pearkes (Nanaimo): Mr. Speaker, seeing that the hon. member for Greenwood (Mr. Macdonnell) is in a flexible frame of mind, and that he has appealed to members to express their opinions, may I say that I am not a convert. I would suggest to him that the great church festival we are now approaching, the festival of Easter, loses nothing in its solemnity because it changes from one month to another.

I am not impressed a bit by the argument that, because Dominion day was held on some day other than the first day of July, it would lose any of its national importance. Easter day is Easter day, no matter whether it falls in March or in April. Dominion day will always be Dominion day whether we celebrate it on the first, second, third or fourth day of the month. I discard the emphasis placed upon the holding of every festival on some particular day of the month. I have to be realistic, and I ask myself what do the people of my constituency wish. I am quite certain that the tourist camps on Vancouver island hope that the hon. member for Vancouver-Quadra (Mr. Green) and his friends from Vancouver will come and spend a long week end on the island, but what is far more important is that the men working in logging camps high up on the mountain sides want the long week ends so that they can go back to their families either on the seaboard or on the mainland of British Columbia. They would much rather do that over a long week end than pay for extra meals while lying around logging camps on a Wednesday or Thursday.

Mr. Speaker: It being nine o'clock, the house will revert to the business interrupted at six o'clock.

DEFENCE PRODUCTION ACT

CREATION OF NEW DEPARTMENT—MOBILIZATION OF ECONOMIC AND INDUSTRIAL FACILITIES

The house resumed consideration of the motion of Mr. St. Laurent for the second reading of Bill No. 77, respecting the department of defence production.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, when the house rose at six o'clock I was drawing its attention to some of the defects, as I thought, in the bill now before us. I had suggested that the powers given in the bill were virtually going to turn the business of the country into an economy living by the grace of one man, the Minister of Trade and Commerce (Mr. Howe). I was wrong in one particular. I should not have said one man. I should have said one man and a host of delegates of that one man, which on the whole makes the thing much worse because can we believe that we are going to have a large number of men who have the qualities of experience, knowledge, wisdom, moderation and single-mindedness that are going to be necessary to exercise these far-reaching and virtually unlimited powers described to us this afternoon by my leader?

Is that not expecting too much, Mr. Speaker? Are we not merely going to fool ourselves if we do that? That is the reason why I said this afternoon I was not going to abandon hope that in the case of this measure the minister might be prepared to do something like what was done last evening by the Minister of Justice (Mr. Garson) and the Prime Minister (Mr. St. Laurent) in making alterations in the emergency powers bill. I hope the same thing may be done with this measure.

I also spoke of freedom, and I should like to make this further comment that if by our own act we destroy our freedom it is a kind of suicide which would be much worse than physical suicide because I think we can say that people of our country do value freedom more than anything in the world. I know it is awfully hard to make people, who have never known a country where, except in an emergency, there was any restriction on freedom, believe that it could ever be serious. Of course we know that our enemies believe —and I think genuinely—that the stresses we are going to be put under in this cold war or semi-twilight war, or whatever you wish to call it, are going to be so severe that they indulge in the hope that it may break down the things that we really care about. I have no doubt as Russian agents follow our debates, as they are no doubt doing, that they must be very pleased indeed to feel that we find it necessary, if we are going to find it necessary, to resort to powers almost incredible in peacetime.

If I remember rightly the minister himself referred to them this afternoon as extraordinary, and if he regards them as extraordinary we can be sure they are because

he is quite an expert in powers himself, and I would accept his view on that subject.

With this background I should like to look at some of the practical workings of the bill. I said this afternoon that I thought the situation has a good deal of similarity superficially with the situation which existed during wartime, and also a good deal of dissimilarity. I hope to be able to show that the dissimilarity is much greater than the similarity. Of course the similarity is obvious enough. The minister is going to be asked to supply ships, planes, tanks and guns, all the same kind of things that he supplied during the last war. I realize that, and I think that similarity has naturally impressed the Minister of Trade and Commerce. I do not think it was very hard for him to be impressed, and I think he has not felt it necessary to ask himself any very searching questions as to the dissimilarity.

I should like to say that I think the situation today is just as dissimilar as it can be. In the first place we are not at war. I take it—and I am sure the minister will agree with this part of my speech—that in wartime you have all kinds of unexpected situations to deal with. Ships are being torpedoed. Battles are being won and lost. Equipment in huge amounts is disappearing in unexpected ways, either by torpedoing or by loss in battle. New situations are arising. Perhaps new allies are coming in or some allies are being knocked out. I take it that every conceivable kind of situation has to be faced. One might say that the keynote is uncertainty, and I can imagine that with all the uncertainty of those days there may have been reasons for special powers which I suggest very earnestly do not exist today.

In wartime the minister had powers, and I particularly want to refer to the powers proposed under section 16 of the bill, the financial section. First I want to go back and make clear why I think the situation today is so dissimilar. I tried to indicate that in wartime uncertainty was the keynote, that the minister never knew very far ahead just what his task was, and that all kinds of unexpected things could arise for which it was fair and right that he should have unexpected powers. What is the situation now? The Minister of National Defence (Mr. Claxton) came into the house some three weeks ago and outlined to us in considerable detail the program of defence production over the next three years. He went into very great detail. We were told about planes, guns, ships and so on. After setting out his requirements in considerable detail the Minister of National Defence said, as recorded at page 95 of *Hansard*:

> This report indicates something of the size of the equipment program now under way and gaining momentum from day to day.

Then he added:

> To meet these requirements a new department of the government, the Department of Defence Production, is being proposed.

What I wish to stress is that there is all the difference in the world between the task the minister had roughly ten years ago and the task he has now. The task then, as I said, was full of uncertainties, full of unexpected situations. I have no doubt that if the minister cared to do so he could give us many illustrations of how his problems changed from month to month and indeed quite often from day to day. Here none of these elements are present, as far as I can see. True, no one can foresee the future. Within a month, if certain unhoped-for things should arise, the situation might be different, but I think we are entitled to take the situation as it is today; and the situation as it is today is that for the next three years—and incidentally I hope this legislation will not cover any period longer than that—the minister is asked to make preparations, to get the materials and let the contracts to take care of a defence program which he now knows and which, unless there are untoward international events, is not likely to be altered substantially. I suggest that is just as different from the task the minister had in wartime as chalk is from cheese, and that there is no basis in reason and common sense for the same powers to be asked now, in peacetime, to do a task which is known, which is definite and which, subject to the qualification I made, is not likely to change.

This house is the judge, and I can only hope that these grave questions will not be decided with a careless laugh and the slogan "Good old C. D.", which as far as I can make out is the basis on which a vote on this subject was given last year. In the proper circumstances I could say "Good old C. D." too, but I do not think, as the old song says, it has anything to do with the case when we are dealing with serious matters. I would remind the minister and the house that after all, while he is free from many human weaknesses, he is not free from mortality, and we cannot guarantee that he will be permanently in this position even though the fortunes of his party should continue to prosper.

As I have said before, I hope parliament will not make this national emergency an occasion for setting up a private kingdom for

the minister. I want to remind hon. members of what was said earlier in the day, that the minister not only does not much like sharing his powers with parliament; he does not much like sharing his powers with members of his own party, and he has a great aversion to even sharing his powers with the cabinet. So we find that a very considerable number of those powers belong to the minister. I think I can understand why. I think the minister is the kind of man who has great power of decision, and he is not always wrong. I think he likes to make a decision without being held up by too much discussion, even in the cabinet. So when hon. members read this bill, as I hope they will, they will be perhaps a little astonished to find the number of powers held by the minister alone. Oh, there are some cases where the governor in council comes in, but I am inclined to think that most of the sections containing the most extravagant powers do not contain any dilution, and that the minister himself exercises those.

I should like to briefly illustrate what I mean when I say those powers are quite unnecessary, by referring to section 16, which is the monetary section and which sets up what is called a defence production revolving fund; I do not propose to quote the section. In brief, this fund in the first place gives the minister a little kitty of $100 million, which may be perfectly proper. Beyond that, however, it also gives him power to buy all kinds of materials related to defence; and as I said this afternoon, when you read the sections you find it very difficult to think of anything which is not covered in one way or another by defence. The minister has power to stockpile these things; he has power to act as agent for other governments, and he has power to make loans for various matters. Those are the outgoing amounts. Then there are various funds which come in. When he buys materials and sells them, of course that is money coming in. When he buys materials for a foreign government and the money comes back, that is a receipt; and there are other receipts which I need not go into. The point I want to make is that this fund, this kind of backlog of $100 million, through the various receipts and expenditures which would be permitted under the wide powers given the minister might very easily enable him over the course of a year to do hundreds of millions of dollars of business; and quite properly, too, provided there is a proper restriction on his power.

But I point out, Mr. Speaker, that as far as parliament is concerned we might as well be sitting in the moon, or in central Africa, for all we will ever know about it. No; I am wrong on one point. There is one qualification, one time the minister has to come back to parliament. That is when he sustains a loss. The section does say that when losses are sustained the minister really has to come back and tell us about them. That is very decent of him; I think we should be very grateful for that. When a loss is sustained, parliament does have to authorize it.

I want to stress that a bit, because as far as I understand, from such inquiries as I have been able to make, parliament will find out about all these interesting transactions when it sees the public accounts. Well, you know the child's old rhyme; this year, next year, some time, never. We get the public accounts, if I remember rightly, a good many months after the month of March in the year following the time these transactions take place. So in respect of transactions early in the year it would be nearly two years before we would get the information, though I suppose in some cases we might get the information in not much more than a year. That is why I say we might as well be sitting in the moon as far as any knowledge we may have of what is going on is concerned.

What is the need for that? In wartime, as I said earlier, we put up with a lot because we were frightened, and also because we felt that the emergency powers would come to a natural end when the war ended. But there is no natural end to this. If the world situation goes on as it well might, in this unsettled condition, this could mean five years or ten years, or as long as you want to imagine. I suggest that it does not seem very intelligent for people who spend a lot of time talking about freedom to give that power unless there is some strong reason for it. I would be quite open-minded, as evidently the members who were in this house during the war were, in accepting the view in wartime that with the changes and vicissitudes which I tried to outline we should be very generous. We should be generous now, I think, but I do not believe we should be downright silly and stupid, and just panic into giving power without some reason as to why we should.

Let us look at the reason here. As I have tried to outline this to you, and I think it is fair, the minister starts off with $100 million, and with the various incomings and outgoings he will have he will be able, as I say, to have a kingdom of his own which we will know nothing about because there is no provision for any reports as to the contracts which are to be made. So far as I can see we in this parliament will know nothing about it until we get the public accounts. It is rather difficult to get as interested as you

should in things that are two years old, when you know you cannot do anything about them anyway. Therefore I suggest, unless there is an excellent reason why we should try to avoid it, I even hope, the minister will try to avoid it.

As I pointed out, we had a statement from the Minister of National Defence (Mr. Claxton) as to his requirements. Presumably his estimates will come along year by year, so many hundreds of millions each year. There is no mystery about that. They will come before parliament, and we shall have a chance of considering them and voting on them. Now, where does this department of defence production come in? Let us take an illustration. Uniforms will be needed, let us say in the coming year of 1952. I understand, quite naturally, it will probably be almost routine that the department of defence production will lay in a lot of textile material to be used in the making of those uniforms. But for the life of me, I cannot understand why that cannot come in as an estimate of the department of defence production in the financial year 1951-52. I do not see why we need to have all this machinery, all these powers away off in a corner where nobody knows what is happening. I still hope the minister may take that view, or if he does not that parliament may take that view, and that members may ask why they cannot approve the figures in advance.

Now, let me put in one qualification. Even though the program is known, even though the minister can see three years ahead what his task is and what his requirements are going to be, there may be unexpected things which will come up. I believe there should be some leeway given, if necessary. Supposing that, contrary to my expectations, the minister should rise and say that was a reasonable suggestion by the member for Greenwood and that he would agree that he can put his requirements in estimates for the year 1951, but will need a certain amount of leeway for this and that. I believe that if the minister were as reasonable as I suggest he might possibly be, I would be equally reasonable and suggest there should be some leeway. I say again that the more I study these wide powers and add them to the other sections which were particularly referred to this afternoon, the more it seems to me we are just taking a steam hammer to crack a nut.

The minister has these wide powers, and they are fine. It is rather dramatic to have wide powers; it is very convenient and very comfortable. I am sure the minister would be bored to death, having had the powers which he did have during the war, if he now had to go out and do a job which in some ways is similar without being clothed with these almost godlike powers. As I have said, Mr. Speaker, taking this one section that I have mentioned as an illustration, I believe there is no earthly reason why these wide powers should be given. Even yet I hope the minister will to some extent agree. I have perhaps a tiny scintilla of hope that if the minister does not agree possibly his colleagues or some of his party members might still have some influence over him and prevent us from panicking into these powers. These powers are in contradiction of everything we say we believe in, and contrary to the oft-repeated principles of Liberalism which are being watered down so thin. They are contrary to what one wise man once called the immortal grounds of common sense.

Mr. J. A. Ross (Souris): Mr. Speaker, I desire to make a few remarks on this subject, and to endorse what was so well set forth by both the member for Vancouver-Quadra (Mr. Green) and my leader this afternoon. In principle, I believe this defence bill is necessary but I certainly do not agree with the drafting of the bill. It seems to me that this is an effort to maintain peace in this country. I do not think anyone argues but what the great fear is of communism, and that if anyone declares war upon us it will be those behind the iron curtain. Surely if it is dictatorship of which we are fearful in this country, then we have dictatorial powers in this bill.

When I read the bill and could find no provision in it for a report to parliament, I could hardly credit it. I was pleased to hear the minister say he would accept an amendment to provide for a report to parliament. I believe that is most essential. However, when one considers that the controllers who will be appointed will be above the courts of this land, I believe that is an impossible situation in a democracy such as this. The bill contains a provision that if any of these controllers have done things in good faith they are above the courts of this nation. I believe that is totally wrong in every respect. There are many sections in this bill which I believe are altogether too drastic. I hope that after the discussion tonight the minister will see fit to take some time and have the bill redrafted.

During the presentation of the bill the minister stated we had an illustration of the effects of the last great war. I do not think everything was entirely satisfactory there. I am willing to admit that the minister is a great organizer, a great driver. He may have the confidence of big business in this country, but I do not think he should have all the powers contained in this bill. During the last war some people made a lot of money through

the department of munitions and supply. There are several instances to which I might refer, but I would not have time to go into any detail. I know some people in my own province of Manitoba who were paid handsome profits for their property. We had several of these illustrations.

In the last issue of *The Legionary*, March, 1951, there is an article appearing on page 4 headed "Serious Flaw". Reference is made to the government's defence program announced by the Minister of National Defence (Mr. Claxton). They cite the highlights of his address and point out certain serious weaknesses. Then there is the other pamphlet which the Legion put out in which they state:

> We have reason to believe that the chief obstacles in the way of implementing the Legion's demands are a serious shortage of ships, planes, equipment, and even boots and clothing.

We should have a department set up to supply these people as quickly as possible, and to see that the people who are offering their lives in defence of our way of life are equipped just as quickly as possible. I do not think there is any argument about that.

In the discussion this afternoon when there was an interchange between my leader and the Minister of Trade and Commerce (Mr. Howe), who is likely to be the minister responsible for this new department and the dictator of this country, my leader made some reference to the fact that the minister was very fond of taking over control in all departments of government. I was amazed to hear the Minister of Justice (Mr. Garson), of all people, remark, "Who is winning the next election for us?" Surely this department is not to be used for anything like that. I know there are some people who have some doubts about it, but the Minister of Justice—

Mr. Garson: I certainly must protest, Mr. Speaker. My reference was not to the Minister of Trade and Commerce (Mr. Howe), much as I admire him and much as I admire the contribution that he makes to our party. My reference was to the hon. member's leader.

Mr. Ross (Souris): At the dinner hour, Mr. Speaker, I happened to check the *Hansard* report and I will read it word for word. In this exchange our leader said:

> I am certainly not taking myself as seriously as the Pooh-Bah of the government who seeks to control every department.
>
> Mr. Garson: Who is winning the next election for us?

Mr. Garson: No. I said he is winning the next election for us. I am glad my hon. friend raised this question, and if there is any question about Hansard, let us clear it up right now. There was no question in my mind but that the hon. gentleman to whom I was referring was their esteemed leader.

Mr. Ross (Souris): If the Minister of Justice has changed his mind, all right.

Mr. Garson: No; he has not changed his mind.

Mr. Ross (Souris): Or if he wishes to change *Hansard* it is all right. I am quoting the *Hansard* report as I found it at the dinner hour. The quotation continues:

> Mr. Drew: The Minister of Justice, sworn to observe the laws of parliament and the principles of parliament, can never get past party politics at any time and never will.

That is a *Hansard* quotation. Anybody can take whatever interpretation he likes.

However, that brings me to another point, because the Minister of Trade and Commerce referred to experiences in the past war when we were in what I think was a sorry plight in a case like this. Again the Minister of Justice had something to do with that, and so did the Prime Minister (Mr. St. Laurent). I refer to this combines investigation and the flour milling report. I want to quote a paragraph or two because, again, many things have happened in the last two or three years when the Department of Justice has been seriously letting down the nation, having regard to the leadership it gave and the status that it held in this country during all the history of the country since confederation. In the fall of 1949, as reported in *Hansard* of November 7, page 1500, the Minister of Trade and Commerce said:

> Therefore I called the attention of the Minister of Justice to the situation and I urged him not to table the report without further investigation...

That report, Mr. Speaker, was dated by the commissioner December 29, 1948. The law requires that it should be made public within fifteen days.

Mr. Howe: Mr. Speaker, has this anything to do with the bill we have before us or the predecessor bill?

Some hon. Members: No.

Mr. Ross (Souris): The Prime Minister said it had a great deal to do with the last war; and the Minister of Trade and Commerce referred to the last war in his remarks this afternoon.

Mr. Howe: What war is the hon. member talking about? As I understand it, it occurred in 1948, did it not?

Mr. Ross (Souris): I will quote what the minister said about it, as reported at page 1524 of *Hansard* of November 7, 1949:

> Mr. Garson: Well, Mr. Speaker, it relied upon the fact that any democratic government is answerable to the people of the country for its acts.

That is quite true. I think that is probably why it was not tabled within fifteen days.

Mr. Cleaver: What about a speech on wheat?

Mr. Ross (Souris): I will be around to wheat on another occasion.

Mr. Cleaver: You are going on with it tonight, apparently.

Mr. Ross (Souris): At page 1526 of *Hansard* the Prime Minister (Mr. St. Laurent) said:

> And I now feel it is only fair to the Minister of Justice that I should inform the house that he had discussed these matters with me, and I had concurred in the line of conduct he was adopting. I should bear, therefore, a portion of the responsibility, if there is responsibility, for attempting to carry out the implied or express undertaking given to Canadian industry that if they did their best to help us win the war, they were not going to be pilloried afterwards under the Combines Investigation Act.

That is the war the Prime Minister referred to, and contained in many pages of *Hansard* are the various arguments which the Minister of Trade and Commerce set forth for not permitting the tabling of that report, despite the fact that at page 79 there was evidence to the effect that they had conducted a double set of minutes. True enough, only the courts could have proved that matter; and the Department of Justice, which was sworn to observe the laws of the land, made sure that nobody had the opportunity to test that matter in the courts. It probably does not become me to lecture the Minister of Justice, but I wish, apart from him or anybody else, they would maintain the high tradition that has been held by the Department of Justice throughout the history of this country.

Further than that, having regard to the fact that this statement was made about winning the next election—it is, of course, a matter of interpretation—it is rather strange that within that fifteen days the then minister was out in Winnipeg addressing a Liberal rally on January 11, 1949.

Mr. Speaker: Order. I think the hon. member now is getting a little bit too far from the bill which is before the house.

Mr. Ross (Souris): I shall not go any further in that respect now. But we had that matter straightened out in the house, and the correction made was never carried forward by the minister following his speech at that time. As has been pointed out, irrespective of the fact that the Minister of Trade and Commerce may be the minister to administer this new act, most of this legislation is drafted by the Department of Justice. I therefore think there is a great responsibility resting upon the minister and his officials. Up until we have a declaration of war at least I would hope that there would be much less dictatorial powers granted under this act than what the bill now provides for. I sincerely hope that amendments at least will be accepted whereby these controllers will come under the law of the land. While some of these controllers may be extremely efficient, others of them may be extremely inefficient. I have known of some things that have happened in the past as the result of the action of some of these officials who do not stand too high in this country. Surely if we are not going to have recourse to the courts of the land, we are getting a long piece from what we have been accustomed to since confederation in this country.

I think this is an extremely important matter. While the bill is lengthy, and there are many of these dictatorial clauses in it, I want to appeal to the minister to reconsider those facts. As I pointed out at the commencement of my remarks, this whole issue concerning rearmament and the raising of manpower is in order to show our strength against communism in this world and that we mean business. But surely if we are fighting a dictatorship and the fear of it, we should be doing it in a democratic fashion. I would hope that the Minister of Trade and Commerce, who is responsible for this bill, and his colleague, the Minister of Justice, after the discussion this evening, would consider withdrawing the bill for the moment, and having a new bill drafted in a more democratic fashion for presentation to this house.

An hon. Member: What a hope!

Mr. George H. Hees (Broadview): Mr. Speaker, this department of defence production is being set up to handle a large program running into $5 billion. Speaking in the house a week ago today I expressed the opinion that the Canadian people were entitled to have given to them an interim report telling them where this money was being spent, as far as the government knew at that time. It is of course impossible now to give detailed financial plans as to just exactly where the money is going to be spent. But this matter has been under consideration for several months now, and the government must have in their minds some reasonably formed plans as to what they propose to do when this production program gets rolling. With that in mind, speaking in this house a week ago, I asked the Minister of Trade and Commerce (Mr. Howe) if he would give us such an interim report dealing particularly with the production of such items as planes, tanks, vehicles, guns and small arms; because I feel that those are all things which, if we get into a shooting war,

the men that fight the battles of this country will be using as their equipment. We produced all or most of these things during the last war; and having talked to a great many ordinary people about this program, or having had them talk to me, these are the things that they want to know about. These are the questions they ask, and I think it is about time that the people of the country were told where we are going and where their money is being spent or is to be spent.

Speaking on that I said at page 629 of *Hansard*:

Will the Minister of Trade and Commerce now, or very soon, give the house an idea of just how we stand today in regard to this program? What are the government's plans in the making? We should have that information so that the people can be advised where we are going. It is vitally important to them.

Then I went on to ask:

Will the minister give us some idea as to what the plans are, for instance, for producing planes, tanks, vehicles, guns and small arms? As I say, I do not expect detailed plans, because I do not suppose that is possible at the present time. But there must be some thinking, some preliminary plans along that line. We should like to be told whether at the present time we are planning on making these kinds of war materials? Either we are or we are not. What are the plans so far?

The Minister of Trade and Commerce answering said:

The Minister of National Defence gave a comprehensive and I think a very detailed analysis of the plans of the armed services for weapons. I tried to cover in a general way the purchasing arrangements to back up those plans.

From that I took it that the information I was asking for was contained in the speech of the Minister of National Defence (Mr. Claxton), given in the house on February 5 of this year. Therefore, having great confidence in the Minister of Trade and Commerce, I looked up the speech of the Minister of National Defence to get my answer, feeling that there would be the answers which the people of this country, and particularly the people who had been talking to me, were asking for.

Here is what the Minister of National Defence had to say. I should like hon. members to judge whether or not this is the kind of information that I asked for and the people are entitled to receive. The minister had this to say, as reported at page 95 of *Hansard*, half way down the last column under the heading "Equipment":

This report indicates something of the size of the equipment program now under way and gaining momentum from day to day.

To meet these requirements a new department of the government, the department of defence production, is being proposed.

And that of course is what we are dealing with now. I continue with the quotation:

In the first nine months of the present fiscal year, which ended on December 31, 1950, 80,000 orders were actually placed with industry. During this period orders have been placed with trade and commerce for the sum of $701 million.

The main items are: Aircraft, $331 million; ships, $96 million; radar and wireless, $50 million; clothing and textiles, $35 million; motor vehicles, $50 million; armament, $26 million; construction, $113 million.

In the year before the second world war the Department of National Defence spent $34,432,839, and even during 1939-40 only $125 million. It has been suggested that the position of defence industry today corresponds to what it was about two years after the beginning of the last war but with much greater potential capacity.

Additional orders are being placed for ships, seaward defences, electronic devices and wireless, for army equipment of United States pattern, for aircraft, including Harvard trainers and engines.

As hon. members who visit the plant at Canadair Limited will see tomorrow, new aircraft are beginning to roll off the production lines.

These large expenditures on equipment are brought about by the staggering cost of modern equipment. Some figures about these costs have already been made public.

A new anti-submarine vessel costs over $8 million; a two-engine fighter, $750,000; a single engine jet interceptor, over $400,000; a new airfield with runways, buildings and equipment, $20 million; a radar station with buildings and equipment, from $3 million to $6 million.

Mr. Howe: Very fascinating subject, this.

Mr. Hees: I continue:

Reference has been made to the equipment we are producing and the men we are training for the North Atlantic treaty nations out of the appropriation of $300 million voted last year. Most of this appropriation has either been already committed or is covered by orders for equipment and plans for services now being arranged for.

Part of our equipment program will be to replace the equipment we are sending to Europe by equipment of United States pattern.

Canada has had greater reason than any country to feel strongly about the need for standardization. One obstacle was the large quantities of United Kingdom type equipment we already have on issue or in mobilization stores—most of the armament for four divisions.

This equipment was of the kind needed to strengthen the defences of Europe, where there were trained men with empty hands.

Mr. Howe: Why not read the bible instead?

Mr. Hees: I continue:

It occurred to us that Canada could make a very substantial contribution to collective defence by shipping this equipment to them. This also was the only practical way for us to standardize on United States pattern. As related above, the armament for a division has already been shipped. Our offer of 25-pounders to Luxembourg has been accepted. Our offer of another division's equipment is under consideration. The rest will be supplied—

Mr. Howe: Have you a rule about reading speeches, Mr. Speaker?

Mr. Speaker: I am sure the hon. member for Broadview is not reading his speech. I

understand he is reading an extract from a speech delivered by another hon. member of the house.

An hon. Member: An extract?

Mr. Speaker: However, I might say that I think it is a rather long extract and I am going to suggest to the hon. member that it is not usual to read such long extracts.

Mr. Fournier (Hull): On a point of order, according to citation 241 an hon. member speaking may not refer to another debate of the same session on another question not then under discussion. The hon. gentleman is reading what was debated on the speech from the throne. That has been voted on and the question has been closed.

Mr. Drew: May I intervene for one moment? There is a difference between reviewing a debate and whether a quotation may be lengthy or otherwise. We have a statement which seems to call for some answer in regard to a bill of this kind. While some hon. members seem to feel that the preliminary quotation was fairly long, the statement that has been arrived at in this quotation is that this was the only way for us to standardize on United States equipment. That has a very important bearing on the thoughts that a number of hon. members have here as to the necessity of assuring that under this legislation certain things will be done, because on an earlier occasion the minister was repeating the statement he had made nearly two years ago that standardization had actually been decided upon. I suggest that there is a difference between bringing forward a point of this kind and merely reviewing a debate.

Mr. Speaker: I think the hon. member for Broadview has read enough from the extract.

Mr. Hees: I am practically through, Mr. Speaker. This is a very important quotation.

Mr. Speaker: I would suggest that the hon. member do not read any more.

Mr. Hees: I shall be very glad to.

Mr. Howe: An easy way to make a speech—just read somebody else's.

Mr. Hees: The Minister of Trade and Commerce (Mr. Howe) suggested it, and I felt I could do no wrong if I followed his bidding.

What this all adds up to is that in the speech of the Minister of National Defence (Mr. Claxton) we got no information whatever of the specific type that the people of this country are clamouring for. The government may think it is unreasonable for people to want to know where their money is going. But five billions of dollars is a great deal of money and, of course, it comes out of the pockets of all the taxpayers of this country. And as the equipment produced will be used by the sons, the fathers and the brothers of people in this country it is very important for them to know what kind of equipment these men will handle in battle.

So I would earnestly urge again that the Minister of Trade and Commerce, as I requested earlier, give serious consideration to giving a statement to the house. In fact, when he spoke a week ago today he did agree that he would make a statement.

Mr. Howe: When did I do that? Read to me where I did that.

Mr. Hees: Very gladly, sir.

Mr. Speaker: That might possibly be another breach of the rules.

Mr. Howe: I like to hear him read.

Mr. Hees: And I am very glad to be able to accommodate the minister in this regard; because at the end of my request to him I concluded by saying—well, perhaps I should expand a little on what I did say at that time.

Mr. Howe: Yes, start back at the beginning and read it again. You read it before; now read it again.

Mr. Hees: I said:

I am not asking the minister for any detailed report on contracts. That naturally is unreasonable.

Mr. Howe: What page is that?

Mr. Hees: That is at page 630 of *Hansard* for this session.

Mr. Garson: What debate?

Mr. Hees: The debate on the resolution preceding this bill.

Mr. Howe: Proceed.

Mr. Hees: I think I was speaking about five o'clock in the afternoon of that day.

Mr. Howe: I believe it was five-twenty.

Mr. Hees: However, I shall start again.

Mr. Fournier (Hull): No, no, please!

Mr. Hees: I said:

I am not asking the minister for any detailed report on contracts. That naturally is unreasonable.

Mr. Howe: He is just kidding the house now, instead of the public.

Mr. Hees:

But, for instance, on the question of tanks, I for one have no idea whether we plan to make tanks in this country, or not; whether we plan, for instance, to make any kind of vehicles in this country or not. I heard a report that we plan to make jeeps and some sort of trailer vehicle. But that came from outside the house. I for one have heard no reports of a definite nature on vehicles. There was one report on a certain type of gun, but I have not heard anything on small arms.

Mr. Speaker: Order. I understood the hon. member was going to refer to a question he had asked the Minister of Trade and Commerce.

Mr. Knowles: About half a column further down.

Mr. Speaker: I do not think the hon. member should read more.

Mr. Hees: I say further on:

I should like a brief general answer if I can get it.

That was after I had asked the minister for a statement, specifically on planes, tanks, vehicles, guns and small arms, to state if possible the types he had in mind at the present time for production, what kind of quantities the government had in mind as a start, and when we might reasonably expect this production to begin. I concluded by saying:

I should like a brief general answer if I can get it.

And then the minister said, as it is reported at page 630 of *Hansard*:

Mr. Howe: I will be glad to make it on the bill.

And so I would renew my request for a statement to be made at the earliest possible moment. As I said at that time, the request is made in all sincerity. It was at that time, and it is now. I am not asking for anything unreasonable in the way of a detailed plan. Rather, I am simply asking the minister to tell the people what the government is thinking about in terms of plans to put that five billion dollars into operation to produce the vitally needed war materials we are going to require for our defence effort.

I think that is a reasonable request. I am not doing it with a view to embarrassing the minister or putting him on the spot, nor am I asking for any details which it would not be reasonable to expect. But surely after eight months of what has been described many times as the twilight war, it is reasonable to expect that the minister and his department must surely by now have some reasonably definite plans in the making for our defence effort of the future. I would ask the minister as soon as possible to fulfil his undertaking given to me a week ago, and to make a statement as early as possible respecting those specific items.

Mr. G. R. Pearkes (Nanaimo): Mr. Speaker, in the country where I spent my boyhood, the hares go mad in March. I have no quotations to make, and I am not going to try in this connection to convert my hon. friend from Greenwood (Mr. Macdonnell). In fact, like him, I agree in principle—

Mr. Howe: You are not like him, surely, are you? I would not admit it, if I were you.

Mr. Pearkes: In this respect, that I agree in principle with the setting up of this Department of Defence Production. I realize, as he does, that the minister in charge of the department must be given certain powers in order that teeth may be put into the legislation so as to enable him to produce the equipment so essential for our defence forces. Like him, I feel there should be no unnecessary powers, or powers which are not essential, given to the minister. That point has been dealt with, and I shall not refer to it again.

I am going to be perhaps presumptuous and offer a little advice to the minister, but in a very friendly way. I would draw to his attention the utmost importance of timing in this matter of defence production. I presume defence production will be linked closely with the three-year defence plan announced by the Minister of National Defence (Mr. Claxton). Some of the equipment for those forces, in order that they may be made ready, is urgently needed and must be produced in the very shortest possible time. That applies particularly to those forces which are now, and which within the next few weeks will be, in Korea; and to those forces, including ground and air forces, which will be moving to Europe in the near future. It applies also to our airborne brigade which, here, may be required to meet a sudden emergency. It applies in so far as the reserve forces are concerned, particularly those of the army, because they must be given sufficient equipment to carry out their ordinary training.

In the past there has been some evidence of shortage of equipment. I am not going to elaborate upon it, but I feel that possibly the arrangements which had existed heretofore had not had sufficient teeth in them to enable the minister to procure, in the face of a booming civilian market, articles which are urgently needed. I hope that the rather leisurely methods which have been applied by the Canadian Commercial Corporation will be speeded up in certain respects so that manufacturers making equipment for the services will realize that it is a priority job, and that they must not let their service contracts take second place to more attractive civilian demands.

On the other hand, there is a great deal of equipment which is not so urgently needed and which can be produced after a lapse of time. There is always a danger that at the outbreak of a war your forces are so fully equipped that the equipment is obsolescent after a few months' time. Surely it is the history of all wars that the equipment with which you start a war is soon out of date. I fancy that I have noticed a trend in defence production which stresses the urgency of taking equipment off the production line no

matter whether it is the very best or whether it is really urgently needed at the present time. "Let us equip our whole force" seems to have been almost the slogan of certain individuals. Therefore they have gone to a production line in the United States or elsewhere and have unloaded certain materials, equipment and arms on our armed forces which were not really urgently needed at the time, and which could be produced by Canadian manufacturers or could have been replaced after a little while with a better type of material.

I am rather inclined to feel that it is like the man who needs a suit. He cannot get a suit of clothes made by his tailor because his tailor is busy, and he goes to a store and takes an inferior suit off a rack. I should like to issue something of a warning that we do not want any shopworn suits supplied to our forces. When I use the word "suit" I am speaking figuratively, and I am not only referring to uniforms. It must be clearly borne in mind that some of our forces are required for the expansion period. The Minister of National Defence (Mr. Claxton) referred in his speech to that portion of our armed forces which would provide the manpower for the expanded forces if we should ever enter upon a third world war. I suggest that there is not the same urgency to equip those forces. There is an opportunity for such organizations as Canadian Arsenals Limited to carry out thorough investigation of the type of arm or equipment which will be most desirable, and then to have that put into production in Canada.

I hate to feel that it is possible for a Canadian manufacturer to say: I could have made that if I had known anything about it. Here is a chance to give our Canadian manufacturers the opportunity to build up an industry which will be invaluable to us. See that Canadian Arsenals Limited is working to full capacity, something which I question very much that they are doing at the present time. That is the sort of general advice which I tender in all sincerity to the minister for his consideration.

I want to turn now from the rather broader plane to something which I am afraid you will describe as being of a very local character. I am tempted to make these remarks because I referred a little earlier in the evening to the logging and lumbering industry on Vancouver island. As everybody knows, lumber is a very essential war material. It is urgently required for all kinds of war purposes. As everybody knows, we have a great lumber industry on Vancouver island, but the bottleneck at the present time lies in the ability to ship the lumber off the island. It is true there is a shortage of shipping but there is also a shortage of facilities for loading ships at the main ports on Vancouver island.

I have personally seen one vessel loading, another out in the bay and still a third waiting for an opportunity to come in and tie up at the single berth available. If we are going to make the fullest possible use of the amount of lumber that can be produced from our forests, I feel that the question of facilities for loading the very limited number of ships that can be made available for the purpose should be investigated. I know that the larger companies are able to construct their own assembly wharves. Only last week I heard of one company which is building an additional berth at its loading wharf on Vancouver island, but the big companies are operating in the more inaccessible forests of the island leaving many stands of timber to be cut by smaller companies and sent to smaller mills. The small mills have to depend upon the government facilities to get their lumber off the island onto their ships. When it comes to the question of investigating the various means for increasing war industries and making this lumber accessible, may I suggest that this matter be investigated with a view to providing full facilities for the export of the lumber which can be cut in our mills.

(Translation):

Mr. Wilfrid LaCroix (Quebec-Montmorency): Mr. Speaker, since the bill provides for price controls, I take the liberty of asking the government to establish price controls as soon as possible. We are all aware that the cost of living has reached an astronomical figure and is rising every day.

The government should, I think, establish price controls as soon as possible. Otherwise, the large trusts that control foodstuffs and essential commodities will have time to accumulate large stocks. Then, when the time comes to set basic prices, the trusts holding a monopoly over the purchase, sale and distribution of those products will be in a position to reap tremendous profits.

Immediate action is necessary in order to prevent profiteers from exploiting the people.

There is another point which is of special concern to me; it has to do with statements made recently in the house by the Minister of Trade and Commerce (Mr. Howe). He said he intended to return to the system of dollar a year men whom he would choose from the directors of big corporations, monopolies and

industries who control our Canadian economy. That, to my mind, would be a mistake because it would mean putting price control back in the hands of those who are interested in seeing prices rise.

Let me suggest instead the establishment of a price arbitration committee that would include representatives of labour, of the white-collar workers, in short, of people who are completely independent of monopolies.

You know as well as I do that, during the last war, most of the dollar a year men controlling our national economy were directors of large corporations or connected with big concerns. You also know that while they got a dollar a year from the Canadian government, they were still drawing their salary from those companies and necessarily remained interested in the existence and future of their firms.

I feel that this time, in order to satisfy public opinion, when price controls are being considered, we should appoint an arbitration committee to study individual cases, to hear legitimate representations from the various organizations concerned, and then to establish adequate price controls in a serious, independent and competent manner.

Those were the only remarks I wanted to make tonight. I have made them because I feel that it is high time the government took steps to prevent stockpiling and monopolistic profiteering at the expense of the public.

In closing, once again I emphasize the need for prompter government action in setting up price controls in Canada.

(Text):

Mr. G. F. Higgins (St. John's East): Mr. Speaker, I rise somewhat reluctantly, for two reasons, to take part in this debate. So much has been said already by those who have preceded me, and said so well, that it seems somewhat redundant to add anything further. But the matter is of such importance, because of the tremendous powers entailed in this bill, that in spite of the repetition that is bound to occur in what I have to say I still think it is worth saying. I am reluctant also because I do not feel in a position to properly criticize the very broad powers contained in this bill. As I believe Professor Corry said the other night, the opposition should be supplied with a secretariat which would enable them to prepare for legislation of this kind.

Mr. Howe: You should bring down a little mental power.

Mr. Higgins: I presume the minister will corral all that, too. Under this bill he will have power to almost take our brains, though for that matter I do not suppose we have very many. In a famous speech last year the Prime Minister (Mr. St. Laurent) said there was no alternative to the Liberal party. Those who heard him and those who read the speech got the idea that he was suggesting the Liberal party was going to set up a dictatorship. Well, I believe under this bill the Minister of Trade and Commerce (Mr. Howe) definitely will have the power to establish himself as a dictator. I do not believe Joseph Stalin or the late Adolf Hitler had any more powers than the minister will have under this bill. That is why, even at the risk of boring the minister, even at the risk of repetitious argument which may be upsetting to him, I am afraid that he will have to bear with me for the short time I intend to speak.

Mr. Howe: No, you are mistaken; I do not have to.

Mr. Higgins: I had not the pleasure of being here when the minister was in charge of a somewhat similar department during the last war, but from what I have heard from all sides of the house and from people outside the house there can be no doubt at all that the minister earned the very highest recommendation for the way he did his job. That is very encouraging, but in spite of that we must examine the powers he is going to exercise in fulfilling these new duties. Since I have been fortunate enough to be in a position to watch the minister I have realized that when people criticize him, whether they call him a grand Pooh-Bah or anything else, it is just like water on a duck's back. He just smiles and does not take any interest in what they are saying. Why, I believe he has walked out on me. Well, I do not have very much to add to the debate to keep him in the house anyway, so I do not blame him, and any hon. member who feels so inclined may follow him. I believe there may be some truth in the statement I have heard that the minister does not care very much for parliament.

The principle of this bill is the matter we have to examine closely. What is it intended for? Well, obviously it is intended to take care of a tremendous emergency in the country, an emergency the government recognizes, an emergency the people must recognize and which parliament is asked to recognize, but which the government says does not exist. Having listened as carefully as I could since parliament met, the only

thing that I can gather is that we are not in a state of emergency. We have been told that this war is here, but it is not here. It is here, but you do not see it, like the old shell game. I am a little puzzled about that, but as far as I can see we are in a state of emergency and the government will not admit it. When the President of the United States saw the situation which existed last December he called the play and declared a state of national emergency. If this situation is as serious as it would appear to be, I think it is time this government got up and told this country that we are now facing a national emergency. The only reason for requesting the type of powers such as those contained in this bill is that there is a national emergency. What do we find, Mr. Speaker, in the bill? We find that the bill sets up, as I said before, a great dictatorship. All one has to do is to glance over the various sections and one sees powers such as were never invoked, from what I have read, by this parliament before.

The bill that was introduced here in September is merely a "piker" compared to this bill. In introducing that bill the minister said, as recorded on page 448 of *Hansard* of September 8, 1950:

> . . . we must have the authority to control all aspects of production, supply and distribution, use and prices of essential materials and services.

The bill which was passed at that time was supposed to take care of everything. Now, that bill has been scrapped, and this new bill is being substituted for it. At the time the minister was introducing that Essential Materials (Defence) Act, he said, again at page 448 of *Hansard:*

> We believe that, barring a major emergency, the powers of the act will be sufficient to cope with the problem we anticipate. It is possible that Canada will face greater difficulties over the next eighteen months than are indicated at the present time. If that turns out to be the case, we will bring the facts before parliament and ask for the additional authority to cope with the situation.

It is less than six months since the minister said that, Mr. Speaker. Has the situation changed to such an extent during the past six months that such a measure as is indicated by this bill is justified? Is the minister to be created an absolute dictator because of the emergency that has come about in the last six months? If so, let us be told about it; let the country be told about it. All we have so far is a bet there is not going to be any war. If we are not going to have a war, why must we strangle the whole economy of the country?—because that is what this bill means.

Let me go through a couple of sections. I believe I am not permitted to actually read the sections, but I believe I can refer to some of the sections without reading them in order to describe to you what I mean. For instance, in section 5 there is a tremendous over-all power. This section empowers the minister to authorize any person on his behalf to do any act or thing or to exercise any powers that the minister may do or exercise under this act. The minister has practically any power you may mention under this particular act. Practically all the paragraphs start off with the words "the minister may" or "the minister shall".

Mr. McIlraith: They are all numbered, too.

Mr. Higgins: They are all numbered. Would you like me to read them to you?

Mr. McIlraith: No, but I observe that is what your party has been doing.

Mr. Higgins: What have we been doing?

Mr. McIlraith: It is just a lot of stalling.

Mr. Higgins: If the hon. member suggests I am stalling, I should like him to indicate his reasons for saying so. Have I said anything to indicate that I am stalling?

Mr. McIlraith: It is all on the record.

Mr. Drew: No one is supposed to raise a question at all.

Mr. Howe: Carry on, my boy, carry on.

Mr. Higgins: I am not going to put up with any suggestion that I am stalling, whatever may have been indicated by any person before—

Mr. Howe: I think you are doing your best.

Mr. Higgins: If the hon. member wishes to make that assertion, I want to know what he means.

Mr. Howe: I think you are doing your best.

Mr. Higgins: Praise from Caesar, Mr. Speaker, is praise indeed.

Mr. Knowles: It depends on what Caesar meant.

Mr. Higgins: There is a particular paragraph in this act which gives the minister power, even when a person does not want to enter into a government contract, does not want to have any part of a government contract, to compel him to make that contract. The minister can compel him to do things against his will. If that person does not do them, the minister can take possession of his premises. If he does do them, but does not do them to the satisfaction of the minister, he

can be penalized; his assets can be attached. A man's whole business can be ruined because of the caprice of the minister.

Mr. Howe: Dreadful, dreadful.

Mr. Higgins: Well, the power is there. I think the minister will agree with that.

Mr. Howe: Yes, sure.

Mr. Higgins: I do not believe the minister would exercise a power of that kind improperly, Mr. Speaker. I am sure he would exercise it the way he has done in the past. But it is quite possible the minister may appoint someone else to do it. The other person would have all the powers of the minister, as I read the bill, and he might not like a person whose business has been taken over. The person might be penalized by this deputy of the minister. I believe that is in the act. If the minister picks an improper deputy it may be that, for reasons other than wanting to do the proper thing, for political reasons, the deputy may take action. There is nothing to stop him, nothing at all to prevent it, because the discretion is entirely with the minister.

This comes right back to the corporations that are set up. There are some ten or twelve corporations, I believe, included in this act. The minister has power to set up other corporations which he may deem necessary. If I read the act correctly, those corporations do not come within the jurisdiction of parliament at all. Parliament has very little, if any, control over them. It is the minister who controls them and, as the member for Greenwood (Mr. Macdonnell) said tonight, it would be nearly two years afterwards before we would know what had become of all the powers that had been exercised. That brings me back, Mr. Speaker, to something else. I am going to read something, but it is not very long. It is a resolution which reads as follows:

> Whereas it is occasionally to the advantage of the nation to create crown corporations permitting the state to exploit certain commercial enterprises or to furnish certain services, without political interference,
>
> Whereas the freedom enjoyed by these companies prevents, too often, successful inquiry by ministers and members of parliament as to the activities and the administration of the said corporation,
>
> Whereas in a democracy any organ of the state must be subject to the inspection, control and authority of the government, responsible to the people,
>
> It is therefore resolved that the Canadian Federation of Young Liberals is in favour of making all crown corporations completely responsible to the cabinet and subject to the inspection, control and authority of parliament.

I think that is an excellent resolution, Mr. Speaker. It was passed at the national convention of the Young Liberal Federation of Canada at Montreal on October 12, 13 or 14 of 1949. I feel that that is a resolution that this whole parliament and all the members could endorse.

Mr. Knowles: Did you see what the young Tories passed?

Mr. Higgins: Was it a nasty one? After all, we cannot say that all the wisdom of the ages is garnered in the older people, Mr. Speaker. We must give credit to the younger people of the nation for some wisdom and knowledge. If that joint meeting of the wise young Liberals of 1949 passed such a resolution as this, surely the older Liberals, particularly the titular chieftain of the Liberal party—although he is not formally described in that capacity; we know him as the Minister of Trade and Commerce (Mr. Howe) —will give effect to that resolution. I believe he feels that was a resolution which should have been passed but he does not seem to act upon it or the Liberal party does not. Why, I do not know.

There is in this bill another paragraph that is to me extremely obnoxious indeed. It is subsection 2 of section 21. That is the section that deals with the minister's going into a business. He may go into a business and examine the records of a business and on his own, if he is not satisfied with the way the business is being carried on or the way the contract is being carried out, he himself has the power, as I read it, to reduce the amount of the contract price. As to a legal contract that he has entered into, if he feels so inclined he is entitled, under this provision, to reduce the amount to be paid the contractor. I think that is a most extraordinary power. Then there is an over-all power in that, under the general description contained in this act of what essential defence supplies are, it is possible—I do not say probable—that a man's motor car might be taken. It is possible that a man's house might be requisitioned. Literally, the minister has the power to take the clothes off a man's back, if he so determines. That is exactly what the act gives him power to do. There can be no question about that. Then we have section 27, which is a most extraordinarily worded one. I do not know if I am permitted to refer to its wording, Mr. Speaker.

The Acting Speaker (Mr. Beaudoin): Perhaps I could clarify the matter for the hon.

member by quoting citation 656 of Beauchesne's third edition:

> On the motion for the second reading, it is out of order to discuss the clauses of the bill.

Perhaps that will help the hon. member.

Mr. Higgins: I understand that I may refer to it generally, Mr. Speaker, without going into the specific wording. I presume that is what you intended to convey to me.

By that particular section that I was dealing with, the minister may, if he is satisfied that a person who has entered into a contract has failed or is even likely to fail—and he determines whether the man is likely to fail—to perform the contract in a businesslike and efficient manner, or if he has failed to keep proper and detailed records—that is, if the minister is satisfied; it is the minister all the way through—he may authorize some person who is named as a controller to go in and take possession of the business and operate it. Then it goes further, Mr. Speaker, and it says, as I understand it, that the controller, if he makes any mistakes, is not to be responsible for them to the owner. In addition, if the owner is required against his will to store materials, even of his own business, and if any of those materials are lost, he himself is responsible for the loss. This is a most extraordinarily worded document.

The final part that I wish to deal with is this. The act continues until 1956. But the governor in council may make orders and regulations to carry out the purposes and provisions of this act. In other words, there is a direct by-pass of parliament all the way through. If this act is to be an act of the parliament of this country under which the people of this country are to have their properties requisitioned, and maybe their persons, that is practically suspending habeas corpus; then the only way that the people of Canada can have the right to protection against the dictatorial powers that the minister will be given under this act is by the insertion in the act of a provision that the minister must report to parliament at regular intervals as to what is happening, and that parliament should have a say in what is happening. I do not mention that point in any idle manner. I mention it in all honesty and all sincerity, so far as I am concerned. It seems to me that no matter how well intentioned a man may be—it is said that power tends to corrupt, and that absolute power corrupts absolutely—it is impossible for any man to have these tremendous powers placed upon his shoulders and not in some way abuse them; that should not be expected. It is beyond a human being's will power not to abuse them. Unconsciously one must do so.

[The Acting Speaker.]

For these reasons, Mr. Speaker, not only for the protection of the Canadian people but indeed for the protection of the minister himself, I feel we should have written into this act some provision whereby parliament will have some control of these tremendous powers that the minister will possess under the act.

Mr. Solon E. Low (Peace River): Mr. Speaker, I have not taken part in the debate on this bill up to this time because I wanted all the time I could possibly get in order to give consideration to its terms and to the principle that is involved in it. I did speak briefly on the resolution which preceded the introduction of the bill, and at that time I think I assured the Prime Minister (Mr. St. Laurent) and the Minister of Trade and Commerce (Mr. Howe) of my good will toward them personally and toward the thing which they had set up to do. I did mention at that time, Mr. Speaker, that I appreciated the democratic way in which the Prime Minister had set about seeking extraordinary powers to clothe the minister with that authority under which he could meet an emergency situation.

I still believe that the Prime Minister was quite right in not proclaiming the War Measures Act. I believe it is far more democratic the way he has set out to do it. But at the same time I do believe, as I suggested when I spoke on the resolution, that it is the wrong principle to ask parliament to clothe a minister and a department with all the powers that may possibly be needed over a long period of time when it is quite possible for parliament to grant sufficient powers at this time to meet the present need, and then at another stage to grant further powers if it is deemed necessary that they be granted.

I suggest to the Minister of Trade and Commerce once more that I have the highest regard for him personally. What I say tonight I am going to direct to him in the most friendly fashion, with all the good will that I can possibly muster. I think I have made it known to him on numerous occasions that I have no malice whatever toward him; but I do believe that the minister has unnecessarily brought criticism upon himself by asking for too wide powers, not only on this occasion but on former occasions, and I think I have told him across the floor of the house here my feelings on other occasions in that respect.

I wonder what the people of this country would say if they were made fully aware of the powers that the government is asking this parliament to vest in a minister and his deputies and personnel in the new department if parliament were to grant them without question. I can just envision the newspapers across the country saying: What

kind of opposition have we got down there in parliament? Are those fellows, just on mere suggestion from the government, prepared to shoulder off their responsibilities on to somebody else and to say: Go to it; we do not want any responsibility at all; or are you all down there trying to look after the best interests of the people of this country? I propose that we should, as members of parliament, representing the people, take our responsibilities. We should not try to push them off on the shoulders of somebody else. I propose to be prepared to take my responsibility as a member of this House of Commons in whatever has to be done to meet this situation which has been called a serious emergency situation.

I do not want anybody to feel that I am wishing to shove it off on the minister or the government. Whatever powers are needed to meet the emergency I am prepared to consider handing over to the minister and the government. Anything that is within the competence of this parliament to do to help the government to meet this present situation I think we are bound to do, but I do not think we are bound to do any more than that in this the first stage. I say that, Mr. Speaker, advisedly and I say it for this reason. If any more serious emergency does arise, the government always has an ace in the hole, an ace up its sleeve, in the form of the War Measures Act. They can proclaim it in a moment and deal with a situation that might arise, which is now unforeseen, or for which parliament has not at this stage provided, simply by passing orders in council under the War Measures Act. That is one of the reasons why I feel loath at this time to agree to handing over all of these powers.

The hon. member for Vancouver-Quadra (Mr. Green) gave this afternoon what I thought was a very complete analysis of the bill and a restrained criticism. At that time he made what I thought were reasonable suggestions. Perhaps the Minister of Trade and Commerce (Mr. Howe) and the Minister of Justice (Mr. Garson) have already had a chance to consider those suggestions. They may be prepared to bring in some amendments to the bill which will embody what the hon. member for Vancouver-Quadra has requested. But I do think, Mr. Speaker, that, if they have, then it will not hurt to have this bill go over to the first of the week to give them a chance to consider further the request of the opposition and see if they cannot bring in something which will more nearly be acceptable to us all.

I am not ashamed for one second to say, Mr. Speaker, that I am determined it shall go over until the first of the week. I am not doing it just for the purpose of being stubborn, or of trying to obstruct. If the matter is as serious as the bill is purported to be, and if the situation in the country is as serious as it is purported to be, then it is serious enough to warrant more than just one day's debate on this matter.

There are a good many things that have occurred to me as a result of the debate that has gone on today that I would like further time to consider in my own mind. Our group has not taken any part in the debate today on second reading for the very reason that we wanted to have just as full information as we could possibly get before we voted on such an important bill as this.

I want to make it abundantly clear to the minister that our position is and has been thus. Whatever powers are needed to meet this present situation he ought to have; but the question in our minds is just how much does he need? That is the principle that is at stake. Should parliament be prepared to give over wide enough powers to meet a hot war in a time when we are not in a hot war, and when everybody in the country is hoping that there will not be a war at all? I do not mean to say that the people of the country are living in any fool's paradise; but let me say that very few people in the country have in their minds anything like a picture of the true situation. I believe that one could sum up their views about this present emergency in the way that a correspondent did for me the other day in a letter when he said something like this. I cannot just remember the exact words, but he did say: I wonder if I shall live long enough to see the start of this war that they have been talking about for so long, and about which a few of us are beginning to plan for? That is just about the way a good many people throughout the country think. They are not prepared. As the minister said in Chicago the other day, and I think he reiterated it here today: You cannot go too far ahead of the people. I think he issued this challenge: Are you prepared to say that labour, the people generally, including all sections of Canada, are prepared to submit to the regimen of over-all controls? He said: Until such time as they are, you cannot make them stick.

That situation applies to the terms of this bill, just the same. What attitude will business take throughout this country? What attitude will industry take, when they see us toiling over the terms of the bill? They will say to themselves: Do those fellows ever give consideration to realities, or are they just prepared to rubber-stamp anything the government puts in front of them, simply because the government may think that an

emergency situation may develop, and that it will be so intense that they will have to have those powers?

The businessman, the industrialist who is operating a business, will see section 27 and he will naturally ask himself the question—and he will ask us that question when he gets the chance—"Do you fellows actually believe that you have got to force industry and business in this country to do things now? Why do you not try a little inducement, first? Then if we fall down, come in with something that will compel us to do what you want".

Somehow I cannot quite make these two attitudes jibe. It was not many days ago that we were talking in the House of Commons about manpower. I cannot help recalling the fact that a good many spokesmen on the government side said, "Oh, we are not ready for that sort of thing yet. We think we can get more out of the Canadian people, so far as manpower is concerned, by the voluntary method." Now you come along with a bill like this and say, "We are going to compel every businessman and very industrialist in the country to toe the mark that is drawn by the Minister of Trade and Commerce." How do you reconcile those two attitudes? I want to know that.

If we are going to meet an emergency situation we ought to go all-out to meet it.

Mr. Howe: And be very tender with the businessmen, eh?

Mr. Low: I do not say that we should be tender. But let us be consistent—let us be consistent; that is the point. And there is only one way to be consistent, and that is that if we take the position that we can get the best out of people by a process of inducement, we should try some inducement. Then, when that fails, let us go out after the other thing.

I will suggest to the minister this, that he is a master at dealing with men. I am satisfied he knows I am right when I say that if he makes an appeal to the industrialists and businessmen of this country for certain things he will just about get one hundred per cent of what he asks for, without compelling them. I do not think there would be any question about it—and I think also that I am paying the minister a high compliment when I say that.

I believe that without going into detail—and I have many of them before me which I have not time to discuss this evening—I should suggest that both of the ministers who are here this evening, listening, in the last minutes of this day, should take into consideration what the hon. member for Vancouver-Quadra (Mr. Green) asked earlier today.

Let me review what he asked, for the benefit of the house. I think the Minister of Trade and Commerce (Mr. Howe) did agree provision should be made for an annual report. That is good. But I believe also that the hon. member for Vancouver-Quadra was making a most reasonable request when he asked, "Do you not think you had better reconsider the time limit?" If the defence program is designed to cover a period of three years, then why make provision in this measure for five years, almost double the time you expect your defence program to cover?

I have not heard anything in the debate thus far to change my mind on that matter. I think we should relate the two in some way, and not ask that these provisions cover too long a time.

He made the further suggestion that consideration be given to dividing the powers in this field, by setting up a list of those the minister needs right now, and which he could now justify, alongside another group which could be proclaimed when the need arose, and the powers with respect to which could be taken by the minister to meet whatever emergency he might have to meet at that time.

That would at least recognize the principle I have already suggested, and that is that we would try to do as much as we possibly can by the principle of inducement, and to leave compulsion for the time being, until it has to be used. I would not be prepared to write that list, because I know it would be difficult. I am not even sure that it could be written. However, it certainly is a suggestion that could be studied over the week end. Perhaps the Minister of Justice and the Minister of Trade and Commerce would be able to make some suggestion at the first of next week to set our minds at rest in that respect.

I am in agreement with the main principle of the bill. I believe the hon. member for Vancouver-Quadra is also in agreement with it—in fact everyone who spoke today probably was. But we did make reservations when we spoke on the resolution stage, and one of those reservations was: Let us not go beyond what we need now. Parliament will be in session for months to come and can be called back quickly, in case of emergency. When we need to give the minister further powers, let us give them to him. Let me say once again, in a friendly way, to the Minister of Trade and Commerce; for goodness' sake

do not give these fellows ammunition to throw back at you, and to claim that you are a dictator.

Mr. Howe: Do you mean the Tories?

Mr. Low: I am not suggesting who they are; but that is what I am saying.

Mr. Howe: They could not throw anything.

Mr. Low: Protect yourself in that way.

I wonder if I may call it eleven o'clock.

On motion of Mr. Low the debate was adjourned.

Business of the House

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): On Monday we will continue this debate, with the hope that we may reach a decision. Then we will take up Bill No. 5, to amend the Canadian Wheat Board Act, 1935; Bill No. 6, respecting the appointment of auditors for national railways, and Bill No. 76, to amend the Radio Act, 1938.

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

HOUSE OF COMMONS

Monday, March 5, 1951

The house met at three o'clock.

HOUSE OF COMMONS

VISIT TO SAINT JOHN, N.B., BY MEMBERS OF PARLIAMENT

Mr. Rene N. Jutras (Provencher): Mr. Speaker, on a question of privilege I should like to draw to the attention of the house for a few minutes the very informative and highly enjoyable trip a group of us were privileged to make to the city of Saint John.

We live in a wide and large country indeed. In our younger days we all had to memorize facts and figures about the other cities and provinces of our great country. During the last war some of us were able to pay short visits to, or at least go through most of, the provinces of Canada, but of course we saw them only in the dark and sombre attire of war. The need of first-hand knowledge, the need to know better our sister cities and provinces, is constant.

Our short stay in Saint John was indeed a revelation to many and a most enjoyable experience to all. To be shown the actual efforts, to see for ourselves the concrete achievements, to witness the possibilities of the future, and to hear the enthusiastic and genuine professions of faith of the people of Saint John in their proud city which their meticulous and gracious hospitality has so endeared to us, is certainly an occasion worthy of mention in this house. I know I speak for the entire group when I say we are genuinely grateful to our congenial and devoted friend and fellow member for Saint John-Albert (Mr. Riley) for his kind invitation to visit his city. We and our wives were very proud to be part of the Dan Riley flock for the week end. More attentive and efficient direction I am sure would not have been possible.

Our sincere and deep gratitude is also unreservedly extended to the Saint John board of trade, our gracious host in the city. With complete disregard of themselves, the members of that organization made available generous accommodation and carried out elaborate arrangements to ensure to us a most enjoyable stay, giving us the opportunity to learn a great deal about them and get to know them better. We are particularly indebted to the president and his charming wife, Mr. and Mrs. Wasson. We wish to thank His Honour Lieutenant Governor MacLaren for his highly appreciated hospitality and his spirited and most enjoyable company; also the government of New Brunswick and its popular premier, Mr. McNair, for their complimentary entertainment and kind hospitality, as well as His Worship Mayor George E. Howard and his lady. Our gratitude is also extended to Mr. Crump and his company for the concern and courtesy shown us all through the trip and particularly for their grand and unique hospitality on the proud *Empress of Canada*. We salute Captain Dobson.

Our thanks also go to the Saint John Drydock Company Limited and Saint John Marine Transport Limited for the opportunity they gave us to view the city and the harbour from the sea. We also extend our thanks to Senator McLean and Mr. Brennan, to the various industries of Saint John, to the various devoted committees and all those who made their facilities available to us, and finally to all the citizens of that city. It was with a deep sense of gratitude that we said au revoir, and it is with the same feeling that we say thank you.

MISCELLANEOUS PRIVATE BILLS

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. H. W. Winkler (Lisgar) moved that the first report of the standing committee on miscellaneous private bills, presented to the house on Thursday, March 1, be concurred in.

Motion agreed to.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 115, to incorporate Trans Mountain Oil Pipe Line Company.—Mr. Laing.

Bill No. 116, respecting British Columbia Telephone Company.—Mr. Applewhaite.

Bill No. 117, to incorporate Canadian-Montana Pipe Line Company.—Mr. Bennett.

Bill No. 118, to incorporate Border Pipe Line Corporation.—Mr. Robinson.

WHEAT

FINAL PAYMENT ON FIVE-YEAR POOL—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 31

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I believe this is the correct place for me to ask for leave to move, seconded

by the member for Melfort (Mr. Wright), the adjournment of the house under standing order 31 for the purpose of discussing a definite matter of urgent public importance, namely, the failure of the government to meet the legitimate demands of wheat producers by announcing a final payment of 8.3 cents per bushel for wheat in the five-year pool, when farmers are entitled to a final payment of not less than 25 cents.

In view of a meeting being held in Regina tomorrow by representatives of western agriculture, I believe that this is a matter of urgent importance.

Mr. Speaker: Standing order No. 31 reads:

Leave to make a motion for the adjournment of the house (when made for the purpose of discussing a definite matter of urgent public importance) must be asked after the ordinary daily routine of business (standing order 15) has been concluded and before notices of motions or orders of the day are entered upon.

I have a recollection that last year I made a ruling that the motion should be made after questions and before the orders of the day are entered upon. However, without deciding definitely upon that, I shall go on with the second paragraph:

The member desiring to make such a motion rises in his place, asks leave to move the adjournment of the house for the purpose of discussing a definite matter of urgent public importance, and states the matter.

The hon. member has done that.

He then hands a written statement of the matter proposed to be discussed to the speaker, who, if he thinks it in order and of urgent public importance, reads it out and asks whether the member has the leave of the house. If objection is taken, the Speaker requests those members who support the motion to rise in their places and if more than twenty members rise accordingly, the Speaker calls upon the member who has asked for leave.

I must decide whether the motion is in order. There is some doubt as to whether this is the proper time to make such a motion. Without deciding that point I shall allow the motion to stand on this occasion as being in order. I must also decide whether the question is of urgent public importance. My recollection is that when the announcement was made concerning this payment, the Prime Minister (Mr. St. Laurent) stated there would be ample opportunity to debate this matter when the house went into committee of supply on the supplementary estimates, which he stated would be brought down shortly. If my memory serves me correctly, I understood the Minister of Finance to say that would be within about ten days, which would be the end of this week or the beginning of next.

The member moving the motion has stated there is to be a meeting in Regina tomorrow. I do not know the nature of the meeting, but even so, it would seem to me this question can be fully discussed in the near future, so it would not come within the rule concerning urgency. I cannot allow the motion to stand.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

FISH CONSUMPTION PER CAPITA

Mr. Kickham:

1. What was the per capita consumption of fish in each of the provinces of Canada for the latest year during which statistics are available?
2. What was the per capita consumption of fish in the leading cities of Canada for the latest year for which statistics are available?
3. What was the per capita consumption of fish in each of the leading fish producing and consuming nations for the latest year during which statistics are available?

Mr. MacNaught:

1.

Fresh and Frozen	lb.
Prince Edward Island	1·42
Nova Scotia	9·25
New Brunswick	1·34
Quebec	3·53
Ontario	3·28
Manitoba	3·23
Saskatchewan	1·77
Alberta	2·10
British Columbia	4·04

Smoked and cured	lb.
Prince Edward Island	0·35
Nova Scotia	2·46
New Brunswick	1·93
Quebec	0·04
Ontario	0·26
Manitoba	0·82
Saskatchewan	0·67
Alberta	0·58
British Columbia	0·56

Shellfish	lb.
Prince Edward Island	1·52
Nova Scotia	0·60
New Brunswick	0·58
Quebec	0·30
Ontario	0·06
Manitoba	0·02
Saskatchewan	0·02
Alberta	0·09
British Columbia	0·48

Canned fish	lb.
Prince Edward Island	4·16
Nova Scotia	4·37
New Brunswick	5·71
Quebec	5·60
Ontario	4·06
Manitoba	5·33
Saskatchewan	1·80
Alberta	4·35
British Columbia	8·14

All forms	lb.
Prince Edward Island	7·45
Nova Scotia	16·68
New Brunswick	9·56
Quebec	9·68
Ontario	8·26
Manitoba	9·40
Saskatchewan	4·26
Alberta	7·12
British Columbia	13·22

Note: Per capita consumption figures for Newfoundland are not available.

2.

Fresh and Frozen	lb.
Montreal	6·79
Toronto	6·30
Smoked and cured	**lb.**
Montreal	0·56
Toronto	1·46
Shellfish	**lb.**
Montreal	0·75
Toronto	0·17
Canned fish	**lb.**
Montreal	9·85
Toronto	10·00
All forms	**lb.**
Montreal	17·95
Toronto	17·93

A sample survey made in Halifax in 1946 indicated the rate of consumption in that city as approximately 35 pounds per capita. Data for other cities are not available.

3.

Europe	lb. per capita	Year
Norway	46·7	1950-51
Denmark	35·9	1950-51
Iceland	65·3	1950-51
United Kingdom	29·9	1948-49
France	14·8	1950-51
German Federal Republic	19·8	1949
Holland	17·9	1950-51
Belgium	21·6	1950-51
Portugal	20·5	1950-51
Italy	12·6	1950-51
China	6·0	1947-48
Japan	83·3	1947-48
United States	11·1	1948
Canada	12·7	1949

Where year 1950-51 is shown, the figures are preliminary estimates as published by FAO.

SEARCH AND RESCUE SERVICES

Mr. McLure:

1. How many requests for aid or service were received by the Atlantic search and rescue service in 1949 and 1950?

2. How many satisfactory operations have been carried out in performing these services?

3. Has there ever been a time when this service did not have the facilities to carry out a rescue?

Mr. Campney:

1. 366 requests.

2. In meeting these requests, 352 operations were successful.

3. Not within the period mentioned.

CANADIAN BROADCASTING CORPORATION—BOARD OF GOVERNORS

Mr. Fulton:

1. What are the names of the present members of the board of governors of the Canadian Broadcasting Corporation?

2. What are the present addresses of these members and what geographical areas and/or occupations respectively do they represent?

3. Have any of these members been engaged in organized political activity? If so, which members, at what times, and on whose behalf?

4. What are the qualifications of the members for their positions on the board of governors?

Mr. McCann:

1. Messrs. A. Davidson Dunton, René Morin, Adrien Pouliot, F. J. Crawford, G. Douglas Steele, W. H. Phillips, J. A. Corry, Jesse P. Tripp and Mrs. Mary E. Farr.

2. Mr. A. Davidson Dunton, Ottawa, Ont., full-time chairman of the board of governors of the C.B.C.

Province of Quebec: Mr. René Morin, Montreal, P.Q.; Mr. Adrien Pouliot, Quebec, P.Q.

Province of Ontario: Mr. F. J. Crawford, Toronto, Ont.; Dr. J. A. Corry, Kingston, Ont.; Mr. W. H. Phillips, Ottawa, Ont.

Maritime provinces: Dr. G. Douglas Steele, Charlottetown, P.E.I.

Prairie provinces: Mr. Jesse P. Tripp, Oxbow, Sask.

British Columbia: Mrs. Mary E. Farr, Victoria, B.C.

3. No information is available concerning the political activities of the members of the board of governors prior to or since their appointment.

4. Mr. Dunton: full-time member of the board, a newspaper editor, general manager of the wartime information board.

Dr. J. A. Corry: LL.B., B.C.L. (Oxford), LL.M., F.R.S.C., professor of political science dept., Queen's university.

Mr. F. J. Crawford: finance and business.

Mrs. Mary E. Farr: graduate of Toronto university in home economics.

Mr. René Morin: president, General Trusts of Canada, financier; originally connected with radio commission of 1936.

Questions

Mr. W. H. Phillips: vice-president, order of railroad telegraphers.

Mr. Adrien Pouliot: dean of the faculty of science of Laval university.

Dr. G. Douglas Steele: M.A., LL.D., principal of Prince of Wales college.

Mr. Jesse P. Tripp: druggist and optometrist.

CANADIAN FORCES—ENLISTMENTS, 1950

Mr. Fulton:

1. What were the numbers of enlistments in the Royal Canadian Navy, the Canadian army and the Royal Canadian Air Force, respectively in each month in the year 1950?

2. What were the totals of all ranks struck off strength for all causes in each service for the same months?

Mr. Campney:

1. Service enlistments in 1950.

	Navy	Army	Air Force
Jan.	181	343	322
Feb.	73	226	112
Mar.	17	71	136
Apr.	35	45	134
May	53	40	107
June	94	42	130
July	70	169	95
Aug.	240	7116	326
Sept.	443	4146	418
Oct.	339	860	434
Nov.	262	894	436
Dec.	149	900	477

2. Service releases in 1950.

	Navy	Army	Air Force
Jan.	61	126	107
Feb.	77	121	84
Mar.	74	158	131
Apr.	58	134	101
May	65	136	120
June	69	139	139
July	61	119	148
Aug.	62	93	113
Sept.	51	219	76
Oct.	95	200	82
Nov.	125	310	71
Dec.	131	510	91

LABOUR FORCE—NUMBER OF PERSONS EMPLOYED AND UNEMPLOYED

Mr. Knowles:

1. What was the total number of persons in the labour force in Canada, and by provinces, in the month of January in each year from 1948 to 1951, both inclusive?

2. What was the total number of persons employed in Canada, and by provinces, in the month of January in each year from 1948 to 1951, both inclusive?

3. What was the total number of persons unemployed in Canada, and by provinces, in the month of January in each year from 1948 to 1951, both inclusive?

[Mr. McCann.]

Mr. Cote (Verdun-La Salle):

1. The total number of persons in the civilian labour force in Canada for the periods nearest to January for which information is available, was:

February 21, 1948	4,825,000
November 20, 1948	4,964,000
March 5, 1949	4,899,000
October 29, 1949	5,200,000
March 4, 1950	5,108,000
November 4, 1950	5,201,000

The above data include Newfoundland for October 29, 1949, and subsequent dates. Information is not available for all provinces. By regions, the total number of persons in the civilian labour force was:

Newfoundland	
February 21, 1948	—
November 20, 1948	—
March 5, 1949	—
October 29, 1949	114,000
March 4, 1950	101,000
November 4, 1950	103,000
Maritime provinces	
February 21, 1948	425,000
November 20, 1948	442,000
March 5, 1949	428,000
October 29, 1949	438,000
March 4, 1950	437,000
November 4, 1950	431,000
Quebec	
February 21, 1948	1,348,000
November 20, 1948	1,390,000
March 5, 1949	1,385,000
October 29, 1949	1,437,000
March 4, 1950	1,411,000
November 4, 1950	1,448,000
Ontario	
February 21, 1948	1,703,000
November 20, 1948	1,750,000
March 5, 1949	1,751,000
October 29, 1949	1,798,000
March 4, 1950	1,779,000
November 4, 1950	1,817,000
Prairie provinces	
February 21, 1948	928,000
November 20, 1948	945,000
March 5, 1949	912,000
October 29, 1949	973,000
March 4, 1950	945,000
November 4, 1950	971,000

British Columbia

February 21, 1948	421,000
November 20, 1948	437,000
March 5, 1949	423,000
October 29, 1949	440,000
March 4, 1950	435,000
November 4, 1950	431,000

These data are based on the sample labour force survey of the dominion bureau of statistics. In this survey, the civilian labour force is defined as that portion of the civilian non-institutional population fourteen years of age and over that had jobs or that did not have jobs but were seeking work during the survey week.

2. The total number of persons with jobs in Canada for the periods nearest to January for which information is available, was:

February 21, 1948	4,669,000
November 20, 1948	4,858,000
March 5, 1949	4,700,000
October 29, 1949	5,053,000
March 4, 1950	4,796,000
November 4, 1950	5,084,000

The above data include Newfoundland for October 29, 1949, and subsequent dates. Information is not available for all provinces. By regions, the total number of persons with jobs was:

Newfoundland

Feb. 21, 1948	—
Nov. 20, 1948	—
Mar. 5, 1949	—
Oct. 29, 1949	100,000
Mar. 4, 1950	79,000
Nov. 4, 1950	95,000

Maritime provinces

Feb. 21, 1948	400,000
Nov. 20, 1948	424,000
Mar. 5, 1949	403,000
Oct. 29, 1949	416,000
Mar. 4, 1950	395,000
Nov. 4, 1950	410,000

Quebec

Feb. 21, 1948	1,300,000
Nov. 20, 1948	1,360,000
Mar. 5, 1949	1,318,000
Oct. 29, 1949	1,393,000
Mar. 4, 1950	1,309,000
Nov. 4, 1950	1,409,000

Ontario

Feb. 21, 1948	1,663,000
Nov. 20, 1948	1,725,000
Mar. 5, 1949	1,695,000
Oct. 29, 1949	1,761,000
Mar. 4, 1950	1,706,000
Nov. 4, 1950	1,793,000

Prairie provinces

Feb. 21, 1948	905,000
Nov. 20, 1948	926,000
Mar. 5, 1949	883,000
Oct. 29, 1949	956,000
Mar. 4, 1950	902,000
Nov. 4, 1950	958,000

British Columbia

Feb. 21, 1948	401,000
Nov. 20, 1948	423,000
Mar. 5, 1949	401,000
Oct. 29, 1949	427,000
Mar. 4, 1950	405,000
Nov. 4, 1950	419,000

These data are based on the sample labour force survey of the dominion bureau of statistics. In this survey, persons with jobs are made up of two groups: (1) those who did any work in the survey week for pay or profit or who did unpaid work which contributed to the running of a farm or business operated by a relative; (2) those who had jobs but did not work during the survey week because of illness, bad weather, vacation, labour dispute, or temporary lay-off with definite instructions to return to work within 30 days of the time of being laid off.

3. Information on the number of persons unemployed in Canada is obtained from two main sources.

First, the sample labour force survey of the dominion bureau of statistics provides estimates of the total number of persons without jobs and actively seeking work at four quarterly intervals each year. This information for Canada as a whole for the periods closest to January for which information is available was as follows:

February 21, 1948	156,000
November 20, 1948	106,000
March 5, 1949	199,000
October 29, 1949	147,000
March 4, 1950	312,000
November 4, 1950	117,000

The above data include Newfoundland for October 29, 1949, and subsequent dates. Information is not available for all provinces. By regions, the total number of persons without jobs and actively seeking work was:

Newfoundland

February 21, 1948	—
November 20, 1948	—
March 5, 1949	—
October 29, 1949	14,000
March 4, 1950	22,000
November 4, 1950	8,000

Questions

Maritime provinces	
February 21, 1948	25,000
November 20, 1948	18,000
March 5, 1949	25,000
October 29, 1949	22,000
March 4, 1950	22,000
November 4, 1950	21,000
Quebec	
February 21, 1948	48,000
November 20, 1948	30,000
March 5, 1949	67,000
October 29, 1949	44,000
March 4, 1950	102,000
November 4, 1950	39,000
Ontario	
February 21, 1948	40,000
November 20, 1948	25,000
March 5, 1949	56,000
October 29, 1949	37,000
March 4, 1950	73,000
November 4, 1950	24,000
Prairie provinces	
February 21, 1948	23,000
November 20, 1948	19,000
March 5, 1949	29,000
October 29, 1949	17,000
March 4, 1950	43,000
November 4, 1950	13,000
British Columbia	
February 21, 1948	20,000
November 20, 1948	14,000
March 5, 1949	22,000
October 29, 1949	13,000
March 4, 1950	30,000
November 4, 1950	12,000

The number of persons without jobs and actively seeking work usually increases quite markedly from November of each year to January of the next year.

Information is also available on the number of applications for employment on hand at national employment service offices. These data, for Canada and all the provinces, are shown below:

January 29, 1948	
Newfoundland	—
Prince Edward Island	1,750
Nova Scotia	14,453
New Brunswick	7,154
Quebec	51,472
Ontario	50,329
Manitoba	13,982
Saskatchewan	8,279
Alberta	9,010
British Columbia	29,627
Canada	186,056
February 3, 1949	
Newfoundland	—
Prince Edward Island	2,260
Nova Scotia	15,387
New Brunswick	11,075
Quebec	71,342
Ontario	66,956
Manitoba	17,371
Saskatchewan	9,901
Alberta	10,769
British Columbia	51,738
Canada	256,799
February 2, 1950	
Newfoundland	14,650
Prince Edward Island	2,615
Nova Scotia	20,338
New Brunswick	17,310
Quebec	109,263
Ontario	89,850
Manitoba	23,305
Saskatchewan	12,866
Alberta	16,700
British Columbia	68,658
Canada	375,555
February 1, 1951	
Newfoundland	9,140
Prince Edward Island	2,818
Nova Scotia	16,423
New Brunswick	12,942
Quebec	89,257
Ontario	68,300
Manitoba	21,029
Saskatchewan	13,417
Alberta	16,702
British Columbia	50,018
Canada	300,046

The labour force data on the number of persons without jobs and actively seeking work do not include any persons who worked from 1 to 14 hours in the survey week, some of whom no doubt were looking for regular full-time jobs. They also do not include those persons who had jobs but did not work at them during the survey week because of bad weather, temporary lay-off, illness and other reasons. Some of these workers would be eligible for unemployment insurance benefits and therefore might be registered with the national employment service.

In respect to the national employment service data, it must be remembered that not all unemployed workers register at employment offices, and that some of those who do might find jobs of their own and not notify the national employment service. In this latter case, their applications remain on file for either fifteen or thirty days after they

[Mr. Cote (Verdun-La Salle).]

Questions

were last in touch with the office, depending on whether or not they were also claiming unemployment insurance benefits.

CANADIAN CITIZENSHIP—CHINESE

Mr. Pearkes:

How many persons of Chinese racial origin became Canadian citizens during 1950?

Mr. Bradley: 2,577 persons of Chinese racial origin born outside of Canada became Canadian citizens in the calendar year 1950.

IMPORTS OF MOTOR VEHICLES—RETAIL OR DUTY PAID VALUE

Mr. Dickey:

1. During the calendar year 1950, how many (i) passenger automobiles; (ii) trucks and commercial vehicles, were (a) manufactured in Canada; (b) imported into Canada of United States manufacture; (c) imported into Canada of United Kingdom manufacture?

2. What were the total retail or duty paid values in each case?

Mr. McIlraith:

1 and 2.

	Number	Selling value at works*
		$
(a) Manufactured in Canada 1949 (latest available)		
(i) Passenger automobiles	193,556	277,660,998
(ii) Trucks and commercial vehicles...	99,028	146,697,354

(1950)	Number	Value	Customs Duty
		$	$
(b) (i) Passenger automobiles imported into Canada from United States	3,154	6,038,482	1,056,735
(ii) Trucks and commercial vehicles imported into Canada from United States	1,616	6,056,200	1,059,839
(c) (i) Passenger automobiles imported into Canada of United Kingdom manufacture	77,658	68,396,490	—
(ii) Trucks and commercial vehicles imported into Canada of United Kingdom manufacture	5,180	4,893,480	—

* Retail value not available.

Note:

(1) Imports of passenger automobiles and trucks from United States include vehicles manufactured in other countries but purchased in the United States. No break-down by country of manufacture available.

(2) Values are those shown on customs entries for customs duty purposes and do not include freight, shipping or other handling charges.

(3) Customs duties as shown do not include excise taxes or sales taxes which are not recorded in trade statistics.

IMPORTS OF PARTS FOR BRITISH CARS—DUTY PAID VALUE

Mr. Dickey:

What is the duty paid value of replacement parts and spares imported into Canada during the calendar year 1950, for cars of United Kingdom manufacture?

Mr. McIlraith: Imports of all automobile parts from the United Kingdom were valued at $4,232,470. Customs duty collected amounted to $57,759. In addition, imports of engines and parts of engines for motor vehicles from the United Kingdom were valued at $543,119, and customs duty collected amounted to $10,276.

Note: (1) No break-down is available to show replacement parts and spares separate from parts for the manufacture of cars.

(2) Values are those shown on customs entries for customs duty purposes and do not include freight, shipping or other handling charges.

(3) Customs duties as shown do not include excise taxes or sales taxes which are not recorded in trade statistics.

PARTS IMPORTED AND MOTOR VEHICLES PRODUCED IN CANADA

Mr. Dickey:

1. During the calendar year 1950, what was the total value of parts imported into Canada from the United States for inclusion in (a) passenger automobiles; (b) trucks and commercial vehicles produced in Canada?

2. What relation does the value of imported component parts bear to the value of vehicles produced in Canada (a) passenger automobiles; (b) trucks and commercial vehicles?

Questions

Mr. McIlraith:

1. (a) and (b) Imports of all parts imported from the United States for passenger automobiles, trucks and commercial vehicles were valued at $154,107,515. In addition, engines and parts for passenger automobiles, trucks and commercial vehicles were valued at $17,756,228.

Note: There is no break-down to show the value of parts for passenger automobiles separate from trucks and commercial vehicles. Also, there is no record to show imports of parts for inclusion in vehicles produced in Canada separate from parts for replacement or repair purposes.

2. Information not available.

PUBLIC WORKS DEPARTMENT—APPOINTMENTS IN NEWFOUNDLAND

Mr. Browne (St. John's West):

1. How many appointments have been made in the public works department, province of Newfoundland, since April 1, 1950?

2. What are their names and respective salaries?

Mr. Fournier (Hull):

1. Twenty-three.

2. Noseworthy, D. G., per annum, $2,280; Halfyard, W. S., $1.30 per hour; Andrews, F. S., per annum, $1,500; Little, H. M., per annum, $1,080; Osmond, P. J., per annum, $1,080; Francis, W. F., per annum, $1,620; Miller, S. L., per annum, $2,580; Knight, G. E., per annum, $2,880; Goudie, G. H., per annum, $2,700; Crane, J. W., per annum, $1,500; Downey, M. M., per annum, $1,500; Browne, P., per annum, $1,080; Russell, Clarence, per month, $200; Lewis, Hugh A., per month, $275; Hounsell, Thomas, per month, $235; Seymour, L., per month, $190; Antle, Ben, per month, $154; Pollack, Thomas, per month, $154; Jordan, William, per month, $154; Burry, N., per month, $150; Williams, Albert, per month, $132; Saunders, Gordon, per month, $132; Hill, Thomas, per month, $132.

IMMIGRATION, 1950

Mr. Hodgson:

1. How many immigrants entered Canada during the year 1950?

2. From what countries did they come, and how many from each country?

Mr. Harris (Grey-Bruce):

1. 73,912.

2. See statement below.

Immigration to Canada, showing country of last permanent residence, for the calendar year 1950

Africa (British)	128
Africa (not British)	85
Albania	24
Australia	352
Austria	619
Belgium	956
Bermuda	52
Bulgaria	86
Central America	25
China	1,814
Czechoslovakia	1,698
Denmark	932
Eire	452
England	9,077
Esthonia	1,630
Finland	445
France	1,399
Germany	3,815
Greece	815
Holland	7,169
Hungary	1,777
India	97
Ireland (Northern)	626
Israel	147
Italy	8,993
Japan	14
Jugoslavia.	1,489
Latvia	1,629
Lesser British Isles	26
Lithuania	900
Malta	856
Mexico	16
New Zealand	201
Norway	234
Poland	9,747
Portugal	16
Roumania	1,034
Russia	1,224
St. Pierre and Miquelon	16
Scotland	2,802
South America	498
Spain	20
Sweden	589
Switzerland	533
Syria	90
Ukraine	84
United States	7,821
Wales	164
West Indies (British)	364
West Indies (not British)	83
Others	249
Total	73,912

CANADIAN FORCES—ENLISTMENTS, JANUARY AND FEBRUARY, 1951

Mr. Hodgson:

How many persons enlisted in the (a) army; (b) navy; (c) air force, during each of the months of January and February, 1951?

Mr. Campney:

	January 1951	February 1951
(a) Army	1687	1200
(b) Navy	288	448
(c) Air force	1321	1226

POST OFFICE DEPARTMENT—APPOINTMENTS IN NEWFOUNDLAND

Mr. Browne (St. John's West):

1. How many appointments have been made in the post office department, province of Newfoundland, since April 1, 1950?

Questions

2. What are their names and respective salaries?

Mr. Langlois (Gaspe):

1. 108.

2. (a) Staff post offices

Name	Post Office	Salary Per annum
Sceviour, D. P.	Corner Brook, Nfld.	$1,380
Parsons, W. H.	" " "	1,380
Snow, R. J.	" " "	1,380
Noel, M.	" " "	1,380
Gushue, R. G.	" " "	1,380
Brown, J. W.	" " "	1,380
Trenchard, R. K.	St. John's, Nfld.	1,800
Tansley, H. E.	" "	1,800
Reid, R. D.	" "	1,800
Power, N. J.	" "	1,800
Hooder, T. J.	" "	1,800
Aylword, J. J.	" "	1,800
Butler, L. B.	" "	1,800
Hawco, P. J.	" "	1,800
Fennell, L. M.	" "	1,800
Barrett, G. A.	" "	1,800
Constantine, P. J.	" "	1,380
McNamara, J. J.	" "	1,380
Seward, J. F.	" "	1,380
Kerrvian, G. M. (Mrs.)	" "	1,380
Dawe, E. W. (Miss)	" "	(per hour) 50c
	" "	1,080

(b) Revenue post offices

Name	Post Office	Salary
Gordon Batten	Bareneed	$ 300
Harold E. Croucher	Beaumont	360
Mrs. Annie A. Bennett	Black Duck Siding	120
Mrs. Estelle Traverse	Brewley	120
Mrs. Best Cave	Brighton	300
Leo M. Barry	Brigus	1,080
Allan Squires	Brownsdale	540
Andrew P. Pye	Cape Charles	120
Mrs. Vina D. Humphries	Cape Freels	180
Colin Pike	Charleston	420
Mrs. Violet E. Seymour	Cowards Island	180
Cyril Weeks	Duntara	180
Gordon C. Smith	Elliotts Cove	300
Miss Isabel Bennett	Flat Bay (St. Georges)	180
Robert R. Lewis	Fleur de Lys	300
Veronica Whiffin	Fox Harbour	420
Henry Hynes	Fox Island River	120
Reginald Durnford	Francois	300
Miss Regina Bruce	Freshwater (PB)	600
Mrs. Mona Pelley	Georges Brook	120
Mrs. Elizabeth M. Wells	Goulds (Brigus)	180
Miss Merida Benson	Grates Cove	420
Miss Rita Hunt	Griquet	300
Michael Terry	Groais Island	120
Miss Hannah D. Fleet	Harmon Field	2,100
Lloyd Prior	Hermitage	420
Lawrence Leawood	Hickmans Harbour	480
Mrs. Frieda Hettasch	Hopedale	180

Questions

Name	Post Office	Salary
Miss Effie M. Normore	Horwood	360
Samuel Bungay	Jacksons Arm	300
Frank Haines	Jamestown	420
Mrs. Wm. Haliday	Jobs Cove	120
Mrs. Monica Cooper	Kilbride	120
Gerald Lawton	Kings Cove	720
Violet West	Ladle Cove	300
Charles Davis	Lance Amour	120
Miss Phyllis Jones	Little Bays Islands	540
Mrs. Monica Bailey	Little Harbour West	120
Mrs. Cecelia R. Young	Marches Point	120
Mrs. Maud Thomas	Middle Arm	120
Mrs. Florence Howe	Millertown Junction	540
James M. King	Milltown	300
Augustus F. Fitzgerald	Mobile	120
Oswald Pennell	Musgrave Harbour	600
Walter W. Chaffey	Musgravetown	780
Mrs. Melita Hale	Newstead	420
Miss Estley L. Ginn	Newstead	420
Mrs. Selina Smith	Normans Cove	360
Mrs. Flossie Warren	North West Brook	120
Mrs. Lillian Moore	Notre Dame Junction	120
Mrs. Annie Elliott	Pasadena	480
Mrs. Edward Mandville	Point La Haye	120
Mrs. Mary L. Gould	Port au Choix	300
Mrs. Rose MacIsaac	Port au Port	780
John Clothier	Port aux Basques	1,140
Miss Della R. Webber	Port Blandford	960
Hayward Green	Port Hope Simpson	120
Miss Dora M. Ayre	Port Saunders	540
Mrs. Jean H. Hillier	Quirpon	180
Patrick Quinlan	Red Head Cove	180
Samuel Strickland	Rencontre West	360
Miss Geneva R. Cake	Roberts Arm	360
Ross Coffin	St. Albans	600
James Hodder	St. Bernards	360
Mrs. Martha J. Troke	St. Chads	120
Mrs. Esmeralda Sutton	St. Josephs Cove	120
Miss Bridget Davis	St. Juliens	120
Miss Lucy LaSaga	Shallop Cove	120
James Holmes	Shearstown	120
Mrs. Wm. J. Kennedy	Shoal Point	120
Adam Mathews	Silver Hare Island	120
Mrs. Leticia Lambert	South Port	120
Wm. A. Brazil	Spaniards Bay	1,200
Miss Alice Tucker	Thorburn Road	120
Thomas E. Greeley	Tilton	120
Miss Mary J. Power	Tors Cove	300
Mrs. Raymond Parsons	Trinity (TB)	1,320

(c) Assistants

Name	Post Office	Salary
Lorne R. Elms	Bay Roberts	$1,080
Chas. Noseworthy	Bell Island Mines	1,080
Thos. C. Gill	Botwood	1,080
Kenneth Reid	Botwood	1,080
Miss Vera Balsam	Clarenville	900
Miss Mottee Manuel	Deer Lake	1,080
Miss Viola M. Bennett	Harmon Field	900
Miss Margaret Bursey	Windsor	900
Mrs. Harvey T. Newhook	Windsor (part time)	490

At Carbonear, John S. Clarke is acting as a military substitute with a salary of $1,080 a year.

[Mr. Langlois (Gaspe).]

IMMIGRATION—DISPLACED PERSONS

Mr. Hodgson:

How many displaced persons were brought to Canada during the year 1950?

Mr. Harris (Grey-Bruce): 22,906.

QUESTION PASSED AS ORDER FOR RETURN

BUTTER IN STORAGE AND SALES

Mr. Fraser:

1. How much butter did the dominion government and its agencies have in storage on December 31, 1950?
2. To what firms or individuals did the government through its agencies sell butter during the months of January and February, 1951?
3. What amount of butter was sold to each firm, or individual, and at what price in each case?

MOTIONS FOR PAPERS

BUREAU OF STATISTICS—MONTREAL BRANCH—MR. ZAPPA

Mr. Pouliot:

For a copy of the instructions given to one named Fernand Brunet and to one named Saba (or Sapa or Zappa), of the Montreal branch of the dominion bureau of statistics, concerning the appointment of census field supervisors.

Mr. McIlraith: Return tabled.

LAVAL UNIVERSITY—EMPLOYMENT COMMITTEE

Mr. Pouliot:

For a copy of the notice recently published at Quebec by the Laval students employment committee and signed by one named Racine, concerning positions to be filled in connection with the census.

Mr. Cote (Verdun-La Salle): Return tabled.

CENSUS COMMISSIONERS

Mr. Pouliot:

For a copy of all instructions given to the census commissioners since their appointment.

Mr. McIlraith: Return tabled.

BUREAU OF STATISTICS—JEAN-JACQUES LEFEBVRE

Mr. Pouliot:

For a copy of all correspondence between one named Jean Jacques Lefebvre, of the dominion bureau of statistics, at Ottawa, and the census commissioners, and any officer of the unemployment insurance commission, since the appointment of the census commissioners.

Mr. McIlraith: There is no correspondence between one Jean-Jacques Lefebvre of the dominion bureau of statistics and the census commissioners.

Mr. Speaker: Dropped.

PRINTING BUREAU EMPLOYEES—CORRESPONDENCE WITH CIVIL SERVICE COMMISSION

Mr. Knowles:

For a copy of all letters dated since July 1, 1950, written to the civil service commission or to the chairman or secretary thereof by employees or former employees of the government printing bureau.

Mr. St. Laurent: There is no desire to withhold any information that the hon. member may wish to get; but I am informed that the files are kept in such a way that, to comply with the order as it would be drafted on this motion, would involve going over all the files of the correspondence with anyone who since that date has been in the employ of the printing bureau. I do not think the hon. member would wish to have unnecessary work done. If he could indicate in a more precise manner what he really wishes to get, there would be no objection to endeavouring to comply with the request.

Mr. Knowles: I wonder if the Prime Minister would be satisfied if I indicated in a brief word now the kind of letters that are sought by this motion.

An hon. Member: Reword it.

Mr. Knowles: I am asking the Prime Minister.

Mr. St. Laurent: I am sure the hon. member does not want a lot of unnecessary work done. If he can say anything that would limit the amount of work that would be required, we should be glad; there is no desire to delay the return.

Mr. Knowles: The request I am making is for letters since July 1, 1950, complaining about working conditions in the printing bureau, and for letters from employees who have left the bureau, stating the reasons why they left.

Mr. St. Laurent: They are not catalogued in that way. We can get from the printing bureau all the names of those who have left, and go through their files to see if they stated the reasons why. If that is satisfactory I will see that it is done.

Some hon. Members: Dropped.

Mr. Speaker: Is the motion to be carried or dropped?

Mr. Knowles: I suggest that the house might carry the motion subject to the conditions which have been indicated by the Prime Minister and which I have accepted.

Some hon. Members: No.

Mr. Speaker: Perhaps the hon. member will reword his motion.

Some hon. Members: Dropped.

Mr. Knowles: Mr. Speaker, the Prime Minister stated certain conditions, and I am prepared to accept them. Is that not satisfactory?

Business of the House

Mr. St. Laurent: If it is satisfactory to deal only with the files of those who have left the service since the date mentioned, I think we can have them gone through.

Mr. Speaker: Motion carried, in accordance with the last statement made by the Prime Minister.

WHEAT—AGREEMENT WITH UNITED KINGDOM

Mr. Coldwell:

For a copy of all letters, telegrams, memoranda, or other documents between any minister, department, official, or the government of Canada and any minister, department, official, or His Majesty's government of the United Kingdom, relating to the final settlement of the four-year agreement, 1946, for the sale and purchase of Canadian wheat, including correspondence, and other documents relating to the price agreed to be paid during the last two years of the agreement.

Mr. St. Laurent: I ask the hon. member if he would allow this motion to stand for a few days. There is no desire to delay the matter, but we should like to get together whatever the terms of this motion would cover—and they are fairly broad—and then determine as to which of them there should be a conference with the representatives of the United Kingdom government before an order is made.

Mr. Coldwell: That would be satisfactory to me. I think it is a matter of some public interest and urgency, but I am glad to agree to that suggestion.

Mr. Speaker: Stand.

BUSINESS OF THE HOUSE

EASTER ADJOURNMENT

Right Hon. L. S. St. Laurent (Prime Minister) moved:

That when this house adjourns on Wednesday, March 21, 1951, it stand adjourned until Monday, April 2, 1951.

He said: If it is the pleasure of the house that this motion be considered at this time, I shall be glad to move it; otherwise I would not want to insist on doing so.

Some hon. Members: Agreed.

Mr. Speaker: Does the house agree that the motion should be put now?

Some hon. Members: Agreed.

Mr. Pouliot: Before the motion is adopted, I should like to know whether the members will be paid for the month of March before they leave for their Easter holidays.

Mr. St. Laurent: I can assure the hon. member that full consideration will be given to the desirability of doing that, if the rules allow it.

Motion agreed to.

[Mr. Knowles.]

YUKON ACT

AMENDMENT TO INCREASE THE NUMBER OF MEMBERS OF THE TERRITORIAL COUNCIL

Hon. Alphonse Fournier (for the Minister of Resources and Development) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a measure to increase the number of members of the Yukon territorial council from three to five.

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.

POSTAL SERVICE

REDUCTION IN URBAN MAIL DELIVERIES—REPRESENTATIONS ON BEHALF OF LETTER CARRIERS

On the orders of the day:

Mr. J. H. Rooney (St. Paul's): I should like to address a question to the Postmaster General or, in his absence, to the parliamentary assistant. Has the Postmaster General or the parliamentary assistant any comments to make regarding the grievances voiced by the letter carriers at a meeting held in Toronto yesterday?

Mr. L. Langlois (Parliamentary Assistant to the Postmaster General): The hon. member was kind enough to hand me a copy of his question shortly before I came into the house. Notice of a similar question was received from the hon. member for York South (Mr. Noseworthy), and early last week the hon. member for Spadina (Mr. Croll) also inquired of me outside of this house about this reduction in the letter carriers' staff and made somewhat the same representations.

The meeting of letter carriers in Toronto has also been brought to my attention, in the absence of the Postmaster General from the city on official business, by the hon. member for Trinity (Mr. Conacher), the hon. member for Davenport (Mr. Hellyer), the hon. member for Rosedale (Mr. Henry), and the hon. member for High Park (Mr. Cameron)—

Mr. Fleming: And the member for Eglinton.

Mr. Langlois (Gaspe): —who, I understand, were present at that meeting and who expressed their desire to see the Postmaster General about it tomorrow when he returns to the city.

In the meantime, the department has no information concerning the proceedings at that meeting other than that published in the newspapers.

Mr. Fleming: That is sufficient.

Mr. Langlois (Gaspe): A clipping from he *Globe and Mail* dealing with this matter was handed to me before the lunch hour. Until we have an official report from our officials in Toronto, therefore, on the nature of the complaints and grievances aired there, it is not possible to make a complete statement about them; although this will be done, if deemed necessary, either by the Postmaster General or by myself as soon as possible.

However, I wish to draw to the attention of the house the fact that the department is in daily communication with postmasters throughout Canada in regard to the change-over to the one delivery on residential walks.

Much of what is reported to have been said at that meeting is not apparently borne out by the facts. The letter carriers and other postal workers have associations employing paid officers who have full access to postmasters and to headquarters officials, including the deputy postmaster general, at all times.

No man is being asked or expected to work more than forty-four hours a week. None of them can expect to work less. In every individual case where it is claimed, or where there is any indication, that the hours are in excess of this, the full facts are being obtained, and adjustments will be made promptly. The associations concerned have not as yet submitted anything to indicate that, other than the temporary dislocation due to the change-over, there are any grounds for continued grievance on the part of the men.

To repeat, every individual case will be checked and adjustments made on the basis of facts. May I be permitted to add that the Postmaster General informed me on Friday that on his return to Ottawa tomorrow he wished to make a full statement to the house on this reduction in letter carrier delivery now being applied throughout the country.

Mr. Graydon: What about the double loads they carry?

Mr. Fleming: May I ask the parliamentary assistant to the Postmaster General whether in the course of this inquiry, which I hope will be regarded as an urgent matter, action will be taken not only on the protests of the letter carriers, which are urgent, but also on the storm of protests from people who are getting their mail delivered about five or six o'clock in the afternoon?

Mr. Abbott: What about economies?

Mr. Fleming: The Minister of Finance made a remark, Mr. Speaker, that I think deserves comment. He said: "What about economies?" This is not simply a matter of economy. We all want to see economy. This is a question of humane treatment and seeing that fair play is done. It is not a question of economy; it is a question of lack of common sense.

Mr. Noseworthy: May I ask the parliamentary assistant a supplementary question? He mentioned that the department has been in contact with postmasters. Has the department been in contact with the men, or with representatives of the men through their associations?

Mr. Langlois (Gaspe): I presume that our circulars sent to all postmasters were duly brought to the attention of the postal employees concerned.

APPLICATION TO POSTMASTERS OF PUBLIC SERVICE PAY INCREASES

On the orders of the day:

Mr. L. E. Cardiff (Huron North): I should like to direct a question to the Postmaster General, or in his absence perhaps his assistant can answer. Will the Postmaster General tell the house whether the postmasters who are not civil servants will receive the same proposed increase in salary benefits as those who are civil servants? If so, when may they expect to receive the same?

Mr. L. Langlois (Parliamentary Assistant to the Postmaster General): May I take this question as notice?

LABOUR CONDITIONS

INQUIRY AS TO ATTEMPTED SABOTAGE OF INDUSTRIAL PRODUCTION AT OSHAWA

On the orders of the day:

Mr. G. F. Higgins (St. John's East): I have three questions to ask different ministers, Mr. Speaker. May I ask them consecutively?

Mr. Speaker: I hope they are not questions that should be on the order paper.

Mr. Higgins: The first is to the Minister of Justice. Has there been an attempted sabotage of industrial production at Oshawa, Ontario, by communists? Has there been a deliberate communist campaign to slow down production and upset the morale of industrial workers engaged in defence production at Oshawa?

Hon. Stuart S. Garson (Minister of Justice): I thank my hon. friend for having given me notice of these questions. Immediately upon receipt of them I got in touch with Commissioner Wood of the Royal Canadian Mounted Police during the lunch hour, and requested him to get in touch with the appropriate officers of the mounted police to secure the

information which is required in reply to these questions. Up to the present time I have not received that information; therefore I would suggest that I bring it down tomorrow.

EMPLOYMENT OF NEWFOUNDLANDERS IN ONTARIO LUMBER CAMPS

On the orders of the day:

Mr. G. F. Higgins (St. John's East): May I direct my next question to the Minister of Labour or to his parliamentary assistant? Has the minister knowledge of the exploitation of men brought from Newfoundland to work with Ontario lumber companies?

Mr. Paul E. Cote (Parliamentary Assistant to the Minister of Labour): I wish to thank the hon. member for his courtesy in sending me notice of his question. In the time at my disposal I have made an inquiry and I am now in a position to give him the following information in answer to his question.

Arrangements were made by our national employment service to provide transportation at federal government expense between October 1 and December 31 last for 301 men from Newfoundland who volunteered to work in northern Ontario lumber camps. The following orders were placed with the employment service, and the following number of men were dispatched: Great Lakes Paper Company, Fort William, 42 men; Abitibi Power and Paper, Hurkett, 66 men; Brampton Paper Company, 25 men; Marathon Pulp and Paper Company, 44 men; Pineland Pulp and Paper Company, Sudbury, 25 men; Gillies Brothers, Braeside, 50 men; Spruce Falls, Kapuskasing, 49 men, total 301 men. All these companies, Mr. Speaker, are known and recognized as running first-class camps.

The six dissatisfied men mentioned by my hon. friend in his notice are the only men of the 301 who have expressed any dissatisfaction with the working conditions in the camps. Four of them have been placed to their satisfaction with the Driftwood Timber Company at Hearst, and the remaining two have chosen to return to Newfoundland.

Finally, as to the complaint that no stamps were affixed in the insurance books of these gentlemen, I may say that they had been working for companies that complied with regulation 14 of the unemployment insurance contribution regulations under which these companies have chosen to pay the contributions by bulk payments at specified periods determined by the commission.

[Mr. Garson.]

COMMONWEALTH CONFERENCE

INQUIRY AS TO MEETING IN LONDON—PURCHASE OF BRITISH-MADE JET BOMBERS

On the orders of the day:

Mr. G. F. Higgins (St. John's East): My final question is to the Minister of National Defence. Is it true that a commonwealth conference is to be held in London in May to discuss Middle East defence, increase in armament production, the guarding of supply lines and the Pacific pact? Is it proposed to purchase British-made jet bombers?

Mr. Speaker: These questions have to do with a conference which it is suggested may take place a month or two hence. I think the questions should be placed on the order paper.

ROSS McLEAN

REFERENCE TO APPOINTMENT AS HEAD OF DIVISION OF UNESCO

On the orders of the day:

Mr. J. S. Sinnott (Springfield): I have two questions, both of which I should like to deal with while I am on my feet. I should like to direct the first one to the Secretary of State for External Affairs. It has to do with Ross McLean, former Canadian government film commissioner. My question is this. Does he know who was responsible for his appointment as head of the film visual information division of the United Nations educational, scientific and cultural organization in Paris?

Mr. Speaker: Order. The question is one which should be placed on the order paper.

PUBLIC WORKS

CLOSING OF BRIDGE OVER RED RIVER AT LOCKPORT, MAN.

On the orders of the day:

Mr. J. S. Sinnott (Springfield): Mr. Speaker, I should like to ask a question, a copy of which has been given to the Minister of Public Works. Owing to the inconvenience to the farmer and business people on both sides of the Red river at Lockport anticipating a long period of obstruction due to the fact that the dominion government has intimated it will close the bridge to traffic on May 1 for repairs—

Mr. Speaker: Order.

Mr. Sinnott: —will the Minister of Public Works delay this action for a period of at least three years?

Hon. Alphonse Fournier (Minister of Public Works): Mr. Speaker, I think the hon. member is overdoing it. Last fall we did give a contract for the repair of the superstructure

roadway on the bridge at Lockport. The work was begun in the fall. It was discontinued during the winter months and will be resumed around May 1. I do not think we should interfere in the execution of the contract. If the hon. member is referring to the closing of the locks at St. Andrews, I may say that we shall be guided by the water level as time goes on.

Mr. Sinnott: I have a supplementary question. Last year, when the bridge was under repair—

Mr. Speaker: Order.

Mr. Sinnott: I wish to ask a supplementary question.

An hon. Member: Sit down.

Mr. Sinnott: Will steel be made available when the work is started?

Mr. Fournier (Hull): I will refer that question to one of my colleagues, and when I get an answer I will let the hon. gentleman know.

Mr. Speaker: Order. A question asked when the orders of the day are called must not be one which would provoke debate. Questions must be brief and urgent.

COST OF LIVING

REFERENCE TO INCREASE AS INDICATED BY INDEX

On the orders of the day:

Mr. George H. Hees (Broadview): Mr. Speaker, I should like to ask a question of the Prime Minister. In view of the statement appearing in this morning's press to the effect that the cost of living index had risen nearly three points in January, does not the government consider the time has now arrived for the setting up of—

Mr. Speaker: Order. That is not a question which should be asked on the orders of the day.

Mr. Knowles: The government is waiting for 200.

EMERGENCY POWERS ACT

PROVISIONS FOR ORDERS AND REGULATIONS DEEMED ADVISABLE FOR NATIONAL DEFENCE AND SECURITY

On the order:

Third reading of Bill No. 24, an act to confer certain emergency powers upon the governor in council.—The Prime Minister.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, when the debate closed on Friday night the Minister of Public Works (Mr. Fournier), outlining the order of business, said:

On Monday we will continue this debate—

And that was the debate in connection with the setting up of the Department of Defence Production.

—with the hope that we may reach a decision.

Then he went on to outline other business. I would suggest that that course be followed.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, if there is any objection to third reading of this bill being taken today, I would say there is no desire on the part of the government to insist. It can go over, and be announced tonight to be considered tomorrow.

Order stands.

DEFENCE PRODUCTION ACT

CREATION OF NEW DEPARTMENT—MOBILIZATION OF ECONOMIC AND INDUSTRIAL FACILITIES

The house resumed, from Friday, March 2, consideration of the motion of Mr. St. Laurent for the second reading of Bill No. 77, respecting the department of defence production.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, I wish to make one brief comment on Bill No. 77 before the motion for second reading is put. I think it is axiomatic that legislation should be as brief and direct as possible. Much would have been saved in the printing of the bill, time would have been saved in this house and the courts in the interpretation of it, it would have been much more direct in its terms and certainly would have had the same effect, if the government had simply introduced a bill of only three sections, worded somewhat to this effect:

1. This act may be cited as the Defence Production Act.

2. "Minister" means the Minister of Defence Production.

3. The minister shall be and be deemed to be, to all intents and purposes whatsoever, omnipotent.

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

On section 1—*Short title.*

Mr. Drew: Mr. Chairman, before proceeding with the discussion in committee, in view of the fact that there has already been an indication of willingness to make at least one amendment, may I ask the Prime Minister if as a result of the discussions which have already taken place he could indicate whether the government proposes to offer any amendments and, if so, what sections they will cover.

Mr. St. Laurent: Mr. Chairman, we are not proposing to introduce any amendments. On the detailed discussion of the sections if it appears that amendments would make them more effective or workable, they can be considered as they come up. The government's proposal is the bill as printed.

Mr. Hees: Some time ago I asked the Minister of Trade and Commerce if he would answer a question regarding the plan of production with respect to specific items, namely planes, tanks, guns, vehicles and small arms. He was kind enough to say he would give an answer on the bill. We have now arrived at the committee stage, and I would now ask the minister if he would make that statement.

Mr. Howe: Mr. Chairman, my hon. friend perhaps does not remember it, but he answered that question on Friday evening himself in considerable detail, during the discussion of the bill. I do not think I need go over it. The bill does not deal with the production of planes, guns, tanks and so on. It deals with an act to set up a department of government.

Mr. Hees: I believe the items I mentioned are very important ones which will be handled by that department. If the minister did not intend to make a statement, then I would ask him now why he said when he spoke on the matter a week ago last Friday, that he would be glad to make a statement. I quoted his statement in *Hansard*.

Mr. Howe: This is not the exact time to do it.

Mr. Drew: Mr. Chairman, this is the appropriate section under which to make any general observations concerning the measure now before us. I wish to speak to some aspects of the bill generally, and particularly in regard to some of those which have already been discussed and which I hoped might have been amended by the government as a result of that discussion.

One of the things I should like to emphasize in regard to this measure is a point I had hoped would appeal to the Prime Minister, particularly in view of the explanation he gave of the emergency powers bill. When that measure was before us he explained that while it contained many of the provisions appearing in the War Measures Act, it was not deemed advisable to create the impression in the minds of the Canadian people that we have yet reached the stage where we should regard ourselves as being in a state of war. I indicated my support of that view. I said on that occasion that I thought the more it was possible to emphasize in the minds of the people of Canada that our efforts are directed toward peace, the better it would be in carrying out the work we have under way.

This bill, instead of following the idea put forward by the Prime Minister (Mr. St. Laurent) at that time, deals with the production of defence materials in a way that goes beyond the powers conferred upon the minister responsible for defence production at the height of the last war. Reference has been made already to a number of the provisions of this bill which go very far and which it will perhaps be more appropriate to discuss when we are dealing with the individual sections. I would point out, however, that this bill goes very much farther than the munitions and supply act. It confers upon the minister as the minister, and not limited to cases in which he has the approval of the governor in council, powers which extend to some of the most important aspects of the Canadian economy.

I would suggest, as others suggested when the bill was up for second reading, that at a time when we are seeking to preserve all the desirable features of democracy it is most desirable that we make sure that we preserve democracy within parliament itself where the final test of our whole democratic system is going to take place. After all, democracy is something which affects every one of the fourteen million people of Canada; democracy is something that is shared by every one of those fourteen million people, but in the end, so far as national activities are concerned, the ability of all those people to express themselves within the democracy is through the channels afforded here in the parliament of Canada. For that reason it has been urged by others as well as by myself that we should not, at a time like this, proceed to extend these extremely wide powers, particularly without any explanation being given as to why such vast powers are necessary at this time.

This is not a subject that is coming up for discussion today for the first time; it has been under consideration for many years by people who are concerned about the preservation of parliamentary democracy. As the members of this house well know, one of the most learned books on that subject was written by Lord Hewart of Bury in 1929 under the title of "The New Despotism." Lord Hewart referred to the great danger of losing real democracy by the extension of what we have come to describe as administrative law into those fields which can still be dealt with adequately by parliament itself.

Lord Hewart did accept the proposition that there are many cases in which administrative law is necessary so that there is from day to day that measure of flexibility which is necessary for strictly administrative acts. He emphasized, however, his own point of view, and the point of view of many great constitutional lawyers of Britain, that where so-called administrative law gives to the government or to an individual minister the power to make decisions which have the effect of law, actually you are denying the responsibility of parliament itself and the rights of parliament in dealing with matters of public concern. At page 35 he had this to say:

> Between the rule of law and what is called "administrative law" (happily there is no English name for it) there is the sharpest possible contrast. One is substantially the opposite of the other.

He then goes on to explain the difference between administrative law and the rule of law under our system of parliamentary government. In referring to the administrative law of France he had this to say:

> It is a system which is fundamentally opposed to the English conception of the rule of law, especially as regards exemption from the jurisdiction of the ordinary legal tribunals, in the case of public officials acting in performance or purported performance of their official duties.

He then goes on to make an extended examination of the way in which the extension of legislative authority, without supervision by parliament at the time the decision is made, does in fact challenge the authority of parliament itself where it is something that affects the welfare of the people and creates new regulations, new laws, new activities not contemplated by parliament in any decision they have made.

The whole idea of the making and enforcement of law was dealt with long ago by one of the greatest exponents of our system of law, Sir William Blackstone, in these words:

> Where the right of making and enforcing law is vested in the same man, or one of the same body of men, there can be no public liberty.

In this particular bill, not only is authority conferred upon the minister to do certain things which would have a profound effect upon our economy and the life of the whole country over very broad fields—in fact over almost limitless fields—but we find it contains provisions which make it possible for the minister to delegate that authority to anyone whom he chooses, without any formal approval by the government by order in council. Then we have again the statement by Lord Hewart, to whom I have referred, to be found in the book from which I have already quoted, who says that powers of this kind continue to extend themselves to the point where we no longer have real democracy, no matter what the form may be. I quote his exact words:

> Arbitrary power is certain in the long run to become despotism and there is danger that if this so-called "administrative law" (by government agencies), which is essentially lawless, is gradually extended, it will mean the loss of those hardly won liberties which it has taken centuries to establish.

The proposition I put forward when this bill was up for second reading, the proposition I put forward now, is that when we are already engaged in a world-wide struggle to preserve our traditional system of democracy, that is the time we should most jealously guard those traditions and principles upon which that democracy has been built. Without going into many of the sections in detail I would point out that there are powers in this bill which at no time during the course of the war existed in statutory form in any measure brought forward by the government. We are still waiting for an explanation as to why this power should be given, particularly at the very time the Prime Minister, in discussing another bill, points out that it is desirable for us to refrain from extending powers to the full extent that would be done in time of a general war, because the very act of doing this might in itself convey the impression to the public mind that the government regards this country as already in a state of general war.

Fort that reason I am repeating to the Prime Minister—and I emphasize, to the Prime Minister—my suggestion that in consistency, having regard to what he said in relation to the other bill before the house, this legislation should not confer still wider powers than were conferred during the war, either upon the government or upon a minister; but rather at this stage the government should voluntarily redraft this bill so that the principle of the rule of law would be clearly settled, and the acts done under this legislation would be subject to those ordinary safeguards which are traditional under our system of democracy.

Mr. Howe: First I would like to deal with the matter of urgency. Several speakers have said there is no urgency about this rearming, that we should wait until we have a shooting war and then—

Mr. Drew: May I ask what hon. member said that?

Mr. Howe: I think my hon. friend intimated it just now.

Mr. Drew: I most certainly did not at any time; the very opposite.

Mr. Howe: The hon. member said the occasion had not come when we needed emergency legislation, as I understood him.

Mr. Drew: I must insist, Mr. Chairman, that the record be kept reasonably accurate, even with the minister who is now speaking.

Mr. Howe: Nevertheless I should like to deal with the matter of urgency. We have undertaken a three year program to provide defence material for the armed services of Canada. This program involves the spending of $5 billion within the three years. In my opinion it imposes a heavier burden on Canadian industry in its present condition of full employment than was the case at any time during the previous war. In other words, I believe that if we are to keep the cost within reason it is necessary to have this emergency legislation. We are told repeatedly that this is the most extreme legislation this country ever saw; that in it we may delegate powers, and commit all sorts of crimes. My hon. friend has given us authorities from Britain and France. I should like to give an authority from Ontario, and I may say that the legislation I am going to read from was passed by the Ontario house in 1948 and was sponsored by the then premier of Ontario, the present leader of the Conservative party.

Mr. Drew: You are going to read section 24, I presume.

Mr. Howe: We will read two or three sections; they are all good. I will read section 71:

> Notwithstanding anything in this act or in any general or special act or in any contract heretofore or hereafter entered into by the commission or by any municipal corporation for which the commission supplies electrical power, pursuant to section 84, where at any time the commission is of opinion that a state of emergency exists—

Talk about the rule of parliament!

Mr. Low: What act is that?

Mr. Howe: This is the Hydro Electric Power Commission of Ontario bill.

> —the commission is of opinion that a state of emergency exists by reason of damage to or destruction, failure or break down of any of its works, wastage of power, power demand in excess of its power resources or other matters restricting its ability to deliver power, and the commission so declares, the commission may, during the stage of emergency—

—do a great many things that I need not read. Among other things the Hydro can go on your private property and do anything they like, and the citizen has no recourse. He must simply take any settlement the commission wishes to give him. Access to the courts is completely denied. Then I read subsection 5 of that same section:

> Nothing done under this section or under any direction, order, regulation, restriction, prohibition or control made or exercised by the commission under this section or done to enforce or give effect thereto by the commission—

Note these next words:

> —its servants or agents, or by any municipal corporation or municipal commission or its servants or agents, shall be deemed a breach of contract by the commission or any municipal corporation or municipal commission or entitle any person to rescind any contract or release any guarantor from the performance of his obligation, or render the commission, its servants or agents, or any municipal corporation or municipal commission, its or their servants or agents liable in any action at law or other legal proceedings for damages or otherwise.

I suggest to my hon. friend that there is nothing in the bill before the house that denies anyone access to the courts. A fiat is necessary in order to bring an action against the Ontario commission. Let me read section 6(5):

> Without the consent of the attorney general no action of any kind whatsoever shall be brought against the commission, and without the consent of the attorney general no action of any kind whatsoever shall be brought against any member of the commission for anything done or omitted by him in the exercise of his office.

So far as I can learn, no fiat has ever been given by the attorney general to permit action to be brought against the Ontario commission since that amendment was passed. I hope no one will mention the word hypocrisy, because I believe it is unparliamentary; nevertheless I believe a good deal has been said about this bill that is not warranted by the text. If we take it up clause by clause I believe it will be found that the rights of the citizen are amply safeguarded, and that the ability of the government to get $5 billion worth of work done in three years and at reasonable cost is also safeguarded. It is for both these reasons that this legislation is being brought before parliament.

Mr. Drew: Mr. Chairman, what the Minister of Trade and Commerce has done is to demonstrate how little he can draw a distinction between what is in the bill now before this house, and what he has just read. As a matter of fact, the last section he read was contained in legislation that was there during the period of government which he embraced with a great deal of approval on earlier occasions for many years, and in fact there is one of the members of that government sitting in this house on the other side at the moment. But the fact is that what the minister has read does relate to certain wide powers dealing with administrative authority over a specific and clearly defined activity. The members who have been following this discussion will recall that I pointed out that there are certain strictly defined administrative activities where certain measures may be necessary from the point of view of carrying out those activities.

Mr. Howe: My hon. friend thinks that in that case they should be denied access to the courts of Canada. Is that the rule of law to which he refers?

Mr. Drew: May I ask the minister where they are denied access to the courts?

Mr. Howe: In the paragraph which I read, the one next to the last.

Mr. Drew: The Prime Minister will inform the Minister of Trade and Commerce that the provision for obtaining a fiat from the attorney general is a customary procedure in all legislative bodies across this country. There are many of us who feel that that sometimes is a difficulty, and many of us have argued that there are ways in which the authority of the attorney general, both federal and provincial, which has to be obtained to initiate legal proceedings, might well be restrained. But the fact remains it is a customary procedure, whether right or wrong, which stands accepted. It is so in many cases in Britain, and it is to prevent what may be regarded as frivolous proceedings.

Mr. Howe: This is the section to which I was referring, and it refers to the state of emergency in section 71. The last few lines of paragraph 5 read:

. . . its or their servants or agents liable in any action-at-law or other legal proceedings for damages or otherwise

Mr. Drew: Of course, what the minister has overlooked in this is that the section which he has been reading concerns a very specific relationship, and that is the relationship between the hydro electric power commission and the municipalities, individuals and other organizations to whom it supplies power.

Mr. Howe: And their customers and contractors.

Mr. Drew: And their contractors; the section to which he has been referring provides, in a nutshell, that where there is a state of emergency—

Mr. Howe: Where the commission says there is a state of emergency.

Mr. Drew: —where there is a state of emergency, the commission may then carry out these things which are regarded as essential for the maintenance of power for that declared emergency, and that in carrying out that emergency there shall not be damages based on a recision of contract between the commission and the parties affected.

Actually, that is what should be before the house in this bill we are now discussing; that is exactly what I am suggesting. If the government is going to present a bill, and it says that in an emergency the ordinary rights shall in no way be protected, it should be clearly set out how that shall be done, and in what terms. Whether this is right or wrong, the fact remains that it puts in substantial detail exactly what the circumstances are under which the Hydro Electric Power Commission of Ontario may be called upon to deal with those matters in the case of a declared emergency.

Mr. Pearson: Who declares the emergency?

Mr. Drew: There is no divine authority. If the minister of external affairs wishes to get into this, may I suggest that there is no divine authority which gives to the minister, who is going to administer an act which covers the whole of our economy, any greater authority to judge an emergency than the hydro electric power commission, which has as its responsibility the delivery of power to the people who buy power under contracts.

Mr. Howe: It is certainly a delegation of power that this bill does not contemplate.

Mr. Drew: That is so far from reality that it only indicates the dangers of entrusting powers of this kind to a minister who would make an assertion of that nature. When I heard the minister read this section as evidence of the fact there were other laws across this country that had abrogated the rights of the individual in the way this bill would, it simply demonstrates how incapable of understanding an ordinary legal document the minister may be, no matter how efficient he may be in any other respect. I do not know whether, in this particular case, he will get any advice from C. D. Howe and Company Limited—

Mr. Howe: That is the cheapest remark that has ever been made in this House of Commons. C. D. Howe and Company Limited has been in existence for thirty-five years. I severed my connection with it in 1935. The trade was notified, and so were the customers, that I had no association with it. I do not seek advice from it, and I do not go into the company office. I suggest that my hon. friend has gone down in the estimation of this house by such a remark. I never thought too much of him before, but I shall think less of him from now on.

Mr. Drew: I think that what the minister has just said does show the danger of entrusting power of this kind to him. A few minutes ago the Minister of Trade and Commerce used the word hypocrisy, and he meant that word to have some meaning. He was skirting around the rules. Now, may I say there is a word that I would suggest he look up in the dictionary, and that is nepotism, when he

talks about this matter not being a subject for discussion in this house. I would suggest that he look up the meaning of the word nepotism. There are reasons why there should be a separation of all interest and not only purely personal interest in what is undertaken. That has something to do with the extent to which there should be given to any one man, without the restraint of government itself, full power over our economy in this way.

Mr. Howe: Suppose the hon. member explains what nepotism is.

Mr. Drew: I am quite prepared to let the minister look it up in the dictionary. It is an ordinary English word.

Mr. Howe: The hon. member suggests that I am guilty of nepotism. He suggests there is nepotism; and just where does it come in?

Mr. Drew: I think I am quite prepared to let *Hansard* stand. The minister can look up the word. I do not need to explain the meaning of every word I use.

The Chairman: Order; I think the hon. member should return to the principle of the bill.

Mr. Drew: I do hope that the Prime Minister will retain the same attitude to this bill which he expressed so clearly with regard to the other bill that was before the house. If we are going to leave in the public mind the impression that we are still working for peace, or we hope to preserve it, we must certainly not adopt legislation which carries us to the full extent of all-out war. That was the proposition put before us in relation to the emergency powers bill, and that is the proposition I am putting forward now. Let us have a definition of the way these things will be carried out. Perhaps it is entirely possible that there may be a proper explanation for conferring wide powers beyond the ordinary requirements, and if that is so this house must have an explanation. If that is to be done, then let us do exactly what was done in the act which the minister has read, the Ontario Hydro Electric Power Commission Act, and set out in some measure of detail exactly what the procedure will be, exactly what the circumstances are under which those powers are to be exercised.

Mr. St. Laurent: The hon. leader of the opposition having appealed two or three times to the Prime Minister in connection with the terms of this bill, I think I should make a few observations. There is no contention being put before the house that the legislature of the province of Ontario was wrong in enacting the terms of the hydroelectric bill just cited. It is referred to just as an illustration of the fact that there are occasions when this doctrine that Lord Hewart expounded so eloquently in the book from which the leader of the opposition (Mr. Drew) has cited just does not apply to the facts of the kind of life we live in this age and in this world in which we are living. One illustration of the necessity of having something else that will work in a different manner is to be found in the provisions put in this Ontario hydroelectric bill. I do not know that there could be found anyone anywhere, here or in the province of Ontario, to assert that there had happened any of the terrible things that could be conceived of under broad legislation of this kind. Usually, persons who are charged with the responsibility of administering an organization like the Ontario hydroelectric system are reasonable people who discharge their responsibility in a reasonable fashion; and although they might have extremely wide powers to deal with the situation in such a manner as would involve serious inconvenience to a large section of the public, they exercise the discretion that is conferred upon them in a manner that, so far, seems to have given satisfaction to the Ontario public. But it is one of those cases where it is necessary, in order to have a situation that can be handled with efficiency, to have extremely broad powers.

That statute provides that there will be no action without the authorization of the attorney general, without what we refer to as the fiat, something which has existed up to the present time in connection with the administration of federal affairs but which we announced in the speech from the throne we were going to do away with at this session. The government announced its intention of recommending doing away with that old and time-honoured doctrine that there should be no suit against the crown or its agent without a special fiat. I hope it is going to be done away with. It is to be found also in this Ontario Hydro Electric Power Commission Act. Possibly after we shall have had some experience with the abolition of the fiat here, it will be abolished elsewhere. I think there are some provinces which have already abolished it and which have had no disagreeable experience as a result of doing so. It is possible that the legislators succeeding my hon. friend in the legislature of Ontario will come to the conclusion that it is not necessary to preserve a provision such as that; but it is there now. Then there is this other thing, that anything done by the commission or by its servants or agents or anything done by a municipality, its servants or agents or anything done by a local commission or its servants or agents, to take care of what

they themselves declare to be an emergency, will give rise to no action before the courts. One could conceive that it would be possible, under the terms of that kind of legislation, for a commission to make an improper declaration of emergency and to use that improper declaration of emergency for improper entry upon the lands or premises of the individual and then deny him any recourse to the courts for the damages resulting from the improper declaration of emergency and the improper entry upon his premises. But the legislature of Ontario did not feel that that was apt to happen, and the hon. member himself did not feel that that was apt to happen, with the kind of commissioners he was going to choose or who would be chosen by his successors; and I do not think it has happened. I am quite sure that after the experience that has been had in this country there are not many who feel that wide provisions in an act of this kind are going to be the occasion of abuse. You can conceive of the possibility of abuse being made of wide powers, but there are not apt to be abuses; and it is apt to be necessary to have the powers to do these things in proper cases, and to leave that to the good judgment, honesty of purpose, experience and knowledge of those who are charged with administering the act.

When we are dealing with some of the sections of this bill it may be that suggestions will be made that they should be toned down or that they should be sharpened up. But here we are dealing with the principle of there being a bill which provides that there may be, under present conditions, powers that are not normally exercised in peacetime. The leader of the opposition, in discussing it on second reading, complained of section 5. When we come to section 5, it will be discussed; but that is the section which provides that the minister may empower someone to do any specific act that he himself could do. The hon. member speaks of the rule of law. That is now the rule of law under the bill which was adopted at the last session of parliament. It was taken textually from the bill which was adopted by this house at the last session of parliament.

Mr. Green: Which bill is that?

Mr. St. Laurent: It is the Essential Materials (Defence) Act. Section 5 is an almost verbatim reproduction of the clause in the Essential Materials (Defence) Act which is to be repealed if and when this act comes into force.

The other complaint was that the minister may remove any members, directors or officers of a corporation acting under him. Must he not have the responsibility to this house, not only for his personal acts but for the acts that will be performed by those corporations that he may cause to be incorporated to carry out some of the duties that would devolve upon him under this act? Must he not be the one responsible to this house? Is it not our experience that the one who has control of these corporations is the one we look upon as being responsible to this house for the proper administration of those corporations? If there was someone doing things for which he cannot take responsibility before this house, why should he not have the power of replacing him by someone for whose conduct he can assume responsibility before the house?

There are other sections, when we come to them, the language of which may be subject to some discussion; but for the present, the only question is this: Are we in times and in a world where there is occasion for the existence of powers which are not normally exercised in peacetime and about which there was this learned dissertation by Lord Hewart in the book to which the hon. member has referred? The hon. member is right in saying that section 71 of the Ontario hydro electric statute, which was referred to by the minister, is to apply to an emergency, but is to apply when the commission says there is an emergency; and that there were extraordinary powers which, when the commission said there was an emergency, could be exercised. That is something that does not fall under the general rule of law. The commissioners themselves are the ones empowered to make the definite finding that there is the emergency calling for the exercise of the powers, and that is something which it is found to be desirable to have in that kind of set-up. Well, are we not at the present time, when facing our great rearmament problem with our associates in the North Atlantic treaty, in a situation where we have to entrust more than ordinary powers to some public officials to discharge properly and promptly the obligations we have assumed to build up as rapidly as possible the joint strength of these North Atlantic treaty powers?

Once more, when each of these clauses has been reached its language will be looked at very carefully; but I cannot acquiesce in the invitation of the leader of the opposition to say to my colleagues: We will withdraw this bill and bring in some other kind of bill. We feel this is the kind of bill that the circumstances require.

Mr. Drew: To follow this through, Mr. Chairman, and in the same spirit in which the Prime Minister has approached this bill, I recognize that there may be a great deal of difference of opinion as to how the

emergency provision, or the emergency situation, is to be dealt with, and the extent to which legislation should go. I am going to make certain suggestions to the Prime Minister in the hope that they may perhaps be worthy of consideration now or at some future time.

I want to say this: To the extent that there may have been any heat displayed in the earlier remarks, I think it is unfair and unjust to impute improper motives to those who did express the opinion that this is very dangerous legislation. Whether that is right, or whether it is wrong, it is my conviction that it is; and I certainly do resent the statement of the minister which in an indirect way may imply that there was hypocrisy in the presentation of that. But I am going to leave that and come to the clear expression of opinion of the Prime Minister as to his views in regard to this legislation as it is now before us.

I would point out one thing that does affect my own opinion in regard to this, and that, for instance, is the very section 5 to which the Prime Minister has referred. Section 5 of this bill is not in the same wording as the similar provision in the Essential Materials (Defence) Act, the section that we will consider in detail. Section 5 reads as follows:

> The minister may authorize any person, on his behalf and under his control and direction, to do any act or thing or to exercise any power that the minister may do or exercise under this act.

Whereas in the Essential Materials (Defence) Act, section 5, subsection (2) reads:

> The minister may authorize persons to act under his control and direction on his behalf in the exercise of powers conferred on him by this act, or by regulation.

There is, as the Prime Minister will see, a very clear distinction between the two. One is to exercise powers conferred upon the minister under the direction of the minister, and the other is power to delegate authority; but we can discuss that when we come to that section.

I believe that we have before us an issue that goes beyond the actual wording of this bill, and one which we should consider, whether it be at this time or at some other time.

I think it was the consensus in this house, from what I can read of the discussions at the time, that it was desirable after the end of the last war that the extensive controls and very wide and sweeping controls which were set up during the war should be relaxed as fast as they conveniently could be, consistently with the general welfare of the people of Canada. Now, unexpectedly we find ourselves adopting measures that confer powers that are not only as wide as, but in many cases much wider than, those taken over by the government as the result of the decision of parliament during the time of war itself.

This is a subject which has been under consideration for a long time. I think hon. members should be considering how we are to retain parliamentary democracy and at the same time place in the hands of this government power to do not only these things that ordinarily can only be done as a result of decision by parliament, but also to do things which would not ordinarily be within the jurisdiction of the dominion government at all.

It has been made quite clear that as a result of the emergency which we have now entered it is necessary for the dominion government to have powers to do certain things that ordinarily would be within the exclusive jurisdiction of the provinces. The passing of a bill of this kind therefore not only withdraws from the members of parliament their discretion and their judgment in regard to extremely important steps that will be taken, but it may also withdraw from the provincial legislatures and the provincial governments control and authority over things that it was intended they should control when our basic written constitution was adopted in 1867.

If it is necessary to proceed with bills of this nature, and to enact laws which will give such sweeping powers, then I suggest the time has come for us to face the necessity of some new device by which there will be a continuing supervision over the activities of government and the activities of ministers under bills of this kind. How that is to be done I do not propose to suggest in detail at the moment, but I would suggest that perhaps we might learn something from what has been done in France for a great many years.

Mr. Croll: Hold more frequent elections.

Mr. Drew: No, this does not refer to that aspect of their constitutional organization. I was just going to say that no matter what our admiration may be for the people of France—and it is very great—nevertheless we would not wish to find ourselves in a position similar to that in which they constantly find themselves as far as elections and forming governments are concerned.

For some considerable time, and quite a long time before the adoption of the present constitution, the French constitution of the day did establish the practice of administrative law, with dictates by governments very similar to those which we are now providing for in legislation of this kind. While I

think there are ways in which their constitution should be improved—and we would all hope that it will be improved for the greater stability of government in France in these critical days—nevertheless there are also some things which we can learn from them in regard to different aspects of their handling of their own affairs.

The step that they took to meet the situation arising from the conferring of administrative powers of this kind upon the government was to set up what they called the council of state. The council of state is a large appointed body with perhaps a hundred members, from time to time having different groups within that council set up to deal with different problems arising from this system of adminstrative law and related law.

That council of state, and particularly some of the bodies set up under it, have functions at times similar to those of the privy council. They have at times even wider powers, because they can review this administrative legislation and pass judgment upon whether it is in keeping with the general welfare of the people. I am not saying that we can or should adopt something exactly similar to the council of state of France, but I am pointing out that for many long years it has been recognized in France that when you take away from the elected representatives of the people the responsibilities over administrative legislation which will have a tremendous and profound effect upon the general activities and welfare of the people, there should be some mechanism which exercises some measure of supervision over that type of law which has been regarded as so dangerous by so great an expert as Lord Hewart of Bury, and by others with similar experience in the constitutional field. I suggest that, in consultation with the provinces, in the light of events which have emerged in the last few months, the desirability of setting up some body with special judicial authority, so that some of the dangers of administrative law of this type may be removed, would be highly desirable, and particularly at a time when we are seeking to preserve the full strength of our democratic system.

I am putting this forward now because it seems to me it is appropriate to offer the suggestion at a time when we have under consideration a bill which carries administrative law as far as this bill carries it. Whether the Prime Minister feels that this is the time to consider a suggestion of that kind or not, in any event I recognize that this would be something outside the scope of the bill itself. However, as we consider this subject, and as it appears clear that the government proposes to proceed with the bill, which contains these very wide powers, without defining clearly the field in which those powers may be exercised, I would hope consideration would be given to the initiation of discussions which might lead to the setting up of some independent body, judicial or semi-judicial, which might act in a supervisory and advisory capacity, as well as having certain clearly defined and limited judicial responsibilities in regard to legislation of this kind.

Mr. Croll: Would the hon. member permit a question? We have gone through this administrative law process once before within my recollection. The process now is watered down compared to what it was in the original emergency powers measure. Would the hon. member say in what respect either the individual or the provinces were permanently affected by the process we went through as a result of legislative acts?

Mr. Drew: I would say that what happened was this: Under the emergency powers legislation so many powers were taken over by the dominion government that the provincial governments had no choice but to carry forward the agreements. They were clearly stated to be temporary agreements, as the hon. member will recall because, as I remember, he was a member of the government in Ontario at the time the original agreements were signed under which certain taxing powers of the provinces were handed over—and very freely handed over— as part of the general attempt to increase the authority of the dominion government in regard to certain aspects of the preparation for war.

But as will be recalled, those agreements did not prove to be temporary at all. They were renewed; and now apparently we are to see an extension of those agreements still further. My own opinion is that the extent to which agreements of that kind have gone, agreements under which fixed amounts of money were to be received in return for ordinary taxing powers the provinces were intended to have under the constitution, is the direct result of the exercise of that power during the period of war. I should think a committee such as I have mentioned, one having functions somewhat similar to those of the council of state in France, would be likely to examine situations of that kind, and make it easier to protect the relationship between dominion and provincial governments, where it is necessary for the dominion government to exercise powers which do encroach upon ordinary provincial jurisdiction.

Mr. Macdonnell (Greenwood): Mr. Chairman, having spoken at some length in the debate on second reading, I certainly do not intend to take the time of the committee

for more than a few minutes now. However, there are one or two points I should like to make.

In the first place, so that there may be no misunderstanding as to my feelings, I should like to quote one sentence I used at the beginning of my speech the other night when I said:

> In the first place, I should like to say what I think we all feel, namely, that defence production must not be delayed.

And then I said:

> We must not allow private interests to stand in the way of defence measures.

I should like to make that perfectly clear, and it applies to anything I shall say. My only reason for taking the time of the committee is that the more I thought about it over the week end the more deeply concerned I became about the fact that, apparently, we are drifting into the giving of these powers. So far as I can see, we are doing it very lightly. I think there is nothing more undesirable than to give powers which in themselves are unwise merely because we think, or because it is thought, that they will be well used by the person who exercises them. When you get down to it, that seems to be the only argument made. Let me point out that we are giving these immense powers for an indefinite time. They are not being given in wartime when there is a natural end; they are being given when they may be continued indefinitely.

We are also being asked—and this is the thing I differ with so strongly—we are being asked to consider this on the basis that these powers are just as essential as they were in wartime. I shall not take the time of the committee to do more than reiterate that I believe the similarity between the minister's job now and the job in wartime is entirely superficial, and that the dissimilarity is far greater. I believe there is no real similarity at all.

The other evening I raised another question concerning the provisions of section 16, which appears to be the financial section in the bill. I do not wish to take myself too seriously, and I would not expect the minister to take me too seriously, but I have thought that one might have had some explanation as to why what I suggested could not be done. I did not offer the suggestion without having discussed it with some people—several people, in fact, who I believe have some knowledge of government; and they were not members of my own party, may I say. The suggestion I put forward, in a very tentative way, seemed to me to be good common sense. However, no notice has been taken of it at all. There may be when we reach the discussion of the sections, but none has been up to this time. It seems to me the minister merely reiterates that he must have the bill, the whole bill and nothing but the bill.

The Prime Minister, I am glad to see, made a disarming speech a few moments ago in which he suggested that we may be able to deal with this on its merits. But my view is that I do not think we can deal with it on its merits if the whole background of the bill is that we must assume that these powers, with only very minor adjustments, are necessary. The powers, it seems to me, are almost unlimited; I can find no limitation in them. Certainly there is no substantial limit—and they go on for an indefinite period.

I shall not take more of the time of the committee. I do hope, having regard to what the Prime Minister said, that we may be able to look at this without, as I say, being faced with the proposition that the powers have to be given virtually in their entirety.

Mr. Knowles: Mr. Chairman, I should like to obtain information as to the relationship between the powers under this bill and those given under the emergency powers bill, with respect to possible price controls.

When we were dealing with the emergency powers bill I believe it was the Minister of Justice who made it clear that that bill did include powers to impose price controls, if the government decided to take that action. The bill now before us, among other things, will repeal the Essential Materials (Defence) Act which was passed last fall. The Prime Minister drew our attention to that a moment ago.

The Minister of Justice, the Minister of Trade and Commerce and others will recall that when we were discussing the Essential Materials (Defence) Act last fall it came out that the provisions of that bill gave the minister in charge, namely the Minister of Trade and Commerce, power to establish controls with respect to essential materials; and essential materials were defined as those materials involved in the defence program. I tried to pin him down at the time to certain specified items—I notice the Minister of Justice (Mr. Garson) is smiling; he remembers the occasion, I am sure—such as steel, and it was admitted that under the provisions of the Essential Materials (Defence) Act, if steel got into short supply because of defence purchases, the Minister of Trade and Commerce would be able to control the price of steel. I tried to go on to meat and suggested that if purchases of meat for the armed forces had the same effect, the same result might follow. The Minister of Trade and Commerce said that that might be permitted by the act

but that so far as his intentions were concerned he simply wanted control under that act over those things which related to matters directly connected with the defence effort.

The Essential Materials (Defence) Act is being repealed by this bill. From what has been suggested and from looking over the bill itself I take it that the essential features of the Essential Materials (Defence) Act are being carried forward into this legislation. For example, under this bill it will be possible to declare certain materials essential for the purposes of defence, and that having been done it will be within the authority of the government or of the minister to appoint controllers and do anything that may be deemed necessary in order to conserve those materials, to facilitate their production and so on.

It seems to me that it adds up to this: There is granted by this bill to the minister of defence production the power to impose controls, including price controls, over certain items and certain materials in our economy. So, if what I have said is correct, what we have is two sets of permission. We have permission under the Emergency Powers Act for the government to bring in price controls of as wide a nature as it may choose to bring in. We have the power under this bill for the minister of defence production to establish controls with respect to defence materials.

I will be quite frank and state that my reason for directing attention to this is that we have heard various rumours as to who would be responsible for price controls if they are brought in. There has been a rumour that they would come under the Department of Finance as was the case during the last war. There has been another rumour that this time they will come under the department of defence production. It has been suggested in another rumour that if we do get controls they will start with defence materials. That seems to be consistent with the provisions of the Essential Materials (Defence) Act which are being carried forward into this bill.

I should like to know if the Prime Minister can tell us what the plan is if the government does respond to the demand for price controls. The Prime Minister knows the arguments that I have put forward repeatedly for price controls. I am not trying to ask him a leading question on that matter. Just at the moment I am trying to get this confusion straightened out. If we do get controls will they be administered under some other department such as the Department of Finance or will they come under the aegis of the minister of defence production?

Mr. St. Laurent: If control is needed of materials declared to be essential for war purposes, those controls might be exercised under this bill. But this bill would not allow the establishment of controls that would extend to commodities. For instance, there might be a control over steel, but this bill would not allow a control over the prices of automobiles or other articles manufactured from steel. If there is to be any system of controls of a substantial extent, controls over any wide field, that would have to be done by virtue of regulations or orders made under the Emergency Powers Act. This bill would allow limited regulations to be made affecting the allocation and distribution of materials.

Mr. Low: Basic materials.

Mr. St. Laurent: Basic materials. But it would not permit the control and allocation of commodities. With the act that was passed last September we were proceeding on the theory that we did not have to rely upon an emergency that would displace jurisdiction, but that we could exercise certain controls over those materials that might be shortened in supply by the requirements of defence as something necessarily incidental to the proper organizing of defence. Now we are asking parliament to declare that there is the kind of emergency that authorizes the displacement of jurisdiction. If there was to be an interference with the free flow of our economy, that would come under the Emergency Powers Act; whilst if there were merely to be the control and allocation and distribution of materials declared by the governor in council to be essential for war purposes, that could be done by regulation under this defence production act.

There would not be any attempt under the act with respect to the department of defence production to establish any general system of controls over the sale and distribution of commodities in Canada.

Mr. Coldwell: That seems to me to be rather confusing. From what the Prime Minister has said it would appear that the government contemplates setting up a dual system of controls. The Prime Minister has referred specifically to the Essential Materials (Defence) Act of 1950 and it seems to me that under that act price controls could be exercised over those things that enter into defence preparedness, but which would have an effect on the whole economy.

I was looking up some statistics today and I find that the price index of eight essential supplies used on western farms has increased from 128 in August, 1946, to 194 in February 1 of this year, an increase of 66 points. We are anxious that this tremendous increase,

not only in the cost of living but in the cost of production which affects everybody engaged in production, should be brought under some control. My understanding of this bill was that when taken in conjunction with other bills we have passed there would be no question of the government having the right to exercise that control.

What I am afraid of is that there will be some dual system of controls which may result in ineffectiveness and a great deal of confusion, both to the persons who are using supplies and to the consumers and other purchasers who are using those supplies that might be put under some control by these pieces of legislation.

Mr. St. Laurent: During the last war there were differences, as there necessarily had to be. Some things can be distributed by a system of rationing, by coupons. Other things have to be distributed by direct permits granted because of the special conditions in which the applicant for the permit may be placed. For instance, there was the control of building. It was not by a system of coupons that gave everyone the right to do a certain restricted amount of building. A special permit was authorized for a special building upon presentation of the facts and circumstances surrounding the application for that permit. I have no doubt that if we had an extensive system of control there would have to be the same distinction again. There are certain things for which each individual should have a coupon or permit which would entitle him to a limited quantity. Other things, however, are required only by a relatively small portion of the population, and there you cannot have a uniform system of coupons to everybody. You must have a special examination of the circumstances under which a permit is applied for. So I have no doubt that a dual system of that kind would have to be applied in any method of controlling the distribution of short supplies.

Mr. Coldwell: I think I grasp the Prime Minister's point, and I can understand the difficulties.

Mr. Howe: I may say that under present legislation the only costs the government has taken power to control are the costs of materials. We have declared steel an essential material, and the cost of steel has been controlled. It is under the powers contained in the bill that we are controlling the distribution of steel. Copper, zinc, lead and other strategic materials have also come under control. The bill provides that the materials to be covered are those in which a shortage is created by war purchasing.

[Mr. Coldwell.]

Mr. Low: And the prices of those essential materials are frozen?

Mr. Howe: No, such prices are not frozen, but they are carefully watched and kept in proportion to the cost of the ingredients that go into them, including labour. There has been no great change in these prices.

Mr. Green: I should like to direct one or two questions to the Prime Minister and the right hon. Minister of Trade and Commerce. In the first place may I ask the minister whether as yet he has had any serious difficulty with producers or businessmen in Canada in connection with the production of defence materials?

Mr. Howe: Well, I don't know. We have found some of them not as ready to assume an expansion program as we would like but please don't ask me to specify particular firms. We are getting on fairly well, but the situation is getting tighter all the time, and I believe we will need this legislation before we finish placing the orders for the $5 billion worth of supplies. My deputy reminds me that we have also had cases where the supplier has said: "I am booked full. I can only take this business if the government can give me protection against possible legal action if I have to cancel civilian contracts." Under this legislation the government where necessary has authority to declare cancellation of civilian contracts *force majeure,* in order to provide government defence supplies which otherwise might not be procurable.

Mr. Green: But has there been any difficulty that would require the taking over of a business, for example?

Mr. Howe: Not yet, no.

Mr. Green: Nothing of that kind?

Mr. Howe: No. There were such situations in the last war; we took over several businesses.

Mr. Green: Then may I ask the Prime Minister whether any further powers would be required to carry out defence production if w were actually in a third world war?

Mr. St. Laurent: I do not anticipate there would be. I think the enabling sections here are expressed in language which probably would be broad enough to apply; but of course with respect to that, as with respect to all our other moves in this connection, we would expect to declare any change in policy to parliament, and we would have to be asking parliament to appropriate moneys, so there would be ample opportunity for parliament to concur or refuse to concur in the carrying out of any further policy that was declared.

Mr. Green: The Prime Minister has said that this bill as presented contains all the powers that would be required in the event of a third world war.

Mr. St. Laurent: I would not want to promise the house that if we ran up against something where the courts said this was not good enough we would not come back to parliament; if we thought it should be done, we would ask parliament to authorize it; but I think the law officers have drawn this in language that should be sufficient to cover all the enabling powers apt to be required.

Mr. Green: Then that makes it clear, Mr. Chairman, that in effect this is a war measure. Unlike the Emergency Powers Act which was given second reading the other day, this bill is a total-war measure.

Mr. St. Laurent: If the hon. member will permit me, I do not think he should say this is a total-war measure. This is a part of the measures being taken by this country and eleven other nations banded together to try to prevent war. In order to prevent war you have to put yourself in the position that aggression would not be apt to succeed, and in order to do that you have to do the same sort of things as if you were looking to an inevitable war.

Mr. Green: Of course some of us tried to point out to the Prime Minister the other day that this is exactly what we should do with regard to manpower, but he did not agree. Actually when the emergency powers legislation was under discussion the Prime Minister was very firm in his stand that it was not as strong as the War Measures Act, and that it would not be proper for the government to use the War Measures Act because we were neither in a war nor in a state of apprehended war. Today, however, he admits that this defence production bill is a war measure.

Mr. St. Laurent: No, Mr. Chairman; I will not permit the hon. member to distort my language. I do not admit that this is a war measure. I do assert that this is an endeavour, with eleven other North Atlantic treaty powers, to constitute such a strong organization that aggression will not be likely to occur. If aggression does not occur there will not be war, and the measures will not have operated as war measures. They will have operated for the purpose for which they are designed; that is, to do our best to prevent a war.

Mr. Green: Oh, no; the Prime Minister cannot get away with that. What he said was that as far as he knows no further powers would be required if we were in a third world war, and is in that sense that I say this is a war bill.

Mr. Howe: It is not. That is the sense in which you are distorting the Prime Minister's words.

Mr. Green: The Minister of Trade and Commerce had better compare notes with the Prime Minister, because apparently they do not agree.

Mr. St. Laurent: That is another gratuitous and absolutely wrong assertion to make in this house.

Mr. Green: I have the floor, and I ask the Prime Minister not to interrupt.

Mr. St. Laurent: No matter who has the floor, he has no right to distort the words of others, nor to make that kind of assertion.

Mr. Green: The Prime Minister has no greater rights in this house than the newest member.

Mr. St. Laurent: He has no greater rights, but no member of this house, Prime Minister or other, has the right to do what my learned friend is suggesting.

Mr. Green: Have I got the floor?

The Deputy Chairman: The member for Vancouver-Quadra has the floor.

Mr. Green: I wish you would tell the Prime Minister not to interrupt me again.

The Deputy Chairman: Order. An hon. member has the right to stand upon a question of privilege. The Prime Minister did not say he was rising on a question of privilege, but obviously that is what he was doing. The rule says that no one who has the floor can be interrupted without his consent. If a member feels that his remarks have been misconstrued, however, it is the practice for him to rise on a question of privilege. It is referred to in Beauchesne as a so-called question of privilege, I admit, but that is the practice.

Mr. Green: I do not mind the Prime Minister rising on all the questions of privilege he wishes, but he has just been popping up and interrupting. It is quite clear that the cabinet have put into this bill all the powers they believe would be required in the event of a war. Perhaps the Prime Minister will agree that is fairly put. That is all I have had in mind throughout. Now, such was not the case with regard to the Emergency Powers Act. We believe that if the government is following one policy with regard to the Emergency Powers Act, it should follow a similar policy in the Defence Production Act. Rather than take what I describe as fulli

wartime powers, it should bring in a bill similar in nature to the Emergency Powers Act, but of course dealing with a different subject.

On Friday last I suggested that the powers contained in the bill which are for wartime, as distinct from the powers needed at the moment, should either be deleted from the bill or should only be brought into force by proclamation. There should be a provision in the bill that those particular sections would only be brought into force by proclamation, and in the event of war. Take, for example, the power to seize a man's business. As the Prime Minister knows, there is a power in section 27 which enables the minister to step in and take over a man's business. A few minutes ago the minister admitted that he has had no trouble of that kind to date. I should like to know from the Prime Minister why a provision enabling the minister to take over a man's business, even though that man has no contract with the government, is necessary. That is typical of the type of power which we think is not needed at this time, and should not be placed on the statute books. Can the Prime Minister explain why it is necessary to have power of that kind?

Mr. St. Laurent: As I understand it, section 27 is limited to cases where the minister is satisfied that a person who has entered into a defence contract has failed or is likely to fail to perform it. Although this is not actual war, this is an endeavour to procure for the armed forces what they would require to be strong in the event of war, and for the purpose of building up that strength as an aid in preventing aggression.

When we come to the sections, if the hon. member has special comments to make about the language in any of them, they will be listened to. I do not know what the decision upon them will be, but they will be listened to. It is not the desire to have anything that is not considered desirable for the purpose of creating as rapidly as possible a situation which, in the opinion of ourselves and our associates, will make aggression unlikely.

Mr. Green: I think the Prime Minister will find that the government is much more likely to secure good results from the Canadian people as a whole if an endeavour is made to co-operate with them, rather than take such powers as these which, after all, are rather drastic. This is particularly true when there is a strong penalty section in the bill. If a man does not comply with the provisions of the bill, he can be fined or imprisoned. Surely, under present conditions, that should be enough.

With regard to the taking of a man's business, may I point out to the Prime Minister that section 27 contains the power to take over a business firm which has a contract with the government, but there is also power to take over a firm which has been directed by the minister to do work for the government, and where there is no contract at all. There is the power there to step in and take over that man's business, even though only a small part of it may be in use for the production of war materials. Now, powers of that type should not we believe be taken in the present legislation.

Mr. St. Laurent: Perhaps the hon. member will wish to direct his observations to such of these clauses as are, in his opinion, faulty in that way.

Mr. Hees: Twice during the debate on this bill I have directed a question to the Minister of Trade and Commerce. I have asked him if he would be kind enough to tell the members of this house as much as he can about the plans for the production of five specific materials of war which will be dealt with under this bill. They are planes, tanks, guns, vehicles and small arms. A few minutes ago the minister said I had answered my own question on Friday night, implying I believe that the answers were in the speech delivered by the Minister of National Defence. I believe I proved, perhaps to the intense boredom of the house, that the answers to my questions were not contained in the speech by the Minister of National Defence, because that speech does not contain any specific information regarding the production of what I consider to be important materials of war.

I am asking this question in no way to put the minister on the spot, to embarrass him or to make political capital out of it. I am simply asking to learn what the plans of the government are so far, and if they have not gone far enough for the minister to give the information, I would be glad to know that. I am extremely interested in this question, and I believe the people of the country are vitally interested in it. A large amount of their $5 million will go to the production of these things. The minister was kind enough during the earlier stages of the debate to indicate that he would be glad to give the answers to these questions when the bill was before the house. It is my belief that the time to get an answer is when clause 1 is before the committee. If I am wrong, I should like to be told, and I earnestly ask the minister to comply with my request.

Mr. Howe: This bill does not refer to the construction of planes, tanks, small arms or

anything else. It provides certain broad powers applying to the whole range of defence contracts. I should like to give to my hon. friend a dissertation on what we are doing on aircraft, tanks and small arms; but to do so would require at least a forty-minute speech. I will probably give a summary when the estimates are before the house. But surely he does not want me to break off this debate, without preparation, and attempt to give all the details of all five products he has asked about; that would constitute a cross-section of a good deal of the defence work that we are doing at the present time. I wish to be reasonable, but that is not a reasonable request on this particular bill.

Mr. Hees: It is not that I am asking this question without any warning, Mr. Chairman. I asked this question exactly ten days ago and the minister then said, as reported at page 630 of *Hansard* of February 23: "I will be glad to make it on the bill." Ten days is quite some time. I can think of no better way of taking up the time of the committee than for the committee to hear the plans to produce these vitally important war materials. The minister has had ten days' warning. He said he would give a report at this time; and I do not think that I am making an unfair request when I ask him to follow through on the undertaking he gave at that time.

Mr. Howe: As we go through the bill, if my hon. friend can find an appropriate paragraph which deals with the construction of tanks, planes or guns, we shall stop there and discuss them at that stage.

Mr. Fulton: I think that the minister is not giving the committee or the country credit for the interest in the matter of defence production which the committee and the country in fact have. This section gives the title of the act. It is cited as the Defence Production Act. Surely planes, tanks, guns and vehicles are defence production. Surely what the minister intends to do under this bill is to let contracts; in fact, in some cases, to direct that certain firms produce these materials for defence. I can think of no better place for the minister to tell us the general plans of the department which is now to be set up for the production of defence materials than at this time when we are considering the general clause of this bill to set up a defence production department.

Mr. Howe: Perhaps the quickest way is to make this the children's hour and discuss these things. In the field of aircraft—to take the first item—we are now in production on the F-86-E aircraft which is the latest version of the F-86 plane. A good many hon. members visited the plant of Canadair where this operation is going on. We have arranged for government-furnished equipment at the rate of twenty planes per month; and it is expected that over the next few months that figure will be the production output of the plant. Everything there is I think under control. As soon as our own jet engines are in quantity production and as soon as the supply of g.f.p. can be had in greater volume, that production figure can be stepped up to fifty planes a month if required.

Mr. Fulton: What is g.f.p?

Mr. Howe: Government-furnished property. At Malton the CF-100 is coming into production. That is the plane called the Canuck. It is expected that production there will be stepped up to twenty planes a month. Offhand I cannot tell just what month the first plane will be off the assembly line. Of course the prototype has been built and has been tested. The Canuck is expected to be powered with the Orenda engine which has now been thoroughly flight-tested and which will be in quantity production by midsummer.

An agreement has been entered into to produce Harvard trainers. One thousand of them are to be produced for Canadian account and it is expected that a substantial order will be added to that number for United States account. The Harvard is powered with the Wasp engine. Preparations are being made to produce the Wasp engine in Canada so that everything to do with the Harvard aircraft will be a Canadian product. Recently a competition among plane manufacturers has resulted in the de Havilland company submitting the successful prototype and a substantial order for Beaver aircraft is being placed by the United States government with the de Havilland company.

Arrangements are being made for the production of aircraft accessories in this country. We are stepping up the production of magnesium castings and a great variety of products that go into the Orenda engine, into the CF-100 and also into the other aircraft that I have mentioned.

Is that sufficient information on aircraft for my hon. friend, or would he like me to expand on that? I want to be sure and satisfy him this time so that he will not ask this question again.

Mr. Hees: That is very good.

Mr. Howe: In the matter of tanks we are doing nothing. In the last war we found that Canada was not in a position to produce tanks economically. It is too heavy a drain on our supplies of steel and other products, and we believe that our capacity can be more usefully employed by leaving the building of tanks to the enormous arsenals that were

built in the United States for that purpose. We will procure our tanks from the United States.

The next item was guns, I think. The gun plant at Sorel, which did such important work during the last war, is engaged in producing a three-inch naval gun of the latest type. It is a large order, largely for the United States, but the Canadian requirements are part of the order. I do not remember the number of guns but it is a contract running into some $30 million. The same plant is also tooling up to build the 155-millimetre gun. It was tooling up for the 105-millimetre gun but that work has been held up, I believe, for possible type changes.

In the field of small arms, the arsenal at Long Branch is tooling up for the gun that is used in the F-86. It is an aircraft gun. I am not sure whether it is a 20-millimetre gun or a ·50-calibre gun. I do not keep all those details in mind. I am not sure just what the program is, but in any case the plant that made the bulk of the small arms in the last war is tooling up for the guns that the army have ordered and will be in a position to go into production fairly soon.

As I said before, we have not put a rifle into production. The principal reason for that is that no standard rifle has been decided on. Nor has standard rifle ammunition been selected. We have large stocks of the rifle which was used in the last war, and we can readily obtain as many as we like of the Garand rifle, used by the United States. There is not the same urgency in small arms as there is about some other types of production; but as soon as the standard rifle is determined upon we will go into the production of that rifle.

What was my hon. friend's next question?

Mr. Hees: Vehicles.

Mr. Howe: We are tooling up for two types of vehicles; one is the 4 x 4 and the other is the 6 x 6. We had intended to tool up for the jeep, but there has been some difficulty in getting manufacturing rights straightened out, with the result that no definite arrangements have been made for the jeep as yet.

My hon. friend will appreciate that failing the outbreak of war the number of vehicles required is not great. The important thing in this circumstance is the tooling rather than the production. It is quite easy to purchase all the vehicles that we need at the present time much more cheaply than by tooling up for them, but we are providing the capacity to produce these three types of vehicles which, it is expected, will pretty well cover the range as far as vehicles for the Canadian army are concerned.

[Mr. Howe.]

Mr. Hees: Are these vehicles of the American type?

Mr. Howe: American type.

Mr. Hees: All American type?

Mr. Howe: Yes.

Mr. Hees: One other question. Are we doing anything, for instance, with regard to bazookas or mortars? Are you going to buy them from the United States?

Mr. Howe: Canadian arsenals are producing both—I do not remember the details. As I say, the Canadian arsenals are producing or preparing to produce anything required by the Canadian army for which they can get any substantial volume or are likely to have any substantial volume in the event of war. Arsenals are making a bazooka. Next, you will ask me if it is a big bazooka or a small one. I cannot tell you. I am speaking here without having made myself familiar with these matters in the last two or three days, but I think my hon. friend will find that the Canadian arsenals are working on the type of weapons they made in the last war. We have one type of arsenal for each type of weapon that was manufactured in the last war. They are all busy; and even in the field of explosives we are doing on a small scale what we did in the last war.

Mr. Macdonnell (Greenwood): Will the minister permit one question? I understood him to say that they were tooling up for two types of vehicles, though, at the present time, his words were: "We can get out and get what we need more cheaply". Will the minister make that a little clearer? What changes will there be in the circumstances that we will not be able to get them later? Will it be because those who are now manufacturing them will be doing something else, and therefore we must tool up?

Mr. Howe: I said before that the number of vehicles we require today is small. In other words, an army in training in Canada does not use many vehicles as compared with an army on the march or normally fighting abroad.

What we are creating now is the capacity to produce, which is important. If we had extensive operations abroad we would not be able to buy vehicles we want more cheaply somewhere else. The other sources of supply would be manufacturing at full capacity for the requirements of their own troops. We think it is important to have in this country the capacity to produce these three types of vehicles, and we are pressing to establish that capacity.

Mr. Fulton: But we are tooling now to produce jeeps, although the manufacturing rights have not been straightened out?

Mr. Howe: No, we are not tooling to produce jeeps. We are trying to straighten out the manufacturing rights, and when we do we will start to produce jeeps.

Mr. Fulton: I understood the minister to say we were now getting ready to produce three types.

Mr. Howe: No; what I meant to convey was that military plans include production of three types. We are tooling for two types, and we are trying to clear the paths so that we can tool for the third.

Mr. Thatcher: Would the minister clear up a question I asked a little earlier? On February 5 the Minister of National Defence made the definite statement that orders for $50 million worth of vehicles had actually been placed. Then on February 23 I had an order for return which stated that only $2,500,000 had been placed. I wonder how the difference is accounted for.

Mr. Howe: The Minister of National Defence said that an amount of $50 million had been allocated for vehicles. Was that not it?

Mr. Thatcher: No; I have his statement here. He said: "During this period orders have been placed for the sum of $701 million."

Mr. Howe: That is, the army, navy and air force had placed orders with the Canadian Commercial Corporation.

Mr. Thatcher: They had been placed with the company?

Mr. Howe: With the Canadian Commercial Corporation for $701 million. If the hon. member compares the statement that I gave for orders placed by my department he will find that it does not correspond with the Minister of National Defence's list of orders placed. The latter list means orders placed with the Canadian Commercial Corporation, or allocated.

Mr. Thatcher: I see.

Mr. Howe: I think the $50 million was the amount that was allocated in the defence estimates for vehicles.

Mr. Gillis: After listening to the last half hour's discussion I feel that the kind of information that we are putting on the record is certainly not necessary or desirable at this time.

A few days ago someone asked the minister if he would name the seven points in Canada that might be vulnerable to an air attack, and he immediately said no, he did not think that it was good business to point out to the enemy exactly where he could hit us the hardest. This afternoon we have been drawing a blueprint for the record of exactly what we are going to manufacture and where we are going to manufacture it down to the last detail. I think myself it is bad security technique. However, that is not what I rose to say.

Mr. Fulton: Why did you say it?

Mr. Gillis: I thought that some of the younger members, with less experience, were taking advantage of the fact that the minister is a bit irritable this afternoon, and provoked him into something that he would not do under ordinary circumstances.

Mr. Knowles: He is quite normal.

Mr. Gillis: The responsibility is with the questioners rather than with the man who answered the questions. It was completely inconsistent with the attitude we took a few days ago not to blueprint the vulnerable spots.

What I rose to say was this. The emergency legislation now before the house is not confined completely to what the Minister of Trade and Commerce is getting at this time. In my opinion the whole thing has to be viewed in the light of both bills, namely, the bill the Prime Minister is putting through to take certain emergency powers in the matter of protecting the economy of Canada against inflation and exploitation, and the bill we are now discussing. Both go together. If there were not excessive exploitation you would not have very much inflation. The guy who drives prices sky high is the fellow who creates inflation.

Everybody is much concerned with the Prime Minister's bill. He himself says that it is stand-by legislation, and if and when the government thinks an emergency has come about we will apply it. But most people are afraid that we will not apply it.

We think that he should have applied that legislation long ago. We feel that it should be applied immediately. I refer particularly to price controls to stop runaway inflation.

On the other hand, the minister who has the most difficult job, namely, the Minister of Trade and Commerce, is given the responsibility of organizing the whole economy of Canada in the event of an emergency. When that bill comes before the house the argument is immediately raised that its powers are too sweeping. We must restrict those powers, and so forth. My conception of it is that if a certain department of government is going to be given the serious

responsibility of putting the country on a war footing in the event of an emergency, then we must also give that department the necessary authority to give effect to the program in the event of an emergency. You cannot restrict one and give the other; it has got to be a complete responsibility.

I am not concerned about what the minister will do with it. I do not think he will hurt very much the economy of the country from the standpoint of those who are going to produce, so far as the profit end of the matter is concerned. The only point that does concern me is that we ought not to permit the kind of business that crept in during the last war.

I believe the minister has to have the responsibility for which he asks, because he will be given the task of implementing a program he may have in mind or on paper. He will have to go out and let contracts as he did in 1939 and 1940. But, despite the gravity of the situation of those days, just after Dunkirk, no one in the country who could produce munitions and vehicles of war would produce them unless the profit limitation, then set at 5 per cent, was removed from war contracts.

It was removed, with the result that we established a very bad kind of contract. That was the cost-plus contract, which tended toward waste in all directions, because the more a manufacturer paid out for the completion of a contract the greater were his profits, and the greater was the incentive for waste and abuse. That certainly was true of most of the contracts let on that basis. Take a look at shipbuilding contracts, for example. Costs were terrific. I believe the minister's experience at the time of the last war should be helpful now.

Then there was the matter of accelerated depreciation. Many phrases and terms crept into business transactions during the last war. Depreciation certainly was accelerated. When the minister of finance of that day proceeded to defend accelerated depreciation, stating that he believed it quite justifiable to give the Aluminum Company of Canada $180 million of the taxpayers' money, and to write it off in three years as accelerated depreciation, and stated that he considered it good business —

Mr. Howe: Mr. Chairman, may I interrupt the hon. member to say that the government gave no money whatever to the Aluminum Company, nor did it lend them money or deliver them money in any shape or form, except to pay so much a pound for the aluminum bought by this government. And the amount of aluminum we bought was trivial compared with the figure stated.

[Mr. Gillis.]

Mr. Gillis: I have heard this matter discussed a good many times, and have read the report of the committee on war expenditures. Th hon. member for Rosetown-Biggar made quite an issue of it and there were special sittings of the committee to deal with the matter. The minister may say that I am wrong technically, but I would ask this question: Did not the government pay the Aluminum Company an additional 2½ cents a pound on every pound of aluminum produced?

Mr. Howe: No. The government of Canada during the war paid the cheapest price for aluminum obtainable anywhere in the world. We paid nothing extra to them—and neither did the Americans.

Mr. Gillis: Well, it has taken the minister and the government at least eight years to catch up with this argument. I have heard it advanced many times, and it is on the record in a good many places, that $180 million of the taxpayers' money was written off in three years by way of accelerated depreciation.

Mr. Howe: No.

Mr. Gillis: For the Canadian Aluminum Company.

Mr. Howe: It is entirely mistaken.

Mr. Gillis: I have to accept the minister's word; but I still think that that type of depreciation was allowed many companies across the country, and that it is wrong in principle.

However, the point I am seeking to make is that there were thousands of Canadians who were never in a position to build homes under the national housing scheme. I suggested before, and I repeat my suggestion now, that if I made application under the National Housing Act to build a home which would cost about $10,000—and that is about the term they use—and if I agreed as to the type of house I wanted, in view of what has occurred in other respects I should be permitted to ask for accelerated depreciation, so that I might be allowed in three years to depreciate the total value of the house. In those circumstances I would own the house at the expiration of three years. I made that suggestion before and I was told that it was not good business.

Mr. Howe: If you owned a house in which you did not live you could write depreciation on it; but I do not think it would help you very much to write accelerated depreciation.

Mr. Gillis: I am just carrying out the principle of accelerated depreciation as it was applied to plants all across this country all

during this last war. My suggestion would just carry it a little further: If it is good business in the creation of a plant, then it certainly should be good business in providing homes for our citizens, and particularly those who fought the war for about a couple of dollars a day.

I am not against the power being given the minister in the bill; but when the money of the taxpayers, through accelerated depreciation, has been handed over to companies across the country, either for purposes of expansion or for the building of new plants, the same principle should be carried into the building of homes. In view of his experience during the last war the minister should place some limits on war profits, if and when he puts this legislation to work.

I would ask the minister to tell me at this time whether he thinks the government's program is a good one, and whether the expansion of the steel industry is one of the problems to be considered. A few days ago several newspapers, including the Ottawa *Citizen* and the Ottawa *Journal,* carried the report of a speech made by the Minister of Trade and Commerce in the United States, upon which occasion he commented upon the development of the St. Lawrence waterways project. He said—unless he was misquoted—that unless that program is carried through, it would be necessary to shift some of the central steel plants down to the Atlantic seaboard.

Does the minister consider that that would be bad business? Would it be bad to have decentralization of industry in Canada, particularly in connection with the basic steel industry? When he spoke this afternoon the Prime Minister pointed out with some force that most of the program for defence at this time was to be in connection with equipment and arms, and the helping of our allies under the North Atlantic treaty. That presupposes that most of this equipment and production for defence purposes, amounting to $5 billion, will be going to Europe rather than to the Far East.

I ask the minister to realize that the logical place for expansion in steel manufacture to produce materials to be sent to Europe is on the Atlantic seaboard. This would provide the shortest route and save the hauling of basic materials across the country and the hauling back of the finished products. I think it is right that this money should be spent for the purpose of helping our allies under the North Atlantic pact, but serious consideration should be given to producing a lot of that equipment on the Atlantic seaboard.

I have another question to ask because I consider the minister to be perhaps one of the best structural engineers in Canada, an engineer with long experience. He will remember that I have discussed on many occasions with the Minister of Transport over the years the completion of the Canso bridge. A total of $250,000 has been spent by the federal government in determining the feasibility of this project. Newfoundland is considered to be one of our outposts in the matter of defence and the possibility is that it will become a fortress in the years that lie ahead. That means that a lot of material will have to be shipped in that direction from central Canada unless there is greater decentralization of industry. Can the minister inform the house as an engineer if that Canso project could not be considered as part of our defence program?

Mr. Howe: With regard to my remark in the United States that without the St. Lawrence waterway the steel industry would gradually be forced to move from the great lakes to the Atlantic seaboard, of course that applied to the steel industry as a whole. The steel industry of the United States is concentrated largely around the great lakes. The source of ore is mainly the state of Minnesota and moves by transportation over the great lakes. Canada is more fortunate than the United States in that 25 per cent of our production of basic steel is now on the Atlantic seaboard. I am all in favour of expanding in that area, as we hope to expand on the great lakes. There is no difference of opinion between us that the industry should be expanding at Sydney. I think there is room for expansion at Sydney as well as in other parts of Canada.

I do not think the hon. member seriously wants me to enter into a discussion of the Canso bridge. In the first place, I do not know much about it and I believe there is some difference of opinion among those concerned with it.

Mr. Knowles: I thought that was built in June, 1949?

Mr. Howe: No, and it has not been built since. Any access is a good access in time of war, I can assure you.

Mr. Coldwell: The hon. member for Cape Breton South referred to accelerated depreciation and gave as an example the Aluminum Company of Canada. I have not the actual figures before me, but my memory is fairly good. As I remember, we allowed 60 per cent of the cost of the Shipshaw power project as accelerated depreciation, I think over four years. Then after a normal price had been set, plus all other factors that entered into it, profit, usual depreciation and so on, we allowed them to charge two and a half

cents per pound in addition for a large quantity of aluminum sold to the United States, I believe running to over a billion pounds, and also for aluminum sold to the United Kingdom and I believe to Australia.

Mr. Howe: The hon. member is quite mistaken.

Mr. Coldwell: It was two and a half cents per pound in addition to the normal price of 15 cents. I am sure I am right in that respect because I went into it very carefully.

Mr. Howe: The government of the United States made a contract with the Aluminum Company at 17½ cents a pound for a certain quantity. I remember the price. I happen to know that before that quantity had been shipped, greater production allowed the Aluminum Company to lower the cost, which they did voluntarily, to 15 cents per pound. I believe that that is the lowest price at which aluminum was ever sold in the United States. I think the price today is either 18 or 19 cents per pound.

Mr. Coldwell: The point I am making is that that was the agreement.

Mr. Howe: I think the hon. member will agree with me that the government of Canada never paid the Aluminum Company five cents for any structure or for anything except aluminum delivered to the government, and we bought very little. I might say that we got the lowest price on aluminum of anyone in the world.

Mr. Coldwell: I will agree with that, but by means of income tax allowances and accelerated depreciation at a time when the income tax was very high, in reality what we did was to pay for 60 per cent of the Shipshaw development and a total of some $177 million in the way of expansion in the area. It is quite true that Canada did not put up a single dollar, but by means of various concessions the Aluminum Company was able to get 60 per cent of the Shipshaw development and the cost of other expansions.

This afternoon the minister said that perhaps they wished they had not done that at the time because of the income which has been obtained subsequently and upon which they have had to pay taxes. Let me point out to the minister that taxes came down relatively after the war. Another interesting thing is that the same suggestions for accelerated depreciation are being made today and I imagine that when the budget comes down there will be stiffer taxation than we have had in the past.

That is the point I am making and I think it is the point the hon. member was making a few minutes ago, although speaking from memory his figures may not have been quite right. I am sure that mine are. I quite agree with the Minister of Trade and Commerce that they did lower the price, but when you look at the cost of production in Canada and consider the large quantities they were producing you can understand why they were able to lower the price including the extra 2½ cents from 17½ to 15 cents per pound.

Mr. Howe: I wish my hon. friend would explain to me some time who lost money as a result of that transaction. I can assure him that it was not the government of Canada, which is now reaping taxes at the rate of some $20 million a year from that same development.

The Deputy Chairman: Perhaps these specific matters could be referred to when we reach the appropriate sections. The discussion which has taken place during the last hour has covered a wide field and I am sure there are many hon. members who would like to address specific questions to the minister. I suggest that they wait until the appropriate clause is under discussion.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Gillis: Mr. Chairman, at six o'clock the minister and some of the members on this side including myself were having a disagreement or an argument on the matter of accelerated depreciation. I did not raise the question for the purpose of holding a post mortem; I merely wanted to draw to the attention of the minister this whole question of accelerated depreciation as it applied in the last war, because I think it has very dangerous implications.

When I made a statement in reference to the Arvida and Shipshaw depreciation arrangements the minister said my figures were not correct, and I find they were not. Mine was an understatement. Of course I am conservative-minded anyway; I always want to be a bit under in order not to be caught off balance when using figures. I have the figures here; at the time I was speaking I was going by my memory. I have in my hand order in council P.C. 11745, which pretty well sets out the amounts Arvida and Shipshaw were permitted to deduct under the accelerated depreciation arrangements. I have in my other hand a copy of an agreement arising out of this order in council, between the crown and the Arvida and Shipshaw people,

which permitted that particular operation to deduct other special depreciation allowances between 1941 and 1945. I am going to summarize the amounts paid under that order in council; they are as follows. First, regarding the expansion of aluminum production facilities at Arvida, at a cost of $117 million; depreciation allowance, June 1, 1941, to December 31, 1945, 100 per cent as provided in P.C. 11745. That total depreciation took place in four years.

Second: contingent item of five per cent of above cost also subject to depreciation during the same period, as provided in P.C. 11745, $5,850,000.

Third: Shipshaw power development at a cost of $62,500,000; depreciation allowance, June 1, 1941, to December 31, 1945, 60 per cent as provided in P.C. 11745, $37,500,000.

Fourth: contingent item of 10 per cent of above cost also subject to 60 per cent depreciation during the same period, as provided in P.C. 11745, $3,750,000.

Regarding the expansion of aluminum producing facilities at Kingston, three items totalling $8,828,000, subject to 100 per cent special depreciation as reported by the minister at page 1487 of *Hansard* for March 23, 1943, $8,828,000.

Fifth: Regarding eighteen applications for special depreciation made during 1941 and 1942 totalling $4,431,956.06, subject to 100 per cent special depreciation, nine cases of 100 per cent in two years and nine cases of 100 per cent in one year, as reported in House of Commons sessional paper No. 274 of April 2, 1943, $4,431,956.06. This makes a total special depreciation allowance between 1941 and 1945 of $117,559,956.06. I might add that the total capital expenditure up to that time was $204,859,956.06. Of this total the special depreciation was more than 86 per cent, and the balance will be depreciated after 1945.

The point the minister makes is that the treasury as such did not give this money to the Aluminum Company. That is correct, but corporation taxes were waived by the government, and the taxpayers of Canada paid for the plant and equipment during that period. In my opinion if the treasury had been bighearted and paid the bill it would not have hurt as much as the relief from taxation of corporations of that kind which were making a lot of money while at the same time we were penalizing the little fellow who just had enough to live on, making him pay his taxes while these companies amassed fortunes at the expense of the taxpayer. If the minister is looking for somebody to start a nice big plant somewhere with that kind of arrangement, I do not think it would be difficult for me and the hon. member for Winnipeg North Centre, for example, to raise the necessary capital, if the taxpayers will pay for it and let us finish up with a nice, lucrative business at the end of four or five years, with the price of the commodity we are producing sky-high. Of course the price is deliberately skyrocketed in order to write off the plant and equipment as quickly as possible, on the assumption that after the depreciation is written off the price will go down. But the price never goes down. Costs are always up, and prices stay up. As the hon. member for Melfort pointed out a few days ago, that is one of the most inflationary arrangements you could have in this country, because as that capital is depreciated it immediately becomes available for reinvestment; back goes that money into the stream of purchasing power, and away go prices.

I have in my hand sessional paper No. 274, which was a return to the hon. member for Winnipeg North Centre dated April 2, 1943. Now, in this sessional paper you will find order in council P.C. 421 referred to, which makes special arrangements for other aluminum producing companies in Quebec and Ontario. There are eleven in this agreement, and I am not going to put them all on the record, but I will mention this. It is the Aluminum Company of Canada Limited, Montreal and Quebec, Toronto works, a capital investment made to December 31, 1940, of $759,564.91, and it says that the above capital expenditures are to be written off in full in the year ending December 31, 1940; that is just one year. Those are just small items, and I do not want to clutter up the record by quoting from all the eleven. When you consider the depreciation allowance made to the Aluminum Company of $177,359,956.06, as set out in the figures I summarized for Arvida and the Shipshaw development, the minister I think will have to admit that the $180 million I mentioned is a conservative figure. It is really in excess of $180 million. I just wanted to clear up that point for the record, because I know the minister always tries to be, and generally is, quite accurate in his estimates to the house.

The other point I raised with him concerned his opinion as an engineer as to whether that Canso development, which the federal government has already decided upon, might not be considered as part of the defence program. I do not want him to enter into the controversy between the Department of Transport and the provincial government in Nova Scotia. At the appropriate time I intend to discuss that with the Minister of Transport for the purpose of clearing that up. Can that project be considered as part of the defence program?

Mr. Howe: I think I should discuss the depreciation claimed by the Aluminum Company a bit more. I have never quarrelled with my hon. friend's figure of $180 million. I thought at once that it was probably more than that, as he says. I do quarrel with his statement that the money came out of the treasury of the government of Canada; that is not true by any stretch of the imagination. This is the position. The Aluminum Company of Canada had expanded immediately before the war. That pre-war expansion involved no question of accelerated depreciation. They believed they had capacity at that time to look after post-war requirements. Because of the undeveloped power they had available they were asked by the United States government to undertake an expansion which would mean multiplying their production by four or five. The United States government undertook to make that possible by contracting for a very large amount of aluminum, and by paying for part of it in advance of production.

Now, without accelerated depreciation, what would have happened? The money was paid for aluminum, and not as capital. In that form it would have been drained off by the Canadian government. In other words, my hon. friend is quite right in saying that between the normal factors and excess profits tax that, instead of going into sticks and stones to manufacture aluminum, a large part of that money would have gone into the treasury of Canada. But the joker there is that if we had insisted on taking the money into the treasury of Canada that money would never have come to Canada because the contract would never have been made. You would never have had the power development and the aluminum plant building, because it could not have been financed without profits on that U.S. contract. The question I am asking my hon. friend to consider is this. From the viewpoint of the government of Canada, was it better to grant that accelerated depreciation and have that huge development, or would it have been better to refuse the accelerated depreciation and have nothing done whatever? That is the question, and that is the fact of the matter. There would have been no expansion.

Had the Aluminum Company foreseen the expansion in the use of the metal that has occurred in post-war years—I do not think anyone could have foreseen it—they would have desired, I imagine, to take a less accelerated depreciation. A property can only be depreciated once, and after it is fully depreciated all the earnings are then divided between the shareholders and the taxing authority. It is not regarded as good financing to take a write-off except over a long period, because depreciation then continues to provide working capital for expansion over the longer period. My hon. friend said that they did use the wartime expansion in post-war years. They used some of it. They have never used the plant at Beauharnois since the war ended, and it represented a good many million dollars. Surely, he would say they were warranted in writing that plant off. It has been useless since then. There was a plant—I forget the location of the other plant, but it was away from Arvida—and it has never been used since the war ended. It so happens that they were able to use part of the installation at Arvida, and as the years have been passing they have been using more of it. There again I think my hon. friend will say it was a good thing for Canada that we were able to provide that accelerated depreciation to permit the plants to be built and paid for. Today we have a healthy industry that has made a tremendous contribution to the development of the Saguenay valley.

The member has made a business proposal, and I hope I shall hear more of it. He and the member for Winnipeg North Centre are going to build and pay for a plant in Winnipeg, and I am to give them special depreciation to write it off over a period. The hon. member will recall that you cannot take special depreciation except for cash paid on the line. We do not give special depreciation if the plant is built with borrowed money, or credit or anything of that sort; it must be cash actually invested in the business. If he will keep that in mind, I am sure we can get together on the proposal he has made.

As for the second question, I cannot give an opinion on the Canso situation. I have not been associated with that project. I do not even know whether the engineers have made their last report, or what the situation is. I am sure the Minister of Transport is just as anxious to get that project completed as my friend is anxious to have it completed.

Mr. Pouliot: Mr. Chairman, is my hon. friend finished?

Mr. Gillis: Yes.

Mr. Pouliot: I do not intend to speak on accelerated depreciation. In my humble view it was the premature sale of war assets. I hope in the future there will be more consideration paid to the value of everything that will be purchased or disposed of under this act.

I should like, sir, to say a word about the genealogy of this legislation. Until 1938 or 1939, the minister of national defence was the one who purchased the military supplies for his department. Then, in 1938 or 1939,

the grandfather of this act was to the effect of setting up the national defence purchasing board under the minister of finance. For the first time in our parliamentary history, the minister of finance was responsible, through that board, for the purchase of supplies for the Department of National Defence. I wonder if it was a trip given to the then minister of national defence? But his authority was emasculated and he had no power to buy a soldier's cap or uniform or anything like that. He had to send requisitions to the board for the supplies of his department. The board did not start its work at the outset because the government of the day was looking for an expert purchaser. None was found. After months of search, one of the vice-presidents of the Canadian National Railways was discovered as the one man who could head that board. During the last war we had the Department of Munitions and Supply, and I pay a tribute to the minister for the excellent work he did to stimulate Canadian businessmen to produce for the various departments he was supplying.

There is one thing I want to tell the minister, and I am sorry to have to repeat it; it is about the application of this bill. The minister is a member of the government whom I support; he has my confidence. Otherwise I would declare myself against his legislation. I am ready to give him a free hand to the limit. But what is the limit? Everything under this act is done under his own supervision, as much as it can physically be done, and under his control. Now we come to the control of expenditures. I am not in a position to discuss all the ramifications of the aluminum trust; it is not my intention to do so. But we have before us a piece of legislation that will give tremendous powers to a member of the government, and at the same time he will be given the exercise of that power probably in virtue of the emergency legislation. These two acts will be Siamese twins. The government will have to do that precisely for the purpose of putting in force the legislation that we have before us. It is something tremendous. If that legislation is submitted to us now, it is for the reason that in any case of emergency, when parliament is not sitting, the government will have to take advantage of both acts to do certain things that will be required in the public interest. That is clear and evident. It is precisely for that reason that the Prime Minister has said that, as soon as we meet together, he will table the orders in council if they are passed during the recess or during the adjournment.

This is a new department. The minor civil servants will be appointed by the civil service commission; but the big fellows will be technicians, and they will be appointed by order in council. I remember quite distinctly that when the Defence Purchases Act was passed twelve or thirteen years ago, a member of the opposition asked the government how the appointments would be made. The hon. member for Quebec South (Mr. Power), who was then a member of the government, said with great candour that assuredly they would all be made by the civil service commission. Everybody laughed and the matter ended there. But few people except minor civil servants were appointed by the civil service commission. I have no objection to the appointment by the minister himself of everybody in the department, upon one condition, namely, that we can know, upon request, the salary of each member of a crown company. I refer not only to high officials; I refer to high officials, major officials, and minor officials. I include everybody. Why? Because it is the duty of members of parliament to give that information to any of their constituents who request it.

During the war and after the war I waged a fight for the reform of public accounts precisely in order to protect the government against abuse. I want to be proud of the government that I support. If I tell them that, it is not at all because I am opposed to them. It is because I am a supporter of the government. I consider myself to be a good Liberal, although I am not always called orthodox. But it is the doctrine that I have known, as enunciated by those who have been the stalwarts of the party up until the present Prime Minister took charge as its leader.

Let me give an example of what I mean. For instance, in one of those crown companies, if a gentleman is appointed by order in council, he considers himself to be superior to those who have been appointed by the civil service commission. He is a gentleman by virtue of his own rank, by order in council. He may owe something to the government but he owes nothing to parliament, and he has a supreme contempt for members of parliament because their indemnity is less than the salaries that are paid to these gentlemen. Our travelling expenses are also less. Therefore it is thought we must be less competent than those gentlemen.

I am serious when I say that. I do not want to hinder the success of the operation of this legislation; but in my humble view, what will best serve the minister is respect for our parliamentary institution on the part of all those who now belong to the crown companies or who will be appointed hereafter in this large department. Members of parliament—I can say this of all members of

parliament, but especially of the supporters of the government—are the shock-absorbers of the government.

If the members of the opposition do not have to defend government policy, they must be in a position to explain it to any one of their constituents. What I am saying now is British parliamentary doctrine that I have read in big books, the names of which I have forgotten. But I remember the main idea of those who have written these textbooks, which are based on the soundest rulings of the British Speakers. Therefore, sir, there should be no different classes of public servants. We should all serve the people. We may support the government; we cannot serve the government. The gentlemen who belong to the crown companies are not servants of the government. They are, as we are ourselves, servants of the great country that is Canada. It must be said of each one of them, and it must be said of the big and the small ones.

My conclusion is clear. The minister does not agree with it. In my heart I am convinced that he is wrong about it. My warning is not unfriendly to all those big gentlemen who come here and consider that the position of controllers, and so forth, constitute a kind of nobility. I know a gentleman who is a personal friend of the minister, as he is a friend of mine. He was controller of light. His duty consisted in deciding what we had to do about daylight saving. Well, any child could have been light controller and could have said that in the summer we must have more hours of sunlight than in the winter. But he was a controller, and it was something much more than O.B.E., C.B.E. and M.B.E.; it was something real.

Mr. Macdonnell (Greenwood): Was the hon. member able to find out his salary?

Mr. Pouliot: No; I think it was one dollar.

Mr. Fraser: How much were his expenses?

Mr. Pouliot: What I say tonight is not very pleasant for me to say, but if I say it it is because I believe it. My record is in *Hansard* about the necessity of inspiring and of teaching to all the fundamental principle of the government of our country. Wherever I have the honour to speak outside the house I never fail to tell the people that I consider myself their servant. Why should anyone think differently? What is right does not need to be concealed. What is right can be exposed and defended in public meetings anywhere, and no one should be afraid to do so.

Now, sir, there is another point that I wish to make before I take my seat. It is this one.

There are many false interpretations of the duties held by some people in major positions outside the civil service. It is that they would be humiliated to have their remuneration, their salary, their living and travelling expenses, appear in the public accounts. Why? When they receive a cheque they cash it at the bank. It passes through many hands, and I wonder why there is not such a check upon the duties of all those gentlemen. I shall try to mention this just as objectively as possible, just as one writes a thesis to get a degree.

Very often members of parliament receive no reply from those crown companies unless they write to the minister. Why is it that it is impossible to get some information from those concerns about matters of great importance to our constituents? I will quote no particular incident, but I wish to congratulate the minister on having appointed to the Canadian Commercial Corporation a gentleman from Quebec city who answers the letters that we send to him. It is an immense improvement.

I will say nothing about the gentleman who is the head of Canadian Arsenals Limited, Brigadier Theriault of Quebec, who is a most helpful and well qualified man. He answers letters, too. There are many others who have a strong contempt for members of parliament. They say it is mixing into politics when they answer letters sent to them by a member of parliament.

I want the minister to be just as free as possible in his important duties. I do not want him to be handicapped by undue correspondence from me or from any one of my colleagues, but when I write to anyone in any of these crown companies as a member of parliament I am entitled to an answer and to the right answer. If these gentlemen consider that it is outside their duties to answer my letter as it should be, the thing they have to do is to tell me to get in touch with the minister, and then I will have a good excuse to write to him, the excuse that one of his officials has suggested to me to write to him.

What I have said does not apply to the deputy minister of trade and commerce for the very good reason that his salary and his expenses appear in the public accounts just the same as the salary and travelling expenses of some other officials appear there; but I repeat, the best protection of the government against any abuse—I do not mention embezzlement or misuse of funds; I speak of abuse of authority—is the respect of our parliamentary institution and of the members of parliament by all those who are in the pay

of the dominion government, whether it is one dollar a year or $35,000 a year, plus expenses.

Mr. Howe: May I ask the hon. member why he objects to the route of obtaining information through the minister's office? That is a carefully prepared route. We try to see that the information given out is accurate, and we try to see that it is given promptly. I would be sorry to dispose of that route for obtaining information, because I think it is pretty good.

Mr. Pouliot: I will tell the minister that I am thankful for his answer. I have no objection at all to writing to him. But what I am telling him again is that it is physically impossible for him to answer all requests from members of parliament. It is because I want to give him as free a hand as possible in the fulfilment of his numerous and onerous duties that I want to write to him the least possible number of times, asking him for information. But when he has decided something is to be done somewhere, it seems to me members of parliament should be entitled to an answer.

There could be abuse from some members who might ask indiscreet questions. But then the staff of the crown company could easily answer, "It is up to the minister to decide whether you are entitled to that information or not."

Now, I turn to another matter.

Mr. Knowles: Before the hon. member leaves that subject, would he permit a question? What is the nature of the letters to the heads of crown corporations to which those heads have failed to reply?

Mr. Pouliot: "Who is the contractor?" "What are you doing there?"—No answer.

Mr. Knowles: Is that all?

Mr. Pouliot: I will tell one thing to my hon. friend, and that is that he sees patronage everywhere, but he does not know what it is. He does not know it is a heavy burden upon the shoulders of the members.

Mr. Knowles: Which members?

Mr. Pouliot: The members who support the government. And the hon. member for Winnipeg North Centre is such a hard worker that he wants to put upon himself the burden of finding something wrong everywhere.

Mr. Knowles: It is not a burden.

Mr. Pouliot: I never thought it was a concern of mine that he has been inclined to do that, through his own good nature. I have been very much surprised to hear him make such a contribution.

Mr. Knowles: I think the minister's idea was right, that members' letters should go to his office.

Mr. Pouliot: I will tell the hon. member this, that he sings the same song and repeats the same story about patronage. Hon. members who support the government and those who believe in the same doctrine are the intermediaries between the government and the people, so that the policies of the government may be most beneficial to the people. I am sure that in the constituency of Winnipeg North Centre there are some good Liberals who help the constituents of my hon. friend much better by acting as such intermediaries than does the hon. member by his numerous speeches. I do not know who they are.

Mr. Knowles: Does the hon. member speak for the government when he makes this pronouncement about patronage?

Mr. Pouliot: I am speaking for myself; I have no power to speak on behalf of the government. However, I am sincere in what I do, and that gives me the right to answer the hon. member. If my hon. friend continues to insist upon such picayune matters, if he insists upon asking questions about patronage in connection with crown companies, and all that sort of thing, it would destroy my argument and it would mean that members of the House of Commons do not ask serious questions, or questions requiring replies.

I have discussed the matter objectively without any thought of political partisanship. My hon. friend from Winnipeg North Centre takes the opposite stand. He always thinks that by speaking as he does in the house he will gain more votes for the C.C.F.; and that is his great mistake.

Section agreed to.

On section 2—*Definitions.*

Mr. Green: I should like to ask a question about the definition of the expression "associated government". I see that in the definition it includes any nation of the British commonwealth of nations, and also any nation which is a member of the North Atlantic treaty organization. Then it goes on to include also the government of any other country designated by order in council as being a country the defence of which is vital to the defence of Canada.

How would that be treated? This would seem to be a serious decision to be made by order in council. How would it be handled, so far as parliament is concerned?

Mr. St. Laurent: I do not wish to give an answer which would be indicative of anything

that is under contemplation. However, there are in the North Atlantic treaty a group of twelve nations. The one in the Mediterranean farthest eastward is Italy. There might be something occurring in Greece that the twelve nations of the North Atlantic treaty would consider was a menace to their own security. If that took place they would be regarded as an associated government in any active resistance that was being sponsored by themselves and the nations of the North Atlantic treaty. I am just giving that as one example. It was to cover things of that kind that this extension was made to the original definition, which was limited to the commonwealth countries and the North Atlantic treaty countries.

However, it was felt that there might occur a situation where it would be regarded as being in the interests of either the commonwealth countries or the group in the North Atlantic treaty to treat some government that was not actually a party in either group as pursuing a common purpose with the rest of us.

Mr. Macdonnell (Greenwood): Sometimes I am a little uncertain as to whether, when we refer to the commonwealth of nations, we include only the self-governing dominions. Would this include crown colonies?

Mr. St. Laurent: We have no direct relations with crown colonies. The relations of Canada are with the United Kingdom, and anything that concerns a crown colony is handled through United Kingdom channels.

Mr. Wright: I should like to ask a question concerning section 2(k) which states:

"Mark-up" means the amount added to cost in determining the selling price to cover overhead and profit.

A while ago we were talking about accelerated depreciation. If the government enters into a contract with a firm to extend its plant to produce something the government wants, and allows accelerated depreciation, it does not mean a thing to the company unless the mark-up on the price is sufficient to allow the company to take that accelerated depreciation. A company has to make a profit before it can obtain accelerated depreciation to write off the cost of its plant. What method have the government of determining whether that plant has been built economically? The government is the only buyer of the product being made. What method have the government of determining whether the plant is being operated efficiently? It seems to me that there must be great difficulty in determining what is the fair price and what is a fair margin to allow, and also what is a reasonable profit which should be made so that they may claim a mark-up.

[Mr. St. Laurent.]

Mr. Howe: Mark-up applies more particularly to retail sales, where a firm buys a product and resells it to the public. I can think of no situation where accelerated depreciation would be allowed to a retailer. Where a plant is being built to turn out a product for sale to the government it is not a matter of mark-up, it is a matter of cost of production. Accelerated depreciation would not enter into the cost of production. The proprietor of a plant may have other portions of the plant that are earning a profit and he can apply the accelerated depreciation against his other earnings. He could show a loss on his business and apply the money lost to accelerated depreciation if he thought it was wise to do so.

Mr. Wright: Assume that I am a manufacturer of farm machinery. I have trained personnel and have the technique to produce, say, a gun barrel. The government wants me to produce that article and will allow me accelerated depreciation to pay the cost of an additional plant and to be spread over a period of four years, as was done in the last war. How do you determine whether that plant is being constructed economically? How do you determine whether you are paying a fair price for the product which only takes care of the accelerated depreciation, which in turn allows only normal profits?

Mr. Howe: As far as construction goes, we have a large and widespread construction organization whose business it is to check the costs of construction and to see that it is carried out in an economical way. If the inspection staff reports that it believes the contract is not being well carried out, steps are taken to investigate the situation and appropriate action would follow.

Take the case of a firm making agricultural implements that is asked to make guns. How would we know what is a reasonable price for guns? The treasury cost accountants go into the plant and determine the cost of labour and the cost of material. The profit is fixed in the contract and adding together all elements of cost the price is determined accordingly. That is why we have the power of renegotiation. The cost of the guns would vary from time to time, and generally the cost is lower as time goes on.

The hon. member asks where the money would come from with which to write off the accelerated depreciation of the new plant. It probably would come from the earnings of the old plant. That is where it usually comes from. In other words, this manufacturer could take his earnings from the agricultural implement business to depreciate the new plant.

Mr. Fraser: In paragraph (i) of section 2 it is stated:

(i) "government issue" means machinery, machine tools, equipment or defence supplies furnished by the minister—

Does that mean that a committee will set up priorities on machine tools as was done during the war?

Mr. Howe: We have a machine tool controller, but in some cases the government buys machine tools or a certain part of a finished product and supplies it to the contractor as a free issue. That definition refers to furnished products of that kind.

Mr. Fraser: And machine tools?

Mr. Howe: Sometimes.

Section agreed to.

Section 3 agreed to.

On section 4—*Deputy minister.*

Mr. Knowles: Before the hon. member for Temiscouata leaves the chamber I should like to speak to this section as I think he may have something to say about it as well. I disagree thoroughly with the position taken by the hon. member for Temiscouata with respect to patronage.

An hon. Member: Have you ever tried any?

Mr. Knowles: No.

An hon. Member: What?

Mr. Knowles: But I agree with the hon. member as to the importance of retaining the practice of using the civil service commission as far as it possibly can be done, even in a department such as this. I notice that section 4 provides that such officers, clerks and employees as are necessary for the proper conduct of the business of the department may be appointed in the manner authorized by law. That means they are to be appointed by the civil service commission.

Then we come to certain exceptions. The first was referred to by the hon. member for Temiscouata. I think it is a reasonable exception. It states that the minister, with the approval of the treasury board, may employ such technical or other temporary employees as he deems necessary. I take it from that that there is to be provision in special cases for the minister to engage people apart from the regular civil service regulations. The hon. member for Temiscouata pointed out that that seemed to go a long way.

In addition to that exception, and another minor one that I need not go into, there is subsection 4 of this section which gives the governor in council the power, as I read it, to set aside the whole of subsection 3, which provides for the employment of officers, clerks and employees in the manner authorized by law, in other words by the civil service commission. That provision can be wholly set aside wherever the governor in council decides that it is not practicable to carry out the regular civil service practice.

It seems to me that there is too much of this getting away from the civil service method of appointing employees. I admit readily that the minister must pick his deputy and must appoint some of the top people who have special technical experience, but I question whether this idea of setting aside civil service procedure should be carried quite so far as seems to be envisaged by subsection 4 of section 4.

Mr. Howe: The situation is that you often can borrow men whom you cannot hire. In other words, in a tight situation it may not be possible to hire men with particular skills. They are in organizations which grant them pension rights and various other benefits inherent in those organizations. You say we should get the civil service commission to hire them, but they will not leave their jobs; they cannot very well do so. But it is often possible to borrow their services from the firms employing them, and that applies to senior and to fairly junior people. This is a temporary department, and temporary arrangements can be made for short periods. If my hon. friend will read the section he will see that the intention is to obtain those normally employed through the civil service commission to the greatest extent possible, but we have provided against the possibility of being unable to obtain suitable staff through the commission, so we will not be entirely blocked from using other means to obtain a staff.

Mr. Pouliot: Some day I will explain to my hon. friend how people are appointed by the civil service commission, and he will not advocate it any more. He must remember that I have said to the minister I would have no objection if he appointed everyone in the department, provided we knew how much was paid to each. That is the main point of responsibility, to inform members of parliament what is paid each civil servant. We have to render an accounting on that, and we do not have to render an accounting about appointments by the civil service commission. Members who support the government are responsible for all the appointments made by the minister, and my hon. friend champions the cause of irresponsibility when he advocates appointments by the civil service commission. He knows that.

Mr. Fulton: What is the effect of subsection 5, particularly lines 26, 27 and 28?

Does this mean that a civil servant who is seconded, if that is the proper word, from his own department to this department will have his pension rights protected, and that deductions will be made from his salary and paid into the superannuation fund, or what is the effect of that?

Mr. Howe: That is exactly right.

Mr. Fulton: In effect he would be appointed to this department under the Civil Service Act?

Mr. Howe: He cannot be appointed to this department under the Civil Service Act. He cannot secure either permanent employment or superannuation rights by being appointed to this department, but if he is in the civil service when he comes to the department his superannuation rights are maintained while he is with the department, and he does not lose any seniority.

Mr. Fulton: And deductions for superannuation are continued automatically?

Mr. Howe: That is true.

Mr. Green: Would this section apply to employees of a crown corporation, or are they all outside the provisions of the section?

Mr. Howe: There are one or two crown companies whose employees have the benefits of the Civil Service Superannuation Act, but generally speaking employees of crown companies are not under that act.

Mr. Green: How are they employed? Does the management of a crown company employ men in the same way a private concern would?

Mr. Howe: Exactly the same.

Mr. Green: And the Civil Service Act is not used at all?

Mr. Howe: No.

Section agreed to.

On section 5—*Minister's authority to assign powers.*

Mr. Green: This is a section to which we take quite serious objection. It reads:

> The minister may authorize any person, on his behalf and under his control and direction, to do any act or thing or to exercise any power that the minister may do or exercise under this act.

The sidenote reads, "Minister's authority to assign powers," and I particularly stress the word "assign". As we all know, under the bill the minister is given very wide discretionary powers, probably wider than have been contained in legislation brought before this house for many years, perhaps since confederation. The whole bill is based upon ministerial discretion. This section is worded in such broad terms that we believe it would permit the minister to pass on that discretion to anyone he sees fit. There is no limit; it might even be passed on to a person not in the employ of the dominion government. The section is drawn in the widest possible terms.

I do suggest that under section 4, which was just passed, provision is made for a deputy minister and any number of associate deputy ministers. Surely the type of ministerial discretion permitted under this bill should be exercised only by the minister, or his deputy, or his associate deputies. The minister, of course, has power to carry on the administration of the department in just the same way as any other minister. No one is questioning that authority; it is quite right that he should have it. But as far as we can find no other minister of the crown has this wide right to assign his powers and we believe that provision is wrong.

This afternoon the Prime Minister quoted section 5 (2) of the Essential Materials (Defence) Act, which was passed last September. I would point out that subsection 2 of section 5 of that act is not worded in the same way at all. The provision in the act passed last fall obviously was not meant to give the minister power to turn over this wide discretionary authority to anyone he saw fit. It reads:

> The minister may authorize persons to act under his control and direction on his behalf in the exercise of powers conferred on him by this act or regulation.

The sidenote is, "Minister empowered to authorize persons to act under his control." The obvious interpretation of that provision of the statute passed last year is that the discretion would be exercised by the minister; that whoever was acting for him would merely carry out the acts he authorized. Under section 5 of the present bill, however, the minister can turn over his discretionary power not only to his deputy or to an associate deputy, but to anyone he sees fit. For example an order may be issued to take over a man's business; power is taken under this act to appoint someone to do that. Under section 5 of this bill a drastic order of that kind could be made by anyone appointed by the minister. The discretion can be exercised by someone other than the minister, someone in no way responsible to parliament, upon whom we would have no check whatever.

I do suggest that the powers given the minister under this bill are such that they should be exercised by him, and that section 5 is not necessary. It is not sound legislation; it is unfair to the individual Canadian, and also unfair to parliament. We would ask that the clause be deleted.

Mr. St. Laurent: Mr. Chairman, the sidenote is wrong. There is no doubt that "powers to assign" probably does convey more than is intended. The hon. gentleman says it is not at all like subsection 2 of section 5 in the bill of last September. I cannot agree with him nor with his argument at all. Exactly the same words are used, but they are not used in the same order. The phraseology is the same. Instead of having a long discussion, since the hon. member thinks subsection 2 of section 5 of the bill of last September is safer than the form of section 5, I have no objection to substituting for the whole of section 5 the exact words that are in subsection 2 of section 5 of the bill of last September.

Mr. Green: May I ask the Prime Minister just what his understanding is of the right of the minister to delegate power under this section 5, subsection 2, of the Essential Materials (Defence) Act of last year? Does the Prime Minister believe that that would give the minister the right to say to Mr. John Doe in his department, "Here, John, you can appoint a controller to seize a man's business"? Is it the intention that powers of that kind can be delegated? If so, we would still object to it, because we do not believe that drastic powers of that kind should be exercised by anyone but the minister, the deputy or associate deputy minister.

Mr. St. Laurent: It is not only the intention, but it is the expression. It reads:

> The minister may authorize persons to act under his control and direction on his behalf in the exercise of powers conferred on him by this act or by regulation.

He has to tell them what they can do, and they have to do it under his direction and on his behalf, and under his responsibility to parliament. In section 5 in this bill the words, "on his behalf and under his control and direction," come after the words "may authorize any person." In either case the minister has to tell them what they can do on his behalf and under his direction. He is the one who has to exercise the discretion, and be responsible to parliament for the exercise of the discretion.

Now, if it is more satisfactory to the hon. gentleman for the words to come where they come in the act that is now in force and that is going to be replaced by this bill, so that there will be no change whatever in the text, we have no objection to that. I believe that the language used in the two amounts to the same thing, and gives the minister the right to tell someone to go out and do this for him in such a way.

Mr. Green: Can the Prime Minister explain what authority an appointee would have to take over a man's business? I use that as an example. Is it the intention that one of these appointees, or a person who has power delegated to him by the minister, will make that decision that a certain firm is to be taken over, or must that decision be made by the minister himself or one of his deputies? I think that would get us down to the root of the matter.

Mr. St. Laurent: All these decisions would have to be made by the minister himself. If a firm were to be taken over, the minister would have to make the decision to take it over and then appoint someone to go out and do it.

Mr. Green: If that is the case, what is the objection to removing this section altogether? I do not think any of us understood that the section which was passed last summer was as wide as it appears. Why is any delegation of powers needed?

Mr. St. Laurent: Because there are a great many things that have to be done, and have to be done in the name of the minister and on his behalf. If the hon. gentleman prefers to have it as it was worded last September, well and good. I do not think it is worth while making the change, because it is actually the same language. In neither case does it allow the minister to say to the member for Vancouver-Quadra, "You be the minister in my stead." He could not do that under the form of the section last September, nor under the form of this section. He might ask the member for Vancouver-Quadra to go and do such and such a specific thing that it would be within his power to do under the act.

Mr. Green: Why does the minister need to have a statutory provision of that type when none of the other departments have a similar provision? Surely the minister has the power to carry out the work of his department without having any such provision in the act? It is not in the other acts, and it was not in the act setting up the department of munitions and supply which was passed in 1939, or at least I cannot find it. Why is it necessary to have this authority in the bill at all? I do suggest to the Prime Minister that the minister does not need it to carry on the administration of his department.

Mr. St. Laurent: He might not need that if there had not been certain decisions in the courts that when powers are given a minister they must be exercised by him personally. Only recently in my home town of Quebec there were proceedings, I think under the Foreign Exchange Control Act, which were dismissed because a certain document was

not signed by the one who was given the power to authorize the suit. Rather, it came about in this way: it was signed by him but it referred to a person who was designated personally but the judge found he was acting not in his personal capacity but acting as the official of a corporation.

There have been a number of cases where rather fine distinctions have been drawn, to dismiss the proceedings instituted by or on behalf of the crown or its agents. If something is required to be done by the minister, then this would allow the minister to say to someone who was acting as a controller or representative of a controller, you do this thing. He would then have the statutory authority to do it under the control, by the direction and on behalf of the minister, whilst without it there might be decisions that the minister had to act personally or the thing would be invalid.

Mr. Green: I take it, though, there is no intention of giving any of these discretionary powers under the act to an appointee under that section?

Mr. St. Laurent: No.

Mr. Green: I am quite sure that the section as it was enacted last September in the Essential Materials (Defence) Act could be construed as permitting an appointee to exercise discretionary powers. We think that is dangerous. Take, for example, the Minister of National Defence. He has a great many different kinds of jobs to do. I do not believe that under his act he has similar powers. We can find no other department which has.

Mr. Howe: Would you say that the commander of the troops in the field has no discretion?

Mr. Green: No, I say that in the act setting up the Department of National Defence I do not believe there is a power of this kind. Why should there be for the department of defence production?

Mr. St. Laurent: I know that in the Department of National Defence there should be a power of this kind, because I know there is a lot of valuable time wasted by the minister in signing things that are put before him by his officials which have to be signed by him personally because of the terms of the act. In the reprint I believe there should be a correction of this sidenote because it might imply more than is contained in the section itself. I think it should be expressed in the same language as the sidenote in the act of last September which reads:

> Minister empowered to authorize persons to act under his control.

[Mr. St. Laurent.]

Mr. Green: Certainly the wording of the act of last year is much less objectionable than the wording of the present one.

Mr. St. Laurent: If it is, we have no desire to be any more objectionable than the situation requires. We find we have everything the situation requires in the language used in the bill last year.

Mr. Knowles: Will the Prime Minister read it again?

Mr. St. Laurent: The section as passed last year?

Mr. Knowles: Yes.

Mr. St. Laurent: It reads:

> The minister may authorize persons to act under his control and direction on his behalf in the exercise of powers conferred on him by this act or by regulation.

Mr. Knowles: I am glad to hear that read. Actually it seems to me that confers wider powers than the new section. I think the hon. member for Vancouver-Quadra had better stay with the section we have.

Mr. Green: Had better take which?

Mr. Knowles: The new one refers only to the act. The old one referred to the act and regulations.

Mr. St. Laurent: Perhaps we had better stick to the language that is used here.

Mr. Green: The hon. member for Winnipeg North Centre is just a sea lawyer. I do not know whether his opinion should be taken over mine.

Mr. St. Laurent: Whether they are sea lawyers or land lawyers, hon. members can be assured that the minister in charge of this department, whoever he is, is not going to come to this house and say that any discretionary act authorized by parliament was not done by him personally.

Mr. Fulton: Then may I ask the Prime Minister this question. His interpretation of the section would be that it would not empower the minister to appoint a controller to exercise, shall I say, the powers of the minister under section 27 of this act.

Mr. St. Laurent: No; certainly not to exercise the powers under section 27 of the act, unless he indicated to him how he wished to have them exercised.

Mr. Fulton: That is what I mean. It could not be a general delegation to exercise important powers or functions under section 27.

Mr. St. Laurent: No.

Mr. Drew: Without arguing as to which of the two provisions is broader, the thing that is noticeable is that this is a new provision which was not in the language of the wartime bills and there must be some reason for that. There must be some reason for the inclusion of so wide a power. The section as it stands reads as follows:

> The minister may authorize any person, on his behalf and under his control and direction, to do any act or thing or to exercise any power that the minister may do or exercise under this act.

There are a number of sections which give extremely wide powers to the minister, without any supervision, by order in council. It would seem beyond question that so long as the direction from the minister was sufficiently wide, the direction could embrace any of the powers included in any one of these sections: sections 7, 8, 11, 12, 15, 17, 23, 24, 27, 28, 29 and 31 (2), all of which confer extremely wide powers. It is only a case of how wide the direction is from the minister.

The Prime Minister has pointed out that there will be a mass of detail, that a minister might be called upon to sign a number of things that he should not be called upon to sign. I would point out that that was one of the reasons for setting up a munitions and supply board. Rather than abandon the ordinary procedure I suggest that there should be a board set up to deal with defence purchases. That would overcome the difficulty of requiring the minister to sign these orders. If you set up a board, you create a board with some responsibility. The danger in this particular case is that the minister is not called upon to appoint anyone who comes under the ordinary civil service provisions, whether as a permanent or temporary employee. This provision imposes, shall we say, important responsibilities on the individual in regard to secrecy and matters of that kind. In this case anyone outside such regulations could be appointed to exercise these powers. I suggest that section 5 is not only unnecessary but that it is an improper delegation of authority; that if it is intended to avoid the necessity for the signing of a great many documents by the minister, the proper way to do that is to set up a board such as the one that was set up under the munitions and supply act, and which would meet a situation of that kind. I do not think that a section of this kind—a new one except for the act last fall which we criticized on the ground of the wide powers it gave—should be permitted to pass.

Mr. Howe: I can assure my hon. friend that there was never a board under the munitions and supply act to which any power of the minister was delegated as a board.

Mr. Green: Would the Prime Minister be willing to insert in the section a provision excluding discretionary matters?

Mr. St. Laurent: No.

Mr. Green: That is, power to exercise discretion?

Mr. St. Laurent: No. I do not think the section should be weakened. We have had quite a disagreeable experience with these technical objections raised not only by sea lawyers but by other lawyers—

Mr. Knowles: Order.

Mr. St. Laurent:—and that the courts accepted. I do not think there should be any weakening of the provision here.

Mr. Knowles: If I am the sea lawyer, Mr. Chairman, I did not raise the objection.

Mr. Fulton: I cannot see why the Prime Minister is unwilling to include such a provision; or if the wording suggested by the hon. member for Vancouver-Quadra is perhaps not the right technical wording, why the Prime Minister is not willing to include in this section 5 a safeguard against such a general delegation as I referred to, namely, a general delegation to exercise the authority and powers of the minister under a section such as section 27. That is the thing I think hon. members on this side have in mind. The minister is responsible to parliament. He has to come into parliament. But a person whom he might appoint under a general delegation of power would not have to come before parliament; that I think is the feeling that we have in mind. Is there anything that could be incorporated in this section which would remove the concern we have lest this section might be used to make a general delegation of sweeping power such as I have described?

Mr. St. Laurent: I do not think the concern the hon. member says he has about the possible effect of the section can conform with the language that is used. This is not a power to make a general delegation. It is a power to appoint and designate to do any act or thing. That may be done a great many times, but it contemplates special delegation for the things the minister instructs should be done under his control.

Mr. Higgins: May I ask the Prime Minister if the person so delegated by the minister may himself delegate his powers to another person?

Mr. St. Laurent: No. The general rule is that a delegate cannot himself delegate the powers that he has received. This is one of

the reasons for having something to indicate that parliament has not decided that everything that could be done under the act for or on behalf of the minister had to be done by himself personally.

Mr. Knowles: I confess that when I first read this section 5 I marked it as one to make some objections to as well. But in the discussion that has followed I am beginning to think that maybe it is a necessary section. What I would like to ask is this. Do the words "on his behalf and under his control and direction" apply to everything in the rest of the section?

Mr. St. Laurent: Yes.

Mr. Knowles: They apply to his doing any act or thing; and they apply to his exercising any power that the minister may exercise under this act.

Mr. St. Laurent: Yes. The preposition "to" is repeated before each word that is operative in the phrase "may authorize any person, on his behalf and under his control and direction, to do any act or thing, or to exercise any power."

Mr. Knowles: Anything that such authorized person does must be specifically authorized by the minister and the minister must assume responsibility for it right down the line?

Mr. St. Laurent: Absolutely.

The Deputy Chairman: Shall clause 5 carry?

Some hon. Members: Yes.

Some hon. Members: No.

Section agreed to: Yeas 57; nays, 21.

On section 6—*Advisers.*

Mr. Knight: I want to ask a question with respect to the privilege extended to civil servants, because I understand that privilege will apply to those appointed under clause 4 and under the clause now under consideration. I take this method of drawing to the attention of the committee the privilege civil servants have in regard to not meeting their just obligations, in that I understand their salaries are not subject to garnishee for debt. Perhaps it would be a good time to get the point cleared up to find out to what extent it is true.

From inquiries I have made in regard to certain flagrant cases, my understanding is that civil servants, by virtue of being civil servants, were able to incur debts in the course of their everyday living, and that there was no recourse in law to the people from whom they had those favours or that credit. Perhaps that question might be answered.

[Mr. St. Laurent.]

Mr. St. Laurent: This section has nothing whatsoever to do with the question raised by the hon. member. I understand that there have been decisions that the salaries of persons in the employ of the federal government could not be garnisheed on judgments rendered against them for debts; but this makes no change one way or the other in such decisions.

Mr. Knight: Perhaps the Prime Minister did not hear my question. What I asked was whether these people would have the same privilege in that regard as civil servants now enjoy. I refer to those who are appointed under clause 4 and clause 6, namely,

> Such officers, clerks and employees as are necessary for the proper conduct of the business of the department . . .

And clause 6:

> . . . such members as he may appoint . . .

Mr. St. Laurent: That would be something for the courts to decide. It is not by virtue of any statute of the parliament of Canada that the civil servants are not subject to garnishee proceedings. It is not something that is provided by any statute of the parliament of Canada, and there is nothing being provided by this legislation in that regard.

Section agreed to.

On section 7—*Corporations.*

Mr. Fulton: Are there any corporations which were set up during the last war that the minister has in mind reviving for the purpose of this legislation, or any corporation at all that he has in mind to set up for the purpose of this legislation?

Mr. Howe: The construction projects are being handled by a new crown company called Defence Construction Limited. It is in a sense a new corporation, although the charter is an old charter about to be surrendered, but used for the purpose of reviving the organization and with a new name. There may be a new crown company analogous to War Supplies Limited, which handled our purchases in Washington during the last war. That is the only one we have in mind immediately, although it may later develop that some other will be needed.

Mr. Fulton: Will the companies that may be in existence now and those which may be set up in the future be brought under the provisions of this bill? Will they be paid for materials sold by them, and will the money be kept in the corporation's hands, or will it be turned into the revolving fund which is set up by a later section of this bill?

Mr. Howe: The revolving fund neither increases nor decreases. It is simply what the names implies, a fund out of which money is paid but with that money to be recovered at a later stage and returned to the fund.

If one of the crown companies sells a product for war purposes it will sell in the normal way and be paid for it in the normal way. In other words, it is just another contractor as far as the government is concerned.

Mr. Fulton: The crown company is just another contractor?

Mr. Howe: That is all.

Mr. Fulton: I understand the minister to say that the moneys received by a crown company from sales of its products under a defence contract will not go into the revolving fund, but remain assets of the company and be returned to that company.

Mr. Howe: That is correct.

Section agreed to.

Section 8 agreed to.

On section 9—*Administration of department under the minister.*

Mr. Macdonnell (Greenwood): What is the significance of the word "exclusively" in line one of the second paragraph of clause 9? Does that indicate that the power of delegation which we have been talking about a little earlier does not apply here at all?

Mr. St. Laurent: That was to indicate that this would be the sole agency for the government to do the things that the department or the minister, as the head of the department, is empowered by the act to do, and there would be no other procurement agencies for the objects covered by this bill.

Mr. Drew: As a matter of explanation, why is the word "minister" used instead of the department, because the department is actually the agency of government set up for the purpose of doing these things. Why is it not proper that it should be "the department, exclusively, may buy or otherwise acquire", because in the cases where the minister is empowered to act on behalf of the department I should think that would apply, and also it would appear then clearly that it is the agency of the government that exclusively is going to do this; whereas the word "exclusively" related to the word minister might appear to give a different meaning.

Mr. St. Laurent: In all the departments it is the minister who is given the powers to act. That is the form in which all the departments are set up. There is the Department of Justice, but the powers to be exercised by the minister. We do however recognize some distinctions. Sometimes the minister of one department is put in charge of something that is not within his department. Thus, the Minister of Justice is the minister responsible for the administration of the Royal Canadian Mounted Police. That is not a part of the functions of the department; but the functions of the department are in these various statutes stated to be the powers and duty and responsibility of the minister.

I do not know that I would have drafted that section just in that way, "the minister exclusively", but that is the way in which it appeared in the munitions and supply act and in the Defence Supplies Act. The Defence Supplies Act, section 4, states:

> The minister, exclusively, may buy or otherwise acquire defence supplies and construct or carry out projects required by the Department of National Defence, except
>
> (a) projects to be constructed or carried out by persons in the employ of His Majesty in right of Canada; and
>
> (b) such defence supplies or projects as the minister may, with the concurrence of the Minister of National Defence, request the Department of National Defence to procure, construct or carry out, as the case may be.

It is the form that has been usual.

Mr. Drew: I was relating my remarks to the explanation given by the Prime Minister. As I understood what the Prime Minister said, it was to the effect that it was intended by this subsection of section 9 to make it clear that this would be the only agency for the purchase of defence supplies. If that is so, then it would seem to me that this was different from the use of the word "exclusively" as applied to the minister in the other acts, where it seemed that the use of the word "exclusively" there was really for the purpose of showing that the minister exclusively within that department would have authority to make these purchases.

I was under the impression from what the Prime Minister said that in this case it was intended to convey the understanding that only this department, and the minister of this department, would be buying defence supplies. It was for that reason that it seemed to me that the word "department" would be more suitable—or a combination of both.

Mr. St. Laurent: It has been in this form. We possibly will not complete the whole bill tonight. This can be brought to the attention of the officers of the Department of Justice, as to whether or not it would be more workable with the word "department" added or substituted. But it is the way in which it

was expressed in the Department of Munitions and Supply Act, and the way it was expressed in the Defence Supplies Act. However, we will ask them if there would be any improvement in the substitution.

Mr. Drew: I wish to make it clear that I am not in this instance opposing it. I am simply seeking to avoid misunderstanding as to the use of the word, having regard to the explanation that has been given. I put it forward as a suggestion, that there is a possibility that in the other acts there was a different method, in view of the fact that there were certain defence purchases being made in other departments at that time.

Mr. Fulton: I should like to raise another question in connection with section 9. I would point out that in subsection 2 (b) the expression "Department of National Defence" is used rather than the expression "the minister." It refers to such defence supplies, and so on, as the minister may "request the Department of National Defence to procure or construct."

What is contemplated in paragraph (b)? It seems to me that over the past year, and particularly during the two sessions of last year, the process was to divest the Minister of National Defence of the responsibility and the administrative concern in connection with purchases for his department, and to place them more and more under the Canadian Commercial Corporation, and now under the defence production department. Yet it seems here there is something contemplated which would reserve or hand back to the Department of National Defence the responsibility for making purchases. Would the minister explain what is meant there?

Mr. Howe: That paragraph is to permit provision for local purchases. For example we may get a letter from the Minister of National Defence addressed to me stating that it would be helpful if those concerned at a project at Suffield had the privilege of buying fresh vegetables, and asking if an allowance of $500 a month could be made for that purpose. I would write the Minister of National Defence asking him to arrange for the purchase of vegetables at Suffield to the extent of $500 a month. It simply gives permission.

Section 9 stands.

Sections 10 to 13 inclusive agreed to.

On section 14—*Stockpiling.*

Mr. Fulton: Would the minister tell us the relationship between this section and section 30? I notice that section 14 refers to such materials or substances as may be designated by the governor in council as materials or substances essential to the needs of the community of which it is advisable to maintain stock to safeguard against possible shortages thereof. When one puts that section beside section 30, which refers to essential materials and services, and defines them as those essential to meet the requirements of the defence forces of Canada, I think there emerges a significant difference between sections 14 and 30. It seems to me section 14 goes considerably outside the scope of mere defence production or defence purchasing. It is at least giving a very much enlarged interpretation to the word "defence" and it seems to me it raises possibilities which require some explanation.

It is the intention through section 14 to enable the minister, if material is in short supply, whether it is immediately related to defence and the immediate needs of our defence forces or not, to purchase it, and to exercise all the powers he is given under this act with respect to that material?

Mr. Howe: No; the purpose of the section is to provide for the stockpiling of materials not readily available, should certain contingencies develop. For instance, it would refer to tin, which would be in short supply if Malaya fell, or to antimony, which is in short supply, or to quartz crystals, which come from certain areas that are trouble spots, and where supplies might be interrupted at critical times. This is the section which gives the minister power to acquire, store, maintain, transport and sell materials of that type.

Mr. Fulton: For the community?

Mr. Howe: Yes, for the community.

Mr. Fulton: I wonder why it is necessary to have section 14. "Essential material" is defined as a material or substance designated by the governor in council under section 30 as an essential material.

Mr. Howe: That is an essential material under the act which allows the control of essential materials. But there is nothing in that section which allows the government to buy and sell strategic materials. That is the point in section 14—it authorizes the government to buy and resell.

Mr. Fulton: That contemplates buying and reselling to our allies?

Mr. Howe: It might be to the general public. It is to provide stockpiles of scarce materials or materials which may become otherwise unobtainable in the event of war in certain areas.

Mr. Fulton: As a matter of interest—and I think it is important—I wonder why that is

put in defence production, and why it would not normally come under the minister's functions as Minister of Trade and Commerce?

Mr. Howe: As my hon. friend will see, it comes under the general heading of "organization of industry for defence".

Section agreed to.

On section 15—*Ministerial powers to acquire and dispose of supplies.*

Mr. Fulton: How is section 15 (f) to be carried out? I see that under section 16 loans are excluded, and such loans cannot be made from the revolving fund. Thus section 15 does not contain the expression "if authorized by parliament the minister may", and so on. Since the minister cannot make such loans by way of the revolving fund under section 16, from where will the money come to make the loans contemplated in section 15 (f)?

Mr. Howe: Money is appropriated by parliament for that purpose. Certain moneys have been appropriated under the national defence vote. If it is necessary to give capital assistance to a project it can be given only by obtaining money from the Department of National Defence. For example, we found it necessary to finance the Orenda plant in Toronto. That money was sent over as an encumbrance on the vote of the Department of National Defence. In the estimates for next year there may be a vote for capital purposes under the defence production department but, if so, it will be placed before parliament and voted on in the usual way.

Mr. Fulton: Perhaps I should ask this question of the Prime Minister. Is it usual when such advances are to be authorized that they can be made only if an appropriation is passed by parliament? Is it not usual to preface these paragraphs with the words, "the minister, when authorized by parliament, may" so there will be no question that it cannot be done out of the revolving fund or by general authority?

Mr. St. Laurent: To have the words, "the minister, when authorized by parliament" would mean that each individual advance would have to be authorized by parliament. If parliament sees fit to make a sum available it will not be part of the revolving fund that is to be provided by this bill. It is something that will have to be brought up each year in the form of a special vote in the estimates. If there is no vote appearing in the estimates, loans cannot be made. As has been discussed already, there was some $50 million provided for advances on defence production. The application of parts of that $50 million could be made under this, but unless there is a fund provided, capital assistance cannot be taken out of the revolving fund that this bill contemplates.

Mr. Fraser: The Prime Minister says, "unless there is an item in the estimates." These expenditures would not come before parliament and parliament would not have a chance to vote on them.

Mr. St. Laurent: If in this bill a certain amount was being asked for for capital advances there would be no requirement for an estimate. We do not think that there should be anything asked for at this time beyond the revolving fund. We think that the revolving fund provided for in the next section can be satisfactorily explained. It is to be a revolving fund merely for temporary and provisional use, to be reimbursed by the department or the associated government or whoever it is that gets the finished product. As we had no specific capital advance in contemplation that we could bring to parliament we did not think it was proper to ask for any in this bill. We think we should have to bring in that estimate and possibly say to parliament what the plans are and why the estimate is being requested.

Mr. Green: If that is the case, why is it necessary to include this power in the bill before us?

Mr. St. Laurent: We are setting out here what will be the powers of the minister. Of course we enjoy these discussions, but we would rather have no more of them than are required. We are asking for the powers with which the minister may be clothed in order to carry out such things as are apt to be required. But the powers will not be exercised unless parliament provides some department with funds that can be used as capital advances. If parliament provides the Department of National Defence with funds that may be used as capital advances, they will have to be handled by the Minister of National Defence.

Mr. Fulton: The Minister of National Defence has been given authority to make commitments, I think up to about $500 million, in future years. Could that authority be used to cover advances under this section 15?

Mr. St. Laurent: If there was a loan to be made it could not be made under the commitments. There can be tooling up or tools purchased by the Department of National Defence out of funds provided to that department in order to facilitate the production of certain things required by the department. In connection with the Orenda engine there

have been acquired by the Department of National Defence tools which are used in the plant to produce the engines.

Mr. Fulton: That would be regarded as a capital advance?

Mr. St. Laurent: That would be regarded, not as a loan but as an advance payment on engines to be delivered to the department.

Mr. Fulton: You say that that would come out of the estimate or appropriation under the estimates?

Mr. St. Laurent: There have been earmarked out of the commitments certain sums that will be part of the purchase price of the Orenda engine.

Section agreed to.

On section 16—*Defence production revolving fund.*

Mr. Macdonnell (Greenwood): I want to make a comment, ask a question and inquire as to the possibility of having some change made in section 16. I hope the fact that sections such as 15, 11 and others have been passed with almost no comment on our part is a clear indication that we meant what we said when we indicated that we wanted to give generous powers and to make this act workable. I understand that what will happen under the operation of the revolving fund will be that a working capital of $100 million will be set up, and then there will be incomings and outgoings for various purposes which I shall not read and detail at the moment. I want to be sure that my understanding is correct that parliament will really have no knowledge of the operations which take place until eventually they are recorded in the public accounts. If I am correct in that, then I go on to—

Mr. Howe: I told the hon. member for Vancouver-Quadra that I would be glad to insert a section providing for an annual report of the department. Such annual report would certainly give the position of the revolving fund. If the department enters into a contract on behalf of the Department of National Defence or with any foreign government then by means of this revolving fund it can finance the contract temporarily, pay the contractors promptly and make demand on the Department of National Defence when there is a finished product to offer. If it conducts its affairs prudently, as we try to do, there should be no loss to the department. It is simply a temporary accommodation. It would be quite illegal or improper to use it for any permanent commitment of any kind. For instance, we could not use it for capital investment purposes. It must be money that will come back into the fund with reasonable promptness, not later than the completion of the asset which is being built.

Mr. Macdonnell (Greenwood): The minister's agreement to make an annual report certainly would be an improvement. Nevertheless, as I tried to suggest the other evening, it seems to me there is a whole world of difference between what went on during the war and what goes on now. That is so for this very simple reason, as I see it, that the minister is now organizing the functions of his department to complete the three year defence plan which was outlined by the Minister of National Defence. I cannot understand why it is not possible for the minister of the new department to come to this house with his estimates for the year. There would have to be a good deal of leeway, I should think; probably there would have to be quite a large amount of working capital, and perhaps this $100 million is not too much. But I am suggesting that along with that I see no reason why the minister could not come to this house in very large measure exactly as the Minister of National Defence does and say "I have certain expenditures to make this year, and I have certain commitments."

Let me give an illustration which I ventured to give the other evening. Let us take the matter of uniforms. A certain number of uniforms will be required next year by the Department of National Defence, and I should imagine the number would be known pretty accurately now. If that is so the minister of defence production will have to supply the raw materials; I understand that would be part of the functions of this department. I am quite unable to understand why that item could not be brought in here and approved as an estimate of this department, just as the national defence estimates are brought in. Let me say again that I have not, nor has anyone else in this party, any intention of chiselling, of trying to hold the minister down to such a point as to make his task impossible, or even difficult. Would it not be reasonable to ask the minister to bring in his estimates as far as that may be humanly possible?

Another point I want to raise is whether there is any reason why contracts, as they are made, should not be laid on the table of this house? I will come to the question of security in a moment. That question was raised this afternoon by the hon. member for Cape Breton South. My suggestion, supported by what I have observed in connection with the Minister of National Defence and other ministers of the government, is that in this country where things are done as publicly as they are, we are just fooling ourselves if we imagine they are not known by

our potential enemies. Therefore to say we are giving away anything by bringing an estimate into this house is just contrary to what we believe to be the facts.

Let me put this to the minister and to the Prime Minister as something I hope can be done. Some of us feel very earnestly that the rights of parliament are perhaps too lightly dealt with at times. On the other hand I believe we have shown that we have a practical approach to this matter, and that we want to enable the minister of defence production to carry out his important function.

Mr. Howe: If I may answer the last question first, I think the number of contracts for defence supplies placed last year runs to about 80,000. There is no objection to putting the 80,000 on the table, but my hon. friends knows he can get any contract placed by the department of defence production by simply asking for it on the order paper and having it made a return.

Mr. Macdonnell (Greenwood): I intended to specify contracts above a certain amount. We would not want to make the thing ridiculous, of course.

Mr. Howe: Unless the limit was pretty high you would still have a tremendous number of contracts laid on the table. If my hon. friend has a reasonable request and puts it on the order paper, it will be considered; he will be told the amount of work involved, and if he still wants it he will get it. There is no desire whatever to hold back information from the house as far as contracts are concerned. As to the proposal that instead of a revolving fund the department of defence production should have a vote to cover these expenditures—

Mr. Macdonnell (Greenwood): As far as possible. I did not exclude some part of a revolving fund.

Mr. Howe: We will assume you mean to have a vote.

Mr. Fulton: And a commitment, like national defence.

Mr. Howe: That would mean a complete duplication of the estimates. Without specific authorization there is no way you can revolve money in a government account. In other words money received in a department does not go to that department; it goes to the Receiver General of Canada. The money is paid from the funds voted by parliament. In other words there are two separate accounts, one for receipts and the other for expenditures, and you are never allowed to transfer funds from one to the other. It means a good deal of padding of the estimates in any event; but to use that kind of accounting for what we require in the department of defence production would pretty well mean that we would have to get money voted to the Department of National Defence and also have money voted to the department of defence production in order to carry out the projects, or else continue to follow the plan we have been following and require a complete transfer of the full cost of a project before we can commence to carry it out. We are trying to get away from the latter. It is simply a matter of mechanics, and we have to get legislation because without it the process is quite unworkable.

Mr. Macdonnell (Greenwood): I am afraid I have not made myself clear, and I do not think the minister has completely understood me. I quite recognize that the minister will require a certain amount of working capital, that there will have to be something in the nature of a revolving fund covering part of his activities. That will be necessary, for instance, under section 16 (a), to pay the cost of acquisition, maintenance, transportation of stocks of materials, and so on. Later on it provides that these may be sold. So I realize that there must be working capital and a certain leeway in that respect. On the other hand I do suggest that a very considerable portion of what the minister is going to spend will be for materials the need for which is known in advance. Indeed, it seems to me that comes directly within what the Prime Minister was describing a few minutes ago in connection with the estimate covering the Orenda engines. All we are endeavouring to do, without interfering with the undertakings the emergency demands, is to preserve as far as possible the right of parliament to scrutinize expenditures. I think the minister will agree that if section 16 is carried as is, parliament will have no control of any kind over the expenditures that are made, except in authorizing the original $100 million, and except in cases where losses are incurred, when the legislation says they must come back to parliament.

Mr. Howe: If my hon. friend will permit me to interject for a moment, he will have exactly the same control over expenditures that he has without the revolving fund. That fund is simply a mechanism. It is not the minister of defence production who buys and pays for these articles. He buys them temporarily, but he acts as agent for the Department of National Defence. That department has an appropriation to cover any purchases, and in the end they pay for them. In the meantime, rather than get the money from them in advance to pay our contractors, we will have this revolving fund available to

cover interim payments. Through its use we can deliver the finished article to the defence department at the time we exact payment for it. The revolving fund has no significance as far as spending public money is concerned. In the last war we had a bulk appropriation for all war purposes. We would get an appropriation of perhaps $300 or $400 million. The revolving fund came out of that appropriation, that is a certain amount of it was used as a revolving fund. It did not represent expenditures, but simply meant the temporary use of money. We did it under the War Measures Act. We made provision so that the money could be used as a revolving fund, and eventually charged to the recipient of the goods. That is all we are asking now—that the revolving fund be spelled out and an amount fixed by parliament to be used for that purpose.

Mr. Macdonnell (Greenwood): Surely it is true, notwithstanding what the minister has said—he has described the way the fund is used and the way the defence department will eventually get an appropriation and repay the fund; items will go in and out. What I am still asking and pointing out to the minister is that all that goes on without any knowledge or control by parliament. I am still asking whether in respect of a great deal of that it cannot be done in the estimates. Could it not be done in the manner that the estimates for the Department of National Defence are handled at the present time? I believe it can. Will the minister be good enough to take a look at it in that sense and let this section stand?

Mr. Howe: Surely my hon. friend can understand that the department of defence production does not buy anything for itself. It simply acts as an agent.

Mr. Browne (St. John's West): It may buy with your permission.

Mr. Howe: It may buy stationery or something like that, but ordinarily it buys for someone else. It does not get an appropriation from parliament to buy things; that is done by other departments. The defence department gets an appropriation to buy things through the agency of the defence production department.

A foreign government may request something and make arrangements with parliament to pay for it.

Mr. Fulton: What about stockpiling?

Mr. Howe: We would get an appropriation for stockpiling.

Mr. Macdonnell (Greenwood): The minister says his department does not buy things, so there is no point in bringing in estimates. Let us take the illustration I gave, and there must be a hundred like it, the question of material for uniforms. Is there any reason why you should not come to parliament this year and say that you want so many millions of dollars to buy textiles for uniforms? Is there any reason why that should not happen? If it can happen in that case, is there any reason why it should not happen in a great many others?

Mr. Howe: As I said before, we could do that. We could get an appropriation from parliament to buy cloth, and then in the usual course of events the cloth would be made into uniforms which would be delivered to the Department of National Defence. The full cost of the uniforms would be returned to the department of defence production, and then you have a double entry—

Mr. Knowles: Then you have voted the money twice.

Mr. Howe: That is the only way it can be done without the revolving fund. You are then in the position of voting the money twice.

Mr. Macdonnell (Greenwood): Surely, the minister is elevating the thing—

Mr. Howe: I am not, and if my hon. friend will think it over and come back and say he has got someone to explain it to him, I am prepared to let the clause stand. It is so clear to everyone else in the house. I hope he will not insist on standing it over.

Mr. Macdonnell (Greenwood): I am sorry the minister is so troubled by my stupidity, but I am really unrepentant. I am not impressed by the bookkeeping difficulties, and I am quite sure the minister is not either. You can always make books agree with common sense.

Mr. Howe: I am concerned because, unfortunately, we have to comply with the statutes of the government, the Consolidated Revenue and Audit Act. Under the rules of that act if money is appropriated for a purpose, spent for that purpose and later refunded, it does not go back into the pot but goes back to the Receiver General of Canada. Therefore, you have made the appropriation for cloth and you have also made an appropriation for the completed uniform, which is a duplication of appropriation. It is a fine way to pad your estimates if you want to show you are spending a lot for the war, but it does not represent real expenditure.

Mr. Fulton: I do not understand why this cannot all be done through the Department of National Defence. They have detailed

items in the estimates for say $500 million, and then they have $300 million or $400 million commitment authority.

Mr. Howe: Yes.

Mr. Fulton: Then, if the $500 million detailed in the items is not sufficient, why cannot the minister, as I understood the practice described by the Prime Minister in the case of the Orenda engine, simply make an advance from the commitment authority?

Mr. Howe: Do not ask me why, because there is no reason at all. That is the way we do it at the present time. It is a very cumbersome way of doing it, and it means we cannot move on a contract until we actually get the money in our possession. In other words, we have to ask the Department of National Defence to pay for the materials before we can start to buy. We must have the cheque in our hands. We have no funds with which to operate, and the only way we could pay for the goods is to get funds in advance. No one can be sure what a thing is going to cost. It is a very cumbersome way of doing it, and there is a better way of doing it. It is the way we operated in the last war, and it avoids the difficulties of the Consolidated Revenue and Audit Act. It meets with the approval of the Department of Finance and the Auditor General. Why it should be so difficult for this house to understand, I cannot imagine.

Mr. Fulton: I do not understand why a method which apparently worked in the last war, and which provided that the money should be appropriated by parliament, should become cumbersome so suddenly.

Mr. Howe: I have pointed out that during the last war we used the War Measures Act—

Mr. Fulton: No, the War Appropriations Act.

Mr. Howe: Not the War Appropriations Act. Will my hon. friend permit me to explain how we did it?

Mr. Fulton: That is what I am trying to get from you.

Mr. Howe: Then do not try to tell me. In the last war, under the War Measures Act, we got from the treasury an appropriation which could be used in a revolving fund. The War Measures Act overrode the Consolidated Revenue and Audit Act, so we were able to make that arrangement. This time we are doing it by act of parliament. It is a simple way of operating, and there is no lack of check by parliament because we are not allowed to make non-recoverable expenditures from this fund. It is simply a provision to use the money temporarily from this fund, and return it when the finished article is completed. It seems quite simple to me.

Mr. Fraser: A short time ago the minister said that the loans were returned to the revolving fund with reasonable profit. I believe he said that.

Mr. Howe: There is nothing about loans. We buy the components. We can buy cloth for uniforms. After we deliver the uniforms we get paid for them, and then we are able to restore the cost of the cloth to the revolving fund.

Mr. Fraser: I thought the minister said "with reasonable profits" and that is what I want to get. What did he mean by that?

Mr. Howe: Just as promptly as we can finish the article.

Mr. Fraser: But you said "with reasonable profit".

Mr. Howe: I said that we did not take any long-term commitments on the revolving fund. I did not say "profits" ; I said with reasonable promptness.

Mr. Fulton: Could we take advantage of the minister's offer to let the section stand until we have looked over what he said tonight, and what he said on Friday? Perhaps then I can understand it. I do not understand it at the moment, and I do not mind admitting it.

Mr. Knowles: Just to make sure that I have the picture clearly, may I ask if it is this way? Parliament controls the expenditure of money for defence purposes by the control it exercises over the estimates of the Minister of National Defence. The Department of National Defence uses that money to buy supplies. It buys these supplies mostly if not wholly from the department of defence production. What we are doing by this revolving fund is enabling the department of defence production to pile up stores or goods so that it will be possible for the Minister of National Defence to purchase them.

Mr. Howe: Buy off the shelf, yes.

Mr. Knowles: In other words, the total assets of the department of defence production must remain constant. Any money that has been spent must be replaced either by goods on the shelves or by getting the money back from the Department of National Defence; and we exercise complete control over that.

Mr. Howe: That is a clear explanation; yes. That is accurate.

Mr. Macdonnell (Greenwood): But it does not cover the whole situation; that is all.

Mr. Howe: It is too simple for the hon. member.

Mr. Macdonnell (Greenwood): There are several things that have not been mentioned here at all. There are several other powers that the minister has for the spending of money. Let me read subsection (b), among other things:

(b) to pay the cost of acquisition, storage or maintenance of defence supplies requisitioned for payment out of an appropriation or by an agent of His Majesty or to be paid for by an associated government—

And so on. Then paragraph (c):

(c) for loans or advances authorized under this act for any purpose other than to assist in the construction, acquisition, extension or improvement of capital equipment or works by any person.

I should like to ask the minister to make good. I should like to accept the suggestion of a few minutes ago. We have other clauses under this bill. I will certainly undertake to try to come to the minister's view as far as I can. If this section can be left over until tomorrow, I will come in then and if I am wrong I shall be glad to say so.

Mr. Howe: Very well. On that understanding, we can let it stand.

Section stands.

On section 17—*Contracts only upon ministerial requisition.*

Mr. Knowles: I should like to ask one question about section 17. It relates to subsection 5 over at the bottom of page 10. It may be that there are clauses like this in other acts but I have not noticed them before. Subsection 5 reads as follows:

Where the minister is authorized to enter into a contract on behalf of His Majesty under this act, the contract may be entered into in the name of His Majesty or in the name of the minister.

Is that a necessary clause? I do not mind the minister getting all the kudos that is coming to him, but he seems to have been put on the same plane as His Majesty, in that clause.

Mr. Howe: No. That is not the explanation. The explanatory note says: To remove doubt and ambiguity which arises out of various forms submitted for Department of Munitions and Supply contracts. It is simply to make it clear that if the form says the minister or His Majesty, it means the same thing.

Mr. Fulton: Where does the minister find that explanatory note?

Mr. Howe: It is in my copy; it is not in yours.

Mr. Fulton: If we delete that provision, then it would be the case that every contract would have to be entered into in the usual form, His Majesty the King in the right of the Dominion of Canada, as represented by the minister of defence production. Would not that be so?

Mr. Howe: Yes. That is the intention. It is to cover mistakes that are sometimes made when the form is not clear; but it is not important. If it disturbs anybody it could be omitted. We have got along without such a clause up until this time, and we can get along without it in the future.

Mr. Fulton: If the minister is willing to accommodate us to that extent, then the subsection might be deleted.

Mr. Knowles: I noted that the minister's explanation related to forms in the past which had been worded in such a way that there was some question as to their legality. Surely we are dealing now with the setting up of a new department, and the forms that were used by the Department of Munitions and Supply will not be used by the department of defence production.

Mr. Howe: I think we can get along without it; if there is any objection to it, we can cut it out.

Mr. Knowles: I want to say that we are not being sticky about terms. We know that the words "His Majesty" mean the government of the country; and on that basis I think it would be better if the minister still did these things in the name of His Majesty rather than in his own name.

Mr. Fulton: I have an amendment here which I have prepared on this question and which I would move, unless the minister prefers to make it himself, a course which would be quite acceptable.

Mr. Howe: What is it?

Mr. Fulton: It is as follows:

That section 17 of Bill No. 77 be amended by deleting subsection 5 thereof.

If the minister cares to adopt it and move it, that is quite acceptable.

Mr. Howe: No. Make your own motion.

Mr. Fulton: I so move, Mr. Chairman.

The Deputy Chairman: Is it the pleasure of the committee to accept the amendment?

Mr. Wylie: I did not hear a thing that the hon. member said. In order to vote, we should know what we are voting on.

Mr. Fulton: Perhaps I should say to the hon. member that it is unusual that we find ourselves in agreement; I dropped my voice, I must admit.

I move, seconded by the hon. member for Vancouver-Quadra:

That section 17 of Bill No. 77 be amended by deleting subsection 5 thereof.

Amendment agreed to.

Mr. Green: May I ask the minister this question?

Mr. Howe: Having tasted blood, don't go after something else, because we will not do it.

Mr. Green: What is that?

Mr. Howe: I say this: Don't use that taste of blood as a basis for going after something else. What is it you want to do?

Mr. Green: Will the minister explain why it is necessary to have subsection 4 in the terms in which it is? It seems to me that in each contract any general conditions should, in fairness to the contractor, be set out as a schedule to the contract. What is the need for putting in a clause like that which really just says that general conditions as specified shall apply?

Mr. Howe: Everyone is familiar with the general form. It allowed a great deal of paper work to be omitted. The procedure is approved by the Department of Justice as a shortcut, to shorten the form of the contract.

Mr. Green: How would the contractor know just what the general conditions are?

Mr. Howe: Usually the contractor is contracting constantly with the department. The various forms used are so well known to the contractor that there would usually be no difficulty about it. It is simply a covering form that is put in by the Department of Justice.

Mr. Browne (St. John's West): Paragraph (b) of subsection 1 seems to be contradictory to section 5 that we were discussing at some length this evening. It take it that it means what it says. It reads as follows:

(b) The requisition shall be signed by the minister or the minister of the department concerned if the estimated expenditure, loan or guarantee exceeds fifty thousand dollars, but otherwise may be signed by his deputy or other officer authorized by him;

Section 5 reads as follows:

The minister may authorize any person, on his behalf and under his control and direction, to do any act or thing or to exercise any power that the minister may do or exercise under this act.

I take it that section 5 does not apply here.

Mr. Howe: No.

Mr. Browne (St. John's West): I ask that for purpose of clarification.

The Deputy Chairman: Shall the clause as amended carry?

Mr. Browne (St. John's West): Mr. Chairman, I asked a question.

Mr. Howe: I said no, it does not apply to that clause. It is a rule of government that any contract over $50,000 must be signed by the minister.

Section agreed to.

Sections 18 and 19 agreed to.

On section 20—*Relief from claims for patent or industrial design infringement.*

Mr. Green: Will the minister explain section 20? I think that is a new one, is it not?

Mr. Howe: It was handled under two orders in council last time. The claims under patent rights were turned over to the commissioner of patents for settlement. This is a section requiring anyone with a patented article to submit his claim to the commissioner of patents.

Section agreed to.

Sections 21 and 22 agreed to.

On section 23—*Person refusing contract may be ordered to comply.*

Mr. Green: This is the clause which permits the minister to direct a person to contract with the government even although he does not wish to do so. In my opinion that is one clause which should not be used under present conditions. It is a clause which would certainly be used if we were in a war, but it goes very far. I would ask whether some provision could not be written into the bill to the effect that this clause would be brought into effect only by proclamation rather than making it part of our peacetime statute law.

Mr. Howe: No, Mr. Chairman. We had cases in the last war where people would refuse to make, for instance, government cloth. They could do much better making luxury cloths, and we had to use the powers of the act on one or two occasions. I think we took one man to court to enforce it. It is a case of making all contractors in the trade take the good with the bad, and it is a very proper provision to have in the act.

Mr. Macdonnell (Greenwood): May I be permitted to go back to clause 21 for a moment? Does that clause follow the experience which was had after the war in the rewriting of contracts?

Mr. Howe: Yes; it is the same clause exactly as we had in the munitions and supply act.

I may say that under that clause we recaptured something between $600 million and $700 million for the crown as a result of renegotiation of contracts.

Mr. Macdonnell (Greenwood): We must have been very generous with them first.

Mr. Green: Clause 2 of section 23 provides that where there is a loss of goods stored the person in charge of the storage company is liable as though he had agreed to store them for reward. Why is that provision there?

Mr. Howe: You would not want any other understanding, would you? You may force a man to store goods, but surely the fact that you forced him to store goods does not give him a licence to sell the goods, to remove the goods or to let anybody else do so.

Mr. Green: If he did that it would be a criminal offence. But suppose they were accidentally destroyed?

The Deputy Chairman: Shall the clause carry?

Section agreed to.

Sections 24 to 26 inclusive agreed to.

On section 27—*Appointment of controller.*

Mr. Fulton: This section contains some pretty wide powers of appointment of controllers to take over the business of a person who the minister is satisfied has failed, or is likely to fail, to perform the contract efficiently and in a businesslike manner, or when a person who has been directed to enter into a defence contract is likely to fail to perform it to the satisfaction of the minister. Therefore you have a double element of compulsion: firstly, the person can be directed to take the contract, even though we have not a war, according to the definition; and secondly, having been directed to take it, the minister can then say: I do not think you are going to perform it efficiently, and I therefore appoint a controller to take over your business. That controller can take over, according to the clause as it stands, not only that part of the business which relates to or is necessarily a part of the defence contract, but the whole of the business. There is no limitation on the power at all.

It seems to me that the power is unnecessarily wide. I should think that the minister might be willing to accept some limitation upon the power, not to bind the controllers, but on the powers which these controllers may exercise; because, Mr. Chairman, if you look at the last words of paragraph (c) of subsection 1 of section 27 you will see that:

> The minister may authorize another person (in this act called a "controller") to carry on, until the minister otherwise directs, the whole or any part of the business of that person.

Then, if you look at subsection 2 you will see that the controller can be directed by the minister to:

> Do all such things as he thinks fit for the purpose of carrying on the business or that part thereof.

In other words, he can be directed to do anything with respect to the whole of the business, even though only part of the business is related to or necessarily involved in the defence contract.

Again, in clause 2 there is no limitation upon the time within which the controller shall maintain control and direction of the business, so that it may be extended. There is nothing here to indicate that the power to control, and the control of the business, will terminate when the contract is performed or the direction is complied with.

While I am not going to make an argument at the moment as to whether or not that tremendous power should be given, I should like to ask the minister or the Prime Minister whether he does not think that it would be acceptable to place there a limitation which would specifically restrict the powers of the controller to that part of the business necessarily concerned with the defence contract or the direction; and secondly, to limit the power of the controller to such time as the defence contract may be performed or the direction may be in existence, so that when the contract is fulfilled it automatically would follow that the controller is no longer in power over that business? You would not then cut down what is desired, as I understand it, namely, the power to get the contract performed. It would mean that you could not go any further than that, and could not control the business after the contract had been performed.

Mr. Howe: No. I think any restriction would tend to defeat the objective of the clause. In the last war we had a good many contractors, some strong and some weak. They got into trouble one way or another. Perhaps they were not keeping their books properly. Perhaps they were diverting the money from one operation to another, or perhaps they were just incompetent and were rapidly going bankrupt. We had cases of that kind. We put a controller in on a good many of them. Ordinarily you cannot separate the business into one part one thing and another part another. Usually, if it is under the same

roof it is interrelated. I do not know of any cases where we put a controller in that he did not take charge certainly of all operations under one roof. He stays there. It may take a long time. I had one controller in one plant for three years, until he got the plant out of insolvency and back into operation efficiently where it was able to settle its accounts with the government.

The government is responsible for the acts of any controller it appoints. If any man thinks a controller makes things worse instead of better he can take the government into court. I think there is ample protection for the public. We have not had any complaint. I know of no case where a controller has not straightened out a bad situation and left it much better than he found it.

Mr. Fulton: I am not objecting to the right to appoint a controller, or to instruct or require that controller to straighten out the business, to use the minister's own terms, for the performance of the defence contract. But I find here, I repeat, no limitation on the extent to which he can take possession of the business. It may not necessarily be a big business in the sense of big industry. It may be a business engaged in two or three separate activities under the one company or the one individual; and yet the clause here gives power to appoint a controller to take over the whole of the business, even though the other parts are not in any way concerned with or related to the defence contract, or direction, about which the minister is concerned. If the minister will consider the thing I am sure he will agree that there is a possibility of limitation on the power there to make it clear that the appointment relates only to that part of the business concerned with the war contract or the direction.

Mr. Howe: I will give my hon. friend a specific case, if he likes. How would he handle this? A very sizeable rubber company happened to be the sole manufacturer in Canada of a product needed for the war. They asked for an increase in the price of that commodity. The situation was examined, and the price increase was refused, with the result that the company stopped making the commodity refusing to make it at the lower price. A controller was put in to operate the entire business. He had been there a week, and the company then decided it would manufacture the article at the price specified. The controlled retired. What kind of limitation would my hon. friend suggest that would prevent action of that kind?

Mr. Green: The minister said this afternoon that, to date, there had been no case in which it was necessary to use this power to take over a business.

Mr. Howe: Do you mean in the present emergency?

Mr. Green: Yes.

Mr. Howe: No.

Mr. Green: Is it the intention to exercise this drastic power while we are under present conditions, or would that be exercised only in the event of war?

Mr. Howe: Well, so far as defence production is concerned, it is war. It does not matter whether there is shooting in Europe, or shooting all over the place, we are on a drive to produce munitions of war as rapidly as we can. It is God's mercy that there is no general shooting going on. It gives us a better chance to do what we have to do. Nevertheless there is no difference between a state of war and a state of all-out production of munitions for a period of three years.

Mr. Green: Of course that is not the plan on which the government is working with regard to their emergency powers or with regard to their manpower.

Mr. Howe: We do not deal with manpower under this bill.

Mr. Green: I beg your pardon?

Mr. Howe: This is the way we are working under this act.

Mr. Green: Obviously it is a different approach in the drafting of this act. I take it that it is the minister's intention, if he insists upon this power, to step in and take over a man's business, whether he has a defence contract, or whether he has only been directed by the minister that he must do work for the government.

Mr. Howe: That is right.

Mr. Green: And even though it is only considered that he is likely to fail to carry out the contract. It is not only in the case of his having failed to carry it out; if the minister feels he is likely to fail, then the minister wants the power to step in and take over his business.

Mr. Howe: That is right.

Mr. Drew: There is one feature in this that it seems to me should be borne in mind, and it has to do with the general observations that were made about this measure earlier. The remark was made by the hon. member

for Vancouver-Quadra that the whole approach seemed to be different from that in connection with other considerations that were before the house.

I do not believe that those are unrelated. What seems to be so obvious is the disproportion between the extent of the measures called for here and the attitude of the government in regard to other matters connected with defence which are certainly of equal importance. If it is so necessary to take that sweeping power in connection with production, then it seems to me strangely disproportionate and unreal to have so little regard for the state of our defence forces.

The attitude toward the defence forces is that we are in a position where we can go forward under reasonably normal conditions in that respect. Here we have before us powers so wide and so sweeping that, as the minister has said, there is really no difference between what we are asked for here and what we would have in an all-out shooting war.

Let us see how far this goes. It is not only that the minister may decide that he thinks someone is going to fail—which is a very sweeping power at a time when we are told we should still seek to impress upon the minds of the public that we are not really in a state which approximates an all-out struggle —but it goes further. I would call this particularly to the attention of the Prime Minister.

In section 27(2) there is provision that where a controller has been appointed to carry on a business or a part thereof he shall be deemed to be the agent of the owner thereof for the purpose of carrying on the business. Now, let us see exactly how far that goes. He is not merely the representative of the government; he is the agent of the owner. As the agent of the owner he is in a position to impose upon the owner all the legal consequences of that agency, whether it is to the benefit of the owner or not. This goes much further than merely saying that the controller may go in and carry on the business.

It does not seem to me that we should go so far in the first place as to say that the minister may take over the business, even where he thinks it would fail, without any positive demonstration that this would happen or, in the second place, that he may appoint someone who then becomes an agent, not for the government but for the owner, and who, by that agency, will impose upon the owner the full consequences of whatever he does.

Then, of course, the most serious aspect is that under a broad provision in the bill he is relieved of any responsibility for what he does. I know objection is taken to the suggestion that these are powers of an extreme nature. But surely this is a power of the most extreme nature. Here is a position where a business may be directed to perform a particular contract, and may then find itself in the position where, if the minister thinks it may likely fail to carry out that contract, he may have a controller appointed. That controller becomes, not the agent of the government, and consequently one who would be in a position where, whatever responsibility the government might have, would carry through to the agent, but he is the agent of the owner. As the agent of the owner he can carry on that business and enter into contracts which may be most detrimental to the future interests of the owner. The owner would be in the position where he could not recover in any way from the agent, as is provided in a subsequent section of the bill.

I suggest that this section is not only something that should not be contemplated, except in an extreme situation, but something which should not be contemplated in any event. The minister made one statement to the effect that there was no difference between the present situation and the situation there would be in an all-out war. I suggest there is one very great distinction, that we are still left under no immediate threat of interference with our ordinary communications. We are not at the present time under any threat that ships which carry supplies to these shores or away from these shores will be interfered with. For all practical purposes we are operating on our normal daily activities in those various occupations in which the people of this country are engaged. I submit that, vitally important as speed may be in defence production, there is nothing in the present state of affairs in this country to justify a power of that kind.

Mr. St. Laurent: The hon. member has suggested that there is a difference in the attitude taken in this connection and that taken in connection with defence forces. The difference is that with respect to procurement parliament is to be asked to provide for the fulfilment of a program of about $5 billion over a period of three years, and it is considered that the fulfilment of that program is just as vital as it would be if the program had to be fulfilled during a period of actual war. That is, it is the fulfilment of the program which is considered as the thing which should be done as a deterrent against aggression.

There are many of us who feel that it is just as important to do everything that may

be helpful to deter aggression as it would be to do everything that might be required to win a war, if the attempt to deter the aggression did not succeed.

Now, with respect to defence forces, everything that will be required to build them up to the standard contemplated for the deterring effect will be just as important. The information we have is that that is going to be done by the methods now being employed. It would be only to build up greater forces than those that are now agreed upon as being the proper contribution to this deterring effect that other methods of building up the armed forces would be required. If and when it is felt that the armed forces have to be built up beyond what can be done by the methods presently being followed, other methods will be adopted.

Within those limitations the implementation of the $5 billion program is regarded as quite as important as if there were a fighting war going on. We have the experience of the last war. Many hon. members know that it was necessary to use these powers to overcome the resistance of a former member of parliament who did not want to do his share in his plant of what was required from the particular industry in which he was engaged. It required powers of this kind to compel him to do his part in the production of that particular kind of goods.

If parliament takes the attitude that it is as important to make this contribution to the deterring effect of this build-up, then I think the methods appropriate to succeed should be available. This is a clause similar to the one to be found in the munitions and supply act, to which recourse was had.

Actions that are taken in the exercise of powers of this kind are quickly known to the public. I am convinced that no such action will be taken that those taking it will not be in position to justify and defend in this place. We are meeting now and we are going to meet again and all these actions will be subject to the closest scrutiny and to proper criticism by members of the opposition.

It was necessary to have these powers in order to succeed in the last war, although there were not a great many occasions when they had to be used. It was felt by a former member of this house that they just could not be used, but he finally came around and did his bit as was being done by others in the same industry.

If the suggestion of the hon. member for Kamloops were adopted it would have to be expressed in words that would have the same objectionable feature. It would have to be the minister who would exercise discretion as to what part of an enterprise it was necessary to put under a controller. The discretionary power would have to be granted or it would not work. You could not have it left to an outside authority to say that the controller could go to a certain point and no further. It would have to be left to the authority created and empowered by parliament to determine what part it was necessary to control in order to bring about the result. That would imply some discretion, as is covered here, as to whether it would be the whole or part of the business that would be controlled.

The only other words that could be added would be, "or such parts as the minister may feel is necessary for the purpose envisaged", and that would not be any more protection than there is already.

Mr. Fulton: I think that there is a possibility of framing an amendment, either along the lines suggested by the Prime Minister or to restrict it to such part as is necessarily occupied with the business. Then the instructions given to a controller would have to be carefully drawn as to whether the whole business, if it were taken over, was necessary to ensure the performance of the work or the compliance with the direction. I do think it is important to have some such limitation in this bill.

With respect to what the Prime Minister has just said, I think this goes beyond what was in the munitions and supply act. Under that act the actions of an investigator were exempt from challenge in the courts, but under this bill the actions of a controller are similarly exempt. Section 36 reads:

> No controller or investigator is responsible at law for any act or thing done by him in good faith in the performance of his duties or the exercise of his powers under this act and no action may be taken against a controller or investigator in respect thereof.

After he is appointed no one can question under the bill as it is now drawn whether it was necessary for him to take over all of a plant or to exercise control over it for the length of time which he thinks he should. If he injures the business beyond what is necessary, apart altogether from the compliance with the war contract, no one can hold him responsible.

In view of these circumstances I am convinced that it is necessary to amend the section. It can be amended in a way which will not affect or diminish the power to get war contracts performed but which would preserve the rights of the individual with respect to those parts of his enterprise which

are not necessarily connected with the performance of that contract. I believe such an amendment can be drawn and I propose to move one.

Section stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will move third reading of Bill No. 24, to confer certain emergency powers upon the governor in council. Then we will continue with this bill. Then Bill No. 5, to amend the Canadian Wheat Board Act, 1935; Bill No. 6, respecting the appointment of auditors for national railways; Bill No. 76, to amend the Radio Act, 1938, and Bill No. 80, to amend the Migratory Birds Convention Act. If we complete those we will take up the resolution standing in the name of the Minister of Finance concerning foreign exchange control.

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

HOUSE OF COMMONS

Tuesday, March 6, 1951

The house met at three o'clock.

RAILWAYS, CANALS AND TELEGRAPH LINES

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. L. O. Breithaupt (Waterloo North) presented the first report of the standing committee on railways, canals and telegraph lines, and moved that the report be concurred in.

Motion agreed to.

SPEECH FROM THE THRONE

ACKNOWLEDGMENT OF ADDRESS IN REPLY

Mr. Speaker: I have the honour to inform the house that I have received a message from His Excellency the Governor General, signed by his own hand, reading as follows:

Government House, Ottawa,
5th March, 1951

Members of the House of Commons:

I have received with great pleasure the address that you have voted in reply to my speech at the opening of parliament. I thank you sincerely for this address.

Alexander of Tunis

BRITISH NORTH AMERICA ACT

AMENDMENTS TO THE CONSTITUTION— CORRESPONDENCE WITH PROVINCES

Right Hon. L. S. St. Laurent (Prime Minister): I beg leave to table further correspondence between the Minister of Justice and the premiers of several of the provinces in connection with the suggestions for constitutional amendments. This correspondence extends from January 26 last to March 2. The correspondence is tabled in the language in which it was received. The translation in French is being prepared and checked.

Mr. Knowles: Could it be printed in *Hansard* as an appendix, as was the previous correspondence concerning the same question?

Mr. St. Laurent: If it is the desire of hon. members to have it printed as an appendix to *Hansard*, that could be done.

Mr. Speaker: Is it the pleasure of the house that the correspondence referred to be printed as an appendix to *Hansard*?

Some hon. Members: Agreed.

(For text of correspondence, see appendix, pages 990 to 994.)

CIVIL SERVICE

STATEMENT AS TO LAY-OFF OF CERTAIN EMPLOYEES

Hon. Douglas Abbott (Minister of Finance): Mr. Speaker, the Prime Minister (Mr. St. Laurent) has asked me to deal with the inquiry of the hon. member for Winnipeg North Centre (Mr. Knowles) on February 19 regarding the pattern of lay-offs of civil servants that is taking place as part of the government's economy program.

I should first make clear that so far as possible the government is endeavouring to avoid the hiring of new employees as a means of getting to the lower levels that are planned, instead of laying off present employees. Programs of expansion already approved are being revised to reduce or eliminate the additional demands on the labour market which they would have involved. Where employees are to be released from some work for reasons of economy, they are being transferred where possible to fill vacancies elsewhere, either vacancies arising from normal turn-over, which is substantial in times like the present, or vacancies in units where some expansion is required because of the defence program and its various effects. This transfer is being arranged by the individual departments concerned, and, of course, by the civil service commission.

It is not possible, however, to achieve all the necessary reductions in staff by this means, and consequently some employees are being released. Most of these are what are termed "temporary" employees and have been employed by the government for relatively short periods. The actual proportions differ in different departments and units, and I cannot generalize. Nor can I give total figures at this stage, as the economy programs in many departments are still being worked out and it is too early to say how many will be released, or of what categories and to what extent they can be transferred to other units.

Speaking in broad terms, however, it is possible to say that most but not all the employees released will be from temporary positions. Some persons occupying so-called permanent positions are being released as part of the general program. Some of these will be at or close to retirement age and will thus be retired earlier than would otherwise have been the case. Obviously, however, earlier retirement does not help to make more labour available for the defence program, unless

those going on pension can be expected to take work with other employers, or unless the person being retired earlier than otherwise was holding back the pace of work by others, which may occasionally be the case. Other permanent employees being released may, of course, be entitled to certain benefits, either immediate or deferred, under the superannuation act, depending upon the circumstances of individual cases. Other things being equal, permanent employees are less likely to be laid off than temporary ones, and those with long service less likely than those with short service. Departments have been asked to give particular care to the cases of older employees, whether temporary or permanent, who seem unlikely to be able to find other work.

A number of departments and the national employment service are making arrangements to assist civil servants being laid off to find employment elsewhere. That is, of course, wholly desirable, not only for the help it affords to the individual, but also because it assists in meeting the other demands for labour.

The estimates to be brought down shortly will reflect the plans for reductions in staff and will provide suitable opportunities for discussions regarding individual departments or smaller units of the public service.

Mr. Knowles: May I ask a supplementary question? Are there any cases in which permanent employees are being laid off ahead of temporary employees, where both are working in the same branch of the service?

Mr. Abbott: I could not say. It may be that there are such cases, but I am not aware of them. As I indicated in my statement, circumstances will vary in the different departments, and the primary responsibility for the pattern of lay-offs in the department must, of course, rest with the permanent head of the department.

Mr. Knowles: Then such may be the case?

Mr. Abbott: It is quite possible.

Mr. Fleming: May I ask the minister what the government's objective is in connection with the reduction program?

Mr. Abbott: Speaking from memory, I think the Prime Minister announced that we hoped to achieve a reduction of between 5,000 and 6,000 positions from those provided in the estimates for the year now terminating; and that for the coming year—that is, the year which will commence on April 1—provision would be made for between 5,000 and 6,000 fewer positions than were provided for in the estimates last year.

[Mr. Abbott.]

Mr. Harkness: Do persons enjoying the veterans preference for employment, or disability pensioners enjoying that preference, have any advantage over other civil servants in the matter of not losing their positions?

Mr. Abbott: Unquestionably the veterans preference applies in taking people into the service; and clearly department heads, in considering lay-offs, would take into account the fact that a man had that preference.

Mr. Pearkes: Some veterans are being laid off.

Mr. Harkness: Yes, they are being laid off.

Mr. Abbott: Of course they are.

POSTAL SERVICE

REDUCTION IN URBAN MAIL DELIVERIES—STATEMENT AS TO SERVICE TO THE PUBLIC AND EFFECT UPON EMPLOYEES

Hon. Edouard Rinfret (Postmaster General): Mr. Speaker, there already have been several references in discussion in the house to the curtailment in letter carrier delivery on residential walks now being applied throughout the country.

From the nature of these references, and also the many inquiries I have received from others outside the house, it would appear to me desirable that I make a statement clarifying what is being done, and the effect on patron and employee alike.

First, however, may I emphasize that, as I have already stated, the reduction in service from two deliveries a day to one is an economy measure, which with other adjustments being made throughout the department and service as a whole will mean an over-all saving of approximately $3,500,000. I am sure it will be agreed that this will be a substantial contribution on the part of the post office to the objective we all have in mind, namely, the reduction of the ordinary costs of government to the minimum.

In discussing this question, I will deal with it first from the standpoint of service to the public, and second from the standpoint of its effect on our employees, particularly the letter carriers.

There are three classes of walks in letter carrier delivery. The first is the residential walk, where there is less than twenty-five per cent of business calls. It is this type of walk that is primarily affected by the cut in service. It will in future receive one delivery a day, where for the past several years it has had two.

Unfortunately, as you will already have noted, some business firms are located on

these walks. These will now get only one delivery which will be as early in the day as can be arranged. In the smaller cities, where the business sections have not in the past been segregated into mixed or business walks, which I shall presently describe, a complete resurvey is being made to have this done as far as it is practicable to do so.

Where this condition applies in the larger cities, it has not been possible to make this resurvey in the time available before the change becomes effective, March 31. Further, it can only be done gradually, because of the tremendous task involved and the effect of the necessary innumerable changes on internal operations.

It will, of course, be understood that there will be business calls in residential areas where the number of calls does not meet the minimum departmental requirements and where restriction to one delivery a day cannot be avoided. For these, every effort will be made to provide necessary service where the volume of mail warrants, either through post office lock boxes or through general delivery at the post office.

I must again emphasize that up to the moment I have been dealing with residential walks, which have been reduced from two deliveries a day to one.

The second class of walk is the mixed walk. These have from twenty-five to fifty per cent of business calls, and under the new arrangement they will be carefully resurveyed. In cases where a third delivery is given at present, there will be a reduction to two deliveries wherever it can reasonably be done and a saving of manpower realized.

The third class of walk is the business walk, where over fifty per cent of the calls are recognized as business calls. These will have two deliveries a day or more, the number above two depending on the results of surveys which will be made to determine the actual need.

Obviously a drastic change of this kind cannot be made without serious repercussions upon our letter carrier staff from two points of view, the first being the work week of the reorganized staff, and the second the situation of surplus personnel, which is expected to total about 1,200 letter carriers.

Letter carrier walks have, heretofore, been organized on a forty-four hour week—five days of eight hours and four hours on Saturday. In attempting to arrive at a new work week, the question of Saturday presented a particular difficulty, because it was obvious there would have to be work done in the afternoon if the longer walks were to be covered. Various suggestions were made, and studied, as to ways in which this situation might be met. A plan was finally evolved which was favourably received by the letter carriers generally.

This arrangement provides the equivalent of a forty-four hour week, arrived at as follows: The men will work an eight-hour day, six days a week, with a week off after every eleven weeks of duty. One of the benefits of this plan is that it gives a number of men time off during the preferred seasons of the year, which they ordinarily would not be entitled to from an annual leave standpoint because of their length of service. It also means that the relief required every eleven weeks would be performed by regular letter carriers.

Reorganization of the walks has therefore proceeded on this basis. It was felt it would not be unreasonable, with the extension of the work week, to require a letter carrier to serve one complete walk and half of another walk once per day instead of covering one walk twice per day. This naturally would realize a saving of one in every three letter carriers on walks classified as residential. It would also mean a ratio reduction in the relief staffs maintained to protect casual, sick and annual leave.

I think it can be taken for granted that it is not the intention of the department heartlessly to throw these men into the street. Every effort is being made to take care of the surplus employees within the postal service so as to keep the number to be released to the lowest possible minimum.

In the first place, the filling of vacancies occasioned by men going on pension in the postal clerk and mail porter classes from outside the service has been stopped to permit the absorption of letter carriers where possible.

Second, there will be an acceleration of our normal practice of releasing unsatisfactory and unqualified employees.

Third, lists of surplus letter carriers are being submitted to the civil service commission for consideration in assignment to other government departments where possible.

Despite our efforts to find positions for surplus letter carriers, it must be realized that while it is most regrettable, some letter carriers will have to be released, starting with the most junior men. When vacancies occur on the letter carrier staff in the future, these released employees will be given the first opportunity to return to the postal service.

There is a further possible temporary effect of the change-over to which I have not yet referred, and which I would like to discuss briefly in closing. Letter carrier delivery

in its country-wide ramifications is a very complex operation, particularly in the distribution system behind it. A change of the magnitude of the present one cannot be made almost overnight without a certain amount of dislocation, as regards both service to the patron, and the work of the employees. In both respects we ask patience and understanding co-operation. Our officials are doing their utmost to effect the transition smoothly and to foresee difficulties. They cannot be miracle-workers and please everybody at once. But given a little time, the new arrangements should soon be working smoothly and in the meantime every effort will be made to keep dislocation at a minimum. The full co-operation of our workers and the public will be a great help in achieving this.

Mr. Fleming: May I ask the Postmaster General, in connection with the very timely statement that he has read, to give assurance that discretion and latitude will be allowed to the local postmasters in working out this policy in the areas in which they are responsible, rather than that rigidity should be imposed from Ottawa.

Mr. Rinfret: As I said in my answer to the question asked by the hon. member for Peterborough West (Mr. Fraser) the other day, we have asked for a survey from each of our postmasters, and we shall be guided by the answers that we get from that survey. Unfortunately, we have not all the answers. If the postmasters in a given city can give us the equivalent of what we are seeking generally throughout the country, we shall have no objection to applying it.

Mr. Graydon: May I ask a supplementary question? Will the survey which the Post Office Department is contemplating be extended to cover some of the heavily populated suburban districts, and also the rural mail carriers, who are working now under disgracefully low financial arrangements?

Mr. Rinfret: The survey to which I have referred, and which has been under way for quite some time, covers the question of two deliveries or one delivery a day.

Mr. Graydon: It ought to be enlarged.

Mr. Fraser: May I ask a further question? Will a mail carrier be allowed to accumulate his weeks' holidays and put them together and take a month at a time?

Mr. Rinfret: No, I am afraid not, because that would mean dislocation of the whole system.

Mr. Noseworthy: Has the Post Office Department an annual deficit on the delivery of magazines at the present postal rate? If so, what is that deficit?

[Mr. Rinfret.]

Mr. Speaker: Order. I do not think I should allow that question at this time.

Mr. Knowles: May I ask a question with respect to one of the points made by the Postmaster General? Who will determine what mail carriers are to be let out on the ground that their service is not satisfactory?

Mr. Rinfret: I think I said in my statement that we would start with the most junior members.

Mr. Knowles: But there was another part of the statement in which the Postmaster General said—

Some hon. Members: Order.

Mr. Rinfret: Read the statement, and we will discuss it later.

Mr. Pouliot: I thank the minister for his complete information.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 119, for the relief of Antonio Romeo.—Mr. Winkler.

Bill No. 120, for the relief of James Edward Thomas.—Mr. Winkler.

Bill No. 121, for the relief of Mary Louise Webster Hunt.—Mr. Winkler.

Bill No. 122, for the relief of Marie Blanche Amilda Lessard Duplessis.—Mr. Winkler.

Bill No. 123, for the relief of Anne Fineman Segal.—Mr. Winkler.

Bill No. 124, for the relief of Ida Weinstein Yaphe.—Mr. Weir.

Bill No. 125, for the relief of Shirley Titleman Rodin.—Mr. Winkler.

Bill No. 126, for the relief of Yvette Ernestine Gagnon Lyons.—Mr. Winkler.

Bill No. 127, for the relief of Rose Pakidailo Greenberg.—Mr. Winkler.

Bill No. 128, for the relief of Marie Jeanne Dragon Bigaouette.—Mr. Winkler.

Bill No. 129, for the relief of Olive Marguerite Cann Nichol.—Mr. Winkler.

COST OF LIVING

PRESS REPORTS AS TO RISE IN INDEX—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 31

Mr. R. R. Knight (Saskatoon): Mr. Speaker, I ask leave, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), 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 announcement in yesterday's press concerning the rise in the cost of living index to an all-time high of 175·2, and the need for the immediate establishment of price controls to stem any further rise in the cost of living.

Mr. Speaker: The hon. member for Saskatoon has given me notice of this motion. I might say that yesterday the hon. member for Rosetown-Biggar (Mr. Coldwell) also gave me notice of his motion. I wish to thank the members for doing this. It is in accordance with a custom which is being firmly established in the house.

With regard to the motion now before the house, it suggests adjourning the house in order to discuss the rise in the cost of living index to an all-time high, and also the need for the immediate establishment of price controls to prevent a further rise.

Standing order 31 reads in part as follows:

> The right to move the adjournment of the house for the above purpose is subject to the following restrictions—

Then follow a number of restrictions, paragraph (c) being as follows:

> The motion must not revive discussion on a matter which has been discussed in the same session.

When the house was considering the speech from the throne, an amendment was moved by the leader of the opposition (Mr. Drew), to which a subamendment was moved by the hon. member for Kootenay West (Mr. Herridge) and seconded by the hon member for Saskatoon (Mr. Knight), who now moves the present motion. That amendment to the amendment sought to add certain words to the third paragraph of the amendment offered by the leader of the opposition. The amendment stated:

> We regret that Your Excellency's advisers have failed . . .
>
> (3) To take effective measures to combat inflation and the rapidly rising cost of living.

The subamendment offered by the hon. member for Kootenay West sought to add to paragraph 3 of the amendment the following words:

> Such as the immediate reimposition of price controls, and the payment of subsidies where necessary, so as to protect the health and living standards of the Canadian people.

The motion now before us is to adjourn the house to discuss the immediate establishment of price controls. As I have read from standing order 31, the right to move the adjournment is subject to this restriction, among others:

> The motion must not revive discussion on a matter which has been discussed in the same session.

Mr. Coldwell: Before you rule, Mr. Speaker—

An hon. Member: Sit down.

Mr. Speaker: Under standing order 31 (6) (c) I am doubtful if the motion is in order. However I will not make a ruling on the basis of the point of order. Therefore I do not think it is necessary to have discussion on the point of order.

There is the question of urgency. The motion is to adjourn the house for the purpose of discussing a matter of urgent public importance. I would refer hon. members to Beauchesne's third edition, paragraph 174, where it is set forth that:

> "Urgency" within this rule does not apply to the matter itself, but it means "urgency of debate," when the ordinary opportunities provided by the rules of the house do not permit the subject to be brought on early enough . . .

I must decide whether the rules of the house do or do not permit this subject to be brought on early enough. If hon. members will look at yesterday's *Hansard* they will find at page 942, under the heading "Business of the House", that the Minister of Public Works (Mr. Fournier) said:

> Tomorrow we will move third reading of Bill No. 24, to confer certain emergency powers upon the governor in council.

That is the first matter which will come before the house today. Yesterday, as reported at page 907 of *Hansard*, the Prime Minister (Mr. St. Laurent) said:

> If there is to be any system of controls of a substantial extent, controls over any wide field, that would have to be done by virtue of regulations or orders made under the Emergency Powers Act.

According to the statement made last night by the Minister of Public Works, the Emergency Powers Act will be the first matter to be considered by the house today. Therefore there will be every opportunity, I should think, within the rules and within the scope of that bill, to discuss the matter on which the hon. member for Saskatoon has moved the adjournment of the house.

Under these circumstances I do not think I should allow the motion to stand.

AGRICULTURAL PRODUCTS

QUESTION OF SUBSIDIES OR OTHER ASSISTANCE TO PRODUCERS

On the orders of the day:

Mr. J. A. Charlton (Brant-Wentworth): Mr. Speaker, in view of the announced policy of the government by the Prime Minister to subsidize wheat producers for losses incurred under the wheat agreement, has the government given consideration to the position of the eastern wheat growers, cheese producers, hog producers and apple growers whose products were sold below world prices under government contract to the United Kingdom?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, the answer is no.

Mr. Charlton: In view of the short answer given by the Prime Minister to my question, may I ask, if the government has not already considered the matter, whether it is prepared to do so now?

Mr. St. Laurent: We are always prepared to consider anything, but that does not mean that the results of the consideration would be something that would comply with the apparent hopes behind the hon. member's question.

Mr. Fulton: I should like to ask a similar question on behalf of the apple growers of British Columbia whose orchards were wiped out in the winter of 1949-50, and who have made representations about it. In view of the question to which the hon. member for Brant-Wentworth (Mr. Charlton) has referred, namely the need for assistance to prairie farmers, will the government now authorize assistance to fruit growers in British Columbia, in accordance with the requests recently made?

Mr. St. Laurent: Mr. Speaker, the request, as I understand it, was that compensation be paid because certain fruit trees had been destroyed by frost. The number was found not in any way to compare with the disasters that gave rise to assistance from the federal treasury, first of all in connection with the Fraser valley floods, then in connection with the Red river floods, and the two conflagrations at Rimouski and at Cabano. It was found that this could not, by any stretch of the imagination, be regarded as a disaster that it was not within the financial capacity of the province to look after.

Mr. Graydon: Cheese was not destroyed by frost.

Mr. Jones: Did the government of British Columbia make representations in regard to the fruit growers, and if so, did they receive that answer?

Mr. St. Laurent: I would have to look at the correspondence. I know that there were members of the British Columbia legislature who were concerned in the representations made, but without looking at the correspondence I would not like to make a positive answer that there was or was not a request from the British Columbia government. I shall do that and, at another sitting, answer the hon. member's question.

Mr. Jones: Another question. In view of the fact that several orchards were completely wiped out, would the government consider making loans at a low rate of interest to these fruit growers?

Mr. St. Laurent: That would be a new policy that would have to be considered, because of its possible repercussions. I think such loans would qualify under the Farm Improvement Loans Act, but it would be at the rate provided in that act.

FISHERIES

NEWFOUNDLAND SHORE FISHING—NEGOTIATIONS WITH UNITED KINGDOM

On the orders of the day:

Mr. G. F. Higgins (St. John's East): Mr. Speaker, I should like to ask a question of the Minister of Fisheries. What is the present position of the negotiations with the United Kingdom with respect to the sale of dried salt codfish to Europe for sterling and payment in dollars to the fishermen?

Hon. R. W. Mayhew (Minister of Fisheries): The hon. member for St. John's East was good enough to give me notice of this question in sufficient time for consideration. I did make a statement in the house on February 22 to the effect that the problem referred to by the hon. member was currently under consideration. A fuller statement would not be advisable at this time.

An article dealing with this question appears in today's press and the headline gives a somewhat distorted impression. The movement to market of the 1950 production of salted codfish is proceeding satisfactorily. The current stock position in relation to forward sales would not indicate any likelihood of any carry-over of 1950 fish into the new marketing year. The stock position is, therefore, satisfactory when compared to a year ago. Already exporters are making preliminary arrangements for the movement of the 1951 production. Improvement in price, of course, will depend on supply and demand factors as they develop over the next twelve months.

Mr. Higgins: Is it fair to ask the minister if, in the event of negotiations with the United Kingdom not being satisfactory, a payment will be made to the fishermen similar to the proposed payment to western farmers for wheat?

LABOUR CONDITIONS

REPORT AS TO ATTEMPTED SABOTAGE OF INDUSTRIAL PRODUCTION AT OSHAWA

On the orders of the day:

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I should like to refer to two questions which were asked yesterday by the hon. member for St. John's East (Mr. Higgins). The first question was:

> Has there been an attempted sabotage of industrial production at Oshawa by communists?

In reply I would state that according to General Motors Company officials, as reported in the press, petty sabotage has taken place in

the General Motors plant in Oshawa. The Royal Canadian Mounted Police have been in communication with General Motors Company officials in Oshawa. There is no evidence that such acts of sabotage are attributable to communist efforts.

The next question was:

Has there been a deliberate communist campaign to slow down production and upset the morale of industrial workers engaged in defence production at Oshawa, Ontario?

To that question I would reply that there is no evidence of such a campaign being waged at the present time.

EMERGENCY POWERS ACT

PROVISION FOR ORDERS AND REGULATIONS DEEMED ADVISABLE FOR NATIONAL DEFENCE AND SECURITY

Right Hon. L. S. St. Laurent (Prime Minister) moved the third reading of Bill No. 24, to confer certain emergency powers upon the governor in council.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, since this bill first came before the house a number of things have occurred which have some bearing on the effect of the bill itself, if and when it becomes law. The Prime Minister (Mr. St. Laurent), in words that have already been referred to today, indicated that any controls which might be considered or introduced by the government would be dealt with under this act. Having regard to what has occurred since the bill was first introduced and the last discussion took place, it does seem to me that there are certain considerations which should be in the minds of members at this time and which, even at this stage of the bill, should be presented to the government as reasons for a clearer statement of government intention.

We have been told that it is the intention of the government not to introduce price or similar controls at this time. In fact less than a week ago the Prime Minister made a speech in which it was indicated that the government would be unlikely to introduce controls of that nature unless we were in something approaching an all-out war. Since that time we have had before us the defence production bill, and we have heard certain discussions of that bill which certainly gives most sweeping powers to the government over various commodities, supplies and requirements of the people which do affect the cost of living.

In discussing this subject again today I wish to emphasize one fact. In advocating the adoption of some measure of control which will meet the immediate inflationary pressures I do so in the belief that we should do all we can in this country to preserve a free economy. I have sought to make it clear that I am convinced that unless something is done to restrain the mounting spiral of inflation there will be a diminishing measure of confidence in the minds of the people of Canada in the ordinary operation of that free economy.

I have said on an earlier occasion, and I repeat today, that the sooner appropriate steps are taken to exercise that measure of control which is needed to balance the sudden and unusual inflationary pressures created by government spending, the sooner we may hope to return to a really free economy. It seems to me that to those who believe in a free economy the proposition before us is simple.

A free economy must depend upon free production and free distribution. Where there is free production and competition in production, which through skill and design and efficiency bring about a reduction in cost, then that competition in itself can reduce the ultimate price of the article. It is only where there is a possibility of reduction in cost by competition, and competition within a free economy, that there will be offered any measure of protection to the general public.

However, once there is a broad and substantial restriction of free production I submit it is perfectly clear that you cannot have free and unrestrained distribution unless there is a large measure of danger that the public will pay the price of quick and easy speculation in those articles which are then in short supply.

Those who listened to an interview over the radio last night with the Minister of Trade and Commerce (Mr. Howe) heard this very point mentioned. He pointed out that at the present time there is a serious shortage of a number of basic commodities and important supplies. He pointed out the basic consideration that should be in the mind of everyone discussing this subject at this time —the abnormal demands of the government for all kinds of supplies for defence equipment, limiting the amount of those supplies available for ordinary civilian consumption, and therefore creating the most inflationary kind of pressure that there can be.

It is in the presence of such a situation that we see in the last month a jump in the cost of living to the highest point in Canadian history, and we realize today that the Canadian dollar is only a fifty-seven cent dollar based on its value ten years ago. What is more, we know that the food dollar, which is the most important dollar in every household, is today well below fifty cents. That is the situation with which we are

confronted, and it is to meet it that I have urged in this house that the government, supporting the proposition that a free economy is what we wish to preserve, should maintain confidence in that free system by balancing in some way the immense pressures that have already been created and the far greater pressures that are going to come within the next few months. To use a colloquial expression, but one that everyone understands and will come to understand in relation to this subject, we haven't seen anything yet. It is the immense expenditure contemplated by the defence production bill now before the house that is going to create inflationary pressures far beyond anything we have yet known.

We have sought some information from the government as to positive steps that might be taken by them under this bill. Before we pass the bill I would point out that in presenting this argument I was careful to emphasize my own belief that we should not simply adopt measures that had been tried once before. I suggested rather that, with all the accumulated skill built up as a result of the administration of other control measures, there should be devised in Canada the most flexible and most effective type of control, the type of control best designed to preserve our free economy. I used the expression that I thought it was possible for the Canadian people, young and vigorous as they are, to devise a system of control which will meet the emergency pressures until civilian and military production going side by side are capable of meeting the demands in both fields.

In bringing this subject before the house again at this stage of the discussion, I wish to say that there is no single country in the world, including the United States, which can hope to stem inflation as well as we can in Canada. I make that statement because there is no country in the world today which has the opportunity and the ability to expand its production in the way we can to meet both civilian and defence requirements. The moment that we can meet both civilian and defence requirements in any line of production, then the need for control over that particular article or commodity disappears. It is while there is a short supply that the need exists, and the shorter the supply of any article as a result of defence spending the greater the inflationary pressure on that particular article or commodity. I was careful to point out that we were simply asking that, with all the experience that has been gained, this government introduce the most flexible and effective method of controls which would meet the situation.

It will be recalled, Mr. Speaker, that when I urged that the house be informed as to anything that was contemplated by the government under this measure to deal with this subject, we were told that the government had nothing to place before us. For that reason I was interested to learn that the Minister of Trade and Commerce was prepared to make a statement on this subject last night. As reported by the Canadian Press, the Minister of Trade and Commerce last night informed the people of Canada over a national radio network that control of profit margins is being considered by the government to meet the situation which I am now discussing. In view of the requests we have made in the house, I suggest that the appropriate place for such information to be conveyed is in the House of Commons where we are discussing this subject.

In the Canadian Press report of the statement by the Minister of Trade and Commerce last night, as contained in today's *Globe and Mail*, I find these words under dateline of March 5:

> Trade Minister Howe said tonight the government, still opposed to a general price freeze, is considering commodity margin of profit control as one of several weapons to fight price inflation. "We'll have something to say on that before many weeks go by" . . .

This subject, Mr. Speaker, has been under consideration for many months. It was discussed in the House of Commons last September. At that time I introduced an amendment to the motion for the adoption of the address in reply to the speech from the throne expressing regret that the government had not taken appropriate steps to deal with inflation and the cost of living. The subject was then discussed in some detail, and obviously the government has had it under consideration all this time. I suggest that before the house gives third reading to the bill, without debating the contents of the bill which has now been dealt with so far as the principle is concerned on second reading and so far as detail is concerned in committee, the house should be informed exactly what the government intends to put into operation when the bill becomes law. If the government has in mind the introduction of control of profit margins, then may I urge upon the Prime Minister the desirability of the people's representatives in the House of Commons being informed today just what the plans are which were referred to last night by the Minister of Trade and Commerce.

There is one more reason why we should be informed, and why the people of Canada should be informed, through the press and over the radio, what the plans are. The

Minister of Trade and Commerce, no matter what his views may be on other subjects, is not so innocent of ordinary practices in this country to be in any doubt as to what will happen if it is believed there is going to be control of profits and nothing is done. He has already indicated what happens in cases of that kind, and we would assume, in view of his association with price controls on earlier occasions, that he would speak with some knowledge on this subject. He pointed out that one of the difficulties in dealing with controls at this stage is that the government did not move in as they did when price controls were introduced before. He explained that the element of surprise was lacking, and for that reason he said adjustments had already been made to meet the situation. Then, he used those words which the house is not likely to forget, "They are all set."

If the people to whom the minister was referring on that occasion were set, they are going to take care that they are even more set if they think controls over profits are to be introduced. This is simply another inflationary pressure created by the government itself. The minister, who seems to have such an influence over most departments of government, has said that within a couple of weeks we may expect further information. I suggest that the time for that information to be received by this house is now, and before this bill receives third reading.

There is one other consideration that should be in the minds of the members in dealing with this subject. The Prime Minister indicated some of the reasons why this bill was being drawn in such general terms. He also indicated that he thought there should be some limitation on the scope of the bill when it becomes law, because he believed it was desirable to impress upon the people of Canada the fact that we are not in a period of war; that we are in fact striving for peace, and that is the idea that should be emphasized in the public mind. I believe there was general agreement with that proposition. What was emphasized in relation to that subject, however, was the fact that there is a long period of emergency ahead of us, and that it would be desirable to retain as much as possible of our ordinary peacetime atmosphere and ordinary peacetime arrangements as we would be able to carry forward over an extended period with as little strain as possible upon our economy and upon our people. It is for that reason that concern should be felt about wide powers of this kind unless the full intention of the government under those powers is indicated to members of parliament.

In regard to the sweeping nature of the powers, the Prime Minister had something to say which I thought did not receive sufficient attention at the time, and which should be in the minds of the members before this bill becomes law. Referring to the reason for the powers which, with few exceptions, are as wide as the powers under the War Measures Act, the Prime Minister had this to say, as reported at page 807 of *Hansard* for March 1:

> With respect to the extent of the powers, it would be a much easier thing to do if we could come here and say: This is what is going to have to be done and nothing more is required.

A little later on the same page he had this to say:

> But with the possibility of various things that we just cannot determine at this time having to be done, in order to meet the changing conditions, I suggest that the powers have to be drawn in fairly broad terms. We did not want them any broader than the Department of Justice told us was enough. But what they say is this: These things mean restrictions on some individuals and they are subject to contestation before the courts. It is therefore important to have the language so broad that the courts will not say: "You have gone beyond what parliament authorized you to do."

Parliament, Mr. Speaker, has not authorized the government to do anything, because we have not been told what the government intends to do. Therefore, this would be an utterly meaningless statement unless it were intended by the wording of this bill that the government, by order in council, from time to time may do things far beyond anything that has been suggested in this chamber during the discussion of the bill. We have asked the government to tell us a single thing they intend to do, and they have not told us one thing. Therefore the suggestion that parliament is going to say what the government can do, and that the government is only going to do what parliament has said it can do, is meaningless and will be misleading to the people of this country if they accept it as the limitation under which the government legislates by order in council within the terms of this bill when it becomes law. It is for that reason, Mr. Speaker, I repeat my request that the Prime Minister inform us fully as to what these controls of the profit margin are to which the Minister of Trade and Commerce has referred, so that there may not be further inflation by procrastination; further inflation by invitation; further inflation simply because someone is trying to get set. In using those expressions I am only using the words that have been employed by the Minister of Trade and Commerce, who has had wide experience in dealing with the subject matter that might be contemplated by this bill.

I know, sir, that the Prime Minister, in his own mind, would have no thought that we should abandon our democratic parliamentary procedure. He has had too long and too intimate an experience with the profession with which he has been so prominently associated in distinguished capacities to be willing to contemplate a situation of that kind. But may I point out to him that the pages of history all too frequently record cases in which freedom was surrendered in the name of efficiency in the face of an emergency. Over and over again throughout history there have been tragic examples of free legislative bodies handing over their authority to meet an emergency and then not being able to recapture that authority at some future time when those with a different point of view were unwilling to surrender those powers.

To the statement that I have just made the Prime Minister can answer that this bill will terminate next year. In that respect may I point out, Mr. Speaker, that if in the present emergency this bill is necessary, then it will be necessary next year to renew the measure, or an even stronger one, because we are passing a complementary measure, the Defence Production Act, which is to continue for five years and which obviously will go in double harness with this bill now before us. Therefore unless the government is going to introduce or bring into effect by proclamation a still stronger bill, this legislation will continue for some years, and there may come a time when, through pressures, through force of circumstances that we cannot now envisage, a government of another day might be unwilling to abandon the powers so obtained.

The Prime Minister may also say: This is in the hands of parliament. In answer I would say that we have not seen too much evidence, during this session or preceding ones, that there is that measure of independent expression of opinion by the large number of supporters of the government in this house which would suggest to those who are concerned about the trend we now see that we might hope that within this house there would be a vote which would place any effective restraint upon a government which commanded a majority of that kind. Unless we return to established and tested principles of parliamentary democracy we may in fact at this hour be in the twilight of freedom here in Canada, no matter how much we believe in freedom itself. We Canadians can pay the penalty of surrender just as other people have paid the penalty of surrender of those principles which protected the freedom in which they believed.

I suggest, sir, that at this time the Prime Minister should inform us as to the subject matter of the statement made by the Minister of Trade and Commerce last night; and also that at this stage the Prime Minister should give us sufficient indication of what is intended so that we who represent the people in all parts of Canada may know in fact what it is that parliament is really being asked to do and what powers we are in fact conferring upon this government.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, I hope to relate my discussion of this bill to the matter of the high cost of living and the matter of price control. It is, of course, true that this matter has been discussed before. I cannot at the moment think of anything that has not been said about it before. But I am hopeful that the constant dropping of water may help to wear away the stone, and that finally this government may come to the realization that the members of this house and the people whom they represent in the country are thinking seriously about this thing.

As to my attempt this afternoon to move that the house be adjourned while the matter be discussed, I of course bow gracefully to the ruling of Mr. Speaker, who is always so fair in his decisions. I should like to point out that since the Herridge-Knight amendment—if I may call it that—was moved things have progressed in the matter of the high cost of living, as has been mentioned on an occasion or two here this afternoon. That is the reason why I thought there was sufficient urgency in the matter for it to be brought before the house and the country without any delay. The rise in the cost of living is a source of continual agitation to the public mind. Everywhere it is a subject of private conversation and of public protest. Everywhere people are finding difficulty in purchasing the necessities of life without going into debt. The situation is only tolerable to those who have sufficiently high incomes as not to be too badly affected by it; that is, those people with respect to whom a high proportion of their income is not spent upon their living. Even those whose wages have been increased in some conformity with the increase in the cost of living are waging a losing battle in that their wages and salaries cannot keep pace with increased costs. Even the farmer, whom we have usually been accustomed to regard as a person who can live in any case because he is more self-sufficient than most of us in town, is having his own troubles. In fact, I think that he is particularly hard hit, so great has been the rise in the cost of the production of the commodities by the sale of which he earns his bread. Indeed, while the cost of his living

has been going up, the price index of what he has to sell has been going down somewhat during the last two years.

But it is the people on small fixed incomes who are the greatest sufferers. First in that class come the old age pensioners. We as members of parliament come in contact with many of these people and we know exactly the conditions in which they live. Any increase they have had in pension, either in the form of the basic pension or in bonuses, has been long ago wiped out and absorbed, and their standard of living is going down in proportion to the extent to which prices have been rising. The same is true of those veterans who are on disability pensions. It is true of superannuated people, including civil servants and the rest.

The urgency of this matter is emphasized by a consideration of the cost of living index. As at January 1 we were told that this had reached the hitherto astounding figure of 172.5; but statistics published within the last few days show that the general index now is 175.2, as has been mentioned here today by the leader of the opposition (Mr. Drew). That represents an increase of 2.7 in a single month. What will it be a month from now is the question we might ask, or a year from now, unless something is done now to check it.

It is fitting that a protest about this matter should be made by a member of this C.C.F. group. For six years we have been pleading with this government, almost daily during the sessions, to do something about it. That is one of the reasons why, as I mentioned before, there is little new to be said about it or little new in the way of argument that we can advance today.

This government has done nothing about it; in fact, the attitude of the government has been negative rather than positive. They have adopted a wait-and-see policy. They talk of mark-up control perhaps, but not price control. To sum it up, one might say that they fiddle while Rome burns. The Minister of Finance (Mr. Abbott) has from time to time tried to lull us into a state of passivity by telling us that the situation will remedy itself. Prices will level off, he said, with the increased production, and he was sure that business and manufacturing people generally would not take undue advantage of the situation in order to raise prices. Well, that hope, like certain other hopes the minister had, proved to be badly founded.

Again the government, by its talking of controls and its refusal to do anything about them, has itself given an impetus to the very rise in prices which they desire to check. The bill before the house at the present time is one under which price controls can be imposed if the government so desires. The very existence of that bill, which would furnish the machinery for such control, is itself a hint to certain business interests to put up their prices while yet they may. There are two attitudes which I think I can discern on their part: (a) let us make what we can while the opportunity exists; and (b) let us get the prices up to a point at which they will still be profitable, and very profitable, even if they are frozen.

My Liberal friends, who support this government, continue to support it just as loyally in its attitude on price controls as they do for everything else, despite the fact that they must have been showered by resolutions, wires, letters and cards and other expressions of opinion asking for a price control policy, and in spite of the publication of the results of a poll, which in so far as such polls are accurate, show the vast majority of the people in this country in support of some form of price control now.

As to my Liberal friends, the hon. members from Saskatchewan, they will remember that in that province a number of meetings were held months ago to which they were invited to discuss this very question. They saw fit not to attend those particular meetings.

Mr. Ferrie: C.C.F. propaganda.

Mr. Knight: My hon. friend, whose only contribution to this house ever since he has been here is unmannerly interruptions, might make a speech on this question one of these days and give us some of his opinions, rather than maintaining that intelligent silence which does not befit him—or does it?

I was proceeding to say that the Liberal leader in the province of Saskatchewan was induced to attend one of these meetings in my own city, sponsored by the trades and labour council. He could go to that one because it was not sponsored by the C.C.F. There the Saskatchewan Liberal leader opposed price control and defended the inaction of this government in regard to it.

I said that my Liberal friends show a lack of interest in this matter, but that is not altogether a new thing; for I must remind this government of an occasion when the hon. member for Rosetown-Biggar (Mr. Coldwell) moved an amendment in this house asking for the imposition of price controls and the provision of subsidies. My hon. friends explained the unfavourable vote on that motion to their constituents by saying that the matter involved a vote of confidence and would bring about the ultimate catastrophe which in their opinions would be

the defeat of this government. I want to remind them that this occurred on September 2, 1950, and there appear to have been 110 Liberals absent from the house when the vote was taken on that question. There was no question there, sir, of a lack of confidence in the government. Were they not interested in this question? At any rate they were not here. In view of the importance of the subject, that does not seem to me to be too creditable a performance. All this in spite of the fact that in the election campaign of 1945 the Liberal party promised not only to retain the price controls which were then in existence, but in some cases even talked about rolling back prices to the level of 1941. The country may judge today how these promises have not been kept.

At this session of the house even the members of the Conservative party and the Social Credit party have asked for some form of price control. The leader of the opposition (Mr. Drew) has said I think today and also on a previous occasion in my hearing that while he made it abundantly clear that he believed generally in a free enterprise system, things in this particular regard have reached such a stage that something must be done about price control, and it must be done at once.

In conclusion, sir, may I say that this present inflation is a threat to our whole economy. It is confiscating the savings of our people; it is reducing the real value of bonds and insurance funds. It is enemy action of the most potent kind, and it can scuttle the defence program on which this government is embarked at the present time. It is the greatest domestic problem which confronts us at the moment.

Once more I indict the government for its apparent callousness in regard to it and demand that even at this late hour they put a stop to it. They will have taken one all-important step in that direction when they have restored the excess profits tax, controlled and rolled back the cost of living, and resumed whatever payment of subsidies is necessary in order to allow the people to purchase the basic commodities of life at reasonable prices.

Once more I urge these steps upon the government of the day.

Mr. Ferrie: May I ask the hon. member a question? Will he answer a question?

Mr. Knight: Yes.

Mr. Ferrie: Will he kindly name where he wants the controls and how he wants to put them on?

[Mr. Knight.]

Mr. Knight: If my hon. friend were listening to my statement as assiduously as he interrupts these debates he would know.

Mr. Ferrie: Answer the question.

Mr. Knight: I do not have to answer any questions of the hon. gentleman.

Mr. Ferrie: All right; sit down and don't answer.

Mr. Knight: I would suggest to my hon. friend that had he attended some of the meetings in Saskatchewan which he was invited to attend he could have put forward his views to the people of the country and compared them with ours.

Mr. Ferrie: They were too red.

Mr. Knight: My hon. friend refused such an invitation.

Mr. Warren: Answer him more quickly.

Mr. Knight: If my hon. friend invites me to go into the history of those meetings in Saskatchewan I can do it. I have it all, word for word.

Mr. Deputy Speaker: Order.

Mr. Knight: I think I shall spare my hon. friend's feelings in the matter. I might be able to tell him something that he would not like to hear.

Mr. Ferrie: I should like to ask another question.

Mr. Knight: Make a speech.

Mr. Ferrie: The hon. member talks about controls. As a representative of western Canada would he advocate that the livestock markets in the United States be closed to Canadians? Would he advocate that? That is a good control.

Mr. Knight: Another red herring.

Mr. Mutch: You do not know the difference between herring and beef.

Mr. Knight: Another red herring dragged across the trail.

Mr. Ferrie: You are a member from western Canada. Answer the question.

Mr. Coldwell: Mr. Speaker, is it not possible that we may debate with some degree of courtesy and intelligence rather than have interruptions of that sort?

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

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to add my appeal to the one that has just been made by my colleague from Saskatoon (Mr.

Knight) for immediate action on the part of the government establishing price controls and making provision where necessary—

Mr. Warren: Wage controls?

Mr. Knowles: —for subsidies, so as to hold down the cost of living and to protect the health and living standards of our Canadian people. I always try to make speeches—

Mr. Warren: And apply wage controls?

Mr. Knowles: If the hon. member for Renfrew North (Mr. Warren) will just contain himself, I shall deal with the question he is trying to interject at this point, as I have dealt with it many times before. I suggest to him that I have the floor.

I had started to say that I like to make speeches which, though they may appear a bit academic at times, are built up from one point to another, and arrive at conclusions. Indeed, I like to restrain my language as much as possible. It seems to me, however, the time has come, in connection with this question of the rise in the cost of living when, on behalf of the people we represent, we simply must stand in our places and say to the government, "Quit stalling; quit making excuses". For all that has been said so far by the government simply adds up to inaction, so far as price controls and subsidies are concerned.

Mr. Warren: Wage controls?

Mr. Knowles: During the course—

Mr. Warren: What about wage controls?

Mr. Knowles: —of the discussions that have taken place with respect to this question, various attitudes have been displayed. Speaking in the budget debate last fall, the Minister of Finance (Mr. Abbott) dealt with the matter in an academic fashion. Among other points he tried to make was his contention that we could not go in for partial price controls, and that if we are going to have it at all we had to have a complete system of controls. He indicated, however, that that idea was anathema to the government, and that it was the hope of the government that other measures would prevent further inflation. So we got no action.

The cost of living index figure available to us in September of last year, when the Minister of Finance made that argument, stood at 168·5. It has since gone up to 175·2. In other words these other measures supposed to prevent further inflation simply are not working. I suggest it is time to have done with these fine academic points the minister mentioned; it is time to resort to the policy the government practised so effectively during world war II. I would remind them again that from 1941 to 1945 the cost of living index rose only from 111·7, which was the average in 1941, to 119·5, the average in 1945, or only 7·8 points in four years. That was the record of this government in price controls.

Not only did the government achieve such an enviable record in holding down the cost of living, but on April 1, 1947, Mr. Ilsley made it clear that the total cost of that program, both in administration and subsidies, had returned to the Canadian people as a whole, individually and through government expenditures, $12.50 for every dollar spent. At the same time Mr. Ilsley pointed out that that price control program had saved defence costs of the government to the extent of at least 25 or 30 per cent. I mention that in passing because we are now heading into huge defence costs and, without price controls, I suggest there is no question but that the figure of $5 billion now before the house will be considerably greater before that program is completely implemented.

Another line of argument taken is that which has been suggested by the Prime Minister (Mr. St. Laurent) from time to time, namely that it is a matter of timing. He has not said that the government is finally and irrevocably opposed to price controls. He has indicated that if the government comes to the conclusion that they are necessary and that they will be effective, it will be prepared to launch such a program. But if I read correctly his remarks the other evening when addressing the Liberal meetings held in this city, he indicated it was not the intention of the government to do what he called any shadow-boxing, so far as this matter is concerned.

But while these excuses for not bringing in price controls are being given, the cost of living index continues to rise. It was only 172.5 when the Prime Minister spoke to the Liberal meetings held at the Chateau Laurier last week. The official index now however is 175.2, or another increase of 2.7 points.

Another line taken is that offered by the Minister of Trade and Commerce (Mr. Howe), as set out last night in a press conference that was broadcast. He has indicated the government is considering or may consider mark-up control, so far as the margin of profit is concerned. There again we are getting only consideration; there again we have not a control that will hold down the cost of living, but only the kind of warning

that can result in further increases in costs before even that partial form of control is brought in.

We had it made clear to us yesterday by the Prime Minister that the kind of controls that will come under the Minister of Trade and Commerce, if and when he becomes minister of defence production, will be in that field; they will be controls of basic commodities involved in the defence program, but no more. The Prime Minister indicated that if there is to be any general program of price controls it will not be under the aegis of the minister of defence production, but will have to be done under the terms of the bill we are now discussing.

I suggest that any reference to a partial control, a control over basic commodities only, such as the Minister of Trade and Commerce says is being considered, does not fill the bill. Meantime the cost of living index is still rising, and is making the problem our people face so very serious that, as I have said before, they are writing to us today not in puzzled tones but in fear and panic and with frantic apprehension of what lies ahead, with the cost of living still going up.

At February 1, the index figure was 175.2. It is probably higher now, but we do not know what the figures are until the month has elapsed. That means that, in terms of 1935-39 standards, the dollar today is worth only 57 cents. If it goes on up to 200, which can happen in a matter of months, the Canadian dollar will be down to 50 cents in terms of the purchasing power of 1935-39.

On September 13, when we were here attending the special session, I made some comments as to what might happen if the cost of living index went up to certain incredible figures. At that time the latest figure we had was that of 168.5 for August 1. I suggested what might happen if it went to 170 or, perchance, to 175. I have no doubt that there were some who thought that would not happen. Here we are back in another session and the cost of living has gone to that figure. If it keeps up the rate of increase that has been in effect for the last few months, in fact if the present acceleration is maintained, it will be only a matter of months before we will be up to 200. I hope the government is not waiting for that round figure before it does something about price control. I submit that the time is long overdue for that action. I submit this is no time for the government to answer these pleas by academic arguments and by the various positions that are taken. The Canadian people are calling for action; they are calling for price controls.

[Mr Knowles.]

I submit that it is significant that although this party has been at it for six years, ever since there was first talk of taking off price controls, not only have the Social Crediters joined us in this appeal but so have the Progressive Conservatives who for many sessions were opposed to us in the stand we took. For many sessions they called upon the government to get rid of controls faster than it was being done, but they are now insisting that action be taken in this connection.

We all know the appeal that was made over the radio the other night by the leader of the Progressive Conservative party (Mr. Drew) calling upon the people to flood members with letters urging them to take that action. I was glad to note in the paper the other day that the hon. member for Eglinton who sits near me is one of the recipients of many letters which are coming in.

Mr. Fleming: Who said that I was getting a lot of letters?

Mr. Knowles: Arthur Blakely of the Montreal *Gazette* said that one of the results of your leader's plea was that you were getting a great many of these letters.

Mr. Fleming: I think I ought to enter a correction about that. I did not receive a flood of letters; I received three letters on this subject in the last week.

Mr. Knowles: Apparently the constituents of the hon. member for Eglinton realize that he is incorrigible, that even though the rest of the Tory party may have taken the position that price controls must be brought in, he does not yet agree. But I hope he will soon. But what is more important, let us hope we can convert the government even before that.

I think I should take another moment to indicate in a brief but nevertheless comprehensive manner what has happened statistically with regard to the cost of living index. The average cost of living index for 1941 was 111.7. I mention that year because that is the year price controls were instituted in world war II. By 1945 it had risen by less than eight points to 119.5—less than eight points in four years. It was in 1945 that decontrol first began. We find that in the next year it went up 4.1 points; the next year, 11.9 points; the next year, 19.5 points; and the next year 5.8 points, which brought it to 160.8 as the average for 1949.

By February 1, 1950, it had gone up still further to 161·6, and now, a year later, as at February 1, 1951, it has gone up nearly another 14 points to 175·2. Six points of that 14 points increase this past year occurred during the first six of the past 12 months while eight points occurred during the last

six months. In other words, we are at a time when this increase is accelerating. The bulletin issued the other day by the dominion bureau of statistics indicated that the wholesale cost of living index was still rising. On that basis we can expect still further increases as additional monthly reports come in from the dominion bureau of statistics.

It is also to be noted that the report as of February 1 did not include any increase in rents. I believe that that will be in the next month's figure, covering three months, so unless the government takes action we can anticipate still further rises in the cost of living index until perchance it reaches 200. I do not know at what point it becomes runaway inflation, but for many people it is runaway inflation already.

My colleague, the hon. member for Saskatoon (Mr. Knight), mentioned a number of groups on fixed income who are hit particularly hard by these increases in the cost of living. He referred to old age pensioners, veterans on disability pensions or on burnt-out pensions, superannuated civil servants and retired people living on any kind of fixed incomes, as well as others who in many cases have their incomes fixed for long periods of time.

May I say just a word about the position of old age pensioners. In June of 1950 the cost of living stood at 165·4. Old age pensioners were then getting as a maximum, under federal law, $40 per month. Forty dollars per month in June 1950 on the basis of the cost of living index at that time was worth only $24.18 in 1935-39 dollar values. As at February 1, 1951, with the cost of living index at 175·2, in terms of 1935-39 dollar values, $40 had shrunk to $22.83. That meant that from last June until now the purchasing power of the old age pension in terms of 1935-39 dollar values had decreased by $1.35 per month.

There will be some who will want to argue that we were paying old age pensioners $40 per month last June in 1950 currency. On that basis the increase in the cost of living index from June 1950 to February 1951 results in the $40 of last June being worth only $37.76 as of February 1, a decline in purchasing power of $2.24. Why did I pick June, 1950, and compare it with the latest figure which we have for February 1951? I did that deliberately because in June 1950 there was tabled in this House of Commons a report from a special committee making certain recommendations with regard to old age pensions. That committee was unanimous in its recommendations that the means test should be abolished at age 70 and that the pension should start at 65. The majority of the committee did not favour recommending that the amount of the pension should be increased; it was left where it was, at $40.

Look at what the rise in the cost of living has done since June of 1950. It has taken away from old age pensioners an amount equal to $2.24 per month. By that means we have reduced old age pensions paid in this country to $37.76. That has been done simply by allowing the cost of living index to go up the way it has. The rise in the cost of living has literally stolen $2.24 per month from our old age pensioners. I submit on their behalf, as well as on behalf of all others who are trying to get along on small amounts of money, that something simply must be done about the cost of living.

One might say in passing that these figures call for an amendment of that basic old age pension program recommended by the committee of last year. Forty dollars is by no means enough, but even before the government may get around to that it must bring in price controls to protect that amount from going any lower than is the case at the present time. What holds for old age pensioners holds for veterans on disability pensions, veterans on burnt-out pensions, superannuated civil servants and those on fixed income. What holds for these people is experienced, too, by the average worker and the average housewife in this country who are simply at their wits' ends trying to make both ends meet, trying to maintain some sort of decency in terms of health and living standards. So it is on that basis, Mr. Speaker, that I make this strong plea to the government to quit making excuses, to quit stalling and to bring in price controls.

At an earlier stage in the debate on this same measure I was making a plea like this, perhaps in shorter form and in language not quite so strong, when the Minister of Trade and Commerce (Mr. Howe) interrupted with the suggestion that I could do something about this if I would persuade my friends in the labour unions to agree to a two-year freeze on both wages and prices. It is perfectly true that no one supports the idea of a freeze on either wages or prices but the country is calling for controls on prices and, as I indicated to the minister the other night, the labour movement, given price controls, is prepared to sit down with the government and management and work out a program of wage stabilization.

When I pointed that out to the Minister of Trade and Commerce the other night he made no answer to me but his answer to the hon. member for Kamloops (Mr. Fulton) was that it was the unwillingness of labour to come along in this kind of program that was one of the reasons why the government was failing to take action. Later, when the hon.

member for Broadview (Mr. Hees) asked the Prime Minister (Mr. St. Laurent) directly whether the government had accepted the offer of the four major labour bodies of Canada to sit down and discuss this matter, the Prime Minister said no. He made it very clear in the remarks he made later, as the hon. member for Rosetown-Biggar (Mr. Coldwell) pressed him on the point, that this was a decision to be made by the government. He said that if a time was reached when the government thought that price control would be an effective way to deal with this problem they would seek the co-operation of all sections of the Canadian community, and one of those sections was certainly labour, which they would call in. In other words, it is quite clear that labour is not the reason that price controls are not being gone ahead with, despite what was said by the Minister of Trade and Commerce.

Labour has made an offer to sit down with the government and management and discuss the question of wage stabilization, provided there is readiness on the part of the government to proceed with controls on prices and production. I emphasize "wage stabilization"—not wage freezing. The other evening the Minister of Trade and Commerce, while he did not say so to me, said to the hon. member for Broadview that he doubted whether he could substantiate the offer that he said—and that I said—was made by the four major labour bodies in this country. I have in my hand a copy of the pamphlet containing the submission on price controls to the government of Canada by the Trades and Labour Congress of Canada, the Canadian Congress of Labour, the Canadian and Catholic Confederation of Labour, and the dominion joint legislative committee of the railway transportation brotherhoods, which was presented to the government on February 20 of this year.

This is a submission calling for price controls. It does not ask for a price freeze. It asks for control of prices and it musters a whole barrage of arguments as to why that course should be pursued immediately. However, since the question was asked as to what is the attitude of labour towards wage control I read to the Minister of Trade and Commerce the other night, and I am going to read it again, paragraph 23 of this submission. It is as follows:

> The labour movement recognizes that wages could go up fast enough and far enough to break a price ceiling, though it sees no immediate danger of anything of the sort. It believes that the proper way to deal with this question is a government-labour-management conference to work out methods of wage stabilization. This offers a prospect of a wage policy which will do two things, both essential: (a) preserve the spirit, the principle, of collective bargaining, and (b) bring the experience of labour and management into the defence effort. If our government institutes a general policy of price and production controls, labour is ready to take part in a joint government-labour-management conference to consider wage stabilization.

I said that the question was raised the other night as to whether members on the floor of the house could make that offer in firm terms. The result was that the exchange between the minister and myself, with others involved in it, reached the newspapers. In fact the Ottawa *Citizen* even went so far as to publish my picture with the story.

Mr. Fleming: Have they come to that?

Mr. Knowles: It seemed to me that a picture of the Minister of Trade and Commerce ought to have been there alongside mine.

Mr. Fleming: What has he done that is wrong?

Mr. Howe: The publisher is a friend of mine.

Mr. Knowles: The result is the authors of the brief are aware of the fact there was some discussion of the position they took. Therefore I decided today that I would get in touch with those of the authors of the brief whom I could reach by telephone. I talked to Mr. Percy Bengough, president of the Trades and Labour Congress of Canada. I asked him if he had noticed what had happened in the house and he said he had. I read to him the last sentence of paragraph 23, which I have just quoted, and I will quote it again, namely:

> If our government institutes a general policy of price and production controls, labour is ready to take part in a joint government-labour-management conference to consider wage stabilization.

I said to Mr. Bengough in the clearest language I could: "Do you still stand by that offer?" His answer was one word—"Absolutely." I also talked to Mr. A. R. Mosher, president of the Canadian Congress of Labour and also president of the Canadian Brotherhood of Railway Employees. In addition I talked to Mr. Pat Conroy, secretary-treasurer of the Canadian Congress of Labour. I asked both of them the same question. I referred to paragraph 23, and particularly to the last sentence. I asked them if their organization, as one of the four involved in this submission, still stood by that sentence. By a strange coincidence, though I talked to them at different times by telephone, both of them used precisely the same word as Mr. Bengough had used—"Absolutely."

I pressed them further. I said to Mr. Mosher and Mr. Conroy: "Can I quote you on the floor of parliament? Can I indicate that I have your authority to say that your

organization still stands behind the offer made in paragraph 23?" Both of them said that I could. Therefore I say to the government and to those government supporters who keep raising the question of wage control that the position of labour has been taken in a clear-cut and responsible manner. Labour has said to the government: We do not think there is any danger of wage increases breaking a price ceiling. If I may go back to another paragraph in this brief, they have said: We do not think that you should decide the question by repeating the jingle: Price control means wage control; price control means wage control. Nevertheless they have said that, given a readiness on the part of the government to institute a general policy of price and production controls, labour makes an offer to sit down with the government and management in a joint conference to consider wage stabilization.

Therefore, Mr. Speaker, labour does not stand in the way, and if I may anticipate, another group in our community will be spoken for by another member of this group a little later in this debate, and it will be indicated by him that the other large occupational group in Canada does not stand in the way either, so far as price controls are concerned. Our old age pensioners are clamouring for them. All our people on fixed incomes are at their wits' ends. Workers and housewives are insisting on price controls. Members of parliament on the opposition side are united, hoping as I do that the hon. member for Eglinton (Mr. Fleming) will yet be with us on this score.

Mr. Fleming: Let the hon. member for Eglinton speak for himself once in a while.

Mr. Knowles: All parties on this side of the house are united so far as our position on price controls is concerned. I am sure there are many members on the government side who agree with us, because when votes have been taken on this question, although government members of the house have voted against our amendments calling for price controls, there have been a significant number who have been absent during those votes. I am sure that behind the closed doors of their caucuses these members speak to the government just as strongly as we are speaking to them across the floor of this house.

It all adds up to this, Mr. Speaker, that the only group standing in the way, the only group refusing to take action, is the cabinet. They are making one excuse after another. They are stalling in the face of a very serious situation that can result in runaway inflation which can ruin our people and spoil our whole defence effort. I submit there is no time for any more of this stalling. I call upon the government, just as soon as this bill has been passed, to use the powers contained therein to institute immediately a program of price controls, to bring in subsidies where necessary, and to make sure there are no further increases in the cost of living in this country.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I should like to take part in this debate to make one point, and that is that the farmers of Canada are agreed that over-all price control is necessary at this time for the welfare of agriculture across Canada. I am making that statement, and I shall muster my arguments during the course of my speech. For example, let us take the position of the wheat farmers, an important segment of the agricultural population of this country. Let us look at what they have to gain from price control, and what they have to lose from continuing inflation. The price of wheat is in fact frozen in that most of it is being sold through the international wheat agreement at a fixed ceiling price in United States dollars. There is an effective ceiling price on wheat at a time when the farmers' cost of production continues to rise.

In a brief submitted to the cabinet, the Canadian Federation of Agriculture had this to say on page 3:

> With no immediate prospect of generally higher farm prices, farmers in some lines of production will be severely pinched in the price-cost squeeze in 1951.

That statement by the Canadian Federation of Agriculture certainly applies to the wheat producers of Canada. We know that the farmers of western Canada are today asking the government for a further substantial payment with regard to the five-year pool. I refer to that in this debate only to make this statement, that had the government maintained general price control throughout the five-year period and not merely price control on the farmers' wheat, the farmers of western Canada would have been satisfied with the final settlement and would not need to press the government for a final payment of not less than twenty-five cents per bushel. I make one other statement; unless something is done to prevent the farmers' cost of production from rising in the future, when the international wheat agreement has finally run its course the western farmers will once again be asking the government for a compensatory payment because their costs were allowed to go sky-high at a time when wheat prices were frozen.

One has only to look at the index published by the dominion bureau of statistics to show that the farmers are losing because of this

runaway inflation. The cost of living index as it affects farm living costs is not kept up to date in the same way as the general cost of living index. The latest figures available for the farmers' cost of living index are for August, 1950. At that time the general cost of living index was 168·5, while the farmers' cost of living index was 180·7 or 12 points higher than the general cost of living index. If one looks further at the way inflation has affected the farmers' cost of production, one can see that the eleven-factor farm cost index published by the dominion bureau of statistics—

Mr. Gibson: That has to do with production costs?

Mr. Argue: Yes, that is right. It represents eleven main factors involved in production namely farm implements, building materials, gasoline, oil, feed, fertilizer, binder twine, seed, hardware, tax rates, interest rates and farm wages. In January, 1950, that index stood at 196·3, while in August, 1950, it stood at 215·4, an increase within that eight-month period of 19·1. There is no reason to believe that since August, 1950, the farmers' cost of production has not continued to rise. The wheat farmers, thus with a set price for their products and rising costs, are finding themselves in a real squeeze.

I have a few figures here related to the increase in the cost of farm implements. These figures are the result of my own research, so if they are inaccurate—I do not believe they are—I shall accept the responsibility. The price of a John Deere model A tractor in Regina in 1945 was $1,338. The price of the same tractor in 1951 was $2,450. A Massey Harris self-propelled combine sold for $3,185 in 1945, and in 1951 for $5,105. There has been an increase in this all-important item in a farmer's cost of production of between 40 and 60 per cent between the years 1945 and 1951. These increases should not be allowed to continue. I stand up in this debate therefore, Mr. Speaker, to make the statement that the farmers from one end of Canada to the other would welcome over-all price control. I make a further statement that when the farmers are asking for over-all price controls, they do not mean a freeze. We do not want the price of eggs frozen at today's level in Saskatchewan, where one week ago a farmer was receiving 25 cents a dozen. When I go home at Easter, I shall bring some eggs back because I am now paying 6 cents each or 72 cents per dozen in the local stores. Spring production on the prairies or something has hit the price of eggs, and the farmers are getting 25 cents a dozen at the local delivery point.

The farmers are not seeking to gouge every possible dollar out of the Canadian consumer. They are not asking the very highest inflationary prices for each and every product they sell. At the same time they object to being forced from time to time to take prices that are unnecessarily low and below the cost of production. Hogs are a fairly good price today, it is true; but how many hogs are coming on the market across Canada? When hogs were going on the market last fall in quantity, the price was $27 or $28 a hundred. Today when the farmer has no hogs to sell the price is $34 a hundred. The same thing applies to eggs. When the farmer has no eggs to sell, the price is sky-high; and just as soon as the hens begin to lay, down goes the price. In the province of Saskatchewan, this great floor price we have lets the price of eggs drop to 25 cents a dozen to the farmer.

Our farmers want parity prices. I had in my office yesterday a sizeable rancher from Willow Bunch. He told me that he was wintering now 140 head of Hereford cattle. I said to him: "The price is good for cattle now, is it?" He said: "Yes, it is exceptionally good". "But," he said, "I think the price of cattle is too high for the good of the livestock industry". He said: "As an industry, we would be prepared to accept a parity price for cattle if that parity price would be guaranteed over a period of years". He further said to me that he thought that increased stability would be worth a great deal to the farmers and that perhaps if parity prices were applied to all farm products, it might mean a somewhat lower price at this time; but, it would mean stability and a better price for beef in the years to come.

The Saskatchewan Farmers Union, with a membership of 30,000, in convention in Saskatoon in December of last year, passed the following resolution in reference to price control:

> Whereas we, the members of the Farmers' Union, view with alarm the general economic trend wherein prices in general are sure to be increased, and are convinced that security lies in price control:
> Therefore be it resolved that we demand that the federal government put price controls in effect at a point comparable with farm prices.

The demand amongst the farmers for price controls, in my opinion, does not lie in ny one province. As a matter of fact, I think the farmers in every province of Canada have much to gain through a price-control system which is applied equitably and which will guarantee them reasonable prices based on parity year in and year out. The last issue of the *Rural Co-operator* has in it an article from which I should like to quote and which proves that the farmers of Canada are

demanding price control at this time. The article is headed "Forums approve of Price Controls", and has this to say:

> That Canada should have price control of all essential commodities during the current international crisis, was the opinion expressed by 84 per cent of the farm forum groups in a recent national farm radio forum poll.

Here is the question that the farm forums were asked to discuss:

> It has been suggested that in the current international crisis, we should have price control of all essential commodities. What do you think?

Here are the percentages of replies for and against, from the 1,033 farm forum listening groups: For price control, 84 per cent; opposed to price control, 8 per cent; uncertain or divided in opinion, 4 per cent; no answer, 4 per cent.

Here, Mr. Speaker, in my opinion is a consensus amongst farmers in Canada from one end of the country to the other which clearly demonstrates that farmers, by a majority of more than ten to one, are supporting price controls at this time. We know the people in urban areas, people on fixed incomes, and industrial workers are demanding price control. I believe that, in conjunction with the labour unions, to those groups in our nation on fixed incomes—such as old age pensioners, persons living on a mother's allowance, et cetera—must be added the great mass of Canadian farmers who also are demanding price control. The fact is that the whole Canadian nation is calling on the government to implement price control. In a democracy such as we have, Mr. Speaker, at this time of crisis, I believe this government would be doing the responsible thing if it brought in price controls immediately and thus protect the living standards of all Canadians.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, I had not assumed that there would be another debate on the subject of price control today. I should just like to offer briefly some views on this subject, in view of the further attention it has received today and also in view of the courses of action which, in some of the speeches today, the government has been invited to take.

I yield to no member of this house in my alarm over the threatening dangers of inflation. I do not think that inflation is something off in the distance. It is a condition that we have right now. The people from one end of this country to the other are feeling the distressing effects of it. I am far from thinking that that cycle of inflation has run its course.

When I spoke in the house on February 20 I made it clear that I am certainly not one of those who believe that there are no measures that lie within the power of the government to take in order to meet the dangers of inflation. I think that there are many steps that the government can take to meet this overwhelming danger of inflation.

I wish to make an observation directly related to this emergency powers bill. Even if the government took the steps that it is being invited to take under this bill, I do not think that those steps would be nearly as effective in meeting the common danger of inflation and the soaring cost of living as measures that the government can take quite apart from this bill and could have taken before this bill was ever introduced into this house.

I have mentioned some of those steps before. There is the failure of the government to exercise the powers that it possesses under the Bank of Canada Act to control credit; and when you have regard to the tremendous increase in loans in this country as a result of too-free credit, I think this is some yardstick with which to measure the extent to which inflation has been allowed to increase, by leaps and bounds, while the government has sat back and has not taken steps in that direction which were open to it to take under powers that it already possessed and has possessed for many years.

The second failure of the government, of course, is not only the way in which it has refrained from any contraction of the money supply in this country, but the way in which it has actually increased the money supply at a time when inflation was leaping ahead at a rate more rapid than ever before in our history. Also there are various other measures to which I referred when I spoke on February 20, Mr. Speaker, which are within the power of this government to take directly to counter the influence of inflationary factors at work in our economy today, which they do not need this present bill to take, and never have needed the powers under it to meet that very great danger.

Essentially, of course, the problem of inflation will have to be battled on many fronts. There will have to be an increase in production, because that will create more goods to meet the demands; and there will have to be, whether we like it or not—especially moving nearer now when more and more of the resources of this country must be directed to preparation for defence—a measure of consumer restraint, which will call for the exercise of a sense of personal responsibility on the part of every citizen in this country. That is one direction in which I think the government has been

lacking. There was an opportunity there for the government within its responsibilities, possessed of the knowledge that it must have of those pressures on price levels, those upward pressures, which it might have taken in appealing to the individual in this country, the responsible patriotic Canadian, which the government has not done.

Sir, this debate today has been allowed to centre largely around one particular subject, namely, price control. I now wish to offer a few observations on that particular subject. In the first place, I wish to say that those who talk about control in the way in which some have discussed the subject in the house have approached it in a very doctrinaire way. It seems to me there has been a great deal of theory in the discussion in the house on the various occasions in this session when price controls have been discussed.

I make what I think is a practical observation. People can go along talking about price control, giving some form of support to it, and yet not be in nearly the agreement that they think they are or that their words might suggest. It is when they get down to dealing with concrete situations and are invited to consider then the question whether the power of control should be exercised in a particular situation or applied to a particular commodity or to a particular economic relationship that you have the real test of whether people do or do not favour that particular type of control.

I add this, sir, in warning against what it seems to me to be an altogether too doctrinaire and theoretical approach to this question. Those who espouse price controls today are approaching them and putting them forward in some cases as though they are the only kind of control. Now, sir, you know very well that we have all kinds of controls in our system. I refer to the powers that are given to the government through the central bank to exert control on the issuance of credit through the chartered banks of this country. That is a form of control. That is a form of control which can be directly exerted at any time to counter these upward factors that are pressing upon prices and have been pressing for some time, and creating the condition of inflation at the present time.

Let us not talk then, sir, as though when one speaks about control or controls the only thing that one can mean or refer to is price control. Price control is one particular form of control. In what I have to say on that particular subject I wish to make it quite clear that everyone in this house, so far as I know, does subscribe to the principle that there must be certain underlying forms of control available to the government to combat such pressures as we have in this very threatening danger of inflation. I have mentioned one of them. Therefore I do urge you to believe me, sir, when I speak this way and say that I do not approach this question in any doctrinaire way.

I am quite prepared to believe that if we were confronted with war, if aggression burst upon us, it would be total war, and total defence would have to be mustered to meet total war. And I am quite certain that in that event the government is going to be obliged to take firm measures to exercise a very firm grip on all forces in this country, including economic forces of all kinds. And, sir, viewing as I do with alarm the perils of inflation as they exist today, if I thought that the imposition of price controls today would make any contribution to combating inflation, if I thought that price controls would be effective to beat back inflation, to counter, to resist, to defeat these upward pressures on the price level, then certainly I should be the first to advocate the immediate imposition of price controls; over-all price controls, yes, if I believed they would work. But, sir, I have not heard anything in the debates in this house yet that has convinced me that the imposition of price controls today would be effective for the purpose for which they are being advocated in this house in this and preceding debates.

It seems to me that there has been a weakness in the position in this debate of those who have been calling upon the government very strongly to embark on a program of immediate imposition of over-all price controls. It has not been proven that those controls would be effective for the purpose which those who are advocating them, obviously very sincerely, believe that they would be capable of effecting. There has been in that respect a great gap in the discussion in these debates.

Now, sir, I wish to offer just a few observations on that subject. They are not new. I touched on them briefly when I spoke in the house on February 20. But I do think it is worth while calling them to mind in weighing the arguments that have been put forward in favour of the imposition of over-all price controls.

Of course, those who are protagonists for this program look back upon what happened during the war, and because of what happened them they infer that the same thing, as they see it, could be accomplished again under present conditions. That again is an

assumption which, it seems to me, has not been borne out by the evidence brought before this house.

In the first place, Mr. Speaker, you cannot escape from the fact that, whereas when over-all controls were imposed in 1941, you had a very low price level, today you have the very opposite situation. You have the highest price level in the history of Canada. The imposition of over-all price controls under these circumstances is not going to have the effect of reducing the level of prices. All that could be claimed for the immediate imposition of over-all price controls by those who are its most sanguine protagonists would be the freezing of prices at their present levels, the highest levels in our history.

Who, Mr. Speaker, will be satisfied with that? What consumer in this country will be satisfied to have prices fixed and frozen at this highest level in history? You will not satisfy any consumer by a measure of that kind.

Then, if an attempt is made to freeze prices or to attempt to control prices at this high level, how do you prove that it is going to work? The problem of enforcement is a problem that no responsible member in the house in a debate of this kind dare ignore. We all know that very grave difficulties were encountered with respect to enforcement of controls during the war—very grave difficulties indeed. And that was at a time, as Mr. Ilsley used to remind us in the post-war debates on the question of continuing price controls, when there was overwhelming support on the part of all the people of Canada; because you were in a position then to appeal to people's patriotism, and you had a generous and widespread response on the part of the people of this country. Nevertheless in spite of that generous support we know there were black markets; we know there were grave difficulties in enforcing these measures of control.

In the situation we have today, with some people in this country taking a very grave view of the international emergency, and others not nearly so grave a view, with some people convinced there should be over-all price controls while other people are not at all convinced that there should be, do you think there is that general body of support for a drastic measure of this kind which is absolutely essential if such measures are to be imposed and made effective?

I have made no secret of the fact that I have not always agreed with the Prime Minister (Mr. St. Laurent); but I do say that no one could have been on sounder ground than was the Prime Minister in a speech made, not just in recent weeks but made some months ago, on the subject of the necessity for that general support of measures of this kind, if they are to be effective in carrying out the purposes for which they are imposed. This is what the Prime Minister said in his address to the Canadian Construction Association some months ago:

> In peacetime the government of a free nation which attempted to control and regulate the whole economy would threaten freedom itself.
>
> The purpose of governmental intervention in peacetime should be to foster economic conditions in which initiative and enterprise will flourish.
>
> Because government directed many aspects of our lives, with conspicuous success, in wartime is no reason for assuming such direction would be successful in peacetime. We have ample evidence that in countries where the peacetime economy is rigidly controlled, prosperity and a high standard of living do not necessarily follow.
>
> Indeed, the kind of action required to make a wartime economy successful has, in many cases, to be reversed in peacetime.

I am not overlooking the fact that today we seem to be in something of a twilight between wartime and peacetime. For that reason one dare not be dogmatic or doctrinaire in approaching this question. He has to leave some flexibility in his thinking, in order that changing measures appropriate to changing conditions may be taken in the public interest. But, sir, let me say before leaving this point, and say it with all the emphasis I can command, that short of all-out and total war you cannot make a system of this kind work, the kind of over-all price controls advocated here, unless you have behind it an almost unanimous public support determined to see that it works effectively and that advantage is not taken of it by people who wish to enrich themselves by operating in the black market.

To those who either now or in these recent post-war years have been urging measures of this kind as being necessary, even in the times through which we were living before the threat of aggression took its present ominous form, I say they would do well to temper the conclusions they draw from the operation of price controls during the last war with some of the very homely advice imparted by Mr. Ilsley in the house in the post-war debates. He warned time and again that because price controls had operated, as some thought, effectively during the war, that was no reason for assuming or inferring that they would operate effectively or in the same way under any conditions other than war conditions.

There is a third point. It may be that as this debate has proceeded there has been a little more candour on the subject than there was in the earlier stages of debate when the

subject was discussed in the early days of the session. I think it has become apparent in the admissions made by the protagonists of the program of over-all price controls that the success of such a program would involve an immediate freeze, and after that, perhaps, a very substantial measure of direct control over wages and salaries. Now, to make it abundantly clear —

Mr. Knowles: Omit the "freeze".

Mr. Fleming: My hon. friend of the C.C.F. says "omit the freeze". I quite agree that my hon. friend from Rosetown-Biggar (Mr. Coldwell) and the hon. member for Winnipeg North Centre (Mr. Knowles) have not said that you would have to impose a freeze upon wages and salaries to make a system of over-all price controls effective. But what I am saying is that if we approach this subject with candour we will have to concede that the first step would have to be a freeze. You might not have to continue it, on the argument put forward by my hon. friends of the C.C.F.; but even on their argument it is conceded that a very substantial and, I venture to say, rigorous measure of control would have to be applied, even though you might ease the initial freeze on wages and salaries.

For myself I wish to make it as clear as I can that I am opposed to any freeze on wages and any freeze on salaries under present conditions or anything approaching present conditions. I wish to say further that, if it becomes a question of differentiating between a freeze and a substantial measure of control over wages and salaries, I am opposed under present conditions or conditions approaching present conditions to that rigorous control over salaries and wages which it seems to me my friends admit, or must admit, would be essential if any system of over-all price controls were to be attempted, in the hope of being made effective.

Either that rigorous control or that freeze, it seems to me, would have the effect of perpetuating many serious inequalities that exist today. In the field of wages there are all kinds of inequalities. So I come to one of the inherent weaknesses of this doctrinaire approach of laying down a flat program to meet present conditions. Present conditions are not so simple that they admit of any one simple expedient to meet them. The situation that parliament and the government face is infinitely complex, and you cannot meet it by introducing a simple program of over-all price control such as has been advanced during this debate. Life is not constituted along simple lines like that. This whole complex structure that we call the Canadian economy is not constructed in as simple a way as that. Economic forces at work within that widespread economy cannot be re-directed by measures as simple as that.

I have said something about wages. I wish to say something about salaries because I represent a great many white-collar workers. Broadly speaking, those white-collar workers have not had the advantage of the advancement in the returns that they receive from their hard labour that has attended the efforts of many wage earners to advance their position, both in respect of wages and working conditions, largely through the beneficent operations of collective bargaining through their labour organizations. The white-collar workers have not had that advantage, and as compared with many wage earners in this country who have had the advantage of collective bargaining and collective action their lot is worse, comparatively speaking.

To think today of imposing measures that would at the very least involve substantial and rigorous control of salaries would be, it seems to me, perpetrating a great injustice on tens of thousands of white-collar workers in this country. I for one am not prepared under present conditions, or under anything approaching present conditions, to subscribe to measures of rigorous control of the salaries of these white-collar workers, nor of the wages of wage earners. I am of the opinion that rigorous measures of that kind will do nothing but perpetrate inequities, exaggerate injustices that presently exist and create a measure of discontent that might easily approach a state of turmoil.

There is one other factor that I cannot forbear mentioning. I do not represent a rural constituency but I did have some experience with farm labour when I was a little younger.

Mr. Pouliot: The hon. member has had experience in every field.

Mr. Fleming: No, I do not say every field, but I do mention the fact I have just referred to because I do not think every city dweller is as far removed from concern over the welfare of the farmer as perhaps some people are at times disposed to assume. We are told that the farmers of Canada want over-all price control. I do not doubt for a minute that many farmers would like to see the prices of many things controlled. I suppose every one of us if he gets down and talks from his heart of hearts will say, "Yes, I would love to see the prices of the things I have to buy controlled, not at the present high levels but to be rolled back. I would want to see them controlled at a very low level. But when it comes to things I have to sell, I do not want control."

At the very time that some hon. members in this house were speaking along those very lines I recall that representatives of the

Canadian Federation of Agriculture were before the government—just a fortnight ago—asking, not that the prices of farm produce should be frozen at present levels but should be increased. According to press reports the federation was asking for an increase in the price of domestic wheat; next, for the raising of the butter floor price and, next, for an increase in the floor price of bacon.

Let me make it quite clear—I think I can claim to be consistent in what I am saying—that I do not believe in freezing the returns which the wage earner is entitled to expect from his labour. Neither do I believe under present conditions in freezing the return to the white-collar worker for his labour. Similarly I do not believe that the returns to which the farmer is justly entitled as a fruit of his toil should be frozen. If you are going to start meddling with the forces of nature and the laws of economy then it seems to me that you must start here or there, and where will you draw the line? If you start with partial measures then of course you are going to create inequities, and every step you take will call for another in order to meet the inequities resulting from the last step.

The situation is just that, and I am afraid there is no escaping from it. If you are going to deal with it you have to go the whole way and clamp the tightest imaginable controls on the whole economy. I do not believe that the people of Canada are going to submit to the clamping of tight, rigid controls on the operations of the whole Canadian economy.

As one who has inveighed, I hope consistently, in the eight or nine sessions it has been my privilege to be a member, against the dangers of bureaucracy, I want to warn hon. members that the adoption of an over-all rigid system will involve the re-establishment in this country of a bureaucracy that would be bigger than anything we have seen as yet, and which would take some time to put together.

We are not without recent experience as to the wisdom of the type of measures the government has been invited in certain quarters to take. Only several weeks ago the protagonists for the imposition of over-all price controls were pointing to the United States. They were saying that, as the United States had come to it, Canada must come to it. We have had more recent experience on this continent since those broad assertions were made.

The experience in the United States during the last month has been one of progressive decontrol, and the rate of progression has been rapid indeed. I saw figures the other day indicating that since the original freeze was put on a matter of five weeks ago some 200,000 articles have been removed from the effects of price control. It seems to me that anybody who can see in what is happening in the United States today a vindication of the argument that over-all price controls would be effective under present conditions, or under anything approaching present conditions, is simply closing his eyes to the facts as they have been unfolding themselves day by day in the United States.

Let me just say in conclusion that I concede at once the sincerity of my hon. friends of the C.C.F. in putting forth as they have year by year the same arguments as they are putting forward now. I will give them credit for consistency. Personally I think they have been consistently wrong, but I do give them credit for consistency. They can be consistent on this subject for a very obvious reason. As we Progressive Conservatives have been saying throughout recent years, the idea of control by the government over the economy of the country, of which price control with all its concomitant controls is a leading example, is a part of the mechanism of socialism. It is not the only mechanism of socialism. It is not the only expedient that will characterize socialism in this country if such a time ever came when the people decided that they wanted socialism, but I say that this is one of the characteristics that will always attend socialism.

Therefore, believing as I do in the system of free enterprise, I do not approach this question at all with the same ideas as the socialists. They can afford to be consistent on this subject. For my part I choose to be consistent also in my opposition to the sort of things that they have been and are still advocating. I was not elected as a socialist, and it is no part of my business here, holding the views that I honestly hold, to try to out-C.C.F. the C.C.F.

Mr. Sinclair: How did you vote on price control?

Mr. Fleming: How did I vote?

Mr. Sinclair: Yes.

Mr. Fleming: You will not find my vote recorded on the C.C.F. amendment.

Mr. Sinclair: You will not find it recorded, period.

Mr. Fleming: When the C.C.F. brought in their amendment two weeks ago I did not vote. No vote of mine in this house has been given to any doctrinaire subscription to what I think to be a program which will not work under present conditions. I do not say that

the time will not come. I made that clear. I said that the system would work if we are faced with total war, if we are faced with more imminent aggression. Then we will unquestionably have to accept a greater measure of control over the economy.

Mr. Coldwell: Socialism to win a war.

Mr. Fleming: It is not socialism at all. It is a matter of submitting, in the face of an emergency, to a form of control which I think the people will accept under conditions of total war, and I have no evidence that they are prepared to accept it under present conditions. There is an abundance of evidence to show that it will not work effectively unless there is almost unanimous support for it throughout the length and breadth of Canada. I do not want to see a system of that kind attempted to be imposed unless it is going to work, because if it were imposed and failed to work you would see a situation under which blackmarketing, as we saw it under the previous system, would simply pale away into insignificance alongside the extent of blackmarketing that would prevail under such conditions.

I have sought to be consistent. I have grave distaste for subscribing in any doctrinaire or dogmatic way to general programs that it seems to me assume a great deal. I think I have been thoroughly consistent in urging that parliament has no right, short of compelling necessity, to be giving to the cabinet extraordinary powers to do, while parliament is in session, things that parliament can do. Therefore it is with no enthusiasm, you may be sure, that I have seen this present measure, the emergency powers bill, accepted in the house, and have seen people urging upon the government that they not only accept these powers but go forward and use them at once and in a drastic form.

As long as this parliament is in session, as long as it is a free and sovereign parliament, I want to see it retain the right and function of taking those steps in the public interest that commend themselves to parliament as being necessary in that interest. I do not want to see parliament hand over such powers to any group of men no matter who they are. I do not care whether you have confidence in the government or whether you have not. I think it is inherently wrong, short of a condition of compelling necessity, for parliament to be handing over vast powers to the government to do, while parliament is in session, things that parliament is quite capable of doing.

Therefore I am not one of those who are telling the government to take these powers and to go rip-roaring ahead and use them. Rather I say to the government that I deplore the fact that they have come to parliament to claim, under this and other measures currently before the house, powers at the expense of parliament which I do not think parliament ought to be handing over to any government or any minister. While parliament is in session I want to see it retaining control of these situations, retaining the right to do the things that this supreme and sovereign parliament considers necessary in the public interest.

Mr. Jean François Pouliot (Temiscouata): Mr. Speaker, I do not want to make a long speech. I have listened with great attention to the one just delivered by the hon. member for Eglinton (Mr. Fleming). He said to us that he is not a doctrinaire. He may be right. He told us that he was against control of wages. That is his own view, but what was missing in his speech was a conclusion that one could accept. I am satisfied that he realizes the complexity of controls. He is gifted enough to understand that it is one of the most difficult questions to handle. But if the Prime Minister (Mr. St. Laurent) has listened to his speech as I have—and I am sure that he has—I wonder what benefit he has derived from the bright speech made by my hon. friend? What is the conclusion? Will we vote for or against the bill? What will he do? Will he vote for it? Will he vote against it? What is his conclusion?

After the enunciation of all the pros and cons of the necessities of the problem we are still faced with a bill to permit the government to impose controls at some future date when the government realizes that it is time to do so. The hon. member has said that now is not the time to impose controls. He agrees with the government on that point. The time will come when it will be a necessity, and not only a necessity but a possibility. I am sure that the government will then act to the satisfaction of the hon. member for Eglinton.

Mr. Fleming: Will the hon. member permit a question?

Mr. Pouliot: Yes.

Mr. Fleming: If parliament is in session when that time comes, will parliament then not be in a position to act swiftly to meet that emergency? The hon. member will bear in mind that I made a complete reservation with respect to the time that parliament is in session. I do not say that legislation of this kind should not be left on the statute books when parliament prorogues. I am speaking of the time when parliament is in session.

Mr. Pouliot: If I am permitted, Mr. Speaker, I will answer at nine o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS—SENATE BILLS

Mr. H. W. Winkler (Lisgar) moved that the following bills be read the second time:

Bill No. 103, for the relief of Eileen McDermott McRandall.—Mr. Winkler.

Bill No. 104, for the relief of Laurice Mary Michel Shatilla.—Mr. Winkler.

Bill No. 105, for the relief of Mihaly Kovacs.—Mr. Winkler.

Bill No. 106, for the relief of Rebecca Glicofsky Brown.—Mr. Winkler.

Bill No. 107, for the relief of Selma Rokowsky Kirzner.—Mr. Winkler.

Bill No. 108, for the relief of Ferdinand Langlois.—Mr. Weir.

Bill No. 109, for the relief of Violet Edith Macdonald Harris.—Mr. Winkler.

Bill No. 110, for the relief of Françoise Brunet Crassowski.—Mr. Winkler.

Bill No. 111, for the relief of Emily Rita Rowlands Simpson.—Mr. Winkler.

Bill No. 112, for the relief of Ivy Lucas Levitt.—Mr. Winkler.

Bill No. 113, for the relief of Marguerite Marie Rita Fournier Cook.—Mr. Winkler.

Bill No. 114, for the relief of Paul Emile Piuze.—Mr. Winkler.

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

An hon. Member: On division.

Mr. Speaker: Carried on division.

Motion agreed to on division and bills read the second time.

TRANS MOUNTAIN OIL PIPE LINE COMPANY

Mr. Arthur Laing (Vancouver South) moved the second reading of Bill No. 115, to incorporate Trans Mountain Oil Pipe Line Company.

Mr. Green: Could we have an explanation?

Mr. Laing: Mr. Speaker, this is an act to incorporate Trans Mountain Oil Pipe Line Company. The purpose of this company is to build an oil pipe line from the city of Edmonton in the province of Alberta to the city of Vancouver in the province of British Columbia via the Yellowhead pass. The proposed route is an all-Canadian route, and the pipe line will terminate in the city of Vancouver. It is proposed to build a pipe line of twenty-four-inch diameter which initially will carry oil at the rate of 75,000 barrels daily. The capacity may be increased by pumping pressure to an estimated 200,000 barrels per day. Marine terminal and storage tanks will be built in the port of Vancouver for the shipment of that part of the oil delivered to that port which cannot be consumed in the province of British Columbia.

Important additions and extensive new refinery facilties can be envisaged as a result of the construction of this pipe line. I believe the members of this house would like to be assured that this is no frivolous application. It is not a proposal which suggests promotional aspects. The company that will build this line will be set up in Canada, and financed in Canada. The parent company is the Bechtel Corporation of San Francisco, the greatest pipe line building organization in the world today. One of the early achievements of this firm was the construction of the Hoover dam many years ago in cooperation with another group of contractors. For those who would care to study it, the history of this company was given great prominence in a lead article in *Fortune* magazine for the month of February. The Bechtel Corporation has over seven hundred engineers, and over five thousand offshore employees working on engineering projects in every part of the world. It has just completed a huge trans-Arabian pipe line—tap line as it is called. It has constructed a huge pipe line for the Pacific Gas and Electric Company from the state of Texas to the state of California, a distance somewhat in excess of 500 miles. Last year it completed in the Dominion of Canada 450 miles of our interprovincial pipe line. It now has under construction a thirty-two-inch pipe line from Kirkuk, in Iraq, across the Syrian desert, and the high Lebanon mountains to Banias on the Mediterranean sea.

Canadian contractors and Canadian materials will be used so far as possible. The total steel requirements, and this is a matter of major importance, have been arranged for, and construction is planned to begin in June of this year. It will be completed by the end of 1952. Associated with the Bechtel Corporation will be the oil companies supplying the oil which will flow through the pipe lines. Assurances have been received from the major oil producers that they will use this line to transport their products to the Pacific coast.

I should like to supply a few figures concerning consumption within the area that can reasonably be served by this pipe line when it is completed. The consumption of petroleum in British Columbia today is approximately 44,000 barrels per day. The state of Oregon, which is accessible to such a line, consumes 104,000 barrels per day. The state of Washington, which is easily accessible, consumes 130,000 barrels per day.

The northern portion of the state of Idaho, which is the only portion which would be available to such a line, consumes something in the nature of 3,200 barrels per day. Shipment of the oil to Vancouver via this pipe line would mean additional revenue to Canada in 1953 of $50 million per year. Today on the Pacific coast we are spending our extremely precious United States dollars for petroleum products from the United States or South American countries which require United States exchange. This indicates that the saving to Canada would be very great, and it would increase in the ratio I indicated at the start as the volume of oil passing through the pipe line increases. To the British Columbian this is a distinct opportunity.

I am not without some knowledge of the economy of our province of British Columbia. I am going to say that nothing would serve us better than an integration of the economy of British Columbia with the economy of our neighbour to the east. We have a great many complementary products. I am going to say to my friends opposite, who sometimes have indicated this is a one-way traffic, that that is not the case. I would ask them to bear in mind that the people of British Columbia today obtain seventy per cent of the beef they consume from Alberta. Last year we brought in 930 carloads of Alberta potatoes. Of all the butter that we consume, eighty-two per cent comes from the province of Alberta. At the present time it may be interesting to note that we are consuming their eggs at the rate of $65,000 per week. If we could overcome the disadvantage of the great ribs of the Rocky range and could integrate our economies a little bit more closely, it would be of tremendous advantage to my province of British Columbia and, I am certain, to the province of Alberta as well.

Mr. Blackmore: You are talking good sense now.

Mr. Laing: I want to indicate, if I may, some of the factors of production in the province of Alberta. I think we as Canadians too often overlook—and foreigners are not overlooking them today—the tremendous resources that exist in the province of Alberta. I think it could be well brought home to us that we have there resources that, if properly used, can be one of the great factors, if not the greatest, in the continuing prosperity and welfare of this nation. The figures I have are made available by the Stanford Research Institute which has done a great deal of work in the province of Alberta. Incidentally, I think this is a matter which could well go on the record of this house. I am informed by them or through them that the information they have obtained is most excellent, and that the officials and scientists employed by the province of Alberta and by the board in Alberta which is responsible for the maintenance of reserves there are of a nature of intelligence and foresight second to none among those with whom they have had to deal in any country in the world.

At the present time, effective January, 1951, the recoverable reserves of petroleum in the province of Alberta are of the nature of 1,250 million barrels of oil. That is the recoverable reserve, not the total reserve. The total reserve, based upon 100 per cent, would be of the nature of 100 over 42 times this figure, because the recoverable reserve in Alberta averages out at 42 per cent of the total reserve. They vary from district to district from 25 per cent to 50 per cent, but on the average geologists are working on the assumption that the recoverable reserve is of the nature of 42 per cent of the total oil found in the ground. Accessions—that is, new discoveries—have been worked at the rate of 300 million barrels annually. So that we in that great province are finding additional oil to the extent of 300 million barrels annually of recoverable oil. If we project that into the future, we shall have in a few years a great increase in the recoverable oil from that area. It has been estimated that by January 1, 1953, there will be a recoverable reserve of 1,672 million barrels, notwithstanding the contemplated withdrawals, including the withdrawal taken out by this pipe line. So that we have in that area a tremendous value of oil.

I want to say a word or two, Mr. Speaker, concerning the importance of oil at the present time. We in the western democracies are faced with a tremendous threat to our institutions and indeed to our very lives. Of all of the aspects of defence, there is no greater strategy than the strategy of oil; because in our contemporary age, oil is power. In peacetime it is power to develop new industries, and power to transport people by land, by sea and by air. In wartime it is a vital necessity beyond any calculation. One-third of all the world's known reserves of oil lie within the United States. That is a most reassuring picture, but when you look at it more closely you find that the picture is not as reassuring as it seems at first blush. The estimated domestic production in 1949 was of the nature of 1,840 million barrels of oil; but this oil was drawn from 449,000 oil wells. The production worked out at 11 barrels per day only, which indicates that many of the United States wells are old, that they are over-exploited and that they are rapidly declining in production. Venezuela, which

had in 1949 a production of 457 million barrels of oil, produced that great quantity from 6,326 wells or an average of 201 barrels per day. The Middle East, which is one of the vital sources of oil at the present time, produced 512 million barrels of oil from only 208 wells, or a production of the nature of 5,500 barrels per well per day. When we give some thought to these figures we realize that we have an expendable reserve on this continent good for peacetime for twenty years. But when we say that we can foresee for that many years to come the requirements of oil in a peacetime economy, the picture is entirely changed if we think of war. If we could look forward to an assured period of peace, we would know what our oil would do. But under war conditions, when our safety and our security is threatened, there is simply no limit to be placed upon the immediate requirements of oil.

I was interested in seeing in the January issue of *Foreign Affairs American Quarterly,* attributed to a man by the name of Halford L. Hoskins, this most interesting extract:

> Except for the promise of young Canadian fields, the outlook for long continued production in the fields certain to be available in time of emergency would be dim.

This again is a tremendous tribute to the resources which we have in the great province of Alberta. During the war, between 1940 and 1945, consumption of oil increased within the United States by the stupendous amount of 100 million barrels annually. Consumption in 1950 approximated 6,500,000 barrels of oil per day in the United States, which is, phenomenally speaking, two-thirds of the entire world production of oil.

The Middle East oil fields, which are today producing oil at the rate of 1,800,000 barrels per day for western Europe, are strategically extremely vulnerable. This oil is now going to western Europe and the wells are in a hazardous position by location. Transport is in an extremely hazardous position. As to oil, our security rests, to an uncomfortably large extent, upon ready supplies of oil. This proposed pipe line would take care of an eventuality where, through impairment of Middle East oil facilities, we could have Venezuela oil and California oil immediately drawn to Europe and could well be left without oil. It will provide an extremely valuable market for the growing production of the great province of Alberta. It will greatly increase the move toward the integration of the economy of our two great western provinces. We have heard lately in the house some discussion about distribution of industries across the country, and so on, and the necessity of bringing all parts of the country along. As a westerner I have felt that we always like to think at least the great flanks of the country should be brought along economically with the same measure of progress as the central provinces. I think that the integration of the economy of our two most westerly provinces by the construction of such a pipe line as this would ensure that the western flank of this country would have prosperity for many years to come.

If the hon. member for Winnipeg North Centre (Mr. Knowles) is, as he was called yesterday, a sea lawyer, then I must say that I am probably a salt water petroleum engineer. In the short time that I have been endeavouring to study this question of oil I have found that it is the most engrossing story I have ever attempted to study. There are vast ramifications about it, and I could not hope to answer technical questions, and I do not think that hon. members would ask me to; but I will endeavour to answer some of the simpler questions if any hon. member would like to ask any afterwards.

I do want to thank hon. gentlemen for the attention that they have given me in the presentation of a project which I think ranks with the greatest projects in the Dominion of Canada at the present time.

Mr. John Decore (Vegreville): Mr. Speaker, I should like to make a few brief remarks with reference to this bill. First of all may I congratulate the hon. member for Vancouver South (Mr. Laing) on the very able manner in which he has presented his case.

As one of those who come from the province of Alberta may I say that this bill is important to us in that province for two reasons. First of all, we in that province are concerned in finding an outlet for our oil production. Every day new wells are being discovered, and every so often new fields are also being found. Therefore, it is important to us that we have an outlet for this oil or some outlet whereby we can dispose of it for marketing purposes.

This particular pipe line itself will not solve the problem. We need more pipe lines and immediately; that is why I should like to see this project go through.

The other reason is that I notice that this pipe line will go through the Yellowhead route. That is important, because it will tend toward the development of that particular area. It will certainly mean the construction of a better road. We have a road going through that pass now, but it will mean a better road in order to construct and maintain this pipe line. For that reason, Mr. Speaker, I am supporting this bill.

Mr. G. A. Cruickshank (Fraser Valley): I should like to congratulate the hon. member

for Vancouver South (Mr. Laing) on the excellent manner in which he has presented his argument.

An hon. Member: Louder.

Mr. Cruickshank: I am just warming up. I had not intended to take part in this debate but in the debate on the pipe lines that will follow this bill.

The only objection I have to the newspapers is that sometimes they are unkind. In most instances they are kind, but one group of newspapers says that I shout, and another says that I roar.

Mr. Gibson: Do you ever say anything?

Mr. Cruickshank: Wait until we get to the other pipe line that is to follow. May I say to my hon. friend who asked if I ever said anything that he will realize I have to say very little to contribute more than he ever did.

Some hon. Members: Oh, oh.

Mr. Gibson: I will retire.

Mr. Cruickshank: I think you had better.

In the past we have been accused of carrying on a filibuster in the house on pipe lines.

An hon. Member: Who said that?

Mr. Cruickshank: Those of us who took a certain line of action in regard to pipe lines were accused of carrying on a filibuster. I think some of my colleagues, at least some of them from British Columbia, do not object to being accused of carrying on a filibuster. Look at what we have gained already. I am sure that the people of the Fraser Valley riding are delighted to know that my hon. friend has introduced a bill which says that a company is going to put a pipe line through Canada, and that it will run to the city of Vancouver through the centre of the Fraser valley. I only wish we had had a little more support last year from some of the hon. members on the other side, but we are gradually winning them over. At last they have come to realize the great potentialities that we have in our own great province of British Columbia.

I remember that last year the hon. member for Nanaimo (Mr. Pearkes) mentioned defence in connection with pipe lines. He was more or less scoffed at. I am glad that my colleague mentioned the great value that oil has as a defence measure, particularly at this time.

As I said, I do not want to take up too much time on this bill, but lest there be any misapprehension on the part of some of my hon. friends in the opposite corner, or in any other corner of the house, may I say that when the appropriate pipe line bill comes before the house I shall have plenty to say, particularly now that I know I have a champion to my right to assist me, in that he is committed to an all-Canadian route. I am looking to the eloquence of the hon. member for Vancouver South to assist me, and any who join with me, in seeing that no other pipe line is permitted to be built through the United States and in through the back door to the finest city in Canada, namely, Vancouver. I will even enjoy the assistance of those who are not as eloquent as the hon. member for Vancouver South.

This is of vital importance to us. Just before I came down to the chamber tonight I discovered that another application from Montreal for a pipe line was advertised in the newspapers. I shall have more to say about that in a few days. You know, if we get all of these through we will have a pipe line charter for every oil well that comes in in that great province of Alberta.

We in the west, and particularly in British Columbia, joined by the province of Alberta and even slightly assisted by Saskatchewan, built the great county of Bruce in Ontario and look to you to assist us in building an all-Canadian route.

I know that other hon. members are going to speak on this bill. I shall have a good deal to say on another bill, which is also being introduced by an hon. member from British Columbia, with which I am not entirely in accord. It may come up later tonight.

The hon. member for Vancouver South invited questions, and I think fairly so. There are one or two questions that I should like to ask. I am sure that no hon. member in this house wants these charters granted merely for promotional purposes. I am not suggesting that for one minute. The hon. member for Vancouver South said that his company is closely connected with the Bechtel interests and some of the oil companies. I presume that means Imperial Oil Company, which is the largest concern in Canada. What I am getting at is—

Some hon. Members: Carried.

Mr. Cruickshank: Some hon. members are saying "carried". May I tell the hon. members who want to develop the United States that the longer they shout "carried" the longer it will take.

I presume that the oil companies will assist in the financing. If that is so, I think it is an excellent move. If that means the Imperial Oil Company, it means one of the strongest companies in Canada. Is that correct? There is another thing I should like to have clear in my own mind, and I am sure the hon.

member will want to explain it to me. He said that construction of the pipe line was beginning in June. My understanding is that, no matter what company it is or what line it is, the board of transport commissioners must give its approval before any work can commence. I do not know if my hon. friend has entrée to the board of transport commissioners that is not enjoyed by any other company but I shall be glad to know if he has, and to know that work will begin in June. I am asking him to explain that to me.

Then the hon. member said steel was available. It has been my understanding that we have had a bill going through the house for some considerable time—it is not through yet—that will control steel. Therefore when my hon. friend makes the statement that steel is available I presume he must have information that that is so. I am not quarrelling with him, but I should like him to make clear his knowledge as to what the steel situation is. I want to have it clear in my mind as to whether steel is in fact available. I should also like to have clear what assurance there is that work can be commenced in June.

Let me repeat that this line goes right through the centre of Fraser Valley, the finest riding in Canada. Unfortunately it does not go through the Cruickshank farm; I should like to sell some right-of-way if it did.

That is all I have to say. I believe I have been fair. I am not trying to delay passage of the bill; I am anxious that it should receive a reading tonight. But as one who has been active in the house in connection with pipe lines, and who has been accused of supporting a filibuster—and that filibuster is beginning to pay off in dividends for our great Pacific province—I have no apology whatsoever to make.

I would appreciate it if the hon. member would give me the information I have asked.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, I do not wish to prevent the hon. member for Vancouver South (Mr. Laing) from answering the questions. No doubt he will do so when he speaks closing the debate.

In rising to support the bill I would point out to hon. members that there is an important issue at stake in the bill, and at this session—because there are other bills coming up. The issue is this: I think it is admitted that there is only a market in British Columbia, Washington and Oregon for the oil that can be piped from Alberta by one pipe line. That was realized last year when we were debating the gas bill. Will this oil pipe line which is to go to the Pacific coast pass through Canada to a Canadian port and be refined in Canada by Canadians, or will it go mainly through the United States to an American port where the oil will be refined by Americans? That is the issue at stake in the debates which will take place in the House of Commons on these oil pipe line bills.

As the house knows, the hon. member for Fraser Valley (Mr. Cruickshank) and I believe firmly in having a Canadian line, just as we did last year. All of the work will be done in Canada. The oil will be refined in Canada and expansion will follow in British Columbia from the establishment of a refinery and from the reduction in price of gasoline and other petroleum products. There will be a surplus over and above the requirements of British Columbia, and of course our friends and neighbours in Washington and Oregon are welcome to that surplus. We may also be able to ship some of the oil or oil products abroad to other countries.

But this year, as last year, there are groups who are seeking to get permission to form companies to build pipe lines which will leave Canada at the first convenient point, and go into the state of Washington and on to the great American cities of Seattle and Portland, with only a stub line up to Vancouver. Possibly Vancouver and British Columbia would be served only by tankers—not even a stub line—although this is Canadian oil. We would certainly have to pay a higher price than if the oil were piped through an all-Canadian pipe line. It is very much to our advantage, and therefore to the advantage of the whole of Canada, to have this pipe line go through Canada rather than through the United States.

I realize that the bill now under consideration has the support of hon. members, but I urge that when the other bills are up for consideration they keep in mind the principle I have enunciated.

Mr. P. E. Wright (Melfort): Mr. Speaker, I think one of the ways we could accomplish some of the suggestions offered by the hon. member for Vancouver-Quadra (Mr. Green) would be to have this line constructed through some agency of the Canadian government, such as the Canadian National Railways. Then we would have control of the oil and would be able to see that it would be refined in this country.

It would seem to me, judging by the number of groups who are coming forward and asking for charters to distribute the oil, that those people think there is a lot of money to be made in the distribution of oil in Canada. They are quite right, because experience in the United States has shown over the last number of years that the ownership of pipe lines in that country has been one of the most lucrative parts of the oil

business. Tremendous profits have been made from investments in oil lines in that country.

I am sure hon. members on all sides of the house agree today that there are certain things which should be owned publicly. I believe most people are agreed that power is a commodity which should be developed and distributed by a public body. In Ontario we have the hydroelectric commission, and in practically every province of Canada today the development of hydro is publicly owned.

This is just another form of power; and power is so important to our whole economy that I think the people of Canada, through their own agencies, such as the Canadian National Railways, should consider the building of this pipe line—because, make no mistake about it, there is going to be only one pipe line. One can transport all the oil that will ever be used at the Pacific coast. Would it not be much better to have that pipe line owned publicly than to have it owned to a great extent by American capital?

I have no particular objection to the investment of American capital in this country; nevertheless I think it is unfortunate that the people of Canada themselves should not control their own basic resources. The only group in Canada able today to develop and build a pipe line is the government. We should be developing that pipe line; it should be built by the government, through one of its own agencies.

I appreciate that this pipe line is to be built through Canada, and that that is to be preferred to a pipe line going through the United States and then, after that country has been supplied, coming back up to our western coast. However, the fact that it is being built in Canada is one more reason why a government agency should be constructing it. I am going to move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

> That this bill be not now read a second time but that further consideration thereof be deferred until this house has had an opportunity to record its opinion that consideration should be given to the construction and operation of pipe lines by a crown corporation, or by a public agency owned and controlled by the government of Canada.

A similar amendment was moved on November 25, 1949, by the hon. member for Cape Breton South (Mr. Gillis). We move this amendment again to express to this house and to the people of Canada that this group believe in public ownership of power and its distribution by government agencies.

[Mr. Wright.]

The house divided on the motion (Mr. Wright) which was negatived on the following division:

YEAS

Messrs:

Argue	Jones
Bryce	Knight
Coldwell	Knowles
Gibson	Noseworthy
Gillis	Stewart (Winnipeg North)
Herridge	Wright—12.

NAYS

Messrs:

Anderson	Gagnon
Applewhaite	Gardiner
Ashbourne	Garland
Balcer	Garson
Balcom	Gauthier (Lake St. John)
Bater	Gauthier (Lapointe)
Beaudoin	Gauthier (Portneuf)
Benidickson	Gingras
Bennett	Gosselin
Beyerstein	Graydon
Black (Cumberland)	Green
Blackmore	Gregg
Blair	Harkness
Blanchette	Harris (Grey-Bruce)
Boisvert	Harrison
Boivin	Hees
Bonnier	Helme
Boucher	Hetland
Bradette	Higgins
Bradley	Hodgson
Breithaupt	Hosking
Breton	Howe
Brooks	Huffman
Bruneau	Hunter
Byrne	James
Cameron	Johnston
Campney	Jutras
Cannon	Kickham
Carroll	Kirk (Antigonish-Guysborough)
Carter	Kirk (Digby-Yarmouth)
Casselman	Lafontaine
Catherwood	Laing
Cauchon	Langlois (Gaspe)
Charlton	Larson
Cloutier	Leduc
Conacher	Lefrancois
Cote (Verdun-La Salle)	Leger
Courtemanche	Lennard
Coyle	Lesage
Crestohl	Little
Croll	Macdonald (Edmonton East)
Cruickshank	Macdonnell (Greenwood)
Darroch	MacDougall
Decore	MacKenzie
Dion	MacLean (Cape Breton North and Victoria)
Drew	MacNaught
Dube	Macnaughton
Dumas	McCann
Dupuis	McCubbin
Eudes	McCulloch
Fair	McCusker
Fairclough, Mrs.	McDonald (Parry Sound-Muskoka)
Ferguson	McGregor
Fleming	McIlraith
Follwell	McLean (Huron-Perth)
Fournier (Hull)	McLure
Fournier (Maisonneuve-Rosemont)	McMillan
Fraser	
Fulford	
Fulton	

Major	Rowe
Maltais	St. Laurent
Masse	Shaw
Maybank	Simmons
Mayhew	Sinclair
Monette	Sinnott
Mott	Smith (Moose Mountain)
Murphy	Smith (Queens-Shelburne)
Murray (Cariboo)	Smith (York North)
Murray (Oxford)	Stanfield
Mutch	Stewart (Yorkton)
Nixon	Stick
Nowlan	Stuart (Charlotte)
Pearkes	Tremblay
Pinard	Tustin
Poulin	Ward
Pouliot	Warren
Prudham	Weaver
Quelch	Weir
Ratelle	Welbourn
Richard (Gloucester)	White (Hastings-Peterborough)
Riley	White (Middlesex East)
Rinfret	Whiteside
Robertson	Winkler
Robinson	Wood
Rooney	Wylie—172.
Ross (Hamilton East)	
Ross (Souris)	
Rousseau	

Mr. Speaker: I declare the amendment lost. Is the house ready for the question?

Mr. Herridge: I beg leave to move the adjournment of the debate.

Motion agreed to and debate adjourned.

Mr. Speaker: It being nine o'clock, the house will resume the business interrupted at six o'clock.

EMERGENCY POWERS ACT

PROVISIONS FOR ORDERS AND REGULATIONS DEEMED ADVISABLE FOR NATIONAL DEFENCE AND SECURITY

The house resumed consideration of the motion of Mr. St. Laurent for the third reading of Bill No. 24, to confer certain emergency powers upon the governor in council.

Mr. Jean François Pouliot (Temiscouata): Mr. Speaker, I have a few words to say in answer to what has been said by the hon. member for Eglinton (Mr. Fleming). I listened to him very carefully and believe it or not, Mr. Speaker, I sincerely congratulate him upon his courageous speech. He represents, as he says, a large number of white-collar men. He has expressed himself forcibly in an effort to expose propaganda to which the members of parliament have been subjected, especially since the beginning of the session. In principle, I believe the same as he does about controls. I do not favour controls except in particular circumstances such as those which exist at this moment. In the first line of the bill we find the following:

Whereas an international emergency exists that threatens the security of Canada.

No one has denied the existence of such an emergency. There are high prices today. The purpose of this bill is not only to establish controls but to prepare this country for its defence. In that connection, and to answer the question put by the hon. gentleman, I believe that defence preparations in this country must start right now, so that we will not be caught by surprise if there is an enemy attack on Canada. It is for this reason that, although I am quite reluctant to do so, I will support the legislation which is now before the house.

I wonder what steps will be taken to improve the situation, and to establish a certain amount of control. What has happened in the United States can hardly be an inspiration for us. Government in this country is, I should say, better than it is across the boundary. It is easier to take control of a situation, even one which is as difficult as the one we now face. It is my sincere belief, sir, that we are facing an organized panic by reason of the well-known theory of Karl Marx concerning the struggle of the social classes. The propaganda must have been instigated by the same group of individuals who want to destroy the social standards of this country, and who take every means at their disposal to create disorder. This is one of the main principles of communism. Certainly, there are some people who do not realize the extent to which they are agents of disorder when they try to create agitation, especially in difficult circumstances.

I will not say that, for instance, food prices are not too high. It is evident that they are high. If one goes to the butcher or the grocer and sees the amount that is requested for food—well, he returns with an empty bag or buys a small quantity. It is well known. On the other hand, sir, how is it that not only every day but several times each day we have announcements in the newscast over the radio that the price of living is rising. Sometimes it has risen by a decimal, and sometimes by a point and a decimal. The figures may be accurate or otherwise. I cannot calculate the percentages in the cost of living index. I wonder how many people are employed in the dominion bureau of statistics to make that sort of propaganda throughout the country, and to give such a news item to the press agencies and to the radio networks of this country? If one says to a person, "How are you? You do not look very well", immediately the other fellow will feel badly. When we know that the price we have to pay for everything, for clothes and for food, is high,

what good is it to repeat that fact to the Canadian people three times a day? I will ask the government to take measures to fire all those fellows who make such calculations in the bureau of statistics. They are agents of Moscow, if not deliberately at least unwittingly. It is a part of a scheme to create trouble in the minds of the Canadian people when they have enough to worry about as it is.

Some hon. members may find it unbelievable, but it is my deep conviction that this is one instance of the propaganda that is being issued in this country to destroy the confidence of the Canadian people in our institutions. The conclusion at which they will necessarily arrive is that parliament is good for nothing, because the members who are there cannot fix up such an important matter as the cost of living.

Mr. Pearkes: Will the hon. member permit a question? Could not this department be screened?

Mr. Pouliot: I agree with the hon. member that parliament is supreme, but parliament sometimes takes a long time to act. This matter has been discussed for several days, and the bill has not yet passed. We do not know what time the Senate will take to examine each provision of the bill with a magnifying glass. The hon. gentleman knows it. If the government is to get prepared for any emergency, let us start at once. The united front shall not be the front of the trade union leaders; it shall be the united front of parliament. Now that the members who differ from the government have expressed their views clearly, they must agree that, in virtue of one of the fundamental democratic principles, we must have the rule of the majority; we must abide by that. No supporter of any member who is doctrinaire will blame him for not having been diligent enough to expound his views here in the House of Commons on this matter.

It is my great pleasure to tell my hon. friends of all parties and groups in the house that they have made objective speeches and that they have spoken as faithful and well-deserving members of parliament. I will not say anything else at the moment. We shall hear from the Prime Minister (Mr. St. Laurent) who is sponsoring this measure. After he has spoken, I am sure that we shall have in this house the unanimity that has been mentioned by the hon. member for Eglinton (Mr. Fleming) and that there will be no more opposition to this measure.

Mr. J. W. Noseworthy (York South): Mr. Speaker, I shall not hold up the bill long, nor do I propose to oppose it. As a matter of fact, I accept the Prime Minister's statement that the government has not now the necessary power to implement the controls which are necessary to meet the situation in which we find ourselves. We want parliament to grant that power to the government, and we want the government to use that power without delay in order to stop the rising cost of living. Whether the government chooses to use an over-all price freeze or, as the minister is reported to have said in a C.B.C. national broadcast, the government is considering a margin of profit control, or whatever other means the minister and his experts deem to be necessary to meet this emergency, we want those measures taken. Personally, I can see no great danger to our democratic institutions in the democratic procedure whereby parliament delegates power to the government and the government is responsible to parliament and to the country for its use of that power. The hon. member for Eglinton (Mr. Fleming) this afternoon seemed to imply that that is socialism. I suggest to him that that is democracy at work in an emergency.

I do not like controls for their own sake, any more than does the hon. member for Eglinton; nor do I particularly like policemen. But I realize that without them my freedom would be jeopardized by someone who insists on doing as he pleases. There is a great deal of talk about personal freedom and about freedom of enterprise. I submit that intelligent freedom must recognize the right of the other fellow to some degree of freedom at least. Desirable as it may be, from the standpoint of those who make profits, to permit profits to rise, to permit certain combines to boost prices, to stockpile material and thereby create artificial scarcities, the ordinary people have a right to some protection by the government against those prices. I can see no danger to our democratic institutions in granting that power democratically, through parliament, to the government for its judicious exercise.

As to the hon. member for Eglinton—as a matter of fact, I doubt if I would have had anything to say at this time except for some of his remarks—I said in a previous debate on this subject that the hon. member for Eglinton succeeded in balancing himself fairly well on the price-control fence. After listening this evening to him as he related all of the things that he does not believe in, and hearing little of what he believes in, I think I can conclude that he has at least come off the fence with regard to price control. It must be most refreshing to the *Globe and Mail* to learn that there is at least one good Tory left

in Ottawa, one Tory who follows the old traditional Tory policy and is still optimistic enough to believe that he can vie with the Liberal party for the support of big business in this country. A few days ago he applied the term "omnipotent" to the Minister of Trade and Commerce (Mr. Howe) or suggested that he should be given omnipotent power.

Mr. Fleming: Oh, wait a minute. Far be it from me, Mr. Speaker, to make any such suggestion. I did not suggest that the Minister of Trade and Commerce should be made omnipotent. What I did say was that the effect of the bill was to make him omnipotent; that it would have been just as simple for the bill to have said that in brief terms and let it go at that. That is a great deal of difference from what my hon. friend is now saying.

Mr. Noseworthy: I accept the correction, Mr. Speaker. I understood the hon. member to say that the bill could be rewritten and that one clause in that bill should read: The minister shall be omnipotent.

Mr. Speaker: Order. I think the hon. member is referring to a debate of the present session on another subject. If so it is not in order for him to do so.

Mr. Noseworthy: As to the hon. member's speech this afternoon, I thought he gave a good deal of evidence of belief in his own omniscience. He states, for instance, that controls cannot now work; and the proof that they cannot work is the fact that the hon. member for Eglinton says so. He states that the people will not support controls; and the only authority we have for that statement is that the hon. member for Eglinton said so. There is considerable evidence that the people of Canada would support the government at this time in measures of control necessary to curb inflation. I have already pointed out, as has been pointed out by others in the house, that the trade unions of this country have indicated their readiness to go along with the government and to co-operate with the government in the application of such controls as are necessary.

It has already been pointed out that public opinion polls have indicated that a great majority of the people in Canada would support these necessary controls. I do not think the hon. member for Eglinton (Mr. Fleming) is giving the Canadian people credit for being very intelligent when he suggests that everybody would want controls on those things that did not affect them; the farmers and others would not want anything that they were producing or had for sale to be controlled. I think the Canadian people as a whole today see the seriousness of the situation and that they would readily support the government in the adoption of and in the application of necessary controls.

One of the arguments that the hon. member used was that prices are now too high; that they are at an all-time high, and it is too late to try to impose price controls. Well, if I recall correctly, the hon. member opposed price controls a year ago, when prices were not nearly as high as they are now, just as vigorously as he did this afternoon.

He admitted that price controls may be necessary in a period of total war. It is true we are not in the state of total war, but no one has criticized the government in this house more vigorously than the hon. member for Eglinton for not preparing for such an emergency. No one has indicated more vigorously that we may find ourselves in such a position without warning at almost any time. If such is a possibility, if it is true that we must prepare for such an emergency, and since no one disagrees with the statement that in such an event the government should have such powers, then I fail to see how we can logically oppose granting to the government at this time the powers that are necessary.

We must stop this merry-go-round sometime. Today's paper carried a report that two of the great labour leaders in this country, the heads of two of the greatest unions in this country, have already announced that their unions, representing hundreds of thousands of workers, will immediately ask for an increase in wages to offset the recent rise in prices. That just cannot go on indefinitely, and whatever steps are necessary should be taken by the government and without delay.

We have only to take up almost any paper today to find advertisers asking the public to buy now before prices go higher. The longer the government delays the worse the situation becomes. I suggest the government should be given that power; and furthermore, it should undertake to use that power by whatever measures are necessary.

There is just one further point to which I should like to call the minister's attention. In his broadcast reported in the Toronto *Globe and Mail* of this morning, he is quoted as saying:

> Canadians could best help the defence effort and overcome inflation by refusing to buy anything unless it was an absolute essential.

I presume there are still some people in Canada, possibly a great many, who can buy non-essentials, but certainly with food alone for a family of four costing now, according to the dominion bureau of statistics, $22 a week, the ordinary people of this country just cannot afford to buy any non-essentials. It takes

their pay envelopes to buy food, shelter, heat and clothing. We shall not be able to stop inflation by merely appealing to those who can buy non-essentials to stop buying them.

The people who want these controls applied are the great majority who today cannot buy anything but essentials, and they, from my point of view, will support a control policy at this time.

Mr. F. D. Shaw (Red Deer): Mr. Speaker, there are several things which I should like to say before we conclude our consideration of this matter. However, before proceeding to several of my observations I should like to suggest that I was rather intrigued by a certain statement made by the hon. member for Temiscouata (Mr. Pouliot). If I understood him correctly, he suggested that we should fire the officials of the bureau of statistics because of the information they have given to the public relative to the current cost of living. Obviously, we must take from that assertion that under a Liberal administration we have reached such a hopeless state of affairs that it is dangerous to give the people the truth.

Mr. Noseworthy: The iron curtain.

Mr. Shaw: I have great confidence in the officials of the bureau of statistics. I think the results of their studies are as accurate as they can be, considering the unavoidable difficulties which always confront a body of men when they undertake to reach decisions of a statistical character.

This afternoon I also listened with a great deal of interest to the hon. member for Eglinton. It is not my purpose to try to answer his argument. Surely there are members in the Conservative party who are better able to do that than I am, members of the Conservative party who supported price controls when the matter was before the house only very recently. It is about those price controls that I wish to make a few observations and also to refer to one or two statements made by the hon. member for Eglinton.

When this matter was before the house approximately a month ago, Mr. Speaker, my colleagues, the hon. member for Lethbridge (Mr. Blackmore), the hon. member for Peace River (Mr. Low) and the hon. member for Acadia (Mr. Quelch) made our position abundantly clear with respect to price controls. We have not wavered from that position at all. In fact, sir, developments during the past month have convinced us that there exists a greater urgency today than existed a month ago for the government to take practical and realistic action toward meeting this problem of the cost of living, which certainly has become an extremely acute problem as far as tens of thousands of our Canadian people are concerned.

This afternoon the hon. member for Eglinton (Mr. Fleming) seemed to build the greater part of his argument around what he defined as a belief of his, namely a belief in free enterprise. I do not like the expression "free enterprise". I believe firmly in private enterprise under a set of conditions which will guarantee the survival of private enterprise. If one takes the word "free" as associated with enterprise, and uses it in a literal sense, then probably I could agree with all that was said by the hon. member for Eglinton. However, I cannot accept that word as part of my definition of a desirable type of enterprise.

The hon. member warned against tampering with the laws of nature. I think he used the expression "the laws of economy"; but those words in that form do not mean too much to me. However, I may not have heard him correctly.

Mr. Fleming: I used both expressions.

Mr. Shaw: The hon. member says he used both expressions. In my humble judgment, as a consequence of government policy we have departed so far from the laws of nature, as applied to Canada's economy—the laws of economy, whatever that might mean; and I am trying to give the definition which I believe the hon. member for Eglinton gave—that, as a result, today we are living under a set of conditions which are completely abnormal.

The present dangerous inflationary condition in my opinion results from two things. The first of these is what I would describe as certain rather stupid government policies pursued not only recently but at least for the last decade. Then, secondly, we all realize that this abnormal condition today has been aggravated by the necessity for the preparation of adequate defences to meet whatever dangers there may be in the near future.

This afternoon the hon. member for Eglinton capped his argument—at least, I assume that is what he thought he did—by referring to a statement made by a former minister of finance, Mr. Ilsley, at about the time of the conclusion of hostilities at the end of world war II. I would have been much happier if the hon. member had not made reference to Mr. Ilsley. He stated that the former minister had asserted that price controls would not and could not work in peacetime. But, as was pointed out in the house not so long ago by the hon. member for Acadia (Mr.

Quelch), when in 1940 we made the suggestion that, owing to the rapidly climbing cost of living we should give consideration to some program of price controls, and rationing where necessary, it was the same Mr. Ilsley who said that it could not be done without a tremendous amount of bureaucratic control, and spying in every grocery store. However, it was only a short time after that that he was trying to convince the house, in effect, that he had been wholly and completely wrong, and that he could do it without any great amount of bureaucratic control and without putting a representative of the gestapo in every grocery store.

When price controls were debated in the house about a month ago the cost of living figure stood at 172.5. We pointed out, as did a great many other members in the house—possibly I should not say "a great many", but certainly a limited number—that today we have in Canada a body of about 238,000 old age pensioners who are finding it extremely difficult, if not in many cases virtually impossible to survive—and I use the word advisedly. Certainly many of them are obliged to get along without many of the things one would consider essential, such as certain necessary medical, dental, optical and other services. Of course in two or three provinces they would not have that problem, because in the three western provinces those services are provided.

Those people however are in a desperate position today. When I entered the House of Commons eleven years ago I believe they were receiving $20 a month as a basic pension. Today it is $40, if they are securing the maximum. That $40 today is of less value to them in meeting the cost of living than was the $20 they were receiving eleven years ago.

We have also that great body of workers who have not enjoyed increases in their incomes even remotely commensurate with the increase in the cost of living.

I shall mention another group—and I wish the Minister of National Defence (Mr. Claxton) were here, because I would say for his benefit that the wives and families of many servicemen today, those serving in the special force in Korea, are in many cases faced with serious difficulties in meeting the cost of living, plus those unavoidable hospital or doctor bills with which they are faced. Within the last few days I have received a number of communications relating to this matter.

Then of course we have the pensioners from the first and second world wars, and also a great many other people. We have tried to point out that this cannot fail to result in lower morale. We fear too that it is endangering the health of thousands of our people and we are most fearful that it could endanger our defence effort. We have pointed out several things which we think have contributed toward the present high cost of living. This talk about possible controls—controls if necessary, as it were, but not necessarily controls—is having a most damning effect. I have before me a file containing nineteen letters which were sent to a certain merchant within the past month by the suppliers of goods sold over his store counter. In all nineteen of these letters the suppliers have advised of immediate or pending increases in the prices of commodities they are supplying, such increases ranging up to as much as 25 per cent.

I am not going to refer to them in detail, but certainly the commodities listed are those which children must have every day. This talk about controls if necessary, but not necessarily controls, has caused many to hike their prices, in many cases I would say without justification, and in some cases with justification. But none of it justifies the circumstances which are leading them to have to do these things.

During the past month the wholesale prices for selected industrial and farm products have risen rapidly. Even at the time we were talking about this 172.5 cost of living index we had a positive guarantee, borne out by facts which could be observed by anyone, that there was bound to be a hike in the cost of living. I am going to venture the guess that if nothing more has been done before the end of this present year we are going to see a further minimum hike of anywhere from 15 to 20 points. I think I am extremely conservative when I say that, and I use the word conservative in its non-political sense.

Here is something else. Anyone who follows the financial publications knows that in many cases those engaged in business—I am not saying all cases—have raised prices because of what they called uncontrollable factors, but right now they are declaring higher profits than they ever secured before. It is hard for me and for a lot of people to understand, much less appreciate, that sort of thing.

Mr. Fulton: The government does.

Mr. Howe: I do not even think that the government appreciates it.

Mr. Fulton: They allow it to go on.

Mr. Shaw: Sometimes I am rather dubious about what is governing their thinking, even though I have been here for quite a long time. What can we expect to happen? Should

we continue to pursue the same policies, which are made up substantially of hope. What are we to assume may transpire? Is production of civilian goods going to shoot up suddenly and catch up with demand for some unexplainable reason? I think under existing circumstances one would have to be optimistic almost to the point of being foolish to think that that sort of thing could occur, especially with $5 billion expenditures for defence alone staring us in the face.

The Minister of Trade and Commerce (Mr. Howe) has told us and he has told the country that industry is operating at practically full capacity. He has told the house and the country that there are limiting factors in our export trade, such as supplies. He has told us and the country definitely that the full impact of the defence program has not yet been felt by the country. He has said that that defence program will definitely disturb our way of living. Does he mean a greater and greater and greater increase in the cost of living? If he does not mean that I should like to know what he does mean. He has said also, and we all know it, that there will be shortages.

All of that provides, with certain other things, the factors which have led to an increase in the cost of living of 2.7 points since the report of a month ago. When the housewife today goes to buy the commodities which are essential to the welfare of her family she finds that her dollar is worth approximately one-half of what it was worth ten years ago. If she goes to purchase certain things she will find that it is worth even less than that. In other words, to secure the same volume of commodities which she secured in 1939 she must have practically two dollars.

Let me tell you that there are plenty of Mrs. Browns and Mrs. Smiths, yes, and of Mrs. Shaws, who have not two dollars for every one dollar they had in 1939. What is the result? They buy possibly one-half the volume of commodities which they bought in 1939. Thus Mary and Johnny must get along with considerably less than they had in 1939 when the standard of living even then was not cracked up by welfare officers and others as being too high or even high enough in the light of the great productive capacity of this country.

If Mrs. Brown goes to the store today to buy certain groceries which I have noted here and if in buying them she thinks back just four years she will find that beef has gone up about 141 per cent. She will find that veal has gone up about 111 per cent—I think actually the figures are higher because these are statistics of about a month ago—she will find coffee has gone up about 127 per cent; flour by about 78 per cent; milk by about 79 per cent; eggs by about 54 per cent; butter by 39 per cent and I notice another five cent hike today; sugar 45 per cent and bread, 67 per cent.

What we as members of parliament should do from the day we get home at Easter to the day we leave is to say to our wives, "You will not have to do any shopping while I am here, I will do it myself." I think many of us would come back wiser but possibly sadder men than we are right now. I think it would be an enlightening experience.

We have said, and I am going to repeat it, that we are convinced that government policy has proved its inability to meet and deal effectively with this problem of the cost of living. There has not been any evidence of it when you examine that cost of living index. While we do not like regimentation or the government meddling in the private affairs of our people any more than necessary, we believe that where the government has contributed so substantially toward the set of conditions which make action essential, if we are going to protect the welfare and health of our people, there will have to be some meddling by government temporarily.

We think there must be over-all price and wage control. We think that once the government has done that, even in spite of the hon. member for Eglinton (Mr. Fleming), we will have gone a step toward solving the problem. I think there will have to be a quick freeze. I did not like the way the hon. member kept bringing out the word "freeze" all during his speech today. I am not going to suggest anything, but I think perhaps he was carried away by his own personal enthusiasm for what he was saying and did not know that he was using the word so often.

While some of us are advocating a quick freeze we realize that adjustments will have to be made immediately if fairness is to be the determining factor. We believe that after prices have been frozen there must be immediate adjustments to provide a fair profit. As stated by the hon. member for Acadia, we think that wages must go hand in hand with this. They have got to be frozen and then immediately adjusted to allow a fair return for the work done. Then we say that hand in hand with that we must establish our farm prices on a basis of parity. We consider it absolutely necessary that they be adjusted in the light of the new adjusted price level to be established. We think that every effort should be made by the government, and private business should be encouraged, to step up production in Canada. We believe that you are going to have to adopt consumer subsidies to meet the problem that

many persons in the extremely low income brackets are faced with today. We would even go so far as to say that in order to make that complete it would undoubtedly be necessary to ration certain commodities.

I know someone is going to say that is very strange for one who says he believes in freedom but, Mr. Speaker, if I were caught in a bear trap, before freezing to death I believe I would actually chew my own feet off. I think that much of my freedom, and I am afraid if this situation is allowed to go on without certain temporary drastic action such as I have suggested the net result can easily be the loss of our freedom.

In conclusion may I say that my reading has indicated to me that during world war I there was a Liberal government in Great Britain, and the prime minister and government of that day used to answer just about every question they were asked this way: Wait and see. I believe they even called the prime minister "wait-and-see Asquith", did they not? I wonder if what is happening in this country today is not a fair parallel of what existed over there.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, there is not very much that I want to say at this point. I am not rising to participate in the controversy between the hon. member for Eglinton (Mr. Fleming) and the hon. member for York South (Mr. Noseworthy). I think they are quite capable of handling that themselves, but there is one point that I think I should correct. The leader of the opposition (Mr. Drew) seems to have got the impression from a speech I made a week ago that I had indicated that the government was unlikely to introduce any controls unless we got into something approaching an all-out war. I am sorry if anyone who heard that speech or saw a copy of it got that impression from it. I endeavoured to point out that there were many features in the present situation which resembled that of ten years ago, but there were also substantial differences. I did of course say that ten years ago we were in an all-out war and that we are not in an all-out war at the present time.

Anyone who did not go beyond that might have gathered that in speaking about inflation, and the measures that would be appropriate to combat inflation, I had referred to an all-out war situation, but I was careful to point out—and I am sorry to have to refer to the language I used at that time—that I was not therein making an argument for or against controls. I pointed out that in 1941 the pressures had developed to a greater degree in Canada than they had in the United States at that time because we had already been at war for two years and the United States was not then at war. I pointed out that at the present time the pressures on prices and inflationary pressures generally seemed to have attained a greater degree in the United States than they had in Canada, and that it was practically impossible to prevent some inflation in Canada when there was inflation in the United States.

I boasted that the price controls we had introduced in 1941 had operated in a very satisfactory and successful way, and that for that reason it might appear to many that what had been successful then would be successful now. I also added that I was very sorry that I could not feel that was so because if we did feel that by the introduction of price controls we could cure this situation we would be very happy to adopt them. Then I put the question: "But is that so?" I then went on to discuss what seemed to me to be substantial differences between the situation of that period and the situation of this time. I did say that at this time we were trying to build up our strength as rapidly as possible to prevent the outbreak of a third world war, whilst in 1941 we were in the throes of an actual war, and were cutting out all but the bare essentials and devoting the whole of the rest of our energies to the winning of that war as quickly as possible.

I said that while building up the required strength to deter war we wanted to be able to maintain a fair standard of living, to maintain our standard of living at a reasonable level. I added that, in other words, we did not want to cut our civilian standard to bare essentials unless and until we have to, but I certainly did not intend to convey the idea that there was nothing to be done unless we were in something approaching all-out war.

I said that the government might of course hold down the prices of our imports because the commodities we import at this time are a much greater proportion of our consumer goods than those that were being imported in 1941. At that time we were importing only the things required for the prosecution of our war effort while at the present time we are importing larger quantities of civilian commodities, the prices of which depend upon the markets from whence they come. I said that we could keep the price of these imported commodities down by subsidies, but that we did not know to what extent the controls that were being attempted in the United States might be successful, and that if we entered upon a policy of that kind we did not know what the extent of the drain on our own treasury for subsidies might become.

I also pointed out that the prices of the consumer goods of the classes of our exports were very much dependent upon the prices that could be obtained in the markets to which they were exported, and that that had to be so because if we fixed ceilings that were below the prices that could be obtained in the markets to which our exports went all these commodities would go to those markets unless they were embargoed and we compelled the producers here to sell them to Canadian consumers at prices lower than those that could be obtained in the foreign markets. I said that if anything of that character were attempted there would have to be equalization pools established to give a substantially similar return to all producers of the total quantity.

I also said that it was true that we had kept prices below the United States price level between 1941 and 1946 but that our price ceilings did not prevent a considerable measure of wartime inflation. What they did was to alleviate and postpone the effect of that wartime inflation, but once the war was over we found it was not practicable to have a price structure seriously out of line with the price structure in the United States, and we had to allow our prices to catch up. I added that I thought it had been a wise policy to postpone the effects of inflation until the war was over and until we could devote our energies to the production of greater quantities of commodities for civilian purposes; that would help to meet this problem of inflation. I stated that it was wise to remember that our price ceilings had not prevented inflation, and I ventured to make the bald statement that price control by itself cannot prevent inflation. What it can do is to change the direction and retard some of the effects of inflation. Then I said that, of course, is not an argument either for or against price control.

I went on to say that we must try to keep as low as possible the amount of commodities taken off for our defence purposes, and to see to it that the remainder left for civilian consumption was distributed as fairly as possible, and that price controls might help to do that, but that we would be deceiving ourselves if we thought price controls gave us the whole answer. Then I added that another serious problem in connection with price controls was the matter of enforcement. During the war there was this patriotic urge that made us accept the restrictions or inconveniences to which we were being subjected without too much murmuring, because we all realized that they were quite inconsequential when compared with what our brothers, our sons and daughters in the armed forces overseas were doing for the country. This created a situation in which most of us here felt that the price control and rationing system was operating in a manner that was fair to everybody, and that was necessary for our own salvation. It would be difficult to obtain that kind of public support for price controls at the present juncture, and no one in this country would want the kind of controls that can only be enforced in a police state.

Then I went on to say that all this does not mean that some controls are not being considered. We have some already, and parliament is at the present time dealing with a bill to give the government power to impose wider controls. We will not hesitate to impose any controls we believe will really work to protect our people generally against the injustice of rising prices. But we are not going to recommend controls unless and until we can honestly tell the public we believe they will work. We are not going to do any shadow-boxing merely because it might get us some immediate applause. At the present time, we do not feel that the conditions are such that an over-all system of price control would be really effective. We wish it were otherwise, and it may become otherwise; and as I said earlier we are keeping our minds free and ready to adapt our policies to any new and changing conditions.

We are asked to declare at this time what the government's intentions are. The government is in the position where, if it declares its intentions, they must not be intentions merely designed to serve for the production of paving blocks for the nether regions. They have to be the kind of intentions we believe we can carry out and implement. Some hon. members seem to believe that price controls at this time would cure the situation. I do not think they would. I do not think it would be healthy for a democratic government to give the impression that it was going to put into effect a series of restrictions on the freedom of the citizens, unless it also coupled that with the assertion it believed it was something that was going to work and which would, in the end, prove to be beneficial to the welfare of the community.

Some reference was made to questions that were put to my colleague the Minister of Trade and Commerce (Mr. Howe) by gentlemen of the press last night. Some questions concerned whether we were considering a mark-up or profit control. We are having all those matters examined, and we are endeavouring to find what we can do that will prove to be effective. There are a great many who believe that it can be done at once by price

control, but not everyone believes that. When I returned from Quebec, where I had the privilege of spending the week end, I found a letter from the Canadian Association of Consumers, signed by the president, Mrs. Dorothy L. Walton. There was a note on it saying she had sent copies to the leader of the opposition, the leader of the C.C.F. party and the leader of the Social Credit party. The letter contains this statement:

> The C.A.C. feels that the establishment of over-all price ceilings is not a safe answer to the price problem at the moment. It considers, moreover, any kind of control that might be set up for prices must include controls on the ingredients that go into prices, and that wages and salaries form an important part of such ingredients.

I do not know Mrs. Walton. I inquired, and I was told that this was a large representative association of Canadian housewives who have been considering this problem, and that is their conclusion. The situation the government faces is that some inflation has been inevitable. Hon. members say that we did not, through the Bank of Canada, put restrictions upon the extension of credit as quickly as we should have. There may be something in that reproach, but at the present time those restrictions have been applied. The governor and administrators of the Bank of Canada are, I feel from my contacts with them, as concerned over the validity of Canadian currency as any of us. They have been watching the situation carefully, and we have not just been waiting to see, but we have been listening to their advice and endeavouring to adopt measures which we thought would be proper to recommend to the Canadian public as things which we believe, in spite of the inconvenience they might cause certain members of the public, to be for the general welfare of the whole people.

I must confess that there is some small measure of truth in the assertion that there are members on this side of the house who have been urging that price controls be resorted to at once. One of them said to me, "Well, even if we are not confident they will work, why don't we just try them to let the people see they do not work? After all, you never know what will work until you try it". That reminded me of a little jingle I heard a long time ago which runs like this:

> I wonder, quoth the maiden with a sigh:
> Could I look in my ear with my eye?
> I am sure I could do it
> If I put my mind to it;
> You never know what you can do till you try.

I was not convinced that we had to go quite that far, and try things that appear obviously to us to be like attempting to look into one's ear with one's eye. But that does not mean, and I would not want anyone to take it, that I am indicating that the government is unlikely to impose controls unless and until we are in something approaching all-out war. We will, just as quickly as we can find reasonable grounds to believe in the efficiency of any or all controls, not hesitate to use the powers provided by this bill, if and when it receives the assent of the two houses of parliament and of the representative of His Majesty.

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

Some hon. Members: Agreed.

Mr. Drew: On division.

Motion agreed to on division and bill read the third time and passed.

DEFENCE PRODUCTION ACT

CREATION OF NEW DEPARTMENT—MOBILIZATION OF ECONOMIC AND INDUSTRIAL FACILITIES

The house resumed, from Monday, March 5, consideration in committee of Bill No. 77, respecting the department of defence production—Mr. St. Laurent—Mr. Beaudoin in the chair.

On section 27—*Appointment of controller.*

Mr. Fulton: Last night on this section we were discussing the question of whether or not a limitation could be placed on the extent of the powers exercisable by the controller over the whole of the business and whether it would be feasible to limit his right to control that portion of the business only which was necessarily concerned with the performance of the war contract.

Nothing that was said by the Minister of Trade and Commerce or by the Prime Minister indicated that there was any desire to appoint controllers to control the whole of the business where such a procedure would not be necessary and where only a part of the business was actually involved in the performance of the contract. It was therefore suggested that perhaps an amendment might be moved to incorporate into the section just such a limitation. Accordingly I have an amendment here, and the amendment would be in three parts. I wonder if I might ask the chairman a question at this point. What would have to be done, Mr. Chairman, would be to amend first subsection 1 of this section. Then there would be a consequential amendment to subsection 2; that is if the amendment were accepted. Then again, if that were accepted there would be a consequential amendment to subsection 3. Should I move the whole of the amendment at once or should I take it subsection by subsection?

The Deputy Chairman: I would submit to the hon. member that we should consider each subsection individually. He might move his amendment to the first subsection; and if it is defeated, he may not have to move any consequential amendments. We will therefore consider subsection 1 of section 27.

Mr. Fulton: Thank you, Mr. Chairman. I think I have already indicated sufficiently the purpose of this amendment, but I should just like to outline the general scheme so that hon. members may see what I have in mind. Then, as the chairman has suggested, I will move simply the amendment to subsection 1. That amendment would limit the appointment of a controller to that part of the business necessarily connected with or involved in the performance of the contract. To carry out that proposal, it would then be necessary to amend subsection 2, in order to provide that the controller's powers as an agent of the owner shall extend only to that part of the business which he was appointed to control and not to the rest; and that his appointment shall terminate when the contract has been complied with; and then it would be necessary further to provide that subsection 3 would be subject to the provisions of the earlier amendment. As the first stage in that process, I would move, seconded by the hon. member for Greenwood:

That subsection (1) of section 27 of Bill 77 be amended by deleting the words "the whole or any part of the business of that person" at lines 36 and 37 and substituting therefor the words "such part only of the business of that person as is necessarily connected with or involved in the performance of such contract or compliance with such direction or regulation."

Mr. Howe: I am sorry that that amendment is not acceptable to the government. In the first place, how in the world could you define what part of the business is involved? There is no chalk line drawn around a particular operation. The reason that a controller is put in charge—and it is the only reason—is that the management of the plant is inefficient. If the management were proper, there would be no need for a controller. I remember the appointment of some twenty or twenty-five controllers during the course of the last war, but I cannot remember an occasion on which a controller was put in to control only part of a plant. The controller is put in to control the management of the plant so that it can carry out its obligations. The difficulty may be that the plant is in bankruptcy through inefficient management or the situation may be that the plant is keeping false accounts. But in any case I do not see how you could apply the duties of a controller to part of the plant and not to all of the plant. The thing would be a farce. We would spend endless time trying to get a decision as to what part of the operation was involved, when the whole operation was undoubtedly involved. Of course if you had a plant in one city and a plant in another city, you could then put a manager into the plant which was working on the contract, straighten out the management of that particular plant, and allow the other plant in which you were not interested to do what it liked. That can be done. But that is an exceptional case. Usually the plant is an integrated plant and the management applies to all the operations.

Mr. Fulton: I appreciate the point of what the minister has said; but by using the word "plant" and overlooking the fact that the wording of the section and the wording of the amendment is "business", I think he has missed the point I was trying to get at. I agree that if there was one plant engaged in a defence contract, then it would probably be impossible to segregate the operations. In that case it would be easy to say, and the decision would be upheld, that the whole of the plant was necessarily involved in the performance of the contract. But here we have used the word "business". I am sure there must be many cases in which concerns operate plants in separate cities or where one side of their business perhaps is engaged in a manufacturing process and the other side is engaged in a distributing process but it is the same business and may be the same company operating both processes. What this amendment is designed to ensure is that the powers to appoint a controller would be limited only to the side of the business which is engaged in the manufacturing under the defence contract, and that if the distributing process was not necessarily involved in the performance of that contract or compliance with the direction, then there would be no power to extend the authority of the controller over that distributing process. That is all that is involved, and that is why the word used is "business" rather than "plant". That being what is in mind, could the minister say that there is some room for an amendment along these lines?

Mr. Howe: No, I am sorry that I cannot say it. A business must have a head, and the trouble would be with the head of the business. If the head of the business were sound he would straighten out the operation in which we were interested. That would be inevitable. If the head of the business is unsound there is no way that the government can straighten out the situation except to replace the head of the business with a controller and see that it is straightened out.

I remember one bad case where there were several plants involved. The trouble was

at the top. We put a controller in charge of the business for nearly a year and got the accounts untangled and recovered close to a million dollars, straightened out the contract, got it completed and left the thing in a satisfactory condition. But if we had been tied down to an amendment that said we could only go into a part of the plant that was carrying out the defence contract that operation would not have been possible.

In every case, the reason for putting in the controller is that it means that the head of the business is not doing the job.

Amendment negatived.

Subsection 1 of section 27 agreed to.

On subsection 2 of section 27—*Controller agent of the owner.*

Mr. Fulton: Here, Mr. Chairman, although I realize that the amendment to subclause 1 has been defeated, I still think there is room to make the same point, and I would therefore move, seconded by the hon. member for Vancouver-Quadra:

That subsection (2) of section 27 of Bill 77 be amended by adding thereto the following words:

"Provided however that the acts and powers of the controller shall extend only to those things which are necessary for the due completion of the contract or compliance with the direction or regulation and his appointment and powers hereunder shall be deemed to terminate when the contract has been performed or the direction or regulation has been complied with."

Mr. Howe: Mr. Chairman, the same objection applies here. It is quite unworkable. I do not wish to object to amendments that improve the bill, but this is an amendment which would nullify the usefulness of controllers. I assure hon. members that when the chips are down controllers are very necessary. If I had time I could give chapter and verse about twenty or twenty-five controllerships in the last war, and what they accomplished. If I did that my hon. friend would not try to tie the position of a controller up in such a way that the controllership could not operate effectively. Therefore I must object to the amendment.

Mr. Green: May I point out to the minister that this amendment provides power to the controller to complete his work. There is no interference in the completion of his work. But then it goes on to say that once that work has been completed his powers are over. Surely there could be no objection to that. If I may read it to the minister—

Mr. Howe: There is no object to it, and there is no purpose in it. Why would we keep a controller in a plant or put him in a plant if we did not need him there?

Mr. Green: If that is so, then certainly the minister should not object to this amendment.

Mr. Howe: I do object to it.

Mr. Green: All the amendment provides for is that when the government contract has been fulfilled the controller must step out. What earthly reason has the government got to keep any controller in there after the government's contract has been fulfilled? And that of course is all that this amendment provides.

The subsection which is under consideration gives the controller very wide powers. It says:

Where a controller has been appointed to carry on a business or a part thereof, he shall be deemed to be the agent of the owner thereof for the purpose of carrying on the business or that part thereof, except that the owner shall not have any right to control the business or that part thereof and the controller may, subject to any instructions of the minister, do all such things as he thinks fit for the purpose of carrying on the business or that part thereof.

That gives the controller tremendously wide powers. The amendment reads:

Provided however that the acts and powers of the controller shall extend only to those things which are necessary for the due completion of the contract or compliance with the direction or regulation . . .

That part of the amendment surely is not objectionable. It gives the controller the power to do whatever is necessary to complete his job.

Mr. Howe: Let me ask my hon. friend a question. Who decides what is necessary?

Mr. Knowles: The lawyers.

Mr. Howe: Yes.

Mr. Green: That is true of any type of legislation. That is no argument at all.

Mr. Howe: Instead of straightening out the contract we spend a few months deciding how much he is entitled to control under that amendment.

Mr. Drew: That is not what it means at all.

Mr. Green: The amendment goes on:

. . . and his appointment and powers hereunder shall be deemed to terminate when the contract has been performed or the direction or regulation has been complied with.

There surely can be no objection to that, because once the government contract has been finished then the government should have no further interest; and if the owner of the business cannot run it as well as the controller can run it, that is up to the owner. Surely it is not up to the government to continue in the plant once the government contract has been fulfilled. I urge upon the minister to give further consideration to that amendment, because surely there is nothing unfair sought by it. It does not restrict the controller unduly, and yet it gives the owner whose business can be taken over some rights.

Mr. Howe: Question.

The Deputy Chairman: Shall the amendment carry?

Mr. Fulton: If the acts of the controller are as uniformly benevolent as the minister has said on a couple of occasions this afternoon that they are, then so long as his acts are directed towards compliance with the war contract there should not surely be much tendency to question his acts. Where his acts are directed toward something that is outside the war contract there would be the right to question whether he was exceeding his powers and staying in control and doing certain acts in the name of the owner after the contract had been complied with. That is what it is intended to effect. I would make this observation. If the minister feels the wording is too wide in its present form but that the object is or might be acceptable, then I at any rate am not bound by those words if some other words would be more acceptable to him.

Mr. Howe: I am sorry. Everything that is being suggested tends to make the act unworkable. I want a workable act. I know something about these things, and perhaps I have the advantage over those who are proposing amendments to the bill because I have been up to my elbows in controllerships. I know the dangers; I know the liabilities of the government for the acts of the controller while he is in office. I want to make sure that effective controllerships can be maintained, and if it is necessary to argue what he is entitled to do under this legislation then the effectiveness of the controllership is greatly limited. Therefore I must oppose the amendment.

The Deputy Chairman: Shall the amendment carry?

Mr. Drew: Mr. Chairman—

Mr. Howe: Now we get it!

Mr. Drew: The comment made by the minister is indicative of the extent of any real desire he is showing to accept suggestions in regard to amendments during this debate. Anything that has interfered with the course of this debate has been due to the fact that he will not listen to anything, unless it happens to meet with his approval.

The proposal put forward is simple and understandable. It says simply, in effect, that when the purpose for which the controller has been appointed is complied with, the controller shall cease to be in control.

Mr. Howe: It says much more than that, sir.

[Mr. Green.]

Mr. Drew: Well, anyone is in a position to read exactly what the words are, and the effect of the words in the amendment is precisely what I have said. The minister makes the suggestion that there is great difficulty in determining when that point arises. I would point out that if there is that much difficulty in one set of human brains in making a decision of that kind, then it is utterly impossible for any other set of human brains to make the tremendously important decisions included in this bill, with its wide open powers.

After all, this measure is placing in the hands of the minister, and those who are associated with him, immensely wide powers. As has been stated here, there is not only a tendency to grant powers under proper restraint and proper definition, but there is also the desire on the part of members in the committee that some things will be done which should have been done long ago.

But a minister of the government, which is trying to emphasize that we should be retaining as much of the semblance of peace as is possible, is going farther than this government or any other government ever went during a time of war, and is asking that there be no limit placed upon the time during which these controllers may be appointed. It involves discretion on the part of the minister and his associates; and the very discretion which they exercise can be exercised equally well in determining when the necessity for the continuance of a controller comes to an end.

Mr. Howe: My hon. friend has dealt with only part of the amendment. The part to which I object states:

> Provided however that the acts and powers of the controller shall extend only to those things which are necessary for the due completion of the contract or compliance with the direction or regulation;

That is the point that would be argued for months. Remember, no one is enthralled with the idea of having a controller in his plant. While that argument is going on the usefulness of the controller and the ability of the controller to protect the government would probably be nullified, and there would be no purpose in putting in a controller when the argument was finished.

Mr. Fulton: I do not agree with the minister's statement. However, he has said that he has had great experience in this matter and, on the principle that half a loaf is better than no bread, would he be willing to delete the first part of the amendment, so that it would read:

> Provided however that, on due completion, his appointment shall be deemed to terminate.

I must say that I have not a copy of my amendment. One has now been handed to me, and I find that the suggestion I make now would have the amendment read:

Provided however that the appointment and powers of the controller hereunder shall be deemed to terminate when the contract has been performed or the direction or regulation has been complied with.

Mr. Howe: How would the amendment work where a contractor refused to accept a contract?

Mr. Fulton: You would direct that he shall accept it; then if you think he is likely to fail, or if he does fail, you place in a controller. The amendment uses the words, "shall be deemed to terminate when the contract has been performed or the direction or regulation has been complied with." That is why I put "direction or regulation" in there.

Mr. Howe: I would like to oblige my hon. friend; he is acting reasonably. If I did not believe that this would nullify at least in part the real freedom under the contract to do what is required, I would be inclined to accept the hon. member's last suggestion. However, my advisers believe, as I do, that it would not be safe to do so, and still have an effective section.

Amendment negatived on division.

Subsection 2 of section 27 agreed to.

Subsection 3 of section 27 agreed to.

Section 27 agreed to on division.

On section 28—*Relief from other obligations.*

Mr. Drew: This is the section which gives power to the minister to direct that a person shall not be bound by any obligation, restriction or limitation imposed on that person by or under any statute, order, rule, regulation, bylaw, or contract with respect to such matters as may be specified in the order affecting the entry into or the performance of a defence contract by that person, or the carrying out of an order made by the minister under this act.

I would point out that this is a power in the hands of the minister, not even in the hands of the government by order in council, to negative the effect of any dominion statute, of any provincial statute, of any municipal bylaw and of any regulation or direction passed under those statutes or bylaws. Certainly before the committee should consider any such sweeping powers as that there should be a very clear and understandable explanation as to why such powers should be sought at all.

Mr. Howe: The first part of the section is to allow the government, in carrying out a war contract, to set aside zoning regulations and matters of that sort. Sometimes it is necessary to do that. The second part is to establish *force majeure* if the government insists that civilian business be displaced by war business. This was taken from the Department of Munitions and Supply Act at the time of the last war. I think there is nothing serious about this section.

Mr. Drew: That is certainly not a very detailed explanation as to why sweeping powers that have the effect of completely setting aside the effect of any statute or municipal bylaw should be passed by the House of Commons. This is, in effect, placing in the hands of the minister, or someone he may designate, under section 5 of the bill, power to say that no matter what the contract says and no matter what law there is, if one of these defence contracts is involved it may be set aside.

We have been told on different occasions that so far as possible we should retain the atmosphere of peace. The whole drafting of this act is carrying forward the same atmosphere in which it was necessary to do many things under pressure and at a time of great emergency during the last war. Certainly in times like these some of the ordinary rights of the citizens of this country should be preserved when no one of us can tell how long decisions of this kind may be effective. If we find it necessary to adopt measures like these today, it may well be that it may be necessary to continue them in operation for many years to come, beyond the period of the measure, which is now set at five years.

I do submit we should have a much better explanation of why these powers are necessary, because it would be very easy to frame an appropriate section which would make it clear that in order to carry out any defence contract, appropriate application could be made, and that there should be a certain protection of an individual or a company retained during this period, when we wish to retain as much as possible of the general relationship and general atmosphere of normal business activity.

Mr. Howe: This is an act that places the production of defence contracts above all other interests. If it is not going to do that then probably this first paragraph is not justified. I do not think that anyone will question that the second paragraph is not an essential paragraph. As I say, it places defence production over all other matters in time of emergency. My hon. friend said that it might go on for years but I point out that the same clause was cancelled only a year ago as being unnecessary. We had it for the

last war and we cancelled it when the reconstruction period was over. We are now asking to re-establish it. I believe it is a necessary law; I believe it is a desirable law if it is the intention to place defence production over civilian matters. I see no reason for changing the clause.

Mr. Fulton: I can see the necessity for powers provided by section 28(1) in time of emergency or in time of actual war when the minister has to get supplies quickly. But as was said earlier this evening, and I do not agree altogether that it is true, many of these things are much more acceptable in time of an actual shooting war because of the patriotic fervour that is engendered in the people. I do not think that Canadians are patriotic only in time of war. I think they are equally patriotic in a time such as this when it is necessary to place ourselves in a position to restrain aggression.

I suggest to the minister that for the time being I believe he could carry out the project he has in mind under section 28(1) by negotiation as well as by order. I admit that it would take a little longer but I should like to hear the minister's opinion on this. Until we are actually engaged in a shooting war I think an appeal could be made to the patriotism and good sense of contractors who could supply the materials the minister desired to purchase. Such a man could be appealed to to let that material go for defence purposes. Even with the slight delay that would be involved I believe that that would meet the purposes the minister has in mind.

Let us assume that a contractor has a contract to build a highway bridge in one of the provinces and the minister suddenly finds that he needs steel with which to build motor vehicles. Could he not say to the contractor, "I want to divert your supplies of steel to the motor car company". I believe that contractor and the provincial government would agree that under the circumstances the steel should go to the motor car company and they would get along with a wooden bridge in the meantime.

I suggest that these results could be accomplished by negotiation rather than the issuance of an order. I ask the minister whether it could not be provided that that subsection be brought into effect by proclamation to be issued in the emergency of a shooting war or some other greatly accelerated emergency. In the meantime we should try to get along and accomplish these things by negotiation rather than the setting aside of provincial statutes or contracts.

Mr. Howe: I said last night that as far as the production of munitions goes we are in a war at the present time. We have a schedule to get this country armed and to assist our allies to arm just as rapidly as possible. The fact that there is no shooting does not change the position in any way as far as the production of munitions goes. If I did not think that this subsection 1 was necessary, I would not have proposed it.

I would have no objection to changing the words "the minister may" to read, "the governor in council may." That would provide a pretty good safeguard because the minister would have to go to the full government in order to have the section made operative. Would that meet the situation?

Mr. Fulton: Yes.

Mr. Howe: I will move that.

Mr. Macdonnell (Greenwood): Could the minister give us an illustration where it was found necessary during the last war to override statutes under the provisions of the munitions and supply act?

Mr. Howe: I can remember cases but not definitely enough to give chapter and verse. If it is made "governor in council" I think that would provide a sufficient safeguard. Governments do not like to interfere with other governments. I assure you that ministers do not, and governments even less. I would move:

That section 28, subsection 1, be amended by deleting the word "minister" in line one and substituting therefor the words "governor in council."

Amendment agreed to.

Mr. Knowles: May I ask whether at any time relief from income tax legislation was given under section 15 of the Department of Munitions and Supply Act?

Mr. Howe: No.

Mr. Knowles: Everybody is smiling, but the section seems to be worded in such a way that an order could be passed to provide that a person working on a defence contract could be relieved from the provisions of that statute. It seems to me that that kind of relief could be afforded, but I hope that is not so. I should like to know if there was any such case during the time the munitions and supply act was in effect.

Mr. Howe: There was no such case. It is a pretty fair rule of this government that no minister moves to upset the regulations of another minister of the same government by force.

Mr. Knowles: This refers to the possibility of relieving persons from the provisions of any statute and it raises the question as to what statutes are in mind. There are many federal statutes which come under the supervision of the other ministers.

Mr. Howe: This refers chiefly to zoning and building bylaws.

Mr. Knowles: The reference is mainly to provincial and municipal statutes or orders?

Mr. Howe: Yes.

Section as amended agreed to.

On section 29—*Inquiry and appointment of investigator.*

Mr. Fulton: I should like to say a word or two with respect to some of the statements made by the minister at a press conference which was recorded yesterday and broadcast last night. I am not going to go back to a general discussion of the bill, but the two subjects on which I want to make broad inquiry are related particularly to section 29. According to a press report of the minister's statement which appeared in the Montreal *Gazette* of this morning the minister said that the government could not create a system of price control without first suspending the Combines Investigation Act.

Mr. Howe: That is a press report of what I said. It has nothing to do with this act in any way. I said there were certain cases where it would be desirable to get relief from the threat of prosecution under the Combines Investigation Act, that is, where a group of producers was called together for the purpose of holding down prices. The group would not come together under the direction of a controller for such purpose unless they were relieved from that threat. It is illegal, as you know, for members of an industry to combine to set fixed prices. Whether they are low prices or high prices does not matter. There is nothing in this act that deals with that situation. That would be dealt with through the Department of Justice.

Mr. Fulton: What I was wondering was whether the minister pretty well has the power under this act to set prices. I would imagine he would do so by suggestion first and compulsion later. I wondered whether he had in his own mind any doubts with respect to the Combines Investigation Act as to telling a number of industries that they would produce a certain commodity at a set price, the same price as each other industry. I mean he thereby eliminates competition, and he also has power here to send in an investigator, which seems to me to be closely related to the same matter, and to determine costs of production, whether fair books are being kept, and so on. It seemed to me that his statement that it would be difficult to administer a control system as long as the Combines Investigation Act was in effect would have some bearing on this section because of the power to set prices at which articles would be produced.

Mr. Howe: I was being asked questions by six or seven reporters. I have no clear idea of exactly what I said, and I do not remember the exact question I answered. I have not seen the Canadian Press report and I did not hear the broadcast. Therefore I am in a rather difficult position but I will be glad to make a statement with reference to the subject matter we are discussing which will set out my position, and I am in agreement on it with the Minister of Justice.

Mr. Knowles: You had better get a record of it and take it home.

Mr. Howe: I think we can get it recorded here. The government has no thought of suspending the Combines Investigation Act in the sense of proposing a measure to declare that the act will not be operative during any specified period. I assure the house that no such thing was on my mind when I answered a question in the course of a press conference yesterday. I had in mind a situation where it might be necessary in the public interest, and by reason of the defence program, to invite a number of industries to take part in arrangements which would ordinarily make them suspect under the Combines Investigation Act, and where it would be necessary to give them some assurance, limited to the particular case, that their actions would not be so construed. If and when such a situation arises it should be defined and placed on record under the provisions of the Emergency Powers Act. Any industry before entering into such an arrangement will do well to see to it that its position has been so defined because otherwise it will be amenable to all the processes of the Combines Investigation Act.

I can give you a specific instance. Those in the oil industry are very particular not to have anything to do with each other. I think perhaps the lead in that regard is taken by Imperial because the Standard Oil Company have had experience with a similar act in the United States. They will not sit in meetings with other oil producers where prices are discussed. It is very difficult to discuss prices in such circumstances unless all units in the industry are willing to sit down together. In a case like that, with the co-operation of the Minister of Justice I think we can assure the industry that nothing arising out of these meetings would make members of the industry suspect under the Combines Investigation Act.

Mr. Coldwell: Under the Emergency Powers Act would you not have to place it on the records of the house?

Mr. Howe: It would be placed on record with the Department of Justice and with the industry.

Mr. Fulton: It will be placed on record that you have passed an order in council exempting this group of industries from the operation of the Combines Investigation Act?

Mr. Howe: That is not the thought. It is to place on record the fact that the industry was brought together by the minister for the purpose of discussing prices, and that if a price policy arising out of that meeting is followed there should be no prosecution under the Combines Investigation Act.

Mr. Coldwell: Was the act not amended so that any regulation made under the Regulations Act would be reported to the house? Would this not properly fall under that? Would it not be wise to have such a decision placed on the records of the house when the house meets?

Mr. Garson: Mr. Chairman, I think this is the position. The Combines Investigation Act is of general application, and where you have different industries agreeing with one another to fix prices, no matter at what level, it is contrary to that act. With respect to defence production, in a certain specific case it might be advisable to call, we will say, the different companies in the oil industry together and say to them that in order to hold the line it is desirable to drop the price of petroleum products by two cents a unit. That agreement entered into quite openly, and with official blessing, would still constitute a prima facie breach of the Combines Investigation Act, and that is known to the legal advisers of these concerns. Therefore, unless they can get a direction under appropriate legislation from the minister responsible, they just will not enter into that type of arrangement. If they entered into it under a mere direction in the absence of any authorizing legislation the question would arise under the Combines Investigation Act as to whether that was in the public interest. That would leave them in the position that if they should be subsequently prosecuted they would be deeply concerned as to whether under all the circumstances they could substantiate some time later on that this agreement was in the public interest. Therefore, in the interests of the proper administration of the Emergency Powers Act on the one hand and the Combines Investigation Act on the other, it is very desirable that any of these arrangements of this kind that are entered into under direction should be covered by a regulation or an order which will be recorded with the combines investigation commission, and would, I presume, likely take the form of an order that would be tabled in parliament. Certainly we would have to be answerable for it.

Mr. Fulton: Can the minister say whether that would be made under the Emergency Powers Act which we have just passed?

Mr. Garson: Yes.

Mr. Knowles: Then it would have to be tabled.

Mr. Garson: Let me clear up my hon. friend's point—not under the Emergency Powers Act itself but under a regulation to be passed under the Emergency Powers Act.

Mr. Fulton: Under and by virtue of the powers conferred by the Emergency Powers Act.

Mr. Knowles: But remember that act was amended so that it is now required that any regulation as defined by the Regulations Act must be tabled. It is not just orders in council; it goes further.

Mr. Garson: That is quite true. That act has been amended, and anything that was done pursuant to that act would have to comply with the provisions thereof.

Mr. Coldwell: Therefore, it should be tabled.

Mr. Garson: If it is a regulation passed under the Emergency Powers Act, and if it is a regulation within the meaning of the Regulations Act, then it must be tabled under the provisions of the Emergency Powers Act.

Mr. Coldwell: Would this come under that provision, in your opinion?

Mr. Garson: My hon. friend is asking me an extremely hypothetical question. Because we have the Emergency Powers Act now, regulations or orders in council may be passed under that act, and then pursuant to those orders in council other things may be passed. I am afraid that I cannot oblige him with an opinion on something so remote, something that has not yet been born, but quite probably so, yes.

Mr. Howe: Just to show the difference in the feeling of urgency between the congress of the United States and this House of Commons, the first thing that was done when their defence production plan was entered into was that the combines legislation in the United States was in effect suspended in so far as it affected war industries. I believe it might very well be done here. However,

knowing the susceptibilities of the leader of the opposition, I would not think of trying it.

Mr. Drew: Mr. Chairman, section 28 does just precisely that, and the explanation of the Minister of Justice completely overlooked the fact that we have just been discussing the section under which any other statute can be set aside where it affects defence contracts.

Mr. Garson: May I make one observation concerning my hon. friend's remark. I do not think that, even within the limited meaning he was giving to his remarks, that is confining them to section 28, it affords the interpretation he has given. Section 28, I would point out, relates entirely to defence contracts, whereas the Emergency Powers Act established a wider application.

Section stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, tomorrow is private members' day and we will follow the order set out in standing order 15.

It being five minutes after eleven o'clock the house adjourned, without question put, pursuant to standing order.

APPENDIX

BRITISH NORTH AMERICA ACT—SUGGESTED AMENDMENTS—CORRESPONDENCE WITH PROVINCES

Office of the Premier
Alberta

Edmonton, January 26, 1951

Hon. Stuart S. Garson, K.C.,
Minister of Justice and Attorney General of Canada,
Ottawa, Canada.

Dear Mr. Garson:

I am in receipt of your letter of the 2nd instant enclosing proposed amendments to the British North America Act respecting old age pensions and a provincial sales tax. I have also received your further letter of the 20th instant.

With reference to the amendment to section 95, it is suggested that the words "or the legislature of any province" be added after the words "the parliament of Canada" where they occur in line 2 of subsection 2 of section 95 of the proposed amendment.

You will recall that the Prime Minister indicated that there would be concurrent legislation with respect to old age pensions and therefore the amendment should not be placed in section 91 of the British North America Act. In view of the wording of subsection 1 of section 95, and in order that there should be no question but that the legislatures of the provinces will have concurrent jurisdiction and will be enabled to enact legislation dealing with the age group of sixty-five to seventy and possibly to supplement the dominion old age pension at seventy, it seems to me that it is necessary to incorporate these words in the proposed amendment; otherwise the courts might construe the section as giving exclusive jurisdiction to the dominion, which I am sure you will agree was not intended.

The amendment to head 2 of section 92 as submitted appears to incorporate the agreement made at the Ottawa conference, and I have no objection to the addition of the words "and not so as to discriminate between sellers or classes of sellers of the same class of goods" as proposed in your letter of the 20th instant.

Yours very truly,

Ernest Manning
Premier

Office of the Premier
Province of Manitoba

Winnipeg, January 31, 1951

Hon. Stuart S. Garson, K.C.,
Minister of Justice,
Ottawa, Ontario.

Dear Mr. Garson:

Your letter of January 3 enclosing drafts of two constitutional amendments to deal with old age pensions and retail sales tax, together with your letter of January 20 suggesting certain additional words to be inserted in the draft with regard to sales tax, have received careful attention in cabinet council. I am therefore writing to inform you of the conclusions which we have reached.

Your suggestion is that the question of old age pensions should be dealt with by adding a new subsection to section 95 of the B.N.A. Act. You will recall that during the discussion of this subject at the conference I made the proposal that old age pensions should be dealt with as a new subsection of section 91. We would like to repeat that suggestion now.

Under the proposal which is now before us, the federal government will be assuming complete responsibility for pensions to persons aged seventy and over and fifty per cent of the cost of pensions to persons aged sixty-five to sixty-nine inclusive. The result will be that the total cost to the federal treasury will be somewhat of the magnitude of $356 million while the total cost to all ten provinces will be approximately $32 million. In other words, the federal government has indicated its willingness to assume more than 90 per cent of the financial costs of old age pension schemes. Under these circumstances it seems to us fundamentally unsound that we should continue ten separate provincial administrative organizations in the field of old age pensions, each one of them overlapping with the federal jurisdiction and each one of them requiring constant exchange of information and constant co-ordination of information and administrative practices. On the grounds of eliminating unnecessary duplication of administrative machinery and of avoiding frequent misunderstandings between different governments, it is our view that one central uniform administrative machinery should be created to deal with the question of old age pensions. For this reason we would strongly urge that the proposed amendment with respect to old age pensions should simply be the addition of a new subsection in section 91 which would read "old age pensions."

If, however, this proposal does not find favour with your government and with the governments of the other provinces, we are prepared to support an amendment which will authorize the federal government to deal with old age pensions while continuing the authority of the provinces to do likewise. We feel, however, that there may be certain confusions created if the proposed amendment is made a subsection of section 95. At the present time section 95 follows a heading which reads "Agriculture and Immigration." It will obviously be somewhat misleading to carry under that heading a subsection dealing with old age pensions, and it may therefore be necessary to amend the heading also or to set up the proposed amendment as a separate section rather than as a subsection of section 95.

We understand that pensions for the blind are to be brought under the same arrangements as are proposed for persons seventy years of age and over. We therefore submit that the constitutional amendment in connection with old age pensions should have added to it the following: "and to pensions for the blind."

We have also given consideration to the proposed amendment to section 92, head 2, which would change that head so as to read as follows:

"2. The raising of revenue for provincial purposes by

(a) direct taxation within the province, and

(b) indirect taxation within the province in respect of the sale of goods (except goods sold for shipment outside the province) to a buyer for purposes of consumption or use and not for resale, at a rate not exceeding three per centum of the sale price, but not so as to discriminate between sales of goods grown, produced or manufactured within the province and sales of goods grown, produced or manufactured outside the province and not so as to discriminate between sellers or classes of sellers of the same class of goods."

This proposed amendment deals only with the sale of goods. It would therefore presumably not apply to such things as electrical power, or services provided by laundries, theatres, hotels, restaurants, barber shops and the like. It was our understanding that this amendment should enable the province to impose this type of tax wherever it is a more convenient method of raising revenue from the people in the province who get the benefit of goods and services available in the province. It therefore seems to us that the proposed amendment should make it clear that it covers these other types of industries which provide services directly to the consuming public.

Our advisers have suggested that since the proposed amendment, in prohibiting discrimination between sales of goods local to the province and those from outside the province, makes no specific mention of goods manufactured partially outside and partially inside the province, it might be possible to evade the prohibition by discriminating either against or in favour of goods partially manufactured within and partially without the province. Your government may desire to provide against any such possibility.

Yours very truly,

Douglas Campbell

The Premier

The Government of the Province of New Brunswick

Fredericton, February 2, 1951

Hon. Stuart Garson, K.C.,
Minister of Justice,
Ottawa, Canada.

Dear Mr. Garson:

This has further reference to your letter of January 2, with which was submitted for consideration by the government of this province two proposed amendments to the British North America Act, one respecting old age pensions, the other a provincial sales tax.

We look upon these matters as quite distinct one from the other and capable of separate action.

As to the first relating to old age pensions, we understand this is being sought in order to make certain that the parliament and government of Canada have authority to implement the old age pensions plan enunciated on behalf of that government at the recent federal-provincial conference on fiscal and social security matters. If the federal government is satisfied that this proposed constitutional amendment is sufficient for such purposes, we are quite willing that the act be amended accordingly.

As to the second proposed amendment involving constitutional changes which would permit the provinces to impose indirect taxation by way of a sales tax, we feel that the proposal advanced will not meet the situation of the provinces, fixing as it does the maximum tax that could be levied thereunder at three per cent.

In our view the main and overriding purpose of such an amendment is to be found in the advantage which would accrue to the provinces through being able to impose such indirect taxation in lieu of a purchasers' or consumers' tax such as is now found in five of the provinces. In at least two of these, including our own, the existing tax rate is in excess of three per cent. In the light of this situation we can see no advantage to be gained through a constitutional amendment which would limit or restrict a province in the manner suggested.

We would strongly urge that the federal government amend its proposals to permit the imposition of a tax at a higher level; to meet our situation it should be at least four per cent.

If this is done we shall be very glad to give further consideration to the form and content of the proposed amendment.

Yours sincerely,

John B. McNair

Premier's Office

Saskatchewan

Regina, February 5, 1951

Hon. Stuart Garson, K.C.,
Minister of Justice and Attorney General of Canada,
Ottawa, Ontario.

Dear Mr. Garson:

The Saskatchewan government has studied the two proposed amendments to the British North America Act respecting old age pensions and a provincial sales tax contained in your letter of January 2, and also the addition of certain words to the provincial sales tax amendment contained in your letter of January 20.

We are satisfied that the wording which you have suggested for the two proposed constitutional amendments will carry out the spirit and intent of the decisions arrived at during the federal-provincial conference of last December.

The Saskatchewan government will submit the proposed constitutional amendments to the legislature as soon as possible with our complete endorsation and support. We feel, however, that on so vital a matter as endorsing important changes in the British North America Act the legislature should place the seal of its approval upon what is being proposed.

Yours sincerely,

T. C. Douglas

Office of the Premier

Province Of British Columbia

Victoria, February 6, 1951

Hon. Stuart S. Garson, K.C.,
Minister of Justice,
Parliament Buildings,
Ottawa, Canada.

My dear Mr. Garson:

This is to acknowledge receipt of your letters of January 2 and January 20 with reference to the proposed amendments to the British North America Act.

Please be advised that while the government concurs in the draft legislation you have submitted, it has been deemed advisable to secure legislative approval of same. Consequently a formal resolution will be presented to the legislature within two or three days of the opening of parliament. It is

my intention to bring on this motion as quickly as possible so that you may have the views of the legislature in respect thereto.

With kindest personal regards.

Yours faithfully,

Byron I. Johnson
Premier

Premier's Office
Saskatchewan

Regina, February 10, 1951

Hon. Stuart Garson, K.C.,
Minister of Justice and Attorney General,
Ottawa, Ontario.

Dear Mr. Garson:

Attached please find copy of our "Routine Proceedings" of February 8, in which you will note the resolutions which I placed on the order paper and which will probably be discussed and dealt with in the course of the next few days.

I thought you would be interested in having this, lest there should be any question raised as to the position which Saskatchewan takes with reference to the two constitutional amendments which your government has suggested.

Yours sincerely,

T. C. Douglas

Extract from Routine Proceedings and Orders of the Day of the legislative assembly, province of Saskatchewan, No. 6, Thursday, February 8, 1951. "Government Motions

1. Hon. Mr. Douglas (Weyburn), to move the following resolution:

That this assembly approves in principle the amendment of section 95 of the British North America Act, as proposed by the government of Canada, following the federal-provincial conference held in December 1950, under which, notwithstanding anything contained in the said act, the parliament of Canada may make laws in relation to old age pensions.

2. Hon. Mr. Douglas (Weyburn), to move the following resolution:

That this assembly approves in principle the amendment of section 92 of the British North America Act as proposed by the government of Canada, following the federal-provincial conference of December 1950, under which, in addition to the power already possessed by the province, the province shall have power to raise revenue for provincial purposes by:

'Indirect taxation within the province in respect of the sale of goods (except goods sold for shipment outside the province) at a rate not exceeding three per centum of the sale price, but not so as to discriminate between sales of goods grown, produced or manufactured within the province and sales of goods grown, produced or manufactured outside the province, and not so as to discriminate between sellers or classes of sellers of the same class of goods.' "

TEXT OF LETTER SENT TO THE PREMIERS OF ALL THE PROVINCES

Office of the Minister of Justice

Ottawa, Canada, February 28, 1951

Hon. Byron I. Johnson, M.B.E.,
Premier of British Columbia,
Parliament Buildings,
Victoria, B.C.

Dear Mr. Johnson:

On January 2, 1951, I wrote you forwarding two enclosed proposed amendments to the British North America Act respecting old age pensions and a provincial sales tax. On January 20 I wrote another letter setting out the text of a further amendment to the sales tax amendment which had been included in my letter of January 2.

In response to these letters I have now had replies from the provincial governments. In order that every provincial government will know what position every other provincial government has taken in relation to these amendments, I now enclose copies of all letters and enclosures which I have received from the provincial premiers and their colleagues in this connection which I list as follows:

Letters to me from

Premier Jones dated January 5, 1951;

Premier McNair dated January 6, 1951;

Premier Douglas dated January 8, 1951;

Premier Duplessis dated January 8, 1951;

Premier Macdonald dated January 19, 1951 and enclosures;

Premier Frost dated January 24, 1951;

Premier Jones dated January 25, 1951;

Premier McNair dated January 25, 1951;

Premier Manning dated January 26, 1951;

Premier Smallwood dated January 26, 1951;

Premier Campbell dated January 31, 1951;

Premier McNair dated February 2, 1951;

Premier Douglas dated February 5, 1951;

Premier Johnson dated February 6, 1951;

Premier Douglas dated February 10, 1951 and enclosure;

Telegram from Premier Jones to myself dated January 23, 1951;

Telegram from Premier Macdonald to myself dated January 31, 1951.

One reason for the language in which we drafted the amendment regarding old age pensions which we sent out in my letter of January 2, 1951, was to indicate that the federal government should also have powers to pass laws relating to old age pensions in addition to the powers which the provincial legislatures have already exercised in that behalf. We therefore drafted this amendment as follows: "Notwithstanding anything in this act the parliament of Canada may make laws in relation to old age pensions".

The premiers of Ontario, Nova Scotia, and Alberta raise the point that this language might perhaps be open to misinterpretation as giving the government of Canada sole jurisdiction in the field of old age pensions legislation. This was not what we intended, nor do we think that this is the effect of the language in question; but we are quite willing to try to draft a new wording which will reassure the premiers of Ontario, Nova Scotia and Alberta on the points they have raised. In an endeavour to do so I now submit a new draft of a new section 95A (not a new subsection to the section 95 itself) to read as follows:

"In each province the legislature may make laws in relation to old age pensions within the province; and it is hereby declared that the parliament of Canada may from time to time make laws in relation to old age pensions in Canada, but no law made by the parliament of Canada in relation to old age pensions shall affect the operation of any law in relation to old age pensions made by a provincial legislature."

A possible criticism of this new draft might be that by stating that in each province the legislatures may make laws in relation to old age pensions within the province, the draft implies incorrectly that the provincial legislatures do not have this power at the present time. It may be argued that since there has been no suggestion in any of our negotiations that the provinces' power to pass such legislation should in any way be questioned, this provision is unnecessary since the provinces already have this power. However, even if unnecessary, it should not have any harmful implications, because it is along the same lines as section 95 with respect to agriculture in the provinces. No one could doubt that the provinces' powers to pass laws in relation to property and civil rights would have included (in the absence of section 95) the power to legislate with regard to agriculture. This provincial power was specifically mentioned in section 95 to make sure that it would not be excluded by giving jurisdiction to parliament in relation to agriculture in all or any of the provinces. Under section 95 the laws of parliament relating to agriculture were to have overriding effect. In the present old age pension amendment we wish it to be clear that the jurisdiction of the legislatures is not excluded by giving jurisdiction to parliament, and we wish it also to be clear that the laws of parliament will not affect the operation of the provincial laws. This new draft, therefore, is submitted to meet the objections raised by the governments of Ontario, Nova Scotia and Alberta.

If objection be taken to this second draft on the ground that it incorrectly implied that the provinces do not have the power to make laws in relation to old age pensions within the province, then perhaps a third draft might be considered, reading as follows:

"It is hereby declared that the parliament of Canada may from time to time make laws in relation to old age pensions in Canada, but no law made by the parliament of Canada in relation to old age pensions shall affect the operation of any law in relation to old age pensions within any province made by the provincial legislature of such province."

With regard to Premier McNair's suggestion that the provincial sales tax authorized should be raised from three per cent to four per cent, I regret to say that after consultation with my colleagues, our original view remains unchanged that the federal government cannot agree to an increase in this rate.

The suggestion made by Premier Campbell that the federal parliament should have exclusive jurisdiction over the whole field of old age pensions is concurred in neither by a number of other provincial governments nor by the federal government.

Premier Campbell's suggestion that the powers of indirect taxation should be applied to such things as electrical power, or services provided by laundries, theatres, hotels, restaurants, barber shops and the like has been carefully considered. It is our view that the provinces which are imposing power and amusement taxes of this sort at the present time under their existing powers of direct taxation are not experiencing sufficient difficulty to warrant this suggested change. Moreover, inasmuch as the sales tax amendment is meeting considerable opposition from taxpaying groups, we think that it would be unwise to complicate matters further by attempting to grant new taxing powers to the provinces which could be used to impose indirect provincial taxes over the whole field of service industries, and, as it would seem, of professional services.

Premier Campbell also makes the point that

". . . since the proposed amendment, in prohibiting discrimination between sales of goods local to the province and those from outside the province, makes no specific mention of goods manufactured partially outside and partially inside the province, it might be possible to evade the prohibition by discriminating either against or in favour of goods partially manufactured within and partially without the province. Your government may desire to provide against any such possibility."

In relation to this point, our feeling here is that while theoretically such a case might arise, we doubt if any provincial government would think it practicable to encourage provincial production by this type of discrimination.

While this is for the provinces to decide, our feeling is that for the purpose of this tax a commodity could perhaps be regarded by the provinces as manufactured in that province in which the last stage or stages in production took place. However, if there is a general feeling amongst the provinces that this point raised by Premier Campbell presents a problem which might cause serious embarrassment, we are quite prepared to consider putting into the amendment whatever may be agreed upon as an appropriate method of preventing this type of discrimination.

We would be glad to have your views in reply to this letter as promptly as possible. We shall give prompt attention to the replies which we receive from all of the provincial governments in reply to this letter; and if it appears that a further attempt to co-ordinate your views which we are now seeking should be made in another draft of this constitutional amendment, we shall produce another draft. If, however, it seems impossible to reconcile some of the views expressed by the provinces and our own views, I shall endeavour to achieve such reconciliation with the disagreeing provincial premiers by long-distance telephone; and if this proves impossible, it may be necessary for us to get together again as a group to consider these matters and to continue our efforts to reach a general agreement concerning them.

Yours very truly,

Stuart Garson

Enclosures.

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Premier's Office
Prince Edward Island

Charlottetown, March 2, 1951

Hon. Stuart Garson, K.C.,
Minister of Justice,
Ottawa, Ontario.

Dear Mr. Garson:

Thank you for your letter of February 28, regarding proposed constitutional amendments.

The position of the government of Prince Edward Island regarding these amendments is that contained in my letters to you of January 5 and 25 last.

Should, however, it become expedient to adopt one of the substituted draft amendments set forth in your letter of February 28, respecting old age pensions, Prince Edward Island would prefer the text of the third draft.

Yours very truly,

J. Walter Jones
Premier

HOUSE OF COMMONS

Wednesday, March 7, 1951

The house met at three o'clock.

BROOMS

T. S. SIMMS & COMPANY—REFERENCE TO REMARKS IN DEBATE ON FEBRUARY 23

Mr. A. J. Brooks (Royal): Mr. Speaker, I rise on a question of privilege. On February 23 I was discussing certain industries in the province of New Brunswick. As reported at page 633 of *Hansard* I said:

> The hon. member for Vancouver-Quadra just spoke about brooms. We have one of the oldest and finest broom factories in Canada which has been operating for years.

The report continues:

> Mr. Howe: They do not make brooms; they make brushes.
>
> Mr. Brooks: They used to make brooms.
>
> Mr. Howe: They do not now.

On the recent visit of the fifty members of parliament to Saint John, Mr. Speaker, we visited the T. S. Simms and Company factory.

Mr. Speaker: Order.

Mr. Green: Oh, let him finish.

Mr. Speaker: Order. I should like to point out that this is not a proper question of privilege. However, if the house would like to hear it, I have no objection.

Mr. Brooks: In that connection, Mr. Speaker, I might say that the adverse advertising given to this company was done here in the House of Commons. T. S. Simms and Company resented this advertising, because, as we had ample proof, they make brooms. While the fifty members were visiting this factory the other day, it was turning out brooms by the gross as well as brushes and other material.

I have been requested by the management of T. S. Simms and Company to have this correction made in the House of Commons. They also felt that they would be delighted to present to the Minister of Trade and Commerce (Mr. Howe) a broom which I have here, and which I shall send over to him. I might say that this broom was manufactured at the same time as the members were visiting the T. S. Simms and Company factory in Saint John a few days ago.

Mr. Howe: Mr. Speaker, I notice that Mr. Simms is in the gallery. I am sure he will be delighted with the advertising he has had in the House of Commons. I think that perhaps we can leave it at that.

MISCELLANEOUS PRIVATE BILLS

Fourth and fifth reports of standing committee on miscellaneous private bills.—Mr. Winkler.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN FORCES—COST OF RECRUITING ADVERTISEMENTS

Mr. Fulton:

What was the total cost of recruiting advertisements and posters for all three services, including reserves and cadets, by months, during 1950?

Mr. Blanchette:

Total monthly recruiting advertising expenditures for the armed forces in 1950.

January	$ 87,520.74
February	86,822.48
March	117,874.06
April	180,246.52
May	42,162.45
June	5,209.34
July	10,203.74
August	17,320.20
September	169,940.32
October	85,711.84
November	263,005.12
December	200,367.95
Total	$1,266,384.76

GOOSE AIRPORT—RUNWAYS LANDING FEES, ETC.

Mr. Higgins:

1. How many runways are there at Goose airport, Newfoundland?
2. What is the length of each runway?
3. Of what material are the runways constructed?
4. Is it proposed to lengthen the runways?
5. How many commercial planes use Goose airport per month, and what types are these planes?
6. What is the amount of landing fees collected at this airport per month?

Mr. Blanchette:

1. Three.

2. (1) 5,845 ft. x 200 ft., (2) 8,114 ft. x 200 ft., plus 1000 ft. of steel mat at each end; (3) 9,570 ft. x 200 ft., plus 1000 ft. of steel mat at each end.

3. Concrete.

4. No.

5. During 1950, an average of 68 commercial aircraft used Goose airport per month,

consisting of the following types: Anson, Constellation, DC-3, DC-4, Mallard, North Star, Stratocruiser.

6. The average monthly collection from April 1, 1950, to January 31, 1951, was $9,583.

WHEAT BOARD—OATS AND BARELY—SALES AND DELIVERIES

Mr. Wright:

1. What were the deliveries of (a) oats; (b) barley, to the wheat board by growers in each month during the 1949-50 crop year?

2. What were the sales by the wheat board of (a) oats; (b) barley, during each month of the 1949-50 crop year?

3. What amounts of (a) oats; (b) barley, were sold on the Winnipeg grain exchange by the wheat board during each month of the 1949-50 crop year?

Mr. McIlraith:

1. Deliveries of oats and barley to the Canadian wheat board by growers in each month during the 1949-50 crop year were as follows:

	Oats	Barley
	(Bushels)	
August, 1949 ..	3,265,531-21	2,235,501-20
September	19,893,287-17	18,868,508-06
October	18,727,414-10	13,672,419-04
November	8,678,338-28	4,237,798-23
December	5,003,173-20	1,672,268-20
January, 1950 ..	4,242,409-31	2,540,024-00
February	1,786,375-06	995,093-40
March	2,506,032-26	1,166,648-01
April	1,568,221-15	806,064-26
May	2,865,308-15	1,308,669-47
June	4,828,585-08	2,098,877-35
July	6,837,543-09	3,657,093-46
Total	80,202,222-02	53,258,967-28

2. Sales of oats and barley by the Canadian wheat board in each month during the 1949-50 crop year were as follows:

	Oats	Barley
	(Bushels)	
August, 1949 ...	6,843,319-11	6,386,088-21
September	8,816,078-06	6,603,511-01
October	11,158,399-30	7,223,776-92
November	11,653,206-30	4,126,609-40
December	5,886,795-00	2,543,190-28
January, 1950 ..	3,693,156-27	2,120,570-09
February	5,020,729-10	3,366,076-05
March	5,855,812-10	4,833,681-47
April	4,057,431-30	3,296,571-25
May	3,534,331-31	3,075,099-04
June	3,039,441-09	2,883,801-19
July	8,817,105-16	6,070,062-36
Total	78,375,808-08	52,529,039-24

[Mr. Blanchette.]

Sales of oats and barley futures on the Winnipeg grain exchange by month during 1949-50 crop year were as follows:

	Oats	Barley
	(Bushels)	
August, 1949	6,596,000	2,198,000
September	7,365,000	3,015,000
October	8,880,000	4,939,000
November	10,128,000	3,584,000
December	4,213,000	2,037,000
January, 1950	2,661,000	1,551,000
February	3,891,000	2,783,000
March	4,726,000	4,291,000
April	3,455,000	2,877,000
May	3,039,000	2,678,000
June	2,388,000	2,476,000
July	8,443,000	5,379,000
Total	65,785,000	37,808,000

CENSUS COMMISSIONERS, MANITOBA

Mr. Knowles:

1. Who are the census commissioners for Manitoba for the census to be taken this year?

2. Did the Minister of Trade and Commerce receive recommendations as to these appointments (a) from members of parliament; (b) from others? If so, from what persons were such recommendations received, with specific reference to each census commissioner appointed for Manitoba?

3. Was consideration given to any other factors apart from recommendations made?

4. Was the opportunity to apply for these positions made known to the general public? If so, in what way, and on what date or dates?

5. What course will be followed in the securing of census enumerators for each constituency in Manitoba?

Mr. McIlraith:

1. Census commissioners for Manitoba:

Brandon, D. W. Clement, Clement Block, Brandon, Man.

Churchill, M. H. Solstad, The Pas, Man.

Dauphin, E. A. Marcroft, Dauphin P.O., Man.

Lisgar, William T. Pringle, Manitou, Man.

Marquette, W. T. Wherrett, Shoal Lake, Man.

Norquay, B. J. Lifman, Arborg P.O., Man.

Portage-Neepawa, Wm. M. Stewart, Portage la Prairie, Man.

Provencher, Albani Gallant, Letellier, Man.

St. Boniface, Gladstone Pickup Shearer, 71 Tache Ave., St. Boniface, Man.

Selkirk, Horace F. H. Thomas, 1867 Portage Ave., St. James, Man.

Souris, (Mrs.) J. M. McDonald, Boissevain, Man.

Springfield, William Horodoski, Beausejour, Man.

Winnipeg North, Peter Taraska, 322 McAdam Ave., Winnipeg, Man.

Winnipeg North Centre, Joseph R. Doiron, 868 Alverstone St., Winnipeg, Man.

Winnipeg South, Roger Teillet, 204 Bank of Commerce Bldg., Norwood, Man.

Winnipeg South Centre, H. R. Veales, 478 Sprague St., Winnipeg, Man.

2. The appointments of the temporary census commissioners, field supervisors, and enumerators, required for the census, are exempted from the provisions of the Civil Service Act (P.C. 170/5322 of November 4, 1950) and the selection of these employees is left to the Department of Trade and Commerce. In making these appointments the minister did receive recommendations from various people, including members of parliament.

3. Yes. The objective was to secure the most competent man for the job. The appointment of each commissioner was made on the basis of his qualifications, which were: a good education, with subsequent professional or business experience in a supervisory capacity; intimate knowledge of the constituency or district; proven executive and organizing ability; tact, good judgment and ability to deal with the public.

4. The decennial census has been taken at the same time every ten years and the public should be well aware of it.

Considerable publicity has been given to the forthcoming census, its aims, organization, the numbers of commissioners and enumerators required, et cetera, by means of official releases and write-ups in the Canadian press.

5. It is the duty of the commissioner to provide suitable candidates for enumerators for the various subdistricts in his area.

The procedure to be followed in the final selection of enumerators is as follows:—

(a) The commissioner will supply the field supervisor with a list of candidates.

(b) The field supervisor will notify each candidate to report on a day between May 12 and 14, inclusive, at his own expense, stating the time and place.

(c) On the appointed day the candidates will be given a written test.

(d) The field supervisor will forward the marks obtained by each candidate to the commissioner for transmittal to the regional census office of the dominion bureau of statistics. Test papers must be kept for the duration of the census.

(e) After passing the initial test each enumerator will be given an intensive training and will be further tested as to his competence for the work of enumeration.

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Questions

INDUSTRIAL DEVELOPMENT BANK—LOANS FOR FISHERIES DEVELOPMENT

Mr. Higgins:

Has the government given any consideration to amending the Industrial Development Bank Act so as to enable the bank to make loans for fisheries development?

Mr. Sinclair: The Industrial Development Bank Act permits the making of loans for the processing of fish. Any amendment to this act to broaden its scope is a matter of government policy and it is not the practice to forecast government policy in answering questions.

IMPORTS OF BUTTER FROM NEW ZEALAND

Mr. Charlton:

1. What quantities of butter were imported from New Zealand into Canada since January 1, 1951?

2. Who were the importers, and what amount was imported by each of them?

3. What was the Canadian seaboard price in the case of each shipment imported?

4. At what price was each such shipment sold to wholesalers in Canada?

Mr. McIlraith:

1. From January 1 to January 31, 1951, no butter was imported from New Zealand. Figures for the month of February are not yet available. It is understood, however, that a shipment of approximately 1,500 long tons was received during that month. This butter was for private importers, and therefore parts 2, 3, and 4 cannot be answered.

INVESTMENT IN PLANT AND EQUIPMENT—GROSS NATIONAL PRODUCT

Mr. Winkler:

1. In Canada, in (a) current dollars; (b) constant dollars, what was the investment in (i) plant and equipment; (ii) gross national product, for the years 1939 and 1950?

2. What was the percentage of (i) to (ii) in each case?

3. What was the percentage increase in plant and equipment in each case in 1950 over 1939?

4. What was the percentage increase in gross national product in 1950 over 1939?

5. Are there comparable figures in industrial production in 1950 over 1939 for the other countries of the North Atlantic pact?

Mr. McIlraith:

1. Investment in Plant and Equipment and Gross National Product, Canada, 1939 and 1950

(a) Current dollars

	Millions of dollars	
	1939	1950
(i) Plant and equipment	409	2,375
(ii) Gross national product	5,598	17,693

Questions

(b) Constant (1935-39) dollars

	Millions of dollars 1939	1950
(i) Plant and equipment	400	1,107
(ii) Gross national product	5,523	9,933

Note: 1950 figures are preliminary and subject to revision. Investment in plant and equipment does not include federal, provincial and municipal investment expenditures.

1950 figures include Newfoundland.

2. Percentage of Investment in Plant and Equipment to Gross National Product, 1939 and 1950

	1939	1950
(a) Current dollars	7·3%	13·4%
(b) Constant (1935-39) dollars	7·2%	11·1%

3. Percentage Increase in Plant and Equipment, 1950 over 1939

(a) Current dollars ..... +480·7%

(b) Constant (1935-39) dollars . +176·8%

4. Percentage Increase in Gross National Product, 1950 over 1939

(a) Current dollars ..... +216·1%

(b) Constant dollars ..... + 79·8%

5. Yes. Selected indexes for the larger countries shown below.

Industrial Production Indexes

		1939	1950		Per cent Increase 1950 over 1939	Notes and Sources
Canada	1935-39=100	109·3	198·3		+81·4	Canadian Statistical Review. Includes mining and electric power
United States	1935-39=100	109	198	(11 mo. av.)	+81·7	Survey of Current Business
United Kingdom	1937 =100	*	126	(10 mo. av.)	–	United Nations "Monthly Bulletin of Statistics", Table 8
France	1937 =100	*	111	(10 mo. av.)	–	"
Western Germany	1937 =100	*	108	(10 mo. av.)	–	"
Denmark	1937 =100	107	150	(10 mo. av.)	+40·2	"
The Netherlands	1937 =100	112	140	(10 mo. av.)	+25·0	"
Sweden	1937 =100	110	161	(10 mo. av.)	+46·4	"
Norway	1937 =100	106	139	(9 mo. av.)	+31·1	"

*not available

DUMPING DUTIES

Mr. Wright:

1. On what imports from Great Britain or other commonwealth countries have dumping duties been applied from January 1, 1947, to date?

2. For what periods of time were such dumping duties applied?

3. What was the rate of such dumping duties and the amount collected in each case?

4. What, if any, was the regular tariff on each classification of goods on which dumping duties were charged?

5. What was the amount of imports into Canada for each classification of goods on which dumping duties were charged (a) for the six months period prior to the application of such dumping duties; (b) for the six months period subsequent to the application of such dumping duties?

6. On what imports from Great Britain or other commonwealth countries has the government announced that they intend to apply dumping duties at some future date, and (a) what is the rate of such duties; (b) what is the regular tariff on these goods?

Mr. McCann:

1. Section 6 of the customs tariff provides, in respect to imported goods from all sources of a class or kind made or produced in Canada, that if the export or actual selling price to an importer in Canada is less than the fair market value as when sold for home consumption in the country of export, without inclusion of duties and taxes imposed in the country of export, or the value for duty of the goods as determined under the provisions of the Customs Act, there shall, in addition to the duties otherwise established, be levied a special or dumping duty equal to the difference between the selling price and the

value for duty, but not exceeding fifty per cent "ad valorem", and dumping duty is payable although the goods are not otherwise dutiable. Exemption is provided in respect to goods of a class subject to duty under the Excise Act, and effective May 19, 1948, section 6 was amended providing exemption in respect to goods or classes of goods declared exempt by any order or regulation made by the governor in council.

The imposition of dumping duty was suspended by order in council under the War Measures Act from December 19, 1941, until March 31, 1947, except in respect of fresh fruits and vegetables. Certain classes of goods were exempted from liability to dumping duty from May 19, 1948. Exemption has now been withdrawn, except in respect to motor vehicles, which expires May 31, 1951, and common or colourless window glass.

The liability to dumping duty is determined by the circumstances of each import transaction, and no segregation is made in the records as to particular commodities or by tariff classification.

2, 3, 4, 5 and 6 answered by No. 1.

POSTAL SERVICE—REDUCTION IN URBAN MAIL DELIVERIES

Mr. Noseworthy:

1. What was the total cost to the Post Office Department for the use of air mail service by Trans-Canada and all other air lines employed?
2. Will the curtailment of delivery service involve any change in air mail service? If so, what changes?
3. How many postal routes in the Toronto postal district formerly receiving two deliveries of mail per day will in future be reduced to one delivery?
4. How many of these are composed in whole or in part of business areas?
5. How many letter carriers will be relieved of postal routes?
6. How many of these will be employed by the post office in other positions?

Mr. Rinfret:

1. Fiscal year 1949-50. Trans-Canada Air Lines (including transatlantic and Caribbean service) $6,578,403.01; all other air lines, $1,719,799.30; total cost, $8,298,202.31.

2. No major changes in air mail schedules are anticipated solely as a result of a revision of letter carrier service.

3. 547 residential routes.

4. All routes mentioned in No. 3 contain less that 25 per cent business calls. Very few of them contain no business firms.

5. 182.

6. No estimate can be given now, as this will depend on the number of vacancies occurring prior to the 31st March.

NATIONAL CAPITAL PLAN

Mr. Hodgson:

1. What has been the total cost to date in connection with the general plan for improvement of the national capital?
2. What amount has been paid to Mr. Jacques Greber in this connection?

Mr. Fournier (Hull):

1. $453,538.87 (amount expended by the Department of Public Works).

2. $51,114.38.

QUESTIONS PASSED AS ORDERS FOR RETURNS

DEPARTMENT OF AGRICULTURE—EMPLOYEES IN NEWFOUNDLAND

Mr. Browne (St. John's West):

1. How many employees of the Department of Agriculture are working in Newfoundland?
2. What are the positions and respective salaries of those appointed since April 1, 1950?

GOVERNMENT DEPARTMENTS AND AGENCIES—ADVERTISING AND PUBLICITY CONTRACTS

Mr. Coldwell:

1. In the fiscal year 1949-50, what firms have supplied or contracted to supply advertising and publicity for each of the government departments and agencies?
2. What amounts were paid for these services to each of these firms in the fiscal year 1949-50?

WEBBER BUILDING, KINGSTON

Mr. Aylesworth:

1. Does the government rent the Webber building in Kingston?
2. If so, from whom, and at what annual rental?
3. What department of the government is using the building?
4. Do they use all of the available floor space? If not, what percentage do they use?
5. Were any repairs or alterations made to the interior of the building?
6. If so, who paid for these repairs or alterations?
7. If the government paid, who were the contractors?
8. What was the cost of these repairs or alterations?
9. Is there a staff employed to maintain this building?
10. If so, how many are on the staff, and what are their positions and salaries?
11. Has the government taken steps to purchase this building?
12. If so, what is the proffered purchase price?
13. Has it been accepted?

MOTIONS FOR PAPERS

STEEL EXPANSION—NOVA SCOTIA

Mr. Carroll:

For a copy of all letters, telegrams, memoranda, or other documents exchanged during the past year between the Minister of Trade and Commerce or any other minister, department or official, and the premier of Nova Scotia, and the Nova Scotia Minister of Trade and Industry, dealing with the question of steel expansion.

POST OFFICE—REPORT TO DISTRICT DIRECTORS, "COST OF MAINTENANCE"

Mr. Noseworthy:

For a copy of the most recent report "Cost of Maintenance" made by the Post Office Department to the district directors.

Mr. Rinfret: I am sorry, but I must oppose the production of this document. The report that is mentioned here as being "Cost of Maintenance" is in reality a report of costs of ascertainment. This is a privileged document, prepared for the exclusive use of the employees of the department, and must be considered not as a public document but as a private one for the use of departmental officials.

Mr. Speaker: Dropped.

CANADIAN NATIONAL RAILWAYS—ACCIDENT AT CANOE RIVER, B.C.

Mr. Fulton:

For a copy of the report and findings of the board of transport commissioners following their inquiry into the collision which occurred on the main line of the Canadian National Railways at Canoe River, British Columbia, on November 21, 1950.

SOCIAL SECURITY

ALLOWANCES TO PERSONS SUFFERING INJURY, ACCIDENT OR CONGENITAL INFIRMITY

Mr. Lionel Bertrand (Terrebonne) moved:

That, in the opinion of this house, the government should during the present session take into consideration the advisability of including in their social security program a system of allowances to every person without any sufficient income or means of support, who, by reason of an injury, accident, congenital infirmity or incurable disease, is at a disadvantage in seeking or obtaining employment, or incapable of providing for his subsistence, and whose age prevents him from benefiting by the social security legislation now in force.

He said: I presented this motion the first time in 1946. It was discussed in 1946; it was again discussed in 1947, and there were questions about it in 1949. The motion has appeared on the order paper for six sessions, session after session, but there has never been an opportunity to discuss it thoroughly or to take a vote to ascertain the feeling of the house on it. I would surely like to know what the opinion of the house is on the matter, and my speech will last only two or three minutes.

The motion itself explains fairly well what the whole question is. Family allowances stop at the age of sixteen; old age pensions start at seventy. The fifty-four years difference between the ages of sixteen and seventy represent more than the average human life. A certain section of the people, especially those between the ages of sixteen and seventy, are left unprovided for. Victims of infantile paralysis, victims of all kinds of accidents who do not fall under the benefits of any provincial accident insurance act, persons suffering from congenital deformity, and other people who cannot be cured, are not provided for. If they or their families are wealthy, these invalids can obtain all the necessary treatments. If they have no money, or if they are poor, they fall under public charity. No municipal bylaws provide any help for them. I have found no provincial law that gives them any grant. I could discover no federal statute which could give them assistance of any kind. No one will employ an invalid; they are not accepted on the labour market.

Crippled and invalid persons deserve their share under the sun. They have a right to happiness, to the same extent as any one of us. Therefore would it not be proper for the Minister of National Health and Welfare (Mr. Martin) to study the problem, to make a statement respecting these indigent persons, and then to recommend a suitable system of allowances which would be paid by the federal government, or a system of subsidies by both federal and provincial authorities? The social security program cannot be considered complete if invalids and crippled persons, without sufficient income or means of support, are left to their unfortunate fate.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I am sure all members, regardless of party affiliations, are glad indeed to see a resolution of this kind come before the house. I know of nothing which would be of greater benefit to large numbers of people in Canada than the putting into effect of the proposals and suggestions it contains.

Those of us who have been here for a number of years have been glad to welcome an extension of benefits to the blind. In my opinion we should now be considering the extension of such benefits to those who are physically incapacitated from any cause whatsoever. In many homes, particularly where incomes are small, it is a tragedy when any member of the family is permanently laid aside through physical incapacity; it is of course much more serious when the bread-winner or the mother of the family is so handicapped.

But whether it be the mother, or a child, or any other member of a family, it is a severe handicap not only to the family but also to the individual suffering the disability. I believe the people of Canada are willing—I was going to use the word "anxious"; indeed, I shall use it—to see Canada do something for the type of person who is permanently incapacitated.

The facts are so evident to everyone that I am sure there will not be any difficulty whatever in obtaining support of all hon. members in the house. If from time to time, under conditions of great necessity, we can find hundreds of millions, even billions of dollars, for the defence of our country, surely we can find lesser sums for the defence of our homes, the comfort of our people and the relief of those who suffer the disabilities visualized in the resolution.

Without prolonging the debate—because I suspect a number of members will want to speak in support of the resolution—I would say on behalf of my colleagues and myself that we welcome the introduction of this motion and will give it all the support of which we are capable.

Mr. Charles Cannon (Iles-de-la-Madeleine): Mr. Speaker, already on two or three occasions I have expressed my views in connection with this matter. Therefore I shall not speak at length, but will say at once that, like hon. members who have preceded me, I support the resolution before the house.

I know this is a problem that confronts all hon. members from every county. In all parts of Canada we find invalids who are not able to provide for themselves. We all receive letters requesting that we intercede in their behalf, and obtain some relief for them. Unfortunately we are obliged to reply that at present there is no federal legislation permitting such help.

In the Magdalen islands we have our quota of invalids—perhaps even more than are found in some other constituencies, because the great majority of my electors are fishermen whose work of wresting their livelihood from the sea is most difficult. Men age quickly, with the result that many of them are unable to earn their living long before they reach the age of seventy, at which time they would be eligible for old age pensions, or even sixty-five, at which age the old age pensions will begin if the recommendations of the committee that examined the matter at the last session are implemented.

On other occasions I have made the comparison which was made this afternoon by the hon. member for Rosetown-Biggar (Mr. Coldwell), who referred to the blind. Exactly the same principle applies to injured or crippled people as applies to the blind. The blind are unable to earn their own living, and invalids who are also unable to earn their living should be treated in the same way.

I would ask hon. members to give sympathetic consideration to the resolution, and to vote in favour of it.

Mr. Solon E. Low (Peace River): Mr. Speaker, I wish to take only two or three minutes to express on behalf of the group I represent our pleasure that this resolution is now brought before the house. We believe it should be given the most sympathetic consideration of all hon. members and that it should be passed as an expression of the attitude of the house toward giving help to those who are physically incapacitated.

I do not believe this question and its ramifications was ever brought to our attention with greater force than when the Association of Incurables sent their representatives here not so long ago. I believe they waited upon the Minister of National Health and Welfare (Mr. Martin). I know they visited me and other members of this group, and presented their case. Surely those people are to be pitied, and I believe every member in the house must feel like trying to do something for them.

I know that in practically every session since I became a member this group has had something to say by way of requesting that the incurables and physically incapacitated be placed in a position similar to that of old age pensioners. There are thousands of homes across this country in which there are persons who are not employable, persons who by reason of physical disabilities have not been able to earn their own living. Parents, brothers and sisters have not been able to look after them properly.

When the representatives of the Association of Incurables came to Ottawa they told me that there were many of their members who could work and who were constantly seeking employment. But even when they were taken on to do jobs they were capable of doing, the public would not accept them in positions where members of the public were passing to and fro. For example, I was told of one worthy individual who had obtained a job as elevator operator in a large building. He was doing well at his job, until someone complained to the manager about having an incurable person operating the elevator. It is a tragedy when the public will not permit such a man to work and earn his living. I think we ought to do something about it.

When this question was up before I asked the Minister of National Health and Welfare (Mr. Martin) if he would have his department conduct a survey to find out how many incurables there are in Canada.

Mr. Martin: That survey is under way now.

Mr. Low: That is fine. When we know that, we shall be able to determine the magnitude of the problem. I suggest that

that survey as to how many incurable or physically incapacitated people there are in Canada be completed as soon as possible, and that a report be made by the minister so that we may be able to discuss the matter when his estimates are before us. We would then know what it would cost, and we would be able to see if an appropriation could be made so that what is envisaged in this resolution could be put into effect.

I support the resolution.

Mr. J. H. Ferguson (Simcoe North): Mr. Speaker, I should like to say a few words in support of this resolution. I am sure that every hon. member of the House of Commons, if he stops to think, can recall many blind people in his constituency who are receiving a pension. He can recall many people over seventy years of age who are now receiving pensions. He will know that those receiving old age pensions are in many cases able to do a good deal for themselves. He must realize that those of his fellow citizens who are incapacitated through blindness and who are receiving pensions are quite often able to do something for themselves. If he stops to think further he will be able to recall many men, women and children who, because of their being incapacitated, are utterly unable to earn a livelihood for themselves. This creates a greater burden for the family than does one who has lost his sight or who is over the age of seventy years.

This matter has been talked about for years in the house; surely it does not need any further consideration or investigation. The taxpayers of Canada, I am sure, would be more than willing to grant aid to these people. They should be looked after.

Mr. John Hunter (Parkdale): Mr. Speaker, I have a special interest in this matter because in the federal riding of Parkdale is the Queen Elizabeth hospital for incurables, while in the provincial riding of Parkdale is located the Mercy hospital which performs the same task. In these hospitals are large numbers of people who have been pronounced incurable. While many of them improve, it is very rarely that they recover completely. When they reach the age of seventy years they are able to obtain a pension which permits them to buy many small things to make life more comfortable. Those who are below the age of seventy years and without private means find themselves unable to purchase such things as cigarettes, chocolate bars and so on, and yet they may be in such an institution for as long as ten, twenty, thirty or forty years. These people should be given support.

[Mr. Low.]

Some people are discharged and are able to take up again the burden of life, but they are rarely so completely cured that employment is readily obtainable. Usually their history is against them. They may have suffered from arthritis or some other complaint and thus not be able to do work that can be done by other healthy people. As a result employment is difficult to obtain. At most, all they are able to get is specialized or limited employment.

I remember the by-election of 1946 in which I ran when the Minister of National Revenue (Mr. McCann) came down to help me. As he was a medical man I thought the logical place for him to accompany me would be to the Queen Elizabeth hospital. We went there and we saw many sad sights. Such sights are depressing to anyone who is unaccustomed to seeing them. I must say that many of the patients display a courage under most adverse conditions which must be seen to be believed. However, when we were about half way through our trip I could detect signs of paleness in the minister and he declared that he had business elsewhere and excused himself. I did not blame him in the least, because such sights really break your heart.

I cannot urge too strongly that hon. members support this resolution. Personally I feel that this measure is long overdue. There should be no objection to supporting the resolution in its present form, because it merely asks that the government consider the advisability of taking such action.

Mr. J. L. MacDougall (Vancouver-Burrard): Mr. Speaker, I am happy to support the resolution moved by the hon. member for Terrebonne (Mr. Bertrand). The hon. member who has just spoken (Mr. Hunter) stated that there are two institutions in his riding which take care of people afflicted in this way, and in which they are looked after, so far as it is humanly possible to do so, within the capacity of their families, the municipality or the institution itself.

In Vancouver-Burrard there is one of the larger hospitals in Canada. Before I represented that riding in this house I knew something of what was going on within the walls of that huge institution. I think today more than ever before we have a greater consciousness of being our brother's keeper. I need not reiterate that, because I know all hon. members have found that a certain stigma has been attached to the individual or to his family by virtue of there being an incurable within the family circle.

In the good old days our pride in looking after our own immediate family was a great

deal more virile than it is today. We must realize that as time goes on this condition of incurability is a great deal worse than it was twenty-five or thirty years ago. The hon. member has referred to the situation faced by the blind. We all know that in the larger cities, and even in the rural areas, as stated by the hon. member for Peace River (Mr. Low), it is sometimes possible to give employment to people in this category, but the public object to their being employed. This condition exists from the Atlantic to the Pacific. Regardless of our political beliefs I feel that we as a group in this house should give wholehearted support to this resolution.

I am not prepared to say to the government at the present time, and I do not think anyone else in the house is, what the bill of goods may cost. I am very happy to note that the Minister of National Health and Welfare (Mr. Martin) has stated that the survey is now under way. Regardless of what the specific disease may be, where an incurable mark or scar has been left on an individual surely that is a condition the betterment of which should meet with the wholehearted support of members of the House of Commons individually and collectively. Therefore I am more than happy to support the resolution and to learn that the government is now making a survey so that in the not too far distant future it may be able to come to the house and give us some idea of what this program may cost the taxpayers of Canada. I am sure the taxpayers will be glad to bear the burden.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I too wish to indicate my wholehearted support of the resolution now before the house. Like the others who have preceded me I want to congratulate the hon. member for Terrebonne (Mr. Bertrand) upon bringing forward this resolution, and I want to commend him in particular for his persistence in introducing it year in and year out. I hope the time has now been reached when the house will have an opportunity to record its opinion in favour of the resolution, and that government action will follow.

It is not my intention to take more than a few minutes, because this is a matter on which, from the speeches made thus far, apparently we are all agreed. I felt, however, that I should like to call to the attention of the house the fact that the special joint committee of the Senate and the House of Commons on old age security which met last year found itself face to face with this problem repeatedly, despite the fact that the committee recognized that its terms of reference did not permit it to discuss the problem. I note in particular that on page 101 of the report of that committee, which was tabled in this house on June 28, 1950, there is this sentence:

> The committee has been deeply impressed by the evidence presented as to the position in which invalids and incurables find themselves at present.

I am sure that any members present who were members of the committee will agree with me that that is a very accurate statement of how members of that committee felt about the problem of incurables. I go on:

> It has also received representations from organizations representing the blind, and blindness is, of course, part of the total problem of invalidity.

Then the committee had to say this:

> The committee has felt, however, that the terms of reference established for it ruled out the possibility of a detailed examination of this problem as it applies to the younger age group.

I want to emphasize the fact that, although the committee realized that the problem of incurables was outside its terms of reference, the problem was so pressing that we kept coming back to it time and again. If I were to go through the mountain of evidence that we had before the committee I would be able to show that the question was referred to many times, both by delegations and by witnesses who appeared before the committee, and by members of the committee themselves. In the committee's final report, which is all I am referring to now, I find this further reference on page 103 under the heading "Other claims to priority". It reads:

> Finally, in its study of the old age security systems in effect in other countries, and in its consideration of the evidence presented by representative Canadian organizations and individuals, the committee has had to keep constantly in mind the place of old age in an over-all social security program. While the terms of reference of the committee have limited its study to the specific field of old age security, it has not felt it advisable to overlook the fact that there are other areas of social need in which governments, both provincial and federal, may be called upon to take in the future a substantial measure of responsibility.

The committee went on to deal with these other matters that had to be looked at as well as old age, with which we were particularly concerned, including the problem of invalidity, and again I say, despite the fact that it was outside our terms of reference, the problem pressed itself upon us so deeply that the committee went to the extent of getting from officials of the Department of National Health and Welfare a figure as to what it might cost to provide pensions for invalids and incurables. That figure is contained in a paragraph on page 104 of the report. The reference is as follows:

> So far as pensions for invalidity are concerned, an amount of the order of $40 to $50 million might be involved, depending on the details of the program and the nature of the eligibility test which might be applied.

When the committee was dealing with this matter in April, May and June of last year, the figure of $40 to $50 million was still thought to be a rather large sum. That was before trouble broke in Korea. But now, in the light of the total money we are being called upon to vote this year, that amount dwindles to the point where surely no one in the house can object to the motion of the hon. member for Terrebonne on the ground of what it might cost to implement the recommendations contained therein.

That is all I wish to take time to say just now, for I want to see this motion voted on, and passed. My point is that the old age security committee is the one committee in recent years that has taken time to go into all these various problems. Our terms of reference required that we stick to old age pensions, but this problem was so pressing that we commented on it, we indicated what it might cost—a really small figure in terms of present day budgets—and we made it clear that in our view something had to be done for these people. I hope that the motion will come to a vote today and that the house will support it.

Mr. A. J. Brooks (Royal): Mr. Speaker, like the members who have already spoken, I intend to take only a few minutes. I recall the work of the committee on old age security, to which the hon. member for Winnipeg North Centre (Mr. Knowles) has referred. We were all disappointed that the terms of reference of the committee did not include the persons mentioned in the resolution of the hon. member for Terrebonne (Mr. Bertrand). The fact that so many members feel they should say but a few words and that it is not necessary to make a long speech indicates, I think, that this is a subject which speaks for itself. I, like other members, have had the serious situation of crippled people brought very clearly to my attention many times. Some years ago I was a school inspector, and in going through my district I often met young people who were crippled. At that time I was so impressed by their helplessness that I thought it was a shame that something was not done for them.

I also sympathized with the situation of the parents. They used to bring their children to school, and I would say to them that it was going to be a very difficult matter to look after the crippled boy or girl; they would answer that they did not mind so much while they were living, but what worried them most was what was going to happen to the boy or girl after they had ceased to be able to care for them.

[Mr. Knowles.]

This is indeed a problem for the people of Canada. We have looked after our old people. We have looked after our blind. I know of many old people who need far less attention than the crippled children we see in our communities. The old people have lived their lives; many of them have homes and children to look after them. In many cases, however, the parents of these young people are dead and they have no one to look after them except perhaps their brothers and sisters. You go into the homes of these brothers and sisters who are married and have their own children growing up, and you find these poor young men and women sitting there, unable to look after themselves or to do anything to help themselves.

I do hope, Mr. Speaker, that this matter will come to a vote in the house. I congratulate the hon. member for Terrebonne (Mr. Bertrand) upon having brought it up again, and I believe it should receive the support of every member here.

(Translation):

Mr. Pierre Gauthier (Portneuf): Mr. Speaker, just a few words to congratulate the hon. member for Terrebonne (Mr. Bertrand) on the motion he has placed before the house.

Every time a motion such as this is being considered, I am reminded of two names that were familiar when I represented my constituency in the provincial legislature. They are that of Mr. David and of Dr. Lessard. As Mr. David so often said, he was always trying to help the unfortunate in his province. Working in close co-operation, Dr. Lessard and Mr. David established the basis of legislation that brought assistance to those who did not have the strength to resist the onslaught of disease.

They are responsible for the establishment in my province of health units that seek to prevent disease, thereby contributing to lower the number of disabled. In setting up the bases for the present health units, they established in the province of Quebec a system whose value does not seem to be fully appreciated.

Many years ago, when preventive medicine first appeared, I remember that Quebec city's best physician, Dr. Ahearn, who had gone to France at the end of the nineteenth century, used the aseptic method. At the time, several reports were published on the methods used in surgical techniques. Physi-

cians came to realize that if they wanted to help suffering humanity, all they had to do was to take steps to prevent disease in all its forms.

When the system of sanitary units was created in my province, a great step was made towards curing the disabled and those who would have become invalids because of a lack of preventive medicine. I would not want to enumerate at length the causes of disability in general. Far too often our people were slow in accepting the views held by doctors with respect to preventive medicine.

I remember that during my first years in practice my patients would often say to me: "I hope you will not stick posters on my house to show that there is diphtheria inside." Thanks to preventive medicine these contagious diseases have all but disappeared. Nowadays everybody asks, not only to be preserved from the complications following badly treated eruptive ailments, but that the public in general be warned about them in order to reduce the danger of contagion. While on the extended calls which are the country doctor's lot I have often noticed that though there are some invalids who ask for public assistance, others refuse to bother those whom they believe to be, like the representatives of the people, kindly disposed and ready to help the seriously affected victims of poorly treated and misunderstood eruptive ailments.

The House of Commons, the hon. member for Terrebonne and all those who spoke on this motion deserve credit for their interest in the disabled, particularly those who are reluctant to ask for help, and for seeking to allow those people to find some measure of enjoyment in a life that has been more or less favourable to them.

I said that I did not intend to give the list of all the disabilities which may follow poorly treated or misunderstood eruptive diseases. May I be permitted to mention only kidney, eye and ear troubles, which may cause deafness or blindness at an early age. Everyone knows the discomfort attending arthritis. At the risk of drawing criticism from those who do not believe in this remedy, allow me to suggest a preventive remedy for arthritic troubles which are too often the cause of disabilities among our citizens. I refer to the more or less rigid abstention from alcoholic beverages.

I shall not dwell on this subject today for I might be beyond the range of the motion before us.

Those who are entrusted with the care of public moneys—

Mr. Martin: You speak very well.

Mr. Gauthier (Portneuf): Thank you. Those who are entrusted with the care of public moneys—like the Minister of National Health and Welfare (Mr. Martin) who always listens to us with kindness—fear that the number of pensioners may keep on increasing until one day the government will be unable to cope with all applications for pension.

However, in view of the enormous progress achieved in that field, through the help of the medical profession and of people outside the profession who understand the necessity of preventive medicine, the number of disabled will tend to decrease from day to day, from year to year. That is because the dangerous after-effects of various diseases will be avoided, thanks to the discoveries of research scientists.

I believe that the cost of such protection would not be as heavy as is thought at the present time. In any case, it would constantly decrease. I therefore beg the minister of national health and the government not to fear that too much money is involved. The house should support the motion of the hon. member for Terrebonne, and the government should introduce legislation which would make it possible, following the report on the survey which is still going on in connection with disabled people, to look with mercy on the lot of our invalids and hold out a helping hand in order to give them what is needed to lighten their burden at last.

I do not want to delay the passing of this motion. I only wanted to speak as a doctor, because I know that those who have access to the darkest recesses, farthest from the public gaze, can understand how much the disabled are hoping that the House of Commons and the federal government will act in that direction.

Mr. Azellus Denis (St. Denis): Mr. Speaker, I wish to join the previous speakers in supporting the motion of the hon. member for Terrebonne (Mr. Bertrand).

I am confident that, if a vote were taken on the motion, it would be carried unanimously.

I don't see why we should not take as great an interest in the sick and the disabled as we do in the blind and old age pensioners. We are also looking after wounded or disabled veterans. They are now drawing an allowance, although still able to earn their living. In my opinion, the disabled and the sick deserve as much attention as blind people, old age pensioners and veterans.

This resolution has been on the order paper for several years already. It is time to do an act of Christian charity, which would also be an act of justice on behalf of our own people, by coming to the assistance of the underprivileged. This, moreover, would be to the credit of the Liberal party to which I am happy to belong. The people of my constituency would be delighted to hear that the dominion government has passed legislation to assist our underprivileged, incapacitated and ailing citizens.

(Text):

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, I am not going to make any apologies for saying a few words on this resolution. It has been up for discussion on previous occasions, and I think this time we should make a decision on it. In my opinion the meaning of the word "incurable" is a matter of definition. The solution to this problem is not as simple as just deciding that you are going to pay a pension. In my opinion a large percentage of the people who today are termed "incurable" are people who could have led normal and useful lives if the disabilities from which they suffer had been taken care of early in life; and they were not taken care of simply because they could not afford the type of medical attention necessary for their particular disability.

In my opinion, the matter we are now discussing on the basis of what we term "incurable" is a matter that ties back in with an over-all health program in this country, by means of which every type of medical service may be placed at the disposal of those requiring it. Until that is done we are going to have more and more of the type of disability that we are now discussing.

I am sorry that the Minister of Veterans Affairs (Mr. Lapointe) is not in his seat. There are in this country on pensions and on war veterans' allowances thousands of war veterans with families. While the veterans themselves are protected as to hospitalization and medical attention, in the great majority of cases neither their wives nor children can afford medical attention of any kind. Many people in the categories I have just mentioned have come to me, and they have wanted to know if there was not something we could do to enable them to get some medical service for their wives and families. In the veterans categories, for economic reasons, there will be in their families thousands of cases of the type we are now discussing unless we devise ways and means of providing medical attention for them.

Another case that you might put in this category is that of the mother who raised a family, who has sent her children out into the world, and who is between the age of fifty and sixty, or even up to sixty-nine. These women are too young for the old age pension; they are too old to work. There are thousands and thousands of mothers of boys who performed great service in the country and out of the country, who are broken down prematurely in life because of hard work and inadequate equipment in the home to help them with the work, and who have no income whatsoever. The most pathetic figure in our midst, I think, is that woman. I know that in every member's constituency there are hundreds of them. They come in and say: My family is gone; I have no home; I am an object of charity; I have no income; I am between fifty and sixty years of age. There is no mother's allowance from the province, as there are no children under sixteen years of age; and there is no federal legislation. That type of case should be taken care of by way of pension. It should be done immediately.

As to this other matter, that of incurables, I think the root cause of a large percentage of the people being in that category is lack of medical attention at the time that something might have been done with regard to that particular disability. As to many that you meet across the country, it is obvious even to a layman that the type of disability from which they suffer is one of such a character that, if it had been taken in the earlier stages and medical science had been applied to it, they would not be in the condition in which they find themselves today.

I suggest to the Minister of National Health and Welfare (Mr. Martin) that he hurry that survey up and that he include in that survey serious consideration to making medical science available to the people of this country. A large percentage of our people today cannot afford medical attention of any kind. If you happen to put a member of your family in the hospital for two, three or four months, when you get the bill it looks like the national debt. You are mortgaged for the next ten years in trying to take care of it. I am not blaming the hospitals nor the medical associations for this situation. I am blaming the government for failing to consider this problem seriously.

Mr. Martin: Your speech has been good up till now. Do not spoil it.

Mr. Gillis: I ask the government to consider seriously the enactment of an over-all health plan immediately. I think it is one of the basic needs of the country.

I also want to compliment the hon. member who has brought this resolution before the house. He has done it time and again, and this time we intend to see that he gets a vote on it.

Mr. W. G. Blair (Lanark): Mr. Speaker, I remember well when, in 1946, the hon. member for Terrebonne (Mr. Bertrand) brought this resolution into the house. I supported it at that time, and I am glad to say that the discussion took place all that afternoon and continued on until almost eleven o'clock at night, such was the interest of the house. But although I supported the resolution at that time I pointed out to the hon. member that there was with regard to it some faulty draftsmanship which defeated the object of the resolution itself. But now I find myself in complete agreement with the resolution as it is presented today.

I am glad the hon. member for Cape Breton South (Mr. Gillis) raised the matter of incurables. It is quite true that it is extremely difficult to define "incurable", and it is also extremely difficult, as we shall discover when we draft legislation for this bill, to state really what you mean by an incurable disease. That is more difficult to define than it would appear to be on the surface. To declare that a person is unemployable, as we are sometimes called upon to do, is also a matter of difficulty.

The hon. member was on sound ground on one matter to which he directed attention. I have had some personal experience in the matter of crippled children and service clubs. I happen to belong to a local Rotary club in my own home town, and I must say I was amazed at the results they have had in their campaign for crippled children. I sometimes wonder where the committee in charge of that work found all the cripples, inasmuch as I thought I knew most of the people for many miles around my own town. The work that they are doing to save people from the condition mentioned by the hon. member for Cape Breton South, namely being permanently disabled, is a marvellous one. But something more should be done, because we cannot expect the service clubs to cover a whole area or a whole county. It just cannot be done. But I have seen enough of this work to agree fully with the hon. member for Cape Breton South that much more could be done especially if it were a national project.

There is no doubt that some of the people who are mentioned in this resolution might be considered under other classes. We have arranged for the care of our veterans, and so far as they are concerned, in the matter of wounds and disabilities, they are very easy to judge because these things are apparent. But when the pensions board get down to the question of defining the amount of disability in regard to sickness, it is not always easy to deal with.

I call the attention of hon. members to the fact that this resolution is not as easy as it looks; but it is something that we must get down to business on and deal with. I have had other experiences in that matter. I have seen these crippled children, crippled mentally, in their homes. Just as the hon. member for Royal (Mr. Brooks) mentioned this afternoon, while their parents are living it is quite all right, they will be taken care of. When the parents die then the trouble begins. Sometimes they are found in very distressing circumstances, and they end up in the public ward of a hospital.

Perhaps there is no chance of doing anything along that line, except at the time they come in to build them up and recapture their health so far as you can. Then the hunt begins for a public institution to take care of them. Very little in the way of any arrangement has been made for these people who are below par mentally. They are really most difficult to deal with, because they are not of sufficiently low grade to be accepted in the mental hospitals, and it would be difficult to teach them and rehabilitate them in the way of carrying on some useful occupation.

I was impressed by the amount of work that has been done of late years in rehabilitation, especially of veterans. Many of these people—and I mention this to the Minister of National Health and Welfare (Mr. Martin)—can be rehabilitated in some way to get a proper education to make a living for themselves. Many of these people never had the advantage of a proper education that they could use in earning a living.

I remember last spring when a group of incurables came to the House of Commons seeking some redress in this matter. Many of them were pitiable cases. You felt that something should be done for them. One could not see these people without being impressed with that fact. Later we had the old age security committee. That committee, sir, felt that something should be done, but there was nothing in the terms of reference which made it possible to deal with this situation.

I happen to be physician to a home for the aged in my own county. The other day

I was looking at some of these people who have been there for years and years, who did not qualify in any way by age, but there was no place for them. Young men came in there crippled, but bright mentally. If something had been done for them at the time they contracted whatever disease was causing their affliction they would not be in an institution of that kind, but would have been able to earn their livelihood.

Another thing that impressed me very much last year at the time we had our short session is this. I received three letters from people suffering from multiple sclerosis. They had gone as far as they possibly could. Naturally they sought to be cured. They had spent all their money trying to be cured, and the three of them had arrived at that stage when they wondered what was going to happen. They had no homes, or there were no facilities in the homes, if they had any, for their care. Certainly there was no one in particular to care for them. The difficulty was to get them into some institution.

You find these people in all ages of life. As has been suggested this afternoon, there are in the old age group people over seventy much better able to care for themselves, to work and to earn a living, than many of these people. That is something that I think hon. members should not simply pass by. Many hon. members have said that this afternoon. We should go a little further than we have ever gone before.

The Minister of National Health and Welfare has brought out something when he says that he is making a survey to find out the number of people who will require treatment under this resolution. But I think we can progress somewhere a little further along the road, without waiting for the complete results of the survey. Surely we can take some of these people, such as we saw last spring, into a welfare group as a beginning.

Therefore today I congratulate the hon. member for Terrebonne on being sufficiently aggressive to have kept this going since 1946. I think it is a good resolution. It is a resolution which every hon. member should support. Let us make a beginning by taking in some of these people even without the complete results of the survey, although the results of any survey are important. What I am trying to say is, let us try to get this group of apparent cripples, who are absolutely incurable, for whom there is no place, into a welfare group at the beginning. Let that be a start.

It is very easy of course to talk on a resolution like this. But I think that group should be taken first. The other group mentioned, namely, those suffering from an incurable disease, will require sufficient careful thought before we can take them all into the welfare group. It is not going to be so easy always to define the man or woman as being incurable, or to define them as being permanently unemployable. Therefore I think this survey should show the number of people permanently unemployable for whom there is no hope whatever, the number of people who can be rehabilitated in any sense to make a living, and the number of mental cases. I would imagine that there is very little hope for many people who are in that class.

Hon. members are aware that hospitals, especially mental hospitals, are jammed to the doors. We should take recognition of the lower-grade types, the types just below par mentally but who are not sufficiently mentally ill to become an inmate of an institution, but are handicapped in earning their own living.

There is another group of people who are mentally alert, but are subject to chronic diseases such as epilepsy. Some of these people are difficult to rehabilitate. It is dangerous to have them around machinery. They must be in some place where there is some supervision. Much can be done to help these people. Any doctor who has been in practice for some time knows very well that if he can get some of these people under treatment he can do a great deal for them.

I support this resolution in its entirety today, realizing the difficulty there would be in drawing the line between certain of these cases; but I suggest we make a beginning to deal with this question and not just pass it by as a resolution that we think should deserve some support and then forget about it for a year. We should make a beginning by taking into the welfare group as soon as the minister's survey is completed these people, the type we saw here last spring, where their permanent disability is apparent, and let us move on from there, carefully watching the type of legislation that we bring in. Let us move to the place where all people who are handicapped in earning a livelihood, who are incurable, will become a public charge, and will go into the welfare group, or receive sufficient money to keep them out of institutions, because one might use the term "cluttering up". They sometimes find their way into the public wards of institutions and take up beds that could be used for acute cases. There is not one of us who does not want to do something for these people.

The need is great; it is apparent to everyone. Let us make a start on it today; and as soon as the survey is completed, as soon as

the number of cases of disabilities and permanently unemployable can be learned by the minister's department, let us place those people in the welfare group, and get on with what is suggested in the resolution, so that no longer will we see these people selling pencils on street corners and tolerated by the police only because they are crippled.

We could go further than that. I believe this group is just as important to the house as is the old age group; certainly we have been very slack in dealing with invalids, with those who have suffered these afflictions, and we should begin today to do something about it.

Mr. Robert Fair (Battle River): Mr. Speaker, I wish to say only a few words in support of the resolution moved for the second time by the hon. member for Terrebonne (Mr. Bertrand). On other occasions I have raised the matter, and I shall be very happy indeed to do anything to help at this time.

We must not be told now, as we have been in the past, that we have not the money to take care of these people. In the near future we shall be asked to make provision for between five and six billions of dollars for the purpose of destroying and crippling people in other countries, and perhaps in our own. Let us spend at least a portion of that amount to take care of those in our own country who cannot take care of themselves.

I speak at this time because, like many other members, from time to time I receive letters from people in my constituency who are physically incapacitated. Up to the present time my replies have not satisfied me, and I am sure they have not satisfied them. Many of us who have full use of our limbs and senses are finding it difficult to make a living; we should be able easily to picture the task faced by those who are physically incapacitated. I shall support the resolution, and I offer my congratulations to the mover.

Hon. W. Earl Rowe (Dufferin-Simcoe): Mr. Speaker, it is unusual to find, as in this case, unanimity on any issue in the House of Commons. This afternoon I am impelled to say a few words in support of the resolution. In doing so I shall not take much time of the house, because I am in agreement with what has been stated by men in the medical profession who have spoken, the hon. members for Portneuf (Mr. Gauthier) and Lanark (Mr. Blair), each of whom has studied this social problem for many years.

It seems to me that our common interest in the resolution should prevent its being talked out this afternoon. I often think that in our democratic form of government on many occasions we put first things last, and last things first. Already in Canada we have an extensive social security program. The unanimity expressed in respect of this resolution is a further indication of that human sympathy aroused in each of us from our respective districts, each of whom has seen pitiful cases such as have been described today. It seems to me that these crippled and maimed people should have been looked after long ago, even before other social security measures were instituted. Not only have crippled children and other handicapped people in our society suffered, but they have been a source of embarrassment to their families and a charge against the good friendship of neighbours. Many times the support they have received has been meagre, and those charged with that support have found difficulty in maintaining their families.

Aside from political considerations altogether, I say this is a reflection upon our country. We have clamoured for those kinds of security which would find popular appeal, have given security to the many and have neglected the few. While this may have been an oversight, I have felt for many years that the condition should be rectified. Within the knowledge of all in this chamber today there are cases where the nature of the handicap has been such that the families have not had the money to give the necessary relief and treatment. There has not been sufficient money to give even that degree of care which would give comfort to those suffering.

I find myself in full support of the resolution, and I note with pride the unanimity of feeling among hon. members who have spoken. I have no doubt further that those who have not spoken will share in that spirit of human sympathy so that we may join in a common effort to see that the suggestion in the resolution is made effective.

I do not often speak at length in the house, because I feel that on many occasions the time of parliament is wasted. However, if we are sincere in what we say, and if we are not just talking to please those who are handicapped, then I am sure we will see to it that the resolution is not talked out and that effect will be given to it. While the application of the suggestion in the resolution may not have as broad application as in some other types of social legislation, it would serve to satisfy many anxious and deserving people.

Canada is a great country; we are a strong, rich and virile nation, and we should be ashamed of ourselves if we are content to give security to the strong and fail to provide for those who are handicapped and who,

through no fault of their own, find themselves crippled, handicapped, impoverished, unhappy and uncomfortable, while we give service to others.

As was said so well by the hon. member for Lanark, the Lord has made some people so strong that, even after reaching the age of seventy years, they are still quite capable. I have known many men in politics who would have debated with vigour any suggestion that they had lost any of their ability because they had passed the seventy-year mark. There are others working in the bush who are still capable and who can do a good day's work. Then there are many men of that age engaged in the practice of law—indeed, I am sure that within the next twenty years, even after he reaches the age of seventy, the hon. member for Temiscouata (Mr. Pouliot) will still be an able man.

We must not overlook those who have been handicapped for so many years. We are strong enough and, as a country with our vast resources—the greatest of any country with a small population—we must not fail to look after those who should have been looked after first in our social security program. I am not speaking in a derogatory way about the present government; I am saying that as a country we should have looked after those people first, and that those who needed help less could have been considered later.

Mr. Jean François Pouliot (Temiscouata): Mr. Speaker, I must answer the call of the hon. member for Dufferin-Simcoe (Mr. Rowe). First of all may I congratulate the hon. member for Terrebonne (Mr. Bertrand), who has sponsored the resolution, and also another pioneer in social legislation, the hon. member for Compton-Frontenac (Mr. Blanchette), who introduced similar legislation several years ago.

The question of giving assistance to invalids is one deserving consideration by the whole country. It is pitiful when we think of those neediest cases, to which reference was made in the Christmas edition of the New York *Times*. There have been great strides in social legislation during the last twenty years. In former years no one thought of giving a pension to the old, to the blind, to needy mothers, or providing family allowances. If someone who lived a quarter of a century ago came back to this world and visited Canada he would see the great progress that has been made in the way of social legislation.

I can remember that when I started my law practice there were very few children who were not supporting their parents. I practised for about fifteen years before giving all my time to politics and I can remember only two such cases. Then old age pensions were brought in by the Liberal government and people over the age of seventy years are receiving $40 per month or less. A pension of $40 per month is paid to blind persons over the age of twenty-one years. Family allowances are paid for children until they reach the age of sixteen years.

For those people who are incapacitated but who are not blind there is a gap between the ages of sixteen and seventy years. The pension to the blind as well as the old age pension is paid jointly by this government and the provinces.

Mr. Martin: We pay 75 per cent.

Mr. Pouliot: I know that. What astounds me is that the administration of these pensions is not under the control of Ottawa but rather under the control of the provinces who pay only twenty-five per cent. It may be that the government of the day did not want to infringe upon provincial rights and wanted to make an outright gift to the provinces which would be distributed as wisely as possible to the old of seventy years and over and to the blind. When the Minister of National Health and Welfare (Mr. Martin) took charge of the department he reduced the eligible age for blind pensions to twenty-one years.

A person of seventy years of age and over is entitled to a pension of $40 if he is needy. If he has put aside a bit of money for his burial or for masses after his death, he must render an account of that to the pension authorities or his pension may be reduced. I must say that in past years the management of old age pensions and pensions for the blind in Quebec has been most satisfactory. I have had to write quite often to the authorities about different cases and the answers I have received have been satisfactory.

In view of the fact that there is only one branch of the department in each province dealing with family allowances it means that the member of parliament must act as the agent of the government to see that there is a proper distribution of family allowances in his constituency. That duty is added to his other duties. I do not consider it to be patronage because there is no political partisanship in the awarding of allowances and the making of requests or representations to the minister. On the other hand, it means considerable work to see that there is a reasonable and fair distribution of family allowances in the constituency.

I should like to make one suggestion to the minister who I know is on good terms with the department of health of the province of Quebec. I want to take advantage of this

opportunity to pay a special tribute to Dr. Jean Gregoire and Dr. Beaudet, whom you know very well and who made such a success of setting up health units in Temiscouata county when he was stationed there. These are men of great heart. They understand human misery and, like the Minister of National Health and Welfare, they are always ready to help those who suffer. They deserve commendation, not only in this House of Commons but anywhere their names are mentioned.

There is no control over the expenditure of family allowances and I suggest to the minister that he should get in touch with the provincial governments. Arrangements should be made to have those who receive family allowances visited once a year or every two years by the nurses of the health units so that it will be known whether family allowances are being used for the purposes for which they are given.

There are many poor families who live on the family allowances. The father may be ill or disabled and the mother may have many children to look after. Sometimes the only income is the family allowance cheque. That is pitiful, but it is more pitiful when some of the children are incapacitated, some from birth, some because of accident or others because of illness. They have not the means to pay for their own care. The situation in my constituency is no different from that of any other constituency in Canada. There are some human beings who are physically infirm or abnormal. They may suffer from any illness or disability. The rich may go to a hospital and always find a room but these other people cannot always do so. Sometimes they go to the hospital. Sometimes they live far away in the back country. They are isolated and they need help.

I read a Canadian Press dispatch last week telling about a woman who was alone in her cabin in the north country. Her husband was a lumberjack and was far away from home. The nearest settlement was quite a distance away. She was suffering from an attack of appendicitis. She had to go to the nearest settlement. She had two young children. She put them on a sleigh and brought them to the nearest settlement in the cold of winter. There was nobody in the house but the door was open. She could telephone somewhere else. One of the children had his feet frozen and had to be operated on later. I think of that woman of the far north of one of the western provinces—I believe it was British Columbia—who was alone with her young children, became ill, and had to walk so far with them in the cold.

That is a deserving case, and there should be an organization through which the children could be looked after. It is probably done in all the provinces. On one occasion a man from my constituency was taken sick in the province of British Columbia. I wrote to the then minister of health of that province who saw to it that he was hospitalized there. In the same way people from other provinces who fall ill in the province of Quebec are looked after when the occasion arises. This is a matter of Christian charity.

Last Sunday evening, Mr. Speaker, you probably listened to the excellent broadcast by Rev. Father Desmarais, a Dominican, at 7.30 p.m. over the trans-Canada network of the C.B.C. He spoke about charity and talked about a very well dressed old lady who was attending a melodrama in Montreal, or wherever it was. It was called "The Two Orphans". It was pathetic at times and she shed tears. She had her handkerchief in her hand and she was shedding tears while listening to the story of the two orphans. After the play was over the priest stood at the door of the theatre and the old lady came out. A limousine was waiting for her, and two little kids in rags were asking for charity. They had no rubbers, their clothes were torn, and they seemed to be suffering from the cold. They said to the lady: "Charity, please, in the name of God." She said: "How dare you impertinent children bother me when I am on my way to my car?"

I know that is not the feeling of any member of the house. We all understand that according to the doctrine of Christ the way to deal with our neighbours must be entirely different. That is not the way our Lord taught the gospel during His lifetime. There is one thing I want to tell the minister, and he probably knows it. I refer to the extent and depth of the love of parents for their children. One may read the resolution and say: We will send these invalids to the nearest hospital.

Mr. Low: It does not say that, does it?

Mr. Pouliot: No. I say that we may say: We will send the invalids to the hospital. I want to tell the minister that the love of parents of disabled children is so deep that they do not want them to be taken away from them under any consideration. The mother wants to look after her sick child.

Mr. Gauthier (Portneuf): That is right.

Mr. Pouliot: And when the father comes home at night he always inquires about the sick child before thinking of the others who are in good health. It is precisely because of that affection which I might call deep love,

real love, that parents would not be separated from their children. They would object to their children being taken away from them to be sent to a hospital.

Mr. Low: Hear, hear.

Mr. Pouliot: It must be the same in my hon. friend's constituency. It is the same all over Canada. I am not speaking of an exception. I am speaking of the love of parents for their children, a most admirable thing. If these children were sent to a hospital it would be much more costly than if a pension were awarded to these families as suggested in the resolution of the hon. member for Terrebonne. It will be much cheaper for the country to pay to such children or older people the same amount paid to people seventy or over, to the blind of twenty-one or over or to needy mothers who are paid directly by the provinces without any federal contribution. The dominion government should do something to equalize the pension paid by the provinces to needy mothers for their children up to the age of sixteen, and it should look after the invalids of the whole country. Here we have a country where the climate is healthy, the surroundings are beautiful and the scenery is glorious. In this country there is no reason why the sick and disabled should not be looked after by the state if their families have not the means to do so.

I do not want to take too much time of the house, but this is a matter I have at heart. I want to tell you, Mr. Speaker, and the minister what have been my observations in travelling around my constituency and visiting the poor among my constituents. I am interested in them largely because they never complain. They are proud and they have the dignity of pride. They are timid; they do not want to talk about their misfortunes. We have to become friends with them to learn about their lives; and to anyone who is given the privilege of hearing their sad stories of human misery there is a strong appeal. This is a confidence that can be given only by a friend to a friend; it is never given to a stranger. If I have suggested to the minister that there should be a check on the distribution of family allowances by means of the admirable nurses with the health units throughout Canada, it is because these women while visiting families where there are young children would be able to report to the government these sad cases of disability. Then many times the minister would have the joy of helping young people improve their lot by giving them better health. While the amount paid in family allowances is very large, about $200 million—

Mr. Martin: It was $307 million in the last calendar year.

[Mr. Pouliot.]

Mr. Pouliot: So much the better. We cannot complain about moneys spent to ensure the good health of all who live in this country. I am not for socialized medicine, but I am in favour of the extension of pensions to those who suffer most. Naturally there is a difficulty, and that is to establish what constitutes a disability which would entitle a person to that pension. That is a matter to be discussed by the learned members of the medical fraternity; but it can be done. It can be said that a child who suffers from infantile paralysis, and who will suffer from it all his life because he had not the opportunity the child of wealthier parents would have to go to hospital when the disease struck him, should be given every opportunity to recover and live to a ripe old age.

These are matters of the utmost interest to all, as will be agreed by any member of parliament who lives among his electors and listens to them. No one would refuse to help these people. At Ceylon it was decided that Canada should subscribe $25 million to improve the living standards of Asia. We may think a lot about China, but the United States is spending more in a month bombarding Korea, destroying lives, than this government has undertaken to spend in that area in a year. I am not for the destruction of life; I am for the improvement of health conditions throughout Canada. If this country is rich enough to give away $25 million and more to help improve conditions in Asia, I believe we should look after our own conditions first. We should be ashamed of ourselves if we do not pay attention to the poor, the humble and the sick in this country.

The minister has done very well. He has improved his department to such an extent that it is a pleasure for me to tell him so in this house; but his job is not finished. We are on the eve of social reform, which must start at the bottom. It would be ridiculous to give the old age pension to the rich and leave without help the sick and needy between the age of sixteen and seventy. Their sickness is an urgent call to the government, particularly to the minister, requiring their immediate attention to this matter. If we are to prepare for war, that is no excuse for not looking after our own people in this country who suffer in silence. If I speak loudly in this house today it is on their behalf. I am sure I have been heard, and that the minister will not do what has been done in the past. I am sure he will not postpone the matter until another session, but will see to it at this session that some help is given to invalids between the ages of sixteen and seventy; that is, excluding

those who are blind, who thanks to the present minister are already in receipt of some help from the age of twenty-one.

Now, sir, I will not speak any longer. I have said part of what I wanted to say; but before closing I want to mention one instance. In my county there is a family of which five children, varying in age from twenty to thirty, are hunchbacks and dwarfs; but they are extremely intelligent. Think how deserving that mother was to bring them up. They have brothers and sisters who are normal, but the mother also looked after these children and brought them up very nicely. They are clever children, and I like them. When I see them, they say, "Mr. Pouliot, when will you speak over the radio again? We like to listen to you". You know, a statement like that is wonderful. I said to the mother, "Why do you not send your children to the hospital to be looked after?" She said, "Never. I will look after them." The father is not a rich man. He is getting old now. I mention the mother as one of the admirable ones who look after their own children. She brought up these invalids with such devotion and care that it deserves special acknowledgment and a special tribute.

I am not going to say any more; I am through. I thank the house and the minister for having listened to the plea for those who suffer and deserve immediate help.

Mr. W. Chester S. McLure (Queens): Mr. Speaker, I am not going to take any length of time at all. All I want to say is one thing, and I want to say it to the Minister of National Health and Welfare (Mr. Martin); but he has left the chamber for the time being. In 1945 I brought this matter to his attention; and since then, if he looks over his file, he will find at least thirty-five or forty requests of him for people in my constituency.

I am glad that this resolution is before the house today because when the vote is taken on it this afternoon I think it will be a unanimous one; and it will be a most wonderful thing if it has the support of the entire house. I am not going to put up any further arguments in support of the resolution because it is not necessary. Every hon. member of the house believes in it. I just want to say, Mr. Speaker, that I want to support it by a vote this afternoon.

Mr. C. E. Johnston (Bow River): Mr. Speaker, I see that there are quite a few members yet who wish to speak on this motion. I do not want to take too long. Certainly I do not want to be accused of attempting to talk this matter out. Yet I want to add my voice to those who have already spoken in its support.

I think every member of this house recognizes the worthiness of such a motion. They also recognize the necessity for this house doing something. We all quite well recall that just about a year ago a delegation of incurables came to this house. Most of them were in wheel chairs or had to be assisted from one part of the house to the other. On that occasion they visited every party represented in this house, and I am sure that they had a most wonderful reception. But although every party in this house received them with the greatest courtesy, listened to them patiently and endeavoured to do everything they could for their assistance, nevertheless I wonder just what has been done. That was a year ago. Even though this motion were passed today—and I suppose that if it comes to a vote it will pass; I hope it will—what is going to be done?

I recall quite well that about a year ago, before I left Calgary, I had the pleasure—if one can call it that—of attending one of these incurables' meetings. I was pleased to go there and assist them in what way I could. But it was certainly a pathetic scene, to see about thirty or forty of these cripples congregated in that one room in the home of one of them. Some of them had to be assisted there. Others were brought by cars. They could not walk. Some even had wheel chairs on that occasion. Some of those people were employed. I recall one lady who was employed; and she had to be assisted every day down to her work.

It is true that the blind are in a pathetic plight. It is terrible to be blind. We are assisting those people to some degree. But I just wonder how much worse it is for persons to be crippled by poliomyelitis or arthritis or something like that, as a result of which they cannot use their hands or their legs; they are absolutely dependent upon somebody else for everything. Yet we do not do a thing for them. Some of these people are compelled either to eke out an existence on their own behalf or to submit to charity. That should not be. As was said by the hon. member who preceded me, we are giving $25 million to the Colombo plan, to assist these needy peoples in other countries. That is a worthy cause, but it seems to me that it is just as worthy, if not more so, that we should immediately begin to take care of some of these incurables within our own boundaries.

I know that the Minister of National Health and Welfare (Mr. Martin) is sympathetic to these people. We were told by the delegation that came here a year ago that the minister received them most courteously,

listened to them carefully, and was sympathetic. But a year has passed since then and nothing has been done. Sympathy is not going to get them anywhere. We must do more than that. Canada is not such a hard-up country, financially or otherwise, that we could not begin to do a little bit. I should like to see the minister come forward with some sort of plan during this session, even though it be not very great. It will be a start in the right direction. I hope something will be done.

(Translation):

Mr. Raoul Poulin (Beauce): Mr. Speaker, with my colleagues' permission, I shall say only a few words in support of the motion put forward by the hon. member for Terrebonne (Mr. Bertrand).

I well understand that this is an extremely involved matter. I have no wish of complicating it further by a long speech. Nevertheless there are certain aspects of the question which are quite simple, as all here will readily agree. We do have in our midst disabled people, incurables, from the mental or physical points of view, who are worthy of our attention.

One of the aspects of this matter is that very often the permanently disabled are unhappy not so much because of their physical disability, but because of a feeling of inferiority, as well as the anguish and anxiety they feel about their future. If these incurables could feel that the government of their country and their representatives dealt appropriately with their case, it is certain that their disabilities would seem less of a burden and that they could put up with their condition.

The Minister of National Health and Welfare (Mr. Martin) told us a while ago that a survey was already under way to determine how many people are permanently disabled in this country. The hon. minister and the house may be surprised at the very large number of these incurables. Naturally, this condition would involve quite a financial problem. Fortunately, it is not my problem but that of the government.

However, I want to point out another aspect of the matter which the hon. member for Portneuf (Mr. Gauthier) mentioned a moment ago. It is a fact that if they are granted an allowance many disabled would be in a position to improve their condition and perhaps to be made well again.

There are undoubtedly a great many families without sufficient means to give medical attention to their members suffering from a chronic disease. With proper care, a great number of these sick people could be restored to health. Naturally one cannot blame our large families for not giving their disabled members all the care their condition would require.

I have nothing more to add. May I say, however, that I quite understand the government's reluctance. I realize it takes time to settle a matter like this. Apart from any political motive, even if it has been said, a few moments ago, that this measure was a measure of the Liberal party, I believe all parties will admit there is something to be done in this field.

The Minister of National Health and Welfare will surely consider this highly important problem. I hope that in the not too distant future he will find a way to help our incurables.

(Text):

Mr. J. A. Blanchette (Compton-Frontenac): Mr. Speaker, I need not tell you that I am heartily in accord with the mover of this resolution as well as in accord with hon. members who have expressed themselves on this matter this afternoon. As the hon. member for Temiscouata (Mr. Pouliot) has said, it is true that some few years back, after the hon. member for Terrebonne (Mr. Bertrand) had introduced this resolution, I myself in the following year introduced a resolution along the same lines. My explanation for it is that I did not know the tenacity of the hon. member for Terrebonne as well then as I do now. Knowing how tenacious he has been since then I have supported him in each succeeding year since he first introduced the resolution in 1946.

I feel, Mr. Speaker, you will agree with me that the discussions this afternoon have been most interesting, most beneficial and most comforting, especially to the invalids and to those who are incurable. Perhaps it will give them a certain hope, because some of them have felt that they have been forgotten in the social legislation.

It is true, as we all know, that certain assistance has been given to needy mothers by way of family allowances to children, and also pensions have been given to the aged and to the blind. It seems to me that we should go a step farther in our social legislation and do all that we can to hasten assistance to the invalids and to the incurables.

I have had the privilege of being mayor of a municipality and warden of my county in the province of Quebec for the past twelve or fifteen years. It is true that in that province we have the public assistance act, but this act does not seem to be operative when

certain cases of invalids or incurables come up, for the simple reason that the different municipalities have to contribute a certain percentage, which they cannot do at times.

I know that this measure will involve an expenditure of money by the government when it is placed on the statute books of the country; but if up to this time it has been impossible for the federal government to do that, and if it has been also impossible for some of the provincial governments to do it, I know you will admit with me, Mr. Speaker, that it has also been impossible for some of the municipalities to give the aid which we think should be given to the invalids and to the incurables.

I know that in my riding we have exactly what we have in all of the ridings of the country, namely, certain cases of invalids, most meritorious cases, that cannot be helped because of lack of legislation either in the federal field or in the provincial field. Therefore I know that these people will be greatly comforted today by the speeches which have been made, and especially by the declaration of the Minister of National Health and Welfare (Mr. Martin), who has said that a survey is being made at the present time.

Like the hon. member for Lanark (Mr. Blair), I trust that this survey will be expedited. I also associate myself with the suggestion made by the hon. member for Lanark that once this legislation is enacted the first step that should be taken should be that of caring for those who are readily recognized by the layman as being invalids and incurables.

I may be permitted to make a suggestion to the Minister of National Health and Welfare because this legislation, if enacted, will be hard to follow and difficult to apply. There will also be a certain amount of money to be allocated to care for those unfortunate persons. I am wondering, and have been thinking for some time, whether it would not be possible, when the legislation is enacted, to specify that a certain tax—call it an invalid tax if you wish—might be charged at all sporting events that are held throughout the country during the year. I feel that no one who attends those sporting events would object to the payment of five cents or ten cents extra which might be directed toward the assistance given to the invalids and the incurables.

The hon. member for Temiscouata has said that this country has voted a certain amount of money to be devoted to the alleviation of human suffering throughout the world. Perhaps I can associate myself with him to a certain extent and with the sentiments expressed in the lines of the poet, which most of you know. They are as follows:

> We have kind words for strangers
> And smiles for the sometimes guest,
> But oft for our own, the bitter tone,
> Though we love our own the best.

Mr. J. H. Rooney (St. Paul's): I should like to make a few remarks in this debate. I do so because, coming from the city of Toronto, I have often claimed that the riding of St. Paul's is the richest riding in Canada and still the poorest riding in Canada. I believe that the Minister of National Health and Welfare is very sympathetic to this matter. I can say much of what I have seen in the past in the city of Toronto, where I have seen much suffering. If there is any reputation I have in Toronto it is due to the work that my friends and I have done in the past years for the benefit of the poor, the sick and the weak.

In 1932, at a little house in Toronto, four of us sat and we joined together to see what we could do for the poor and the sick. We soon were meeting in the different homes every week in different parts of the riding. I mention that to indicate that what I speak about I know from the practical experience of the work we did during those trying times. I have often said in the past that if someone were lost in the wilds we would never think of the money that we would spend to save that one life. Yet we stand aside, we sit here and talk, and we forget that every day there are people dying, people in different parts of this great country of ours, a country supposed to be one of the wealthiest in the world, who are suffering untold agonies.

I have been censured sometimes for what has been called wholly thinking; but when I came to Ottawa as the member for St. Paul's I came with one idea, and that was that perhaps I could do something for the benefit of mankind. I say that here and now, in this resolution, we have an opportunity to do something for mankind.

Mr. Low: Hear, hear; if we can get a vote, we will.

Mr. Rooney: The resolution refers to:

> . . . the advisability of including in their social security program a system of allowances to every person without any sufficient income or means of support, who, by reason of an injury, accident, congenital infirmity or incurable disease, is at a disadvantage in seeking or obtaining employment, or incapable of providing for his subsistence, and whose age prevents him from benefiting by the social security legislation now in force.

That covers nearly everything. I heard an hon. member opposite say that if we could get to a vote we would accomplish something. Because I am deeply interested in this resolution, and so that I may not be

accused of prolonging the debate, I shall close in the hope that it may come to a vote immediately.

Mr. Bona Arsenault (Bonaventure): Mr. Speaker, I wish to be brief in what I have to say. At the very beginning of my remarks may I state that the object under consideration at this time is one which, according to the provisions of the British North America Act, falls within the exclusive jurisdiction of the provinces. Therefore it seems to me that unless and until our Canadian constitution is amended no plans can be worked out or carried into effect by the government, or by any other federal administration, to provide pensions to the disabled, without first seeking the approval and the co-operation of the provinces to that effect.

An hon. Member: Family allowances.

Mr. Arsenault: It does not apply to family allowances at all; they are paid to all children within a certain age. In this instance we will have to have provision such as is made for the blind. According to section 92(7) and 92(13) of the Canadian constitution this is a matter which falls within provincial jurisdiction.

Mr. Low: But it is not insurmountable, as it was in the case of the blind.

Mr. Arsenault: A plan should be worked out.

Mr. Coldwell: The same as in connection with old age pensions.

Mr. Arsenault: Yes, otherwise it would infringe upon provincial autonomy.

It is urgent, most urgent, that adequate assistance be provided to Canadians, to men and women who, on account of permanent disability caused through sickness, accident or otherwise, are in need of relief. Assistance must be given to these men and women whose cases are not already covered by provincial legislation.

How often do members of the House of Commons stand helplessly, confronted with heart-breaking cases of disabled persons in distress. How often do all of us, on both sides of the house, and without exception, receive letters and requests for help of some sort from unfortunate persons belonging to the category set out in the resolution, what I would describe as the out-class of our population, those who are disabled and in need. They are too old to receive the benefits of family allowances and too young to receive old age pensions. Yet they are unable to earn their own livelihood. Their cases are not covered by any legislation, and our society seems to deal with them most unfairly.

[Mr. Rooney.]

Whatever the cost—and I repeat this—whatever the cost to the provinces or to the federal treasury, something must be done, and done without delay, for this forgotten class in our population. No civilized government in the world, no Christian democracy, can let any section of its citizens suffer. I contend some means must be found, some provision must be made at the earliest possible date for the care of the disabled in our country, those who are unable to support themselves, and who do not already receive assistance from provincial administrations.

Naturally this will add to the cost of providing social security for Canadian citizens. But the more highly civilized a country, the greater the expense of carrying on its government. I believe that by an expenditure of not more than five per cent of the amount already provided for social security the disabled and others in need of financial assistance could be adequately cared for.

Yes, I know some will claim that it is not the function of either the provincial governments or the federal government to undertake what can be accomplished by private charity. They are afraid of the so-called welfare state. Let me tell them that we have no choice: we will either have a welfare state in some measure or, sooner or later, we may be a communist state. Faith, hope and charity provide the only fertile soil for freedom, the only air in which a true democracy can breathe.

In conclusion, my proposal is that this government now—not later—should seek the co-operation of the provinces in order to find a means to provide a pension of at least $40 a month for the disabled in the country who are unable to support themselves, and whose cases are not already covered by provincial legislation. Pensions for the disabled would be provided with the co-operation of the provincial administrations, on the same basis as the provision already made for the blind.

(Translation):

Mr. L. D. Tremblay (Dorchester): Mr. Speaker, I have only a few words to say on this resolution which, obviously, has the whole-hearted support of all members.

I join with previous speakers in warmly congratulating our excellent colleague from Terrebonne (Mr. Bertrand) for the initiative he takes every year in putting this resolution on the order paper.

A few moments ago, he recalled with the perseverance and persistency typical, I assume, of the people from up north, that this was the sixth time he was moving a similar resolution in the house.

Nearly everyone in the province of Quebec is aware now of the resolution moved by the hon. member. It has indeed received well deserved publicity. The motion reads as follows:

That, in the opinion of this house, the government should during the present session take into consideration the advisability of including in their social security program a system of allowances to every person without any sufficient income or means of support, who, by reason of an injury, accident, congenital infirmity or incurable disease, is at a disadvantage in seeking or obtaining employment, or incapable of providing for his subsistence, and whose age prevents him from benefiting by the social security legislation now in force.

All members who were elected in the last few years certainly have received applications for assistance from invalid or disabled persons from their own or some other counties. Those were of course extremely sad cases they would have liked to help. Unfortunately, they can only answer that there is no legislation allowing the federal government to deal with such cases.

Every member naturally passes those requests on to the government. Everyone submits such requests to the minister in order to emphasize to him the unanimous desire of charitable societies and associations for the blind to receive greater assistance for their charges.

It is encouraging to note that the present government is looking into these matters with sympathy. We are happy to recall that the father of social legislation in Canada—and this can be said without fear of contradiction—is none other than the former leader of the Liberal party, the late prime minister, Mr. William Lyon Mackenzie King. Many days have passed since that great humanitarian, that great economist, who became a great statesman, wrote, in 1909 I believe, a book entitled "Industry and Humanity." In it he outlined a program of social legislation an important part of which can now be found in our statute books. In fact a former Liberal government introduced the first social legislation years ago and the Liberal administration has been fulfilling that program to this day as is evidenced by unemployment insurance, old age pensions, pensions for the blind and family allowances.

Among other incidents, I remember one which took place some twenty years ago when old age pensions had been brought in in the province of Quebec. An old chap came to my house one day and asked to speak to me privately. I ushered him into my office and he told me, in his own words, that he wished to show me a few bits of paper he had received in order to find out whether they were of any value. These slips of paper happened to be two old age pension cheques. He could hardly believe his own eyes. This man who, after a full, active and useful life, was unable to look after his own needs, received his old age pension.

Well, in my opinion, we have been enjoying for many years the social services which were inaugurated by the present administration; we are proud of the government and we know it will continue its good work. In the resolution introduced today, the hon. member from Terrebonne expresses the feelings of the whole population with regard to those unfortunate people, and he will evidently receive the support of everyone in this house.

We have reason, however, to ask ourselves whether this is the proper time, when we are faced with an emergency, when we have to meet extraordinary expenditures which many, even among our opponents, look upon as exorbitant.

We may justifiably ask ourselves whether the time has really come to adopt such legislation, since there is a desire to grant a pension to elderly people of seventy or more, without a means test. That is the proposal which was submitted to the provinces by the federal government as early as 1945. There is another proposal, which, if implemented, would have us give old age pensions at 65. We all remember that in 1945, the federal government offered the provinces to pay one hundred per cent of the costs of pensions for people over seventy, and half the cost of pensions to people aged sixty-five. That was six years ago and unfortunately we have made no progress since. We hope that, with the co-operation of the provinces, we may soon be able to give a pension to those of our people who are sixty-five.

But there are also the disabled persons, who have a claim upon our immediate attention.

Here I want to speak in praise of the present Minister of National Health and Welfare (Mr. Martin). I believe that often, in the face of many requests that are submitted to the government, we forget what has been done by the young, active and tenacious Minister of National Health and Welfare. I am glad to see him in his seat at this time. After listening to the speeches made this afternoon, I feel sure he will give particular attention to this request, which seems to meet with general approval, and that he will submit a bill on this matter as soon as possible.

We can be sure of the understanding, the zeal and the sympathy of the Minister of National Health and Welfare, since he himself, as a few at least know, has suffered from poliomyelitis—to which reference was made this afternoon—as did also one of his sons. I therefore earnestly hope that the unanimous wish of the house and of the people of Canada will soon come true by means of proper legislation.

It has been mentioned that a survey is under way to determine exactly how many persons would benefit from such legislation. This is proof of common sense. The government being responsible to the people for the public funds and their administration, could it embark on this venture without considering what the cost would be? It is perhaps a bit premature to ask the government to make a decision now on this matter, when the situation of invalids in Canada is presently under survey.

I do not wish to detain the house any further. In conclusion, I wish to say to the hon. minister and to the government that we rely upon them, that we have confidence in them. We ask them to do their utmost to help those poor invalids. And your petitioners will ever pray.

(Text):

Mr. J. S. Sinnott (Springfield): Mr. Speaker, I wish to concur in everything that has been said so far. I think great credit should be given to the hon. member for Terrebonne (Mr. Bertrand) for his steady insistence that this form of help should be afforded. I believe that at the present time we have in the Minister of National Health and Welfare (Mr. Martin) one of the most sincere men that the Liberal government has ever had. I know that he cannot help but be impressed by what has been said from all sides of the house, namely, that this situation is one that cannot be tolerated any longer. The parliamentary assistant, who was just appointed a short time ago, is a man who has served for a long time in a medical capacity. I am sure he will be of great assistance to the Minister of National Health and Welfare in carrying out the intent of the resolution on today's order paper.

In my capacity as reeve of a municipality for almost ten years I have been somewhat closer to these social cases than in my capacity as a member of parliament. I have had occasion to see these cases for a long time. I should like to draw the attention of the house to one case in particular, a girl stricken with infantile paralysis who has been crippled for a long period of years. She has not been able to earn one cent for her own livelihood and has been dependent on her mother and father for a number of years. She has now moved into the city of Winnipeg but is still the responsibility of the municipality which I represent. Up to the present time it has cost the municipality somewhere in the neighbourhood of $6,000 for this one case. We have another case of a boy who fell in his infancy and broke his back. His mother and father care for him, and the municipality is giving him a limited amount of aid at the present time.

As I said in the throne speech debate, assistance should be given to such cases. Not only for the municipality which I represent, which has to pay in the neighbourhood of $5,000 a year for these cases, but for all municipalities throughout Canada such care has been quite a drain on their funds, and their only means of securing revenue is by taxing the land. Educational facilities are costing much more now than previously. When we drew our budget this year I noticed that the school taxes of the municipality have increased by almost $11,000 for that one small municipality. If we are to keep on providing for these social cases as well as all these other things it will be beyond the ability of the municipalities to do so.

Therefore we are looking to the federal government for help. I believe another man of great ability has recently been appointed leader of the Liberal party in Ontario. I refer to the hon. member for Ontario (Mr. Thomson). I am sure that those of you who have read the newspapers of late will have learned something of the foresight and vision he has concerning cases such as are covered in the resolution before us today.

Mr. Graydon: Don't link him with disability insurance.

Mr. Sinnott: When we want to link anybody with disability it will be the hon. member for Peel (Mr. Graydon). The hon. member for Temiscouata (Mr. Pouliot) has rightly said today that if we can find money for war purposes, if we can find money for charitable purposes to assist the people of undernourished countries, surely we have the ability to find the money to take care of those of our people who are not able to take care of themselves.

Mr. Ross (Souris): Let us vote on it.

Mr. Sinnott: It is going to cost a little money. There are about 147,000 such cases throughout Canada. At $40 a month it will mean some $5,800,000 a month or between $60 million and $70 million a year. When we can prepare for war to the extent of $5 billion, surely the capable parliamentary assistant

to the Minister of Finance can find between $60 million and $70 million somewhere to take care of these unfortunate people. I think I have said practically all I wish to say at the present time. In view of the fact that so many have already voiced their opinions that such help should be forthcoming at the earliest opportunity, I wish to urge this matter upon the minister and his parliamentary assistant. Knowing their ability, I am sure that help will be forthcoming for many of these unfortunate people in the very near future.

Mr. Raymond Bruneau (Prescott): Mr. Speaker, I shall not be more than five minutes so that there will be an opportunity to call a vote. I will support to my utmost the resolution now before the house, namely, that the government should during the present session take into consideration the advisability of including in their social security program a system of allowances to every person without any sufficient income or means of support, who, by reason of an injury, accident, congenital infirmity or incurable disease, is at a disadvantage in seeking or obtaining employment, or incapable of providing for his subsistence, and whose age prevents him from benefiting by the social security legislation now in force. Many such sad cases have been brought to my attention, where for years people have been left helpless and forced to rely upon their own resources, which for the most part were nil. They were human beings like ourselves, left to their miseries, but unlike ourselves incapable of providing their own subsistence and already too handicapped to do so. They had no silver lining to look forward to, and were left to mourn their hopeless existence.

A person so physically handicapped finds it impossible to even seek employment, and if he does he is often brutally informed that he is not suitable for any job. I know of people so disabled that they find it almost impossible to walk, or to seek employment for which already they are sadly handicapped. There are also those whose age prevents them from benefiting by the social security legislation now in force, because they have not reached the age of seventy which would permit them to come under the Old Age Pensions Act but already are too old to continue their employment. Invalids without income or means of support, whose disability puts them at a disadvantage in seeking or obtaining employment, are incapable of providing for themselves and almost inevitably are left to get along on a meagre fifteen dollars a month or so from their municipal government, when they are lucky enough to receive such a ridiculous allotment as a means of subsistence. It is most embarrassing to a member of parliament to have to interview such sad cases and be obliged to inform them that at present there is no legislation enabling us to help them in any way, but that a resolution to this effect is under study in the Commons. Then we have to inform them it is our sincere hope that a bill will be enacted which will enable us to be of assistance to them. As for our old people, as I have stated already in the debate on the address in reply to the speech from the throne, let us make it possible for those who have attained the twilight of life to have a little more happiness. In preparing the coming budget let us not forget the helpless, the handicapped and the aged, and let us do our utmost to see that those less fortunate people share in the social security program through a system of allowances. In doing so let us remember the beautiful words of Shakespeare's immortal "Merchant of Venice":

> The quality of mercy is not strain'd,
> It droppeth as the gentle rain from heaven
> Upon the place beneath. It is twice bless'd;
> It blesseth him that gives and him that takes.

Mr. Paul E. Cote (Parliamentary Assistant to the Minister of Labour): Mr. Speaker, I submit respectfully that this debate should not be allowed to come to an end before a case has been made for what has been achieved already under this or other governments in the way of relieving the handicapped, the disabled, or those otherwise prevented from competing in the labour market. In my opinion the way the resolution is drafted—in good faith, I am quite sure, knowing the mover as I do—it casts a certain amount of blame on the government by requesting immediate consideration, or consideration during the present session, of the advisability of including, and so forth.

As parliamentary assistant to the Minister of Labour it is my duty to bring to the attention of this house what has been done by the department in the relief of the disabled and the rehabilitation of those handicapped, and placing them on the labour market in a position to get and hold jobs. I mention more particularly the special section under the national employment service called the special placement section. At the present time this service has officers stationed in 32 of the 186 offices of the unemployment insurance commission and the national employment service across the country. These officers have found jobs for 81,731 handicapped persons in the past six years. In 1947, the peak year, placements totalled 14,844, and just last year 10,970 handicapped people were successfully placed in employment. When

my hon. friend first moved this resolution, in 1946, I had the privilege of participating in the debate, and I should like to recall the stand I took at that time.

Mr. Argue: Did you talk out the motion at that time, too?

Mr. Cote (Verdun-La Salle): If my hon. friend would be fair he would recognize what has been done by the government or what is in the process of being done. Does he know that on February 1, 2 and 3 there was a conference in Toronto the purpose of which was to co-ordinate and integrate the various services actually in existence at municipal, provincial and federal levels for the relief of the handicapped? Not much has been said about that this afternoon, but this is a start in a matter where the primary responsibility rests with the provincial authorities. It is not by an act of this parliament that such a project can be launched with chances of success. I believe the conference that took place last month will do more to meet what is intended by this resolution than any resolution that could be passed this afternoon. No relief can be given distressed people in this category except in co-operation with the province. The federal Department of Labour have done what they could within their own sphere, as I mentioned a few moments ago. Other things can be done; and the department, in co-operation with the Department of Veterans Affairs and the Department of National Health and Welfare, can surely work out a formula which can be implemented in co-operation with the other authorities in such a way as to largely meet the views of the mover of this resolution.

The Acting Speaker (Mr. Beaudoin): Order. I must inform the hon. member that it is six o'clock.

Some hon. Members: Question.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will continue the consideration of Bill No. 77, respecting the department of defence production; Bill No. 5, to amend the Canadian Wheat Board Act, 1935; the resolution in the name of the Minister of Finance respecting the Foreign Exchange Control Act; and Bill No. 79, respecting Indians.

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

END OF VOLUME I