Vol. 87
No. 48

4th Session
20th Parliament

CANADA

House of Commons Debates

OFFICIAL REPORT

Tuesday, March 16, 1948

Speaker: The Honourable GASPARD FAUTEUX

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.
KING'S PRINTER AND CONTROLLER OF STATIONERY
1948

Price per copy, 5 cents; per session $3. Address King's Printer, Ottawa, Canada.

CONTENTS

Tuesday, March 16, 1948

Address in Reply to the Governor General's Speech. Acknowledgment by His Excellency the Governor General, Mr. Speaker 2251

Private Bill. First reading of Senate bill 2251

Business of the House. Interim supply, Mr. Bracken, Mr. Abbott 2251

Income Tax:
- **Farmers—Net worth portion of return,** Mr. Zaplitny, Mr. McCann 2251
- **Prairie Farmers Income Tax Guide,** Mr. Burton, Mr. McCann 2251
- **Refundable portion of income tax**—interest taxable, Mr. McKay, Mr. McCann 2252

House of Commons:
- **Transportation of members visiting constituents,** Mr. Graydon 2252
- **Expenses of members travelling by air,** Mr. Low, Mr. Mackenzie King 2252

United States Tariff. Addition of 25 per cent to value for duty of goods exported from Canada, Mr. Timmins, Mr. Abbott 2252

Wartime Housing. Question as to notice to tenants to buy or vacate, Mr. Fulton, Mr. Howe 2253

Gold Mining Industry. Inquiry as to financial assistance, Mr. Beaudry, Mr. Abbott 2253

National Defence. Question as to bringing forces up to strength, Mr. Cockeram, Mr. Claxton 2253

Harbour Commissions. New Westminster—Refunding of debentures, guarantee of loans and redemption of securities. Bill No. 148, Mr. Abbott, second reading, considered in committee, third reading 2253

Transitional Measures Act, 1947. Continuation of certain orders and regulations. Bill No. 136, Mr. Ilsley, further considered in committee, progress reported 2256
- **Wartime Leasehold Regulations, as amended**—P.C. 9029 2256
- **Government Employees Compensation**—P.C. 34/4433 2278
- **Construction Materials Regulations**—P.C. 1609, P.C. 245 and P.C. 1997 2272
- **Commodity Prices Stabilization Corporation** 2278
- **Transport—Canada Shipping Act Regulations**—P.C. 2245 2280
- **Mines and Resources—Radioactive substances in the Yukon Territory**—P.C. 7167, P.C. 7168 2284

Canadian Wheat Board Act. Provision for employees' pensions, minimum price of wheat deliveries. Bill No. 135. Continuation of debate on motion of Mr. Howe for second reading, by: 2286
- Mr. Miller 2286
- Mr. Jaenicke 2291
- Mr. Sinnott 2293
- Mr. Smith (Calgary West) 2295
- Mr. Zaplitny 2297
- Mr. Pouliot 2302

Debate adjourned on motion of Mr. Pouliot 2302

BUSINESS OF THE HOUSE

On the orders of the day:

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, last night at adjournment the Minister of Justice was not able to give the exact order in which government business would be taken up today, except for the first item. Can he tell us now in what order the different items mentioned will be taken up?

Right Hon. J. L. ILSLEY (Minister of Justice): Mr. Speaker, I stated what would be the first item and what would be the second item. I expect that the second item will take all day. If it does not—

Mr. BRACKEN: I did not understand that the second item had been definitely fixed.

Mr. ILSLEY: Yes.

Mr. BRACKEN: That is all right.

HOUSE OF COMMONS

Tuesday, March 16, 1948

The house met at three o'clock.

GOVERNOR GENERAL'S SPEECH

ACKNOWLEDGMENT OF ADDRESS IN REPLY

Mr. SPEAKER: I have the honour to inform the house that I have received the following letter from His Excellency the Governor General, signed by his own hand:

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.

Government House,
Ottawa,
March 15, 1948.

PRIVATE BILL

FIRST READING—SENATE BILL

Bill No. 146, for the relief of Elizabeth Frances Mary Liddle McClelland.—Mr. Maybank.

BUSINESS OF THE HOUSE

INTERIM SUPPLY

On the orders of the day:

Mr. JOHN BRACKEN (Leader of the Opposition): May I ask the Minister of Finance if he is expecting before the Easter recess to ask for interim supply for any portion of the coming fiscal year?

Hon. DOUGLAS ABBOTT (Minister of Finance): I am not quite sure, but I think not.

INCOME TAX

FARMERS—NET WORTH PORTION OF RETURN

On the orders of the day:

Mr. F. S. ZAPLITNY (Dauphin): I should like to ask a question of the Minister of National Revenue. Is he aware of the widespread opposition in western Canada to the net worth portion of the prairie farmers' income tax form, and of recent resolutions passed by farm organizations recommending that farmers should decline to complete this portion of the form? If so, would the minister consider modifying or withdrawing that portion of the prairie farmers' income tax form?

Hon. J. J. McCANN (Minister of National Revenue): I thank the hon. member for his giving me notice of his question. I am aware of some opposition in western Canada to the net worth portion of the prairie farmers' income tax form. I doubt very much, though, whether resolutions have been passed by farm organizations recommending that farmers should decline to complete this portion of the form. For farm organizations to advise their members to make protests against the form is a different thing entirely from declining to fill them out.

For the hon. member's information, however, I may say that the whole matter of the form is under consideration, and, as I indicated yesterday, a statement will be made in due course.

Mr. ZAPLITNY: The minister seems to doubt my word as to whether such resolutions were passed.

Mr. McCANN: No.

Some hon. MEMBERS: Order.

Mr. ZAPLITNY: On a point of order, Mr. Speaker, the minister seems to doubt the accuracy of what I said. May I say to him that I have a copy of such a resolution passed by a farm organization in Manitoba.

Mr. McCANN: I am sure the hon. gentleman misunderstood my statement. I said that to counsel farmers to decline to obey the regulations or the law was a different thing from advising them that if they so wished it was within their rights to make protests against the form.

PRAIRIE FARMERS INCOME TAX GUIDE

Mr. J. W. BURTON (Humboldt): I should like to direct a question to the Minister of National Revenue. Is the minister aware that many farmers are finding it difficult, if not impossible, to obtain copies of the guide to assist prairie farmers in making out their

income tax? If so, will he take steps to see that the situation is remedied?

Hon. J. J. McCANN (Minister of National Revenue): We have no such information as the hon. gentleman has indicated. On the other hand, the first distribution was for 300,000. So eager were farmers to get the guide that we had another reprint made and to date there have been over 700,000 copies distributed. Copies are available at all income tax offices and post offices in all constituencies.

Mr. BURTON: The minister says that he has no such information, but I would tell him that I have several letters on file from farmers who drove fifteen to twenty miles over most difficult roads and then found that they could not get copies of the guide at the post office.

REFUNDABLE PORTION OF INCOME TAX—INTEREST TAXABLE

Mr. E. B. McKAY (Weyburn): I should like to direct a question to the Minister of National Revenue, a copy of which I have sent to him. Will the refundable portion of income tax now being mailed out by the Department of National Revenue be considered as income for taxation purposes for 1948?

Hon. J. J. McCANN (Minister of National Revenue): The refundable portion is not taxable, but to the extent that there is an interest element, that is taxable.

HOUSE OF COMMONS

TRANSPORTATION OF MEMBERS VISITING CONSTITUENTS

On the orders of the day:

Mr. GORDON GRAYDON (Peel): Mr. Speaker, as the Prime Minister will perhaps move the motion this week for the Easter adjournment, I should like to raise a question. I was going to do it as a question of privilege, but perhaps it is a combination of privilege and question to the government. I should like to refer to a suggestion which I made on December 12 when the pre-Christmas session was in progress. At that time I asked the government to give the matter consideration—and I think a suggestion of this kind perhaps comes more appropriately from a member who lives in central Canada than it would from one residing in a far distant part. This is the suggestion I want to make by way of privilege and question, and I quote from what I said on December 12, as reported on page 221 of *Hansard*:

> A number of hon. members who come from far-away places to attend sessions of parliament have been from time to time most anxious that some means of quick transportation, not at their own expense, should be provided for them, so that they might be permitted to return to their homes from time to time during long parliamentary sessions. I believe people throughout the country would be pleased if some arrangement of that kind could be made.
>
> I offer the suggestion because I come from the central part of Canada and would not be affected by any such arrangement. However, we would like to see justice done in respect of those from farther away.

The Prime Minister—at page 222—was good enough to answer me at that time as follows:

> Mr. Speaker, coming also from the central part of Canada, I shall be glad to bring my hon. friend's suggestion to the attention of my colleagues, and see if we cannot arrive at some satisfactory arrangement.

A prominent member on the other side of the house has told me that even with the proposed longer adjournment at Easter he will have less than one and a half days in which to visit his constituents. A closer relationship between member and constituent is better for both member and constituent. The influences of geography ought to be reduced and minimized as much as possible. I think it would be in the interest not only of hon. members but of their constituents if some arrangement could be made by which something approaching the same kind of service as between constituent and member could be made possible in the far away parts as is possible in central Canada. I ask the government to give consideration to this suggestion.

EXPENSES OF MEMBERS TRAVELLING BY AIR

Mr. SOLON E. LOW (Peace River): I should like the Prime Minister, either tomorrow or when he moves the resolution concerning the Easter recess, to make it clear to the members of the house just how far the expenses of hon. members will be taken care of, particularly when part of those expenses apply to air transportation for those who have to travel some distance.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I shall endeavour to meet my hon. friend's wishes in that particular.

UNITED STATES TARIFF

ADDITION OF 25 PER CENT TO VALUE FOR DUTY OF GOODS EXPORTED FROM CANADA

On the orders of the day:

Mr. H. W. TIMMINS (Parkdale): I should like to ask a question of the Minister of Finance, of which I have given notice. Has the government taken any steps to have relaxed the adverse customs duty of value plus 25 per cent domestic tax now charged against Canadian products entering the United States where such products are in the enumerated list under the excise tax resolution now before the house, and, if so, what steps?

Hon. DOUGLAS ABBOTT (Minister of Finance): A similar question was asked me in committee of the whole on the excise tax resolutions, and my hon. friend will see the answer I gave on page 2131 of *Hansard*. If the information he wishes is not there he can ask me a supplementary question.

WARTIME HOUSING

QUESTION AS TO NOTICE TO TENANTS TO BUY OR VACATE

On the orders of the day:

Mr. E. D. FULTON (Kamloops): I wish to ask a question of the Minister of Reconstruction and Supply, based upon information I have received from Montreal, Fort William and other parts of Canada concerning tenants of Wartime Housing units now under the administration of Central Mortgage and Housing Corporation. Are any tenants of Wartime Housing in any part of Canada now under notice to buy or vacate their houses? Will the minister make a full statement on the matter, and will he give an assurance that no evictions will take place until the house has had an opportunity to consider his statement?

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): I made a statement previously on the subject in reply to a question by the hon. member for Kamloops having to do with housing projects in Montreal and the answer I gave them applies to the question he has just asked. Whenever Wartime Housing undertakes to sell a housing project there is some changing about of tenants in that the purchasers are allowed to choose the houses they desire to buy, but as I said previously, no tenant is left without a house. There may be a matter of a tenant being asked to move to another house in the same area, but in no case is a tenant left without a house.

GOLD MINING INDUSTRY

INQUIRY AS TO FINANCIAL ASSISTANCE

On the orders of the day:

Mr. ROLAND BEAUDRY (St. James): I should like to direct a question to the Minister of Finance. Has any financial assistance been given the gold mines in Canada since February 1, 1948? If not, is any contemplated? If any is contemplated, from what date will it apply?

Hon. DOUGLAS ABBOTT (Minister of Finance): No assistance has been given the gold mining industry since the date mentioned. The only assistance contemplated is that provided by Bill No. 7, which is now on the order paper and which I hope will be passed before very long. The proposed assistance will be retroactive to December 1 last.

NATIONAL DEFENCE

QUESTION AS TO BRINGING FORCES UP TO STRENGTH

On the orders of the day:

Mr. ALAN COCKERAM (York South): In view of the reply of the Minister of National Defence to a question asked by the hon. member for Kamloops (Mr. Fulton) in respect to the armed forces, would he tell the house some time in the future what steps are being taken to bring these forces up to strength?

Hon. BROOKE CLAXTON (Minister of National Defence): That is hardly the type of question that can be dealt with briefly in an answer, but I can tell my hon. friend that steps have been taken to obtain recruits by publicity over the radio, in the press and by other means, so as to bring the armed forces of Canada, both active and reserve, up to authorized strength. Good progress is being made, and, in comparison with other countries where similar conditions obtain, the showing is encouraging. Men are being taken in at about the rates we want to have them for the army. Recruit classes in the army are full. We would like to have far more for the navy and air force, and we are ready to take more in most of the reserve units, but altogether reasonably good progress is being made.

HARBOUR COMMISSIONS

NEW WESTMINSTER—REFUNDING OF DEBENTURES, GUARANTEE OF LOANS AND REDEMPTION OF SECURITIES

Hon. DOUGLAS ABBOTT (Minister of Finance) moved the second reading of Bill No. 148, respecting the New Westminster Harbour Commissioners and to provide for the refunding of maturing financial obligations.

Motion agreed to, bill read the second time, and the house went into committee, Mr. Macdonald (Brantford City) in the chair.

On section 1—Short title.

Mr. GRAYDON: Mr. Chairman, I know that the parliamentary assistant is very anxious to make a lengthy statement to supple-

ment his shorthand report of yesterday and I suppose we should not deny him that privilege.

Mr. R. W. MAYHEW (Parliamentary Assistant to the Minister of Finance): If the hon. member were not more accurate in his other assumptions we would not pay much attention to him because the parliamentary assistant is not at all anxious to make a speech at any time.

Mr. GRAYDON: We are anxious to hear you.

Mr. MAYHEW: However, it might shorten the debate if I made a brief statement. The bill before us is for the refunding of an amount of $700,000 borrowed by the New Westminster harbour commission on April 2, 1928, and due on April 2 of this year; therefore it is necessary that we get the bill passed through both houses before the end of the month. It deals solely with refunding, and does not touch at all the principles of national harbour administration. The government guaranteed this loan, and it is hoped that upon refunding the interest rate will drop from 4¾ per cent to some lower rate. It is also hoped that the capital amount will be payable in Canada. At present it is payable at the option of the debenture holders either in the United States or in Canada. There is considerable to be gained by the refunding of this loan at an early date.

I think that is about all the explanation that is necessary, but I shall be glad to answer questions.

Mr. MACDONNELL (Muskoka-Ontario): The parliamentary assistant has partly anticipated the question I was going to ask when he said that it is hoped that the new debentures would be payable only in Canada whereas the present ones are payable at the option of the holders either in the United States or in Canada. Would he say a little more about that? I wish he could use a stronger word than "hope".

Mr. MAYHEW: "Hope" was not strong enough. It will be payable in Canada.

Mr. MACDONNELL (Muskoka-Ontario): In Canada only?

Mr. MAYHEW: In Canada only.

Mr. CHURCH: Is this a federal harbour? Does the city of New Westminster appoint some of the commissioners and the federal government others? The government is going to guarantee the substituted securities. That is a wide departure. I would ask the minister to give further information about the harbour commission. How many members are appointed by the city and how many by the government? How much has been spent on the harbour, and how much does the city contribute? How much does the federal government contribute? I know that other harbours are not getting any government guarantee of bonds. The Toronto harbour board consists of five members, three appointed by the city and two by the federal government, and the government representatives are voting city funds because all the money that board spends is advanced by the city. The federal government spends money for Toronto harbour through the federal Minister of Public Works. The set-up of the New Westminster commission seems to be quite different. There are certain harbours known as federal harbours, like Quebec, Montreal and many others. I think it is going pretty far afield to guarantee bonds for city work, for some of it is no doubt city work and some government work. I wish to support anything that is for the good of the country, and if harbour improvements are good for New Westminster they are good for the rest of Canada. What are the powers and functions of this corporation? What are the plans for harbour work and the cost?

Mr. MAYHEW: The hon. member says that he is willing to support anything that is for the good of the country, so I am sure he will support this measure. The New Westminster harbour commission was formed in 1913. It is not under the national harbour board. It has a board of three, two appointed by the dominion government and one by the city of New Westminster. This harbour commission has a very excellent record in that it has paid all its interest and carrying charges up to 1946. It is only three six-months periods behind in interest in all that time, which includes the war period, when there was very little shipping in New Westminster harbour. The dominion government is well represented, two to one, on this board.

Mr. HAZEN: What will be the rate of interest on the new debentures? The parliamentary assistant said the rate would be somewhat lower.

Mr. MAYHEW: I cannot say what the interest rate will be. That will be arranged between now and a later date. The dominion government will have to take up the debentures and refinance in whatever way they think best.

Mr. HAZEN: How many of these debentures are held in the United States?

Mr. MAYHEW: I have no knowledge of how many are held in the United States. From 1928 to the present time is a period of twenty years. That is quite a long time, and these debentures are probably well scattered over the country. No doubt some are in the United States, but I hope that most of them are held in Canada.

Mr. HAZEN: I am speaking of the present time.

Mr. MAYHEW: So am I.

Mr. HAZEN: What will be the total amount of the new issue? It says in the new bill, "an aggregate principal amount not exceeding such amount as is necessary for that purpose".

Mr. MAYHEW: That is exactly the same wording as was used in the old bill. The amount will be $700,000, just sufficient to pay off the present debentures.

Mr. HAZEN: Do I understand the new issue will be $700,000?

Mr. MAYHEW: Yes.

Mr. CASE: Have these bonds always been guaranteed by the government? What was the total amount of the original bond issue in 1928? How much has been paid off? What is its relation to the $700,000 now asked for?

Mr. MAYHEW: When this money was first borrowed it was guaranteed by the dominion government. They have always been guaranteed.

Mr. FRASER: How much will have to be paid in United States funds? Some of this money will have to be paid in United States funds; has the parliamentary assistant any idea what the amount will be?

Mr. MAYHEW: I answered that question a little while ago. I said we had no idea how many of the present bonds are held in the United States. No doubt some are, but they have become pretty well scattered in the twenty year period.

Mr. MACDONNELL (Muskoka-Ontario): Did I understand the parliamentary assistant to say that the new issue will be $700,000, the same amount as the present one?

Mr. MAYHEW: Yes.

Mr. MACDONNELL (Muskoka-Ontario): Is the parliamentary assistant sure of that? Does that mean that you are going to pay a rate of interest which will yield that exact amount, or a rate of interest by which these bonds can actually sell at par? Are you committing yourself to that?

Mr. MAYHEW: The maximum amount of indebtedness to which we will be committed will be $700,000.

Mr. FRASER: How are you taking care of the United States funds?—because there will be a certain premium on those funds.

Mr. MAYHEW: No.

Mr. FRASER: The bank charges half of one per cent.

Mr. MAYHEW: Yes. I suppose it will be charged up to the regular expenses of the operation of the New Westminster harbour commission.

Mr. FRASER: They will pay that?

Mr. MAYHEW: They will have to pay that.

Mr. CHURCH: In the case of the Toronto harbour, the city of Toronto guarantees the bonds. It seems to me that the policy which has been decided on in this bill—which is very largely a private bill—the guarantee of bonds for harbour work, is a departure from the old practice. What is the jurisdiction of the Minister of Public Works over the work of this harbour? Is this not a wide departure from the policy of the government in the past regarding these harbours? Some are public harbours; some are harbours for the benefit of the municipality. Fifty per cent has been paid by the city and municipality, and 50 per cent by the government to improve the entrance and exits to some harbours, the deepening of the harbour and so on—a general program. In this case we find the government adopting a new policy, advancing and guaranteeing bonds and securities for the promotion of certain works within this harbour, which does not apply to the other harbours of the country. In the first place this is not one of the federal harbours named in the federal act. I think this is a very wide departure. We should have some idea of the harbour plans proposed; we should know how much money has been spent, and all that kind of thing, by all parties to the commitment.

Mr. CASE: Mr. Chairman, the parliamentary assistant did not entirely answer my question. I understood him to say that the government had always guaranteed the bonds, but I also asked what was the total amount of the original bond issue in 1928.

Mr. MAYHEW: The original amount in 1928 was $700,000. All that has been paid is the interest. At that time the government guaranteed the debentures.

Mr. JACKMAN: How is it intended to pay off these debentures, which I understand, are

payable in United States as well as Canadian funds? Is it the intention of the government to provide $700,000 of United States exchange out of its meagre reserves for the payment of these debentures?

Mr. MAYHEW: I am quite sure it will not be necessary to provide for $700,000 United States funds, because all the debentures are not held in the United States. Even if they are held by Canadian citizens they will not be able to cash their bonds in the United States and get their exchange. They might cash them there, but they would have to convert the funds back to the foreign exchange control board, and all they would get would be half of one per cent. Therefore only those residents of the United States who hold debentures would get any benefit out of the exchange position.

Mr. JACKMAN: How many are there?

Mr. MAYHEW: I have already said three times that we do not know how many.

Mr. MACDONNELL (Muskoka-Ontario): You should know.

Section agreed to.

Sections 2 to 4 inclusive agreed to.

Bill reported, read the third time and passed.

TRANSITIONAL MEASURES ACT, 1947

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

The house resumed from Monday, March 15, consideration in committee of Bill No. 136, to amend the Continuation of Transitional Measures Act, 1947—Mr. Ilsley—Mr. Macdonald (Brantford City) in the chair.

On section 1—Duration of act.

The CHAIRMAN: The committee was considering P.C. 9029, wartime leasehold regulations as amended.

Mr. R. W. MAYHEW (Parliamentary Assistant to the Minister of Finance): Just before the house adjourned at eleven o'clock last evening the minister was asked a number of questions by hon. members on the other side of the house and on this side in connection with rentals generally and particularly about the hardships created for returned soldiers because they were not able to get into their houses. I should like to make a brief statement in that connection.

Rent control is one of the most important controls that we have had, because that one item probably affects the cost of living more than any other single consideration. But it is also one of the most difficult controls to manage, for the reason that there is no general pattern that one can follow. You have to take into consideration the type of house, the character of the people involved, both landlord and tenant, and the city. There is really no definite way in which we can regulate it so as to suit everyone. Therefore there have been and there always will be hardship cases, or cases that must be dealt with outside the regulations.

At first we set up in each district a magistrate with one or two other commissioners to help to regulate rents and to afford a place where the landlord or the tenant might appeal for justice. That was not a perfect plan, but it worked, and it did help to smooth out the regulations considerably. More recently, just last fall, a different type of organization was established, one which I believe did more good than many people give credit for. I refer to the commissioners, of whom a number were set up all over Canada, and they were to deal with the hardship cases only.

You must adopt, not a legal but rather a humane approach to the settlement of differences between landlord and tenant. I found in my own home town when I returned a number of cases in which landlord and tenant were ready to fight, but after going into the homes and talking things over with them I was successful in a number of cases in getting the differences settled.

The government last fall set up just such a commission. They set up rent-control men and gave them a chance to go and see both landlord and tenant, as well as the type of place in which people were living, and in that way these men knew better how to handle the situation.

Someone said last night that it was not very successful. I assure you that it has not been one hundred per cent successful, but if it cured twenty or twenty-five per cent of the cases, it was in my opinion a success, and it did relieve at least twenty-five per cent of those who made appeal. Their cases have been settled to the satisfaction of both landlord and tenant.

As regards returned soldiers or any others who bought houses and were not able to get into them, such persons invariably bought with the knowledge that the regulation existed before they entered into the deal, and consequently there is little we can do about it. I have spoken to many of them and they argued in this way: Well, probably the rent control was on, but they thought that they could reason with the tenant and so get into their own homes. They were willing to take

a chance, and they had this at stake as well, that they were buying the house before the high bulge came in prices, so that they could get the house at a little lower price than if they would have waited for a year or so. That was their reasoning.

There are many returned soldiers who have not been able to get into their own homes and no one regrets that fact more than the members of this house, but there does not seem to be anything that we can do about it.

Last night a number of individual cases were presented to the committee. As part of my duty as parliamentary assistant to the minister I have been listening to these special cases day after day. Hardly a day passes that I have not three or four to deal with, and I should be only too happy if any hon. member would bring such cases to my attention so that we may see what we can do by referring the matter to the rent control people to see if we can get the commission to smooth out the trouble as far as possible.

It is necessary to keep on the control for a time at least, and it is also necessary, for us to do everything we can to alleviate conditions where hardship cases exist.

Mr. TIMMINS: Last night I asked a question about the relief being given to returned soldiers. We have heard the parliamentary assistant's explanation, but it does not go far enough. It is not sufficient to say that the returned soldier bought his place knowing that he might not be able to get into it. The fact is that the fellow was overseas and he came back to Canada expecting that at least he would get a place to live in, and he must do something to help himself. If he cannot rent a place he must buy one. I do not think it is a sufficient answer to say that because he bought the place knowing that he could not move into it immediately he is not entitled to relief.

I believe that deep down, every one of us, without allowing politics to play any part at all in the matter, is of the view that the returned man is entitled to relief now. It is quite some time since the end of the war. Why should not the government fix a deadline at December 31, 1947, or some date prior to that, at any rate some deadline, so that if the returned man had already bought the house and was owner of it at that date he should have relief?

As the parliamentary assistant says, many of them are not able to get into their own houses. If the department knows what the problem is, and there cannot possibly be more than two or three thousand of these cases throughout the country, it is not a sufficient answer to say that we cannot do anything about it. I feel that we should have some assurance from the minister now—we shall be satisfied with an assurance from him, because we know that if the minister gives us an assurance he will deal with the matter—that some steps will be taken to widen the act on behalf of returned men so that some amendment will go forward to the commissioners which will give them an opportunity to deal with the situation on the basis of equity for the returned men.

Mr. MAYHEW: Notwithstanding anything contained in any other order of the board, the landlord of any housing accommodation owned by him prior to January 1, 1947, may make an application to a commissioner for an order permitting the landlord to recover possession in accordance with the law of the province in which such accommodation is situated. I am informed that 8,400 applications have been made under this order, and of that number 2,411 have been granted.

Mr. MICHAUD: Of the number who got relief, 2,411 of the 8,400 applications, how many are from New Brunswick and how many from the county of Restigouche? As far as I know there have been a dozen or so applications in my county and no landlord has had any relief.

Mr. SKEY: It is the same in Toronto.

Mr. FRASER: It is the same all over.

Mr. MICHAUD: Last night I referred to this question of hardship. The first client for whom I appeared was a tenant, a man with a grown-up family who had been occupying the house for years. The landlord happened to be a veteran who had a wife and family, and he was living in a little shack, twelve by twelve or something like that, which had no foundation, running water or toilet. If that is not a case of hardship, I do not know what is. It is about the most extreme case of hardship that could be brought to the attention of the commissioner. But when we came before the commissioner, although he was a tenant—he remarked during the hearing that he was a tenant and a tenant man—I think he was fair just the same. But when he looked at the other side of the picture and a certain paragraph in that order in council was pointed out, it was found that the landlord, in order to succeed, must practically get a place for the tenant. He must establish that there will be no hardship on the tenant, or practically none. I see some of the officials here making signs indicating the negative, but that is the interpretation the commissioner placed on it, and it appeared to be borne out by the text

of the order in council. The result was that in my community hardly any landlord received any relief.

In the little villages and hamlets I do not believe there is any necessity for continuing this rental regulation with regard to housing accommodation. It is different in the towns. In the smaller places—and I could cite instances of what has happened—in most cases that have been brought to my attention this regulation serves as a protection to an unreasonable tenant. I know of cases in which houses have been purchased by bona fide landlords with a view to occupation. A middle-aged woman bought a house a couple of years ago with a view to occupying it herself, with her crippled husband. She wrote to me about it nearly a year ago. I told her she had better see a lawyer, and she did. The lawyer advised her to make application to evict the tenant because he was obnoxious. As a matter of fact the tenant had bumped into the corner of the house with his car and had caused damage of a dollar or so. This lawyer advised her that she would have a good case, and they went to court. Before they went to court they called in another lawyer.

Mr. PROBE: The legal firm will soon have the house.

Mr. MICHAUD: The result of it was that her case was dismissed, and properly so. It cost her plenty of money. Incidentally this woman had earned the money by cooking in lumber camps. When this recent regulation was passed she obtained an application form from some justice of the peace, sent it in and a day was set for the hearing. In the meantime she came to me again and asked me to represent her at the hearing, which I agreed to do. I told her to come at two o'clock, and the lady was late. Her watch had stopped. She reached my office about two minutes late. We ran to the place of hearing, which was across the street, and we found that the commissioner had closed the court. The tenant was there with his solicitor at two o'clock, and the case was dismissed.

Mr. KNIGHT: He is a bachelor, I guess.

Mr. MICHAUD: Well, the poor lady burst into tears. The commissioner would not open the court.

Mr. MAYHEW: Don't make us cry here.

Mr. MICHAUD: You don't need to if you don't feel like it, although it is a sad case. On various occasions before, I had been successful in obtaining possession under the section with regard to subdivision. This house happened to be a good-sized one; and the owner had contemplated using one flat herself and allowing her son to use the other. So I said, "Perhaps this is the shortest cut. We might make application for subdivision." In the past I had been successful. When we had an office in Moncton the gentleman in charge there was sympathetic and granted applications almost as a matter of course when there was sufficient floor space to warrant it. Well, it took quite a while, but eventually two gentlemen came from Saint John and I gave them all the information I had on it. It was necessary for them to go and see the place, which is out in the country. They did so, and they wrote back to me saying that they did not think this woman had the means to make the alterations. She could not put toilets in both places because there is no water system in that little country place; consequently her application would be dismissed. That is the situation. Incidentally one of those gentlemen told me that they had had rather more stringent instructions as to this matter of subdivision. There had been abuses in the past.

That is not the first time these officers who act in a judicial capacity have told us frankly that they have had instructions. A county court judge in my riding, who is fair in every respect, on some occasions humbly expressed the view, "Well, I should like to grant your application but I have received a report from the Saint John office that the government wants this and that, and I do not feel justified in granting it". The objection I am taking is to interference on the part of someone advising these men who sit in a judicial capacity as to what they should or should not do.

As I stated before, I feel that in my community this new order in council has not served any great purpose. Why should it be that a person who bought a house in good faith over a year ago, for personal occupation, cannot get possession? Why can he not get possession as he could before July 25, 1945? The fact that he cannot does not provide more living accommodation for the people as a whole. He wants his house, but if he gets it he will vacate some other place. I know the Minister of Trade and Commerce when the matter came up last year referred to extreme cases in which a move like this would put a family out, or perhaps two families. But there are few such cases in the smaller communities. As I said before, I agree that the rental control should be continued for large cities and towns; and there are some people in my own home town who have expressed in no uncertain terms their appreciation of what has been done in this matter. But I say again that in little country

places this regulation serves only to protect unreasonable tenants. I pointed out one case, and I could point out many others where I feel that the rental regulation has worked injustice on certain classes of people. I hope something will be done in the near future to remedy the situation.

Mr. MAYHEW: The hon. gentleman said he wanted to know how many cases there were in New Brunswick. Under this order about which I just spoke, 143 applications were made and 35 have been granted. The hon. member said that rent control should be off in the small places. Our experience is that there is just as great a shortage of houses in the small cities and towns as there is in the large ones. We know there is hardship, but we have to look at the over-all picture. I can assure the committee that our control officers are daily searching to find some way of relieving cases where there is hardship.

Mr. CHURCH: I have not said anything about this control business; but I can tell you this, that controls will never get houses built. I live in a city where the city owns the street railway system, and I doubt very much if any other agency since 1921 has done as much for housing as has the city of Toronto, and particularly with its street car and bus services extending to the outlying districts of the city, urban, suburban and rural.

Following the last war the cheap light and power and transportation development in Toronto led to the building of houses. It is intended by this measure to extend these controls to sixty days after parliament is called, or to the end of March, 1949. That is a political procedure, to tide the government over the next election, no doubt.

I have seen these controls in operation in our city, and I can tell the committee they will not function, so far as the building of houses is concerned. Today those materials which are available are being used for the building of banks, skyscrapers, theatres, and other non-essential buildings. And let me say that the rent courts are the biggest farce I have ever seen. I have had some contact with some of them, and I can tell the committee that when some tenants get into a house they sublet rooms and tear the place to pieces and do three or four times more damage than they pay the owner in rents. Then some of these tenants are profiteering by charging $10, $12 or $14 a week for rooms. The landlord gets a little or nothing out of it. I was head of a city at one time, and I believe I know as much about housing as do a great many others in the committee.

I did not mean to reflect on the hon. member for Parkdale; he is a valuable member, and knows well the conditions in his constituency. He knows, too, how these rent controls have affected all sections of the city of Toronto.

Will this system of controls build houses? I say it will not build a single house. The assessment rolls of Toronto show that before the war more than sixty-six per cent of the people there owned their own homes. Many of those houses had been purchased at high interest rates. Some of the purchasers were soldiers who went to the war, and when they came back they found they could not get into their own houses; they were occupied by tenants who—who were profiteering at the expense of the soldiers. These were soldiers who gave up their jobs and who went to fight the battles of those who stayed at home. I can assure the committee that if this control system now to be extended for a year would bring about the building of more houses it would be an entirely different matter.

Mind you, I sympathize with the government, with a problem like this on its hands; but I called attention to that problem away back last spring. There was a conference held at Geneva in 1947, beginning on February 7, but we did not hear one word about this austerity program until November 17. If the government would give some encouragement to small builders with materials and labour who would build houses, and if it would give some encouragement or some incentive to commercial landlords who would build commercial buildings or stores and small apartments in the commercial districts, it would be doing something worth while. But nothing of that kind has been done.

Coming down to November 17, we find the government realizing that winter was coming on. When I saw that the government had done nothing between February 7 and November 17, and when I realized that winter was coming on, I asked the government as early as last June about this housing problem. I knew what was going to happen. We were going to be back just where we were after the last war—only this time it would be more serious. The lack of housing today is three times greater than it was at that time.

What did the government do? It announced a new Geneva policy on November 17, and all that kind of thing. It hamstrung small and large business. Will houses be built under this program? I say they will not.

We hear a good deal about the rent courts, and we have seen what they have done right here in Ottawa. Only a short time ago we read about a family who were arraigned in court because they had not looked after their chil-

dren. How could anyone look after children in the circumstances under which some people are housed? I am not here to justify the actions of those people, but I can say that there are hundreds of people like them in every city of Canada. People are living in hovels and in shacks of all kinds. And these conditions exist while we sit here in the House of Commons even near this district.

This is one of the greatest problems we will ever face in our lives. How can the people stand it. I do not place the blame on any particular government, but it must be realized that the housing situation in this country is deplorable. The birds of the air have somewhere to go, but the poor people can go nowhere. They have no houses—nothing. Public health is at stake.

I am not here to criticize any government —far from it, because this housing situation has existed for a long time. But I will say that the rent courts which have been established are the biggest farce I ever saw in my life. I have had something to do with them, and I have seen some of them in operation. There is no justice in some of them. The sooner we stop calling in county court judges for this kind of work, the better. I am opposed to the policy of using the members of the judiciary for whom I have the greatest respect, and who command the respect of every citizen, for this rent court work. This rental situation is apt to hold them up to contempt and ridicule.

Rentals administrators and county judges are brought here to Ottawa from other places. What are they doing? Do hon. members think they are doing a good job? I fail to see it. Many cases have been heard before them, but I can tell the committee this, that in the experience I have had with this matter I have seen profiteering by tenants, and the landlord has had no chance at all. He is the forgotten man, and in that respect is in the same position as the returned soldier. I know some of those tenants are operating in violation of civic building by-laws. They proceed to build as in industry, and even in the residential district some of them carry on factory operations.

Is it any wonder no one wants to put money into housing? Is it any wonder so many mortgages are being foreclosed, with real estate in a condition of that kind? We cannot expect people or corporations to put money into building small houses, or to relieve the housing situation, both urban and suburban. We cannot expect them to enter into building in a commercial way and build small houses so as to aid new housing and stop profiteering.

[Mr. Church.]

I have never seen the like of it. And when we visit some of these places we see soldiers who suffered in the war living in badly ventilated apartments, small rooms or shacks, some of which are fire traps.

We will never have building unless we eliminate some of the housing controls. If the steel and lumber and concrete and other building materials which have been used in the building of banks, theatres, warehouses and all that kind of thing, had been used for housing purposes, we would have got somewhere.

This is a serious state of affairs, even right here in the city of Ottawa. Some members of parliament are familiar with the situation, one that is common to almost every city of Canada. The government's policy should have been announced last spring. Mr. Truman, across the line, announced that they were going away from controls, but he started it again in September. However, we made no announcement until November 17. This decontrol business was mixed up with Geneva agreements and Hyde Park and other things like that. I can tell you this, that I do not know anyone who wants to go into the building of houses at the present time.

On the island of Montreal proceedings were taken under the Railways Act to relieve the housing situation. A suburban service was inaugurated thirty years ago, and we can see what it has done for Montreal, both in winter and in summer. In Toronto we have not had the same opportunity, although we are entitled to it. I say we should have a steam suburban service which would permit commutation tickets from Toronto to Oakville and Brampton and other outlying points. I know the hon. member for Peel will agree with that. The housing situation was relieved by the action of the T.T.C. in serving the suburbs. Housing with civic services is largely a civic problem. The railway commission was required by law to investigate these matters of a suburban service without any application being made. If we had more help from the railway commission and better service was provided the housing situation would be remedied in York, Peel and Ontario counties as it was remedied after the last war.

I do not want to criticize the government all the time because I know the difficulty the war and reconversion caused in getting materials and labour and all that kind of thing, but the time has come when there should be some revision of these rental boards. They are very largely a farce and as far as I can see there is very little justice. To bring

the judiciary into this situation is a retrograde step from the point of view of law and order.

What are we going to do about it? Spring is coming on and something will have to be done. The government wants to turn housing back to the provinces and the municipalities. The first duty of the federal government is to look after the health, wealth, prosperity and happiness of its citizens. Housing should be a federal problem, not a municipal or provincial problem. That is how it is handled in Britain and in the United States where money is advanced to the states and municipalities.

I think it is a large order to extend this to March 31, 1949, or sixty days after the house meets. I fail to see how it is going to help the housing situation. The government of the day should provide assistance to municipalities during the next six months in order to tide things over the following winter. I saw the situation from February 7 until November 17 when nothing was done. Last June I saw this hard winter coming and I suggested that some assistance should be given for milk, bread and coal. That would have been a good thing because we did not know they were going to make a leap in the dark like they did on November 17.

I doubt whether we can do much by legislation. Certainly the government's suggestion to extend these controls to March 31, 1949, is not going to function very well. It is going to lead to more confusion, and lack of building and of private building. Builders will not want to build this spring and it will do considerable harm and prevent the building of small houses by small builders for next winter.

Mr. KNIGHT: Mr. Chairman, this is one of those questions about which much can be said by both sides. It is unfortunate indeed that the interests of the landlord and tenant are diametrically opposed. If the government will not do what we propose, that is, provide more low rental housing units as quickly as possible, then I suppose they can only do the best they can for the greater number of people. I imagine that in this particular instance the greater number of people are the tenants. While my hon. friends to my right have said a great deal about veterans who are landlords, we might point out that a great many tenants are also veterans.

It is a coincidence that just before I came into the chamber I picked up a letter from a veteran, and as some hon. members have been putting personal matters on the record perhaps I might put this one on. This veteran is the owner of a modern house in a good residential district. He purchased the house with the aid of his war service gratuities and re-establishment grant. Under the present legislation he cannot occupy the premises and is forced to live in a house which is far from modern.

Mr. MAYHEW: When did he purchase it?

Mr. KNIGHT: He does not say, and I am afraid that that is the difficulty so far as the regulations are concerned. As I have indicated, he lives in a house which is far from modern and which is located seven blocks from a street car, and then he must take a fifteen minute walk to his work. This man had four years service in the second world war. In the letter he gives some personal details which I can leave out, but he underlines this question at the end of this letter: What is being done to remedy this situation? I presume I can write back to him and quote the words of the parliamentary assistant and say, "Nothing."

Mr. SKEY: Mr. Chairman, I should like to give support to the principles put forward by the hon. member for Broadview when he called the government's attention to the situation which exists in the larger cities of Canada. The housing situation is crucial; it is Canada's No. 2 problem. In my opinion it comes closely behind communism; in fact is is creating communism. Dissatisfaction and discontent are being created because of the housing regulations and restrictions and the lack of accommodation.

There is a great principle at stake which I know the Minister of Justice will recognize. The federal government have taken the responsibility of putting on these controls. Any person who has knowledge of the situation agrees that they have resulted in a restriction of housing and a restriction of building, especially for rent. The government have imposed these controls and it is their policy. They have refused to acknowledge the free enterprise system in so far as housing is concerned, and therefore there is only one other course of action they can take and that is to enter into the housing field themselves.

Mr. MAYHEW: I know the hon. gentleman would like to be right. He says that these regulations have affected the building of houses, but I would tell him that no house built since January 1947 is under control in any way, shape or form, either as to the amount of rent paid or the tenancy.

Mr. SKEY: I am glad to have the parliamentary assistant correct me, but the fact remains that there is a great deal of uncertainty in the housing field. The number of houses built since January 1, 1947, is not very

large and I would imagine that ninety-eight per cent of the houses in Canada are still under control to some extent.

I was developing the argument that if the government insists upon the continued control of housing and rentals there is only one course open to them if this problem is to be solved. They must either build houses or subsidize those who can build them, namely, the provinces and the municipalities. I repeat that if the government intend to continue housing controls they must subsidize the provinces and the municipalities in their housing program. Their policies have already driven the two central provinces of Ontario and Quebec into the housing field, the two provinces which have been denied, through the government's mistaken policies, the grants in aid which are paid to the other seven provinces. The two central and most populous provinces have been driven into the housing field by the policies of this government, and I say that this government should today start to return to Ontario and Quebec the moneys collected in lieu of grants, so that they can be distributed by the governments of these two provinces through the municipalities, chiefly Montreal, Quebec, Toronto, Hamilton, London, Windsor and Ottawa—

Mr. KIDD: And Kingston.

Mr. SKEY: And Kingston, to be allocated to a municipal housing program. If the government are going to collect these moneys which are due to the provinces they should return them forthwith to those provinces which have been driven into the housing field.

Mr. ILSLEY: Who would have the corporation tax in those provinces under my hon. friend's plan?

Mr. SKEY: The federal government is now collecting a portion of the tax in the event of those two provinces signing an agreement with the dominion, and it is withholding that amount until then. That is one of the reasons for the government's surplus. Isn't there some $180,000,000 involved?

Mr. ILSLEY: My hon. friend surely realizes that under the present plan the corporation tax collected on corporations in provinces other than the two central provinces is 35 per cent, while it is only 30 per cent in the two central provinces.

Mr. SKEY: What would five per cent of the corporation tax amount to in Ontario and Quebec?

Mr. ILSLEY: I could get it. It would be very great.

[Mr. Skey.]

Mr. SKEY: It would not be equal to the amount which would be payable to those provinces under a signed agreement with the federal government, would it?

Mr. ILSLEY: I doubt whether it would be quite as much as that, but it might be more.

Mr. SKEY: I gravely doubt it.

Mr. ILSLEY: It is up to them.

Mr. SKEY: Oh, no; it is up to the federal government to give the provinces taxation rights in certain fields. However, I shall not get into an argument with the minister over that at the moment.

Mr. MAYHEW: Mr. Chairman, what we are considering now is P.C. 9029, wartime leasehold regulations as amended. There will be ample opportunity under the Department of Reconstruction and Supply to discuss on three or four items the question of housing when the minister will be here to answer, and I suggest that we should defer this discussion until then. We would like to see all the lumber go into the building of houses. It would relieve the situation. I can only assure my hon. friend that rent control will be prosecuted with the utmost intensity and justice and sympathy in order to be fair to everybody. I cannot promise more than that and I do not think you can get more out of it.

The DEPUTY CHAIRMAN: The point raised by the parliamentary assistant is in order. The committee should deal specifically with the wartime leasehold regulations.

Mr. SKEY: I was endeavouring to develop the point, Mr. Chairman, that these restrictions are aggravating the housing shortage and will continue to do so. I fully acknowledge the difficulty in which the federal government is placed today and the difficulties of both landlords and tenants. Coming from an urban constituency where the problem is very acute, I am perfectly aware of the difficulties, which work hardships on both sides. I am not arguing for just one side, but I am saying that it is the continuation of controls that makes necessary a housing policy sponsored and financed by the federal government. The parliamentary assistant has mentioned the minister of reconstruction. I was just coming to him.

Mr. MAYHEW: Wait until he comes in.

Mr. SKEY: The situation is acute. But I see you are about to rise, Mr. Chairman, and so I will withhold what I had to say on that. I have advocated as strongly as I can that those hundreds of millions of dollars should

now be placed in the hands of the governments of Ontario and Quebec to assist in the housing programs into which they have been forced by the continuation of these controls.

I will close by venturing to suggest that even those in the position of tenants today who are enjoying the protection of rent control will be the first to insist on a clear title and absolute freedom when they come to purchase property of their own because they are keenly aware of the situation in which their landlords are placed today. There is nothing to be gained politically by arguing this question, because there are people on both sides to be offended no matter which side you take, but I say it is the greatest problem in Canada today and this government should bend very effort to its solution.

Mr. TIMMINS: A short time ago the parliamentary assistant read from an amending order, I take it, of last year. Would he give us the number and date of that order and tell us whether its provisions were not predicated upon the factor of hardship?

Mr. MAYHEW: The order number is 753, and it was predicated on the basis of hardship.

Mr. TIMMINS: I do not want to be misled. I do not suggest that the parliamentary assistant is endeavouring to mislead the committee but we have not had an answer yet as to whether the minister is willing to consider extending this amending order to make some provision for the veteran on the basis of hardship. I refer to the veteran who has bought and paid for his house before December 31, 1947, and whose hardship consists of not being able to maintain himself and of not being able to hold the house if he cannot get into it himself.

Mr. MAYHEW: If the veteran owned the house before he enlisted he can get possession without difficulty.

Mr. TIMMINS: That is not the point.

Mr. MAYHEW: The other relief is the one I have just read. A further one is that if it is a new house built since January, 1947, he can get into it. If he cannot comply with any of those conditions he is rated as an ordinary citizen. I wish we could do something more about it.

Mr. TIMMINS: I do not want to labour this. The fact of the matter is that the parliamentary assistant says nothing can be done. I think something can be done if the minister is prepared to give some assurance that it will be looked into with the purpose of trying to find hardship that will work out in favour of the veteran who cannot afford not to be in control of his own house. The order is acting against the interests of the men who are not able to help themselves.

Mr. MAYHEW: I can assure the hon. gentleman that if he can offer us a solution to the problem we shall be very happy to consider it; but at the present time there are more returned soldiers than landlords, and often returned soldiers are competing against each other to get into the house. It is a most difficult proposition. I assure the hon. member it is being dealt with as sympathetically and as intensely as we can possibly do. Let anyone give us a solution to the problem and we shall be glad to entertain it.

Mr. HAZEN: I suggest to the minister that he give serious consideration to the remarks which have been made by the hon. member for Restigouche-Madawaska and by the other hon. members who have protested against this regulation which provides that a man who buys a house for the purpose of getting into it is refused permission to occupy it.

The parliamentary assistant to the minister has said that he can do very little about the matter. He does not say that nothing can be done about it. If I recall aright, the wording of the resolution it says that if a person who buys a house under these circumstances wants to get into it, he has to show that he has greater need for that house than the occupant. The onus is on him to show that he has a greater need for it than the occupant. What I fail to understand is this. Why should a man who has bought a house for the purpose of occupying it be obliged to show that he has a greater need for it than the person who is occupying it? Surely it should be sufficient for him to show that as he owns the house he has a need as great as the person who occupies it. If you are bound to continue these regulations, then they might well be modified to the extent I have suggested; the man who owns a house should be allowed to have possession of it if he can show he has as great a need as the person who is in possession. Perhaps some hardship would be created, but I do not think the cost of living would be raised if you did away with this regulation altogether.

The committee was informed this afternoon that there had been only some 8,000 applications all over Canada. These applications must represent most of the people who have suffered from this regulation. In New Brunswick there have been only 143 applications. If all these applications were granted I do not believe the cost of living would be raised to

any extent; and I think justice would be done and the principles of law and of free enterprise as we understand them would be lived up to if you would let a man occupy a house when he has bought it and wants to move into it with his family.

I have received quite a number of letters. I hold in my hand a letter which was written me in January. It is from a woman who is badly in need of getting into her house with her family. She says:

My husband is a veteran with six years' service, four years overseas. When he came home he bought a house, putting every cent he had into it. Now we hear that the controls may be kept on another year.

We are nearly crazy living in a small four-roomed apartment with three children, who are really suffering because of the way we are living. They can't play, and every time they come in or out the landlord or other tenants scold them. We have to pay $45 per month, and you can imagine what that does to my husband's salary.

He has a small salary. I continue with the letter:

The rents are very low in the house we bought, hardly more than enough to cover expenses. One of our tenants has told us that they have a home (outside the city) but while they can have a large six-room flat with garage and large yard for $15 per month . . .

While the veteran who owns the house with a small salary, a wife and three children is obliged to pay $45 because he cannot get into his own house. Conditions of that kind are not fair or right and should not be permitted for one minute.

I have received quite a number of complaints also from persons who own houses and rent them. Their complaint is that they are not getting a fair return on the money they have invested. They say they are not getting enough of a return to make necessary improvements to their houses. The regulation should be such as to enable a person to get sufficient from his investment to meet the cost of repairs, taxes, heating and so on, and give him a fair return on his investment.

Mr. MICHAUD: Following the point raised by the hon. member for St. John-Albert may I say I now have the text of this order, and my submission is that the relief granted by it is much more insignificant than was indicated by the hon. member. Not only must the landlord show hardship, but at the hearing, according to subsection 6, the commissioner may require such further information—and I skip some parts that are immaterial and go down to (b) which asks for the circumstances of the tenant and the nature of the real hardship which would be suffered by the tenant and his family if the occupation was allowed. Whenever any application of this nature is made the tenant who refuses to go out will come into court or come before the commissioner and put up a hard luck story. Naturally he will say that he has hunted around the town and the community for the last two or three months and has not been able to find a suitable place. He will say that he has a large family. That constitutes hardship, and it must be taken into consideration by the commissioner. I have a case in mind. A veteran wanted to get into his house. He had two children. The other fellow had six grown-up children. The commissioner said, "You are asking me to put them out. He has six of a family; you have two. What is the advantage of putting out six to give room to two?" When I went into court I thought I had a good case. I heard the interpretation placed on the regulation by a man who was not a legal man, but I thought he interpreted the regulation properly. The landlord must do more than show that he is in hard circumstances. When he goes into court he has a roof over his head, and he wants to throw another person out. Naturally the answer of the court or the judge is this: "You have a place now; you are fairly comfortable. You are asking me to throw this other person out." The other person says that this constitutes hardship, and it is hard enough, it is true—

Mr. TIMMINS: You should have read the regulations first.

Mr. MICHAUD: I say the regulation is practically worthless. I have run across the occasion where the tenant has said, "If you let me stay in until the first of May I will get out". On such occasions the commissioner has made an order, but in most cases where orders have been made it is done by consent such as I have indicated. The tenant has practically agreed to get out at a future date. If the tenant says, "I cannot find a place, I have no place to go", I do not see any justification under the regulation for the commissioner to evict.

Mr. MAYHEW: May I answer the hon. member for St. John-Albert? In the first case, where a man might go and buy a house and get possession of it, you would be letting someone in and turning out a returned soldier. That is probably what would happen in your first case. In your second case, where a man says he is not getting what is fair and reasonable for his house, he can appeal to the board for an adjustment, and a good many thousands of cases have been adjusted.

Mr. HANSELL: It seems to me that the only solution of the rental problem is more houses. There is no other answer to it. I know that the present minister and his assistant are not responsible for building houses, but they are asking parliament to extend their powers of controls over rentals. Can the minister give us some idea as to how long these controls are to continue?

I am not rising to make criticism one way or another. I have no criticisms to make. I do not see what can be done except what is being done. The situation exists as it is, and the government is trying to handle it the best way it can.

An hon. MEMBER: A pretty poor best.

Mr. HANSELL: That may be subject to criticism too. I have letters from tenants making complaints; I have about an equal number from landlords making complaints, and it is difficult to satisfy both. I do not think the case which the hon. member for St. John-Albert brought to the attention of the minister was the strongest he might have made. There are many cases much worse than that. Here is a man with two children and four rooms to live in. I am not taking the side of the tenant, and perhaps he is a pretty fortunate man. I am surprised in one way, and I know it is because of the lack of building materials, that so many four-room homes have been built throughout the country. I believe that if the time ever comes when there is no shortage of housing you will be able to buy four-room houses for a song. That, however, is another matter, and I know I am not entirely within the rules in bringing it up.

Can the minister tell us how many building permits were issued in 1947 as compared with 1946 and 1945? You may think, Mr. Chairman, that is not in order, but that is the only way I can see whereby we can discover what the situation is and when perhaps there will be some relief in the way of lifting of controls. How long will it last? We are asked to grant continued power of control. People do not know whether the controls are to come off or whether they will be left on this year and another year as well. We should have some answer to that question. Is it expected that they will last for another year or another five or ten years? If building has dropped off, then there is some reason for it, and the government is not going to the root of the problem unless it discovers that reason, because the only solution of the problem is more houses.

Mr. MAYHEW: Two questions have been asked. One is, how many permits were issued in 1945, 1946 and 1947? That question should be directed to the Minister of Reconstruction and Supply who will be coming on, I hope, in a few minutes and will be able to give that information. As far as the length of time is concerned, we are asking for the extension of these controls to the end of the fiscal year, that is the end of March, 1949. Whether they are extended beyond that will depend on the will of the house.

Mr. MERRITT: This discussion we have had in the last few hours is like the discussion we had a year ago in this house, and apparently no progress has been made. A year ago we discussed the problem of the veteran owner who could not get into his house because of rental restrictions, and the ministers at that time expressed great sympathy for the veteran. I remember the Minister of Finance saying that it was a very constructive discussion, and I should think many members of the house thought that something might be done about the matter in the intervening time. But apparently nothing has been done at all, and the reasons given by the parliamentary assistant today are precisely the reasons given a year ago.

The unfortunate fact is that we have here a real hardship on these veterans and it is the responsibility of the government. I do not think it is at all satisfactory that a whole year should have passed and that we should be given the same answers now as those we got a year ago.

The hon. member who has just spoken has mentioned one way of relieving the situation, which is to get more houses, and that is the responsibility of the government. As I understand, they have not succeeded in the past year in increasing the number of rental houses which will be available. It has not increased substantially, and I find at page 2296 of *Hansard* of April 21 of last year that the minister suggested that the only way out was to increase the number of units available.

Last year the hon. member for Eglinton offered to the government another way in which the number of housing units available might be materially increased. He gave it as his opinion, which is a valuable one, since he knows a great deal about housing, that by this means you would bring into the market a considerable amount of rental housing. His suggestion was to amend the regulations with respect to eviction from shared accommodation so as to enable a large number of people in Canada who have accommodation now too large for them to take in tenants, with the assurance that they will be able to evict those tenants if they prove to be unsatisfactory.

According to the present regulation they cannot be evicted except on six months' notice, and it was suggested that if that period were reduced to one month it would open up a great field of available living accommodation which heretofore has not been tapped. The hon. member for Eglinton moved that as an amendment, but the government refused to accept it just as they refused to accept his amendment last year with respect to the veteran home owner.

If we are to go on from year to year without any progress in this matter, surely that second suggestion of the hon. member for Eglinton should be, I was going to say accepted by the government, but certainly gone into very carefully indeed. Perhaps it has been gone into. Perhaps the parliamentary assistant can give us a statement as to why the suggestion has not been taken into consideration and that field opened up so as to relieve the housing shortage.

Mr. MAYHEW: The hon. member for Vancouver-Burrard says that nothing has been done to relieve the situation. I would point out to the committee that last year 78,000 houses were built in Canada. Before the war our normal capacity was in the neighborhood of 32,000. I happen to know that, because I had something to do with the building trades. Our capacity was around about 32,000 houses before the war, but last year we built 78,000 in Canada.

Mr. PROBE: How many couples were married?

Mr. SKEY: One hundred thousand.

Mr. MAYHEW: In October last, in the hon. member's own city of Vancouver, there were 5,500 wartime houses under construction. I think that since that date a further 1,500 have been added to that to have them ready to relieve those housed in the old Vancouver hotel. When Canadians have stepped up their production of housing by nearly three times, I think there must be something or somebody behind that accomplishment, directing it.

Mr. MERRITT: The parliamentary assistant has not yet answered my question. I heard the hon. member for Regina City call out, asking what the net family formations were in that same year. It is my understanding that, on the whole, we are losing ground in providing accommodation for Canadian families. How many of the 78,000 houses, to which the parliamentary assistant referred, were rental houses? I remember distinctly that the Minister of Reconstruction and Supply in the housing debate last year said that his chief worry in connection with housing was that rental units were not being provided. A large number of these 78,000 houses are of no use to people who can only afford to rent. I should like to hear the parliamentary assistant tell the committee what consideration has been given to the suggestion made by the hon. member for Eglinton last year which was to the effect that if you reduce the period of notice which must be given in the case of shared accommodation, you will open up in the cities of Canada a large field of accommodation which has not been tapped so far. What is the answer to that?

Mr. MAYHEW: Thirty-seven per cent of the urban population live in shared accommodation; and unless they are obnoxious, they require the six months' notice. But if they are obnoxious they can be evicted on much shorter notice. They can be evicted under the regulations of the provincial government which provide for short notice and on the grounds of incompatibility.

Mr. MERRITT: Of course that is not an answer to my question. My question is this; what investigation has been made, following the suggestion moved as an amendment by the hon. member for Eglinton last year, to ascertain how much new housing accommodation would be made available by a reduction in the period of eviction from six months to one month.

Mr. ILSLEY: I was in the discussion last year, Mr. Chairman, and I remember the amendment moved by the hon. member for Eglinton. While I have not been engaged in this department since that time, and am not at the present time, I understand that consideration has been given to that suggestion. The suggestion is based upon a theory that you would gain more accommodation than you would lose if you allowed the owner of the house to turn those tenants out on short notice. That is merely a theory, and it is a theory with which those who have studied the matter do not agree. It is not susceptible of proof. On the contrary it is believed that, with the national income what it is, for ten rooms that you would gain by the application of that theory you would lose 100, because the landlords would turn the tenants out and would not let anyone else in; and the fact that they could turn people out suddenly would not cause them to let others in.

Mr. MERRITT: That was not the suggestion made by the hon. member for Eglinton. I have it here and it may be found at page 2311 of *Hansard* of 1947. I will not read it all. It referred to this question of freeing shared accommodation from eviction control, and the last few words of the amendment are as follows:

. . . where the tenancy thereof is created after the date of coming into force of this act.

So it will be seen that his suggestion would not have freed any present accommodation from the present six months' notice legislation and would not have lost any you now have. His suggestion would have applied only to new shared accommodation being made available because of this suggestion, just in the same way as you have released from control houses coming into occupation after January 1, 1947.

Mr. ILSLEY: The administrative difficulty there is this. Suppose there are five tenants in one house, and one room becomes vacant. Then the tenant who goes into that room can be turned out without notice or with very short notice, while the other tenants in the other four rooms are entitled to their six months' notice. The discrimination that arises there between tenants is regarded as most undesirable.

Mr. MERRITT: I must say that explanation does not satisfy me; because if you apply your new order only to new accommodation and not to old accommodation becoming free, only to a completely new building where you never had shared accommodation before, you would never get the difficulty which the minister suggests. I do not want to take up too much of the time of the committee. I know the hon. member for Weyburn wants to ask a question. But I ask the government to give more consideration to the proposal which was put forward seriously a year ago and which is much more than a theory. Many people believe it would make available a great deal of accommodation.

Mr. ILSLEY: Is anybody building new homes for the purpose of renting rooms?

Mr. MERRITT: No, not new homes.

Mr. ILSLEY: No.

Mr. MERRITT: But old homes where the occupants do not need all the rooms today. That is what we are referring to in the case of shared accommodation.

Mr. McKAY: I think it is generally recognized that, while there is a lack of housing accommodation, there must be some measure of rent control. We have had figures given to us this afternoon to indicate that housing construction is not keeping abreast of the demand for houses in this country. As long as a shortage of housing prevails, we shall have to have some measures passed by this parliament to control the situation. I realize that there are objections to this rent control measure on the part of landlords and also on the part of some tenants. But despite those objections, I fear what might happen if these controls were abolished at this time. If we are to witness with regard to housing accommodation what has happened with respect to rents of some business premises, it would be a serious situation. We might even face the situation where rent would go up to double and treble what they are now, unless there was some measure to control them. This would cause much more hardship than the present regulations are causing either to the tenant or to the landlord. However, it seems to me that some instructions to favour the tenant must have been given to the commissioners. I should like to ask the question whether or not a directive has been issued to the commissioners to give the benefit of the doubt to the tenant rather than the landlord.

When I say that, I do not wish to be misunderstood. I have had a great number of people who own property write to me. These include old folks and veterans; and the letters seem to indicate that, although they have shown great need, the tenant seems to get every consideration and they do not receive any, despite the arguments they may present. Has any directive been issued which seems to favour the tenant, when these cases come up for consideration?

Mr. MAYHEW: I am sure I cannot answer that question with a positive yes or no. I am quite confident, however, that the answer would be, no. However I would have to check that with the rentals controls officers before I could answer definitely.

Mr. McKAY: Would the parliamentary assistant endeavour to give an answer.

Mr. MAYHEW: Yes, I shall endeavour to get a definite answer.

Mr. TIMMINS: To turn to another phase of the regulations for a moment, it is my understanding that the commercial rentals covered by this section ended on March 9. The hon. member for Nanaimo has placed in my hands a communication which brings up a subject with which I think we must deal. This letter has to to with a small company which occupied commercial space for which it paid $25 a month rental. Now, with the rental order off, notice has been served on this business that from this time forward its rental will be $125 a month, or an increase of 500 per cent.

Section 6 of order P.C. 9029 reads, in part, as follows:

No person on behalf of himself or any other person shall let or offer to let any real property at a rental that is higher than is reasonable and just or shall charge, demand, receive or collect or pay such a rental . . .

I believe I have seen a press release to the effect that, despite the fact that commercial rentals controls were completely and absolutely off, that clause in the rentals order would be invoked against a landlord with commercial accommodation who proceeded to charge rentals which were not reasonable and just. Would the minister explain what the effect of this is and where it leaves tenants who are occupying commercial accommodation at the present time?

Mr. ILSLEY: The Minister of Finance made a statement on this point in the house on March 5, as reported at page 1908 of *Hansard*. The hon. member may look at that statement himself, but my recollection is that the effect of it was that the section he has just read is to remain. It is open to the tenant in that event to lay an information, if he wishes, or to report the case for investigation and for prosecution, if it is thought that the facts would warrant such proceedings being taken.

Mr. TIMMINS: I cannot clearly understand the mechanics of the order. It is not clear to me how the commercial order can be completely and absolutely out of operation—cancelled, so to speak—and yet this section remain, when it applies to a phase of the rentals order which has been cancelled. That is my first thought.

My second thought is that the tenant gets very little comfort from the fact that a prosecution can be laid because, in the meantime, he may have failed to comply with the demand of his landlord and may have been served with a notice to get out. Under those circumstances he would have to vacate, and it would be small comfort to him to know that the rental should have remained at $25 a month when, as a matter of fact, he is out on the street. It seems to me that if, on behalf of the people of Canada, the Minister of Finance desires to see that no wrong is done, before we have finished with this rentals order some amendment should be made which would cover the matter of protection of a commercial tenant in like circumstances.

Mr. SKEY: I should like to return to a point I brought up last night; that is, if the minister is not going to answer the hon. member for Parkdale.

[Mr. Timmins.]

Mr. ILSLEY: I did not understand that he wanted an answer.

Mr. TIMMINS: The thing seems incongruous in that apparently the section will be wiped out, so far as commercial rentals are concerned. In view of the fact that commercial rentals are no longer under control, does the minister tell the committee that the present rentals order will protect commercial tenants who are being charged exorbitant rentals?

Mr. ILSLEY: It applies to the tenant; it applies to the landlord who is charging a tenant a rental which is greater than could be considered reasonable and just. This matter was dealt with by the Minister of Finance when he said:

As the government is continuing rental control on housing accommodation, it is necessary that this section remain in effect.

This section has general application; accordingly, it remains an offence for a landlord to charge a rental for commercial space that is clearly unreasonable and unjust. Should any such case be brought to the attention of the wartime prices and trade board, investigation will be made.

Then he goes on to say that prosecutions cannot be instituted without the leave of the board or of the attorney general of a province. That is found in section 8 of the regulations.

Mr. TIMMINS: Will the minister tell us whether the Minister of Finance intends to implement section 6 any further in favour of a tenant of commercial accommodation who, now that the commercial rentals order is not operative, is left without an anchor, so to speak, so far as protection is concerned? After all, a prosecution would not help that tenant very much.

Mr. ILSLEY: The Minister of Finance said this in answer to a somewhat similar question:

I believe I can answer that in this way, that if it is clearly established that a rental which is unreasonable and unjust is being charged the board would consider taking a prosecution. It is open under the section for anyone to do it, with the consent of the board or with the consent of a provincial attorney general. I am not prepared to say now to what extent the board should be or would be prepared to undertake the task of prosecutions. What I have said, in effect, is that if cases of that kind are brought to the attention of the board, investigations will be made.

Mr. KNOWLES: Is it a fact that the abolition of rental controls was achieved, not by any change in the order in council before us, but by the change or abolition of a board order?

Mr. ILSLEY: Yes.

Mr. KNOWLES: In other words, the answer to the question asked by the hon. member for Parkdale with respect to section 6 is that it is still there as part of the general order in council.

Mr. ILSLEY: Yes.

Mr. KNOWLES: And that means, too, that if the government could be persuaded to bring back a measure of commercial rental control, the board still has the authority to carry it out.

Mr. ILSLEY: The board could put on ceilings, yes.

Mr. SKEY: I should like to refer to the questions I asked last night with regard to the rooming-house operators who submitted a brief to the Minister of Finance in which they asked two things. First, they asked that the increased rentals permitted to property owners be extended to cover rentals charged by rooming-house operators. They contended that they were subject to an increase by their landlords without being able to pass that on to their own tenants. Second, they asked that some relief be given from the six months' freezing order for tenants. I should like to have an answer from the minister.

Mr. MAYHEW: The control on rooming houses came in much later than the regular freezing order. It was thought that the advance which had been permitted to rooming-house operators was sufficient to take care of their requirements and that they were not suffering any financial loss as a result of the order of July, 1943.

Mr. MANROSS: The prices of everything involved in keeping a rooming house have gone up since 1943. I do not see what justice there is in taking hotels out from under the control, permitting hotels to raise their prices and not permitting rooming houses to do likewise. While it is true that rooming houses may be providing a lower type of service than a hotel, there is a similarity in the services provided. A government-owned hotel like the Chateau Laurier, which is operated by the Canadian National, is permitted to raise its rates 33⅓ per cent, while a rooming-house operator must stick to the prices he charged in 1943. Surely these rooming-house operators should be given some percentage of increase, even if it is only a small percentage.

Mr. MAYHEW: House rentals were frozen in 1940, while rooming-house rentals were not frozen until 1943. I think this debate has been most helpful but I hope it will not continue much longer. I assure hon. members that what has been said here will not be lost sight of.

Mr. MANROSS: How is it intended to take off these freezing controls? Will it be done by degrees or suddenly? I think it would be better to do it by degrees.

Mr. SKEY: The minister did not give me an answer with regard to the six months' freezing order for tenants of rooming houses.

Mr. MAYHEW: I thought I answered that before. The six months' regulation is applicable unless the tenant is not desirable, in which case he can be evicted under the laws of the province.

Mr. CARDIFF: There has been a considerable amount of criticism in connection with this housing program and, I think, rightly so. I think everyone will agree that the plan adopted has been absolutely wrong. A landlord who had rented at a low rent found that his rent was frozen at that figure, whereas another landlord might be getting more for the same kind of accommodation. That was all wrong. There should have been an over-all plan whereby rents were brought up to a certain standard. This has caused considerable dissatisfaction. Another cause of dissatisfaction is the fact that a tenant might sublet and obtain more rent than he was paying to the landlord. I think the ones who framed the regulations must take the blame for that.

In certain instances labour is being let out by industry. During the war years many men left the farm to take jobs in war plants and the result was that many farms became idle. Those farms are still idle. When industry is laying off men an effort should be made to find out where they came from. If they came from the farm an effort should be made to persuade them to go back to the farm. We are short of labour in the country. You cannot hold floating labour because, as soon as you have a hard job on your hands, they will leave you. An effort should be made to persuade these fellows to go out to the farm and occupy some of the houses that are vacant in the country. I doubt if there is a mile and a quarter anywhere in the country without two or three vacant houses. If these men could be persuaded to go out there it would relieve the housing shortage in the cities as well as the labour problem in the country.

Mr. ILSLEY: Can we agree to pass the group of orders?

Mr. MACDONNELL (Muskoka-Ontario): Is the minister suggesting that we take the group now?

Mr. ILSLEY: It is up to the committee, but if hon. members want to discuss any order I

suggest that it be discussed now and that we do not come back to it later. There are eight of these orders.

Mr. MACDONNELL (Muskoka-Ontario): Would that include P.C. 9870?

Mr. ILSLEY: Yes.

Mr. MACDONNELL (Muskoka-Ontario): I wanted to ask some questions on that. I have not been able to put my hands on a report of the corporation. Am I right in thinking there was a report?

Mr. ILSLEY: There is no report made to parliament by the Commodity Prices Stabilization Corporation. Questions are answered on the estimates.

Mr. MACDONNELL (Muskoka-Ontario): I should like to know roughly what the corporation has done in the last year as compared with the year before. I am trying to find out the objectives of the corporation and the reasons for continuing it.

Mr. ILSLEY: The purpose of the corporation is to carry on bulk purchasing and to pay subsidies. If the hon. gentleman is asking for anything like a comprehensive report I shall have to give it at eight o'clock or later, because we are not prepared for it now.

Mr. MACDONNELL (Muskoka-Ontario): Like other hon. members, I do not want to hold up the proceedings unnecessarily, but I think this is a matter of importance.

Mr. ILSLEY: Exhaustive preparations are made to answer questions just like that on the estimates. I thought we were dealing with something a little different, the extending of the authority for the operation of the corporation. However, the hon. gentleman is quite within his rights.

Mr. MACDONNELL (Muskoka-Ontario): I do not want to get into anything that is too involved, but could the minister give us at eight o'clock a brief statement as to what is contemplated? It does seem to me that we want a prima facie case.

Mr. ILSLEY: I will do so. I want to find out myself.

Mr. KNOWLES: The item in the estimates is reduced by $22,000,000.

The DEPUTY CHAIRMAN: Does the committee agree, with that understanding?

Mr. MACDONNELL (Muskoka-Ontario): How far does that take us?

Mr. ILSLEY: Down to Department of Fisheries, unless someone wants to ask questions.

[Mr. Ilsley.]

Mr. MACDONNELL (Muskoka-Ontario): I want to ask a question about the Sugar Stabilization Corporation, P.C. 7475—regulations of corporation as amended. I take it that is the stabilization corporation?

Mr. ILSLEY: Yes.

Mr. MACDONNELL (Muskoka-Ontario): Perhaps that will be included in anything that is to be said at eight o'clock. The next one is P.C. 5518—repayment of subsidy order as amended. Will the minister say a word about that at eight o'clock?

Mr. ILSLEY: Might I interrupt to say that when the words "as amended" are used, they mean as amended in last year's bill, not as amended since.

Mr. KNOWLES: Except that the last one has been amended by the deletion of two clauses.

Mr. ILSLEY: Yes.

Mr. MACDONNELL (Muskoka-Ontario): Then P.C. 34/4433—Government Employees Compensation Act. The minister might say whether there is anything significant in that and what the scope of it is.

Mr. ILSLEY: That is just incidental to the orders.

The DEPUTY CHAIRMAN: If that is agreed, shall we pass on? Carried.

Mr. MACDONNELL (Muskoka-Ontario): When you say "Carried", Mr. Chairman, I understood that these were left over until eight o'clock. Does the minister agree?

Mr. ILSLEY: That is right. There are two orders under Department of Justice. They are merely incidental to the other control orders. They are P.C. 4600 and P.C. 6223, at page 2153 of *Hansard* of March 12. These were all dealt with last year. They are just the same orders, but we would like to have them continued while the other control orders are in existence. They provide for appeals and for notice to attorneys general. They are procedural orders. No exception was taken to them last year.

Mr. LOW: Has there been any volume of appeals?

Mr. ILSLEY: Yes. I have not the figures but there has been a great deal of litigation.

The DEPUTY CHAIRMAN: I should like to get this clear. I was endeavouring to have the group of orders under wartime prices and trade board carried, on the understanding that the minister would give the information asked for by the hon. member for Muskoka-Ontario. With that understanding shall we carry this group?

Mr. MACDONNELL (Muskoka-Ontario): I do not want to split hairs, Mr. Chairman, but the sensible thing is not to carry them until we get the information. I do not anticipate any controversy but I think that would be the more sensible course.

Mr. ILSLEY: Let them stand, P.C. 9870 to P.C. 328 inclusive.

Mr. POULIOT: I have a question to ask of the minister about controls in the Department of Justice. Are the defence of Canada regulations still in existence?

Mr. ILSLEY: No.

Mr. POULIOT: They are finished?

Mr. ILSLEY: Yes. The other day my hon. friend asked me for certain information and if he would like to have it now I will give it as best I can.

Mr. POULIOT: Surely.

Mr. ILSLEY: He asked three questions about these controls. First, had there been a reduction in the personnel engaged in administering the controls, and if so, how much of a reduction, and had some personnel been transferred to other departments of government? There was another question allied to that.

The main departments engaged in the administration of controls were the war departments now being consolidated or liquidated. We can include or not include the defence departments. During the war the defence departments were carrying on certain types of controls. I do not know whether the type of department contemplated by my hon. friend includes the defence departments, but I will give the figures affecting the war departments now being consolidated or liquidated.

The war peak of personnel in the defence departments, civilian employees, was 68,376, which has been reduced as of December 31, 1947, to 14,492. In national war services the war peak was 2,041. That department has been abolished and therefore has no employees. The war peak in the wartime prices and trade board was 57,026, which was reduced as of December 31, 1947, to 1,129. The war peak in the Department of Reconstruction and Supply was 14,540, and that number has been reduced as of December 31, 1947, to 318.

In addition to the departments I have mentioned, the Department of Labour had a great increase in personnel as a result of war activities, especially when wage control was in operation. The war peak in the Department of Labour was 2,813, which was reduced as of December 31, 1947, to 649. The war peak for the unemployment insurance commission was 10,185, which was reduced as of December 31, 1947, to 7,041.

There is one other department that perhaps should be mentioned. With the great growth in the number of employees in the government service during the war there had to be a corresponding growth in the staff of the comptroller of the treasury, whose officers are distributed through all the departments of government. The war peak of employment there was 9,350, which has been reduced to 4,577 as of December 31, 1947. The hon. gentleman asked what has happened to these people, whether they have just been placed in other departments of government. It is impossible to give any definite answer, or anything in the way of figures in reply to that inquiry. For instance, in the wartime prices and trade board there has been movement both ways. Some of those who left the wartime prices and trade board have obtained positions in other departments, and there has been some movement also from other departments to the staff of the wartime prices and trade board. But I am told that, as nearly as can be estimated, the number of persons in the civil service reached a wartime peak of about 142,000; that is, peaks were reached in the various departments at various times, but the wartime peak was about 142,000, and a comparable figure today is 117,232. That information is the nearest to an answer that I can give to my hon. friend.

When I speak about the civil service I want to make it clear that the figures I have given do not include casual employees paid by the hour, do not include revenue postmasters and do not include crown companies personnel. It has been impossible to get the figures for the crown companies personnel in time to give this answer. It might be possible after considerable investigation; I do not know. When I spoke to my hon. friend the other day he said to do the best I could to get that information for him, and I told him that I would.

Mr. POULIOT: I thank the minister very much for that information. I am sure that he has been labouring to get it, but, as he says himself, it is still vague. During the war there were two kinds of estimates; there were the ordinary estimates which mentioned all departments, and there were also the special votes which mentioned all departments in order to show that each department was con-

tributing in some manner to the war effort. It is the same thing with regard to special orders. There are several orders for each department, departments that would not need any special orders at all. For instance, we have them for the Department of Justice. What is the need for the Department of Justice to have a special order? I do not complain about it on account of what the minister has done himself. He was not then Minister of Justice. But why should the Minister of Justice have anything to do with controls, when the Department of Justice is supposed to be managed under the act concerning the Department of Justice?

At the present time my hon. friend is doing his best to answer my question and I thank him for that. But there is the treasury board; there is the civil service commission, these institutions that are supposed to check the movement of the civil service. If I ask today as a member of parliament, what is the composition of the staff of any department today compared with what it was one year ago, two years ago, three years ago, four years ago, five years ago, there should be an answer ready. How many times did I complain that the civil service commission, that the treasury board did not know how to work. Perhaps they have too much to do; but when it comes to elementary things like that, simple figures that all members of parliament have a right to know, how is it that it is so difficult to get them? There is something wrong somewhere. They do not know how to work. They should be taught what to do.

I remember the time that I presided over the civil service committee. I had to tell these people what to do. They were totally ignorant. And when I showed them a chart I asked them if it was all right. They said, "Yes, it is all right." But I said, "What is the thing that is up at the top? Should it not be down at the bottom?" They said, "Yes, sir." And I said, "The other thing that is in this position on the chart, should it not be somewhere else on the chart?" They said, "Yes, sir." I then said to them, "Do your work properly, or do not come before the committee. I want it to be done right now." They said, "It is impossible, sir; we cannot do it." I said, "How is it when I ask you for elementary information, for essential information, you cannot give it to me? Give it to me tomorrow morning at ten o'clock without fail." They said, "Sir, it is impossible." I said, "Tomorrow afternoon at two o'clock without fail." They said, "Oh, sir, you do not know what an amount of work is involved." Then I said, "This is my last word, the day after tomorrow at ten o'clock without fail." They said, "We will do our best, sir." They came to me and said, "It is not right? Is that not the way it should be done?" They were just children. I will tell the minister that before Mr. Taylor came the wartime prices and trade board was in a completely chaotic condition. It was impossible to deal with them. Those who were running the whole show were trying to show their superiority over members of parliament. They were just stupid asses, and I hope that Mr. Taylor will be able to do something about the other. I wish him well. I hope that he will succeed in doing something with the other people there, and clean the whole house. That is my wish.

Mr. ILSLEY: We now come to the Department of Reconstruction and Supply, P.C. 1609 which has to do with construction materials regulations, as amended.

Mr. TIMMINS: I understand that since last year a new controller has been appointed in respect of priorities or in respect of timber and steel. Is that so? What is the name of the controller? With respect to priorities, I should like to know whether it is necessary at this time to continue them. I am told of a case in Toronto where a wholesale hardware merchant received a large quantity of nails which were needed by some 450 builders in that city. That pile of nails was brought in and divided into two parts. One part went to wartime housing and the other part had to be divided between all the other builders in Toronto who, through their local merchants, were to get a share of the nails.

I have a newspaper clipping which was taken from a veterans' paper, a copy of which was received by us all last fall. I notice the heading reads, "Priorities aid Edmonton vets build homes". One item in respect of that hope which I think concerns the committee, mentions material enroute; two carloads of nails, 4,000 kegs. Four thousand kegs are a lot of nails. I should like the minister to tell the committee how this system of priorities is being worked out at the present time and on what basis these priorities of materials are being given to the builders of Canada.

Mr. HOWE: The application of priorities is not extensive. The proportion of nails going into priority projects is about fifteen per cent. In other words, fifteen per cent of nail production goes to priority projects and eighty-five per cent into free distribution. Priorities apply to low-cost housing and to veteran projects generally. Those are the only priorities that are involved.

Mr. ZAPLITNY: Are there any priorities now in connection with steel or lumber used for the construction of such things as bridges, and so on by municipalities?

Mr. HOWE: Yes. There are priorities for steel. All steel is manufactured under allocation. The government approves the rolling schedule for each quarter. The steel requirements are examined and the steel is allocated as fairly as possible among a great number of users. By careful allocation it is possible to give sufficient steel to all manufacturers, so that their needs can be scheduled at a rate that the industry can support. Every pound of steel made in Canada is subject to allocation by the government. As to lumber, there is no allocation. Lumber is in free supply and can be purchased readily. The only control is in respect of exports.

Mr. ZAPLITNY: That applies also to construction timber as well as lumber.

Mr. MACDONNELL (Muskoka-Ontario): I want to ask a question in regard to the allocation of steel, reverting to the explanation which the minister gave in connection with Bill No. 3 when we were considering that matter. The minister then explained the various projects which came to him, and when he was discussing those I took it that they referred more or less to rather large individual undertakings. What I am not quite clear about is the situation when you come to smaller things. Is there an allotment of steel in connection with small houses; because in modern houses of this type there are now steel beams? How is the allotment made when you come to small undertakings of that kind? Is the housing corporation allotted so much and does it make a sub-allocation, or how is it done?

Mr. HOWE: Perhaps my hon. friend is confusing the import regulations which we were discussing on another occasion with the allocation of domestic steel.

Mr. MACDONNELL (Muskoka-Ontario): But would this not cover both.

Mr. HOWE: To an extent. Imports of steel are not controlled in the same way as is the allocation of domestic steel. In other words, if approval is given to a project which requires imports of steel, imports are allowed to come in for that project. But we manufacture about 3,000,000 tons of steel in Canada and that steel is allocated very carefully to a great number of projects. For instance, the automobile industry is allocated so many tons, the shipbuilding industry so many tons a month, each individual shipyard receiving so many tons; the Massey-Harris and other farm implement manufacturing concerns are allocated so much; the car building program is allocated so many tons, and so on. Every pound of steel that can be manufactured is allocated to someone. The small man to whom my hon. friend refers buys through jobbers, who are allocated a certain amount, the jobber's allocation being intended to cover the small user.

Mr. MACDONNELL (Muskoka-Ontario): When you have household construction competing with other kinds of construction, and particularly having regard to what we have heard about the dearth of household construction, may I ask whether steel is actually a bottleneck in household construction or not?

Mr. HOWE: The only types of steel that go into household construction are nails and soil pipe.

Mr. MACDONNELL (Muskoka-Ontario): And I-beams.

Mr. HOWE: I-beams for low-cost housing are not used to any great extent. For houses that sell at $5,000 or $6,000 there are not many I-beams, but larger houses do use a certain amount of structural steel. For a time, soil pipe was a bottleneck and it is still a difficult item. We could get more soil pipe if we could allocate more pigiron to its manufacture, but we have the situation in balance to an extent that it is not a source of handicap in the building of small homes.

Mr. TIMMINS: I wish to ask the minister a series of short questions. Soil pipe is still under the control of this particular order?

Mr. HOWE: Yes, as it applies to priority building and as it applies to the control of steel. The amount of soil pipe that can be made depends upon the allocation of pigiron to the foundries making soil pipe, so that to that extent the amount of soil pipe made is regulated by the distribution of pigiron. But after the soil pipe is made the only priorities apply to soil pipe for priority projects.

Mr. TIMMINS: So that the only competition is between private builders and priority projects as far as soil pipe is concerned?

Mr. HOWE: Yes.

Mr. TIMMINS: With respect to bricks, is there any control for the manufacture and distribution of bricks at the present time?

Mr. HOWE: Practically none. If there is a low-cost housing project that requires brick, at times the co-ordinator of controls will requisition from a brickyard the brick required, but that is a trifling item. Generally

speaking, there is an ample supply of brick for all purposes and, to the best of my knowledge, no requisitioning is required at the present time.

Mr. TIMMINS: Will the minister explain the situation with respect to priorities in plumbing and heating supplies?

Mr. HOWE: In plumbing supplies, production is up 50 or 60 per cent. It is not a serious item at the moment. Orders are placed by Wartime Housing, and sometimes assistance is given to integrated housing contractors who schedule their requirements to meet the program of building for veterans. But generally speaking, plumbing is in fairly adequate supply. The shortage is not in plumbing fixtures, but in plumbers.

Mr. TIMMINS: Is there not still a considerable shortage in bathtubs? Is it not part of the business of priorities in this order to speed up the manufacture of bathtubs, as was done during the war in certain respects, by allocating a given amount of steel to the concerns manufacturing?

Mr. HOWE: Some two years ago steps were taken to encourage the expansion of manufacturing facilities for bathtubs and the desired production was obtained. I believe the bathtubs made today are about 190 per cent of those made in 1945. Demand and supply are pretty well balanced as far as bathtubs are concerned. There is no bottleneck there that I have heard of.

Mr. TIMMINS: Last year the minister made a statement with respect to the production of nails. I understand from builders that at the present moment nails are in fair supply. The builders are getting by, but they do not know what the situation will be in the month of May when they expect building production, particularly in the residential areas, will be more greatly expanded. Can the minister give a statement as to what we may expect in the way of the production of nails in the months to come?

Mr. HOWE: Production of nails has gone forward rapidly. It is easily 50 per cent over production at the end of the war, but we have really never caught up from the strike situation in 1946. Nails are still in short supply. But as I say, that is not because of any government priority. Government priorities account for about fifteen per cent of total production. We are not far out of balance, but the drop in production of wire rod during the strike has created a vacuum which we have not been able to fill completely.

[Mr. Howe.]

Mr. ZAPLITNY: Can the minister give the committee figures as to what percentage of our production of lumber is allocated for export and how that is broken down for individual producers?

Mr. HOWE: Yes. It is a rather complicated schedule. I will give it to my hon. friend if he is interested.

For eastern Canada, east of the Ontario-Manitoba boundary:

Softwood lumber and sawn softwood railway ties. Exports equivalent to 100 per cent of shipments for Canadian consumption. In other words, the division there is half for domestic, half for export.

Shingles. One car export for each car shipped for Canadian consumption. That is the same thing.

Lath. One car export for each five cars shipped for Canadian consumption. In other words, with regard to lath we permit the export of only one-sixth of our production.

Poles and piling. Pine poles of any length, and cedar poles between 25 feet and 50 feet in length—one car export for each car shipped for Canadian consumption.

No exports are permitted covering the following items: sawlogs, hardwood flooring, sash, doors and other millwork:

In addition to the before-mentioned export regulations, a free export quota of 290 million feet of softwood lumber for shipment to world markets has been allocated to shippers in eastern Canada, the greater portion of which will originate in the maritime provinces and the Gaspe peninsula. I might say that the reason for the free export quota is that rail hauls to market are costly. Ther are no rail connections in the Gaspe area, and the rail haul from the maritimes is an expensive item. Since there was not a market for the full 50 per cent allocated to the domestic market in the martime provinces, a free export was given to take up the lumber that could not be used locally.

Mr. HACKETT: Has the minister given the figures in connection with softwood ties?

Mr. HOWE: Fifty-fifty.

Mr. HACKETT: What about hardwood ties?

Mr. HOWE: Hardwood ties are on fairly free export. We make special arrangements with regard to hardwood ties. I have not them here. We require the martime provinces to fill the railway market demand in that area, and allow export of the remainder. Export quantity depends on the size of the cut. We find out how many ties the railroads require for a season; we reserve those ties and allow the balance to be exported.

For Manitoba, Saskatchewan, Alberta and northern and southern interior of British Columbia:

Softwood lumber and railway switch ties. Exports equivalent to 100 per cent of shipments for Canadian consumption. In other words, half and half.

Cedar poles 25 feet to 50 feet in length. Two cars export for each car shipped for Canadian consumption.

No exports are allowed of lath, hardwood flooring, sash, doors and other millwork.

For the Vancouver forest district, which is the British Columbia coastal area and Vancouver island:

Softwood lumber and railway ties. Sixty per cent of production may be exported.

Poles and piling, cedar poles up to 50 feet in length. Two cars export for each car shipped for Canadian consumption.

Plywood. Fifty per cent of production may be exported.

No exports on the following items are permitted:

"D" clear and better fir and/or hemlock and/or Sitka spruce in excess of 10 per cent of the shipper's total export shipments, but without limitation as to quantity in individual cars.

Mr. HACKETT: Hardwood logs are not restricted at all?

Mr. HOWE: I did not say that.

Mr. HACKETT: What did the minister say?

Mr. HOWE: There is no export permitted of hardwood flooring. I wonder if we are talking about the same thing? I am talking about the British Columbia coastal area.

Mr. HACKETT: We are not talking about the same question.

Mr. HOWE: No, evidently not. As I was saying, no exports of the following items are permitted:

"D" clear and better fir and/or hemlock and/or Sitka spruce in excess of 10 per cent of the shipper's total export shipments, but without limitation as to quantity in individual cars.

"D" and better clear flooring, edge, angle and/or flat grain in species other than cedar.

Doors, sash, millwork, railway car material and fir lath.

A priority reserve of 10 per cent of lumber produced is set up to ensure that adequate supplies are provided in Canada for the following users and end uses:

1. The Canadian railways. Maintenance, repair and new car construction.
2. Governmental projects, both dominion and provincial.
3. Mines.
4. Power projects.
5. Shipyards.
6. The manufacture of doors and millwork of all kinds.
7. The maintenance and repair of saw mills and logging camps, facilities and equipment.

An allocation of 100 million feet of fir, hemlock and balsam logs has been allowed for shipment to the United States during 1948, divided as follows: 17,500,000 feet of Douglas fir; 82,500,000 feet of hemlock and balsam.

Mr. ZAPLITNY: Is the basis of allocation to the producers in each area on the same percentage? That is, does each producer in a certain area receive the same percentage allocation for export and domestic sale?

Mr. HOWE: That is right.

Mr. ZAPLITNY: There is no differentiation between the producers in the same area?

Mr. HOWE: That is right.

Mr. HERRIDGE: Did I understand the minister to say that there is one car of poles exported to one car sold internally?

Mr. HOWE: No. In your area it is one car domestic to two cars exported.

The CHAIRMAN: The committee has been considering P.C. 1609, P.C. 245 and P.C. 1997. Shall those orders carry?

Mr. MACDONNELL (Muskoka-Ontario): No. It is six o'clock, Mr. Chairman. However, I just want to ask one more question.

Mr. HOWE: Could we sit for a minute or two longer? Perhaps we might get these items through.

Mr. GILLIS: Certainly. We want an early Easter recess.

Mr. MACDONNELL (Muskoka-Ontario): Am I correct in saying that steel is not holding back domestic construction? What is the scrap situation? What is the level of our steel production at the moment throughout Canada? Is it in any way retarded by shortage of scrap, and what is the general scrap situation?

Mr. HOWE: The steel situation is not limited by scrap, although scrap is a constant worry. We have an embargo on the export of scrap, and we have a substantial import of scrap from countries such as Cuba, and those countries in the Caribbean area. We brought some of the Pearl Harbor scrap in from Manila. Our steel industry is buying scrap wherever it can be found in the world. But so far shortage of scrap has not limited production. The scrap situation was somewhat relieved by Algoma adopting a duplexing process. In other words, Algoma had an unused Bessemer furnace there, and can make what one might call synthetic scrap from ore, which has taken the Algoma Steel Corporation out of the scrap market and relieved the situation materially. But there is a scrap shortage in Canada as in other countries at the present time.

Mr. MACDONNELL (Muskoka-Ontario): There is, I suppose, an enormous amount of metal lying around all over Europe. Is that a practical question, or has any practical means been devised of salvaging and using that metal?

Mr. HOWE: We have not been successful in getting any allocation of that material. I understand that the United Kingdom steel manufacturers are getting a fair amount of scrap from Germany. German cities look like one great mass of twisted structural steel. That scrap is expensive to recover; and France and Belgium are reluctant to let any of it go out of the country. Of course they realize the value of scrap as we do, and they want to save it for their own purposes. England is getting a fair amount out of Germany, and I am not sure whether the Americans are getting some from there, or not. In any event it is not cheap scrap.

Mr. TIMMINS: Will the minister explain to us why it is a necessity to have a steel controller in Canada, as well as the minister's own function as controller and allocator of steel, as Minister of Trade and Commerce, under this new bill we now have before us?

Mr. HOWE: The steel controller's branch is large. It has assumed the responsibility for directing every bit of steel in this country from its primary stage to finished products. If we were not to do so, the production of steel in this country would drop at least 20 per cent. In other words, the government buys steel from Sydney, Nova Scotia, and brings it to Hamilton, where there is surplus finishing capacity. It buys steel from Sault Ste. Marie, and brings it to Hamilton. It moves pigiron into locations where it would not possibly move naturally. It helps to move scrap from impossible locations to keep our steel furnaces going.

We have subsidized the steel industry to the extent of three or four millions of dollars, or perhaps more, and this is all handled under the direction of the steel controller. By careful allocation we have been able to keep steel prices in line. The price of basic steel in Canada is lower than the price of basic steel in Pittsburgh, which is a very favourable condition for our secondary manufacturing industries, and one which could be brought about only by the assistance of the government in making the best possible use of our limited basic steel production.

The CHAIRMAN: Shall the item carry.

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: Six o'clock.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

The DEPUTY CHAIRMAN: When the committee rose at six o'clock we were dealing with the orders concerning the Department of Reconstruction and Supply.

Mr. MacNICOL: I am not going to be critical of the minister this evening, because I know he has carried a terrific load, not only in connection with his own work but because of what has been placed on his shoulders by other departments. Perhaps it has been impossible for him to do what one might expect should have been done. I should like to know how the production of houses in Canada compares with production in England. This morning I cut out a clipping which referred to what has been done in England under Mr. Bevan, who apparently has to do with the production of houses. It states that last year they constructed 300,000 new houses. I do not know whether those houses would cost as much as a similar house erected in Canada. I hardly think the house there would be as substantially built, and perhaps the cost would not be as high. The article states that they have completed two-thirds of their 750,000 house program.

I keep asking myself how they can do that when they have to import at least any lumber or flooring or things of that kind which would be required. I ask myself whether we have done all that could have been done here. The minister may tell me that he has, and I am not going to contradict him because I do not know what he has been up against. If we

have not done all that we should have done, what has been the bottleneck that has prevented us from achieving our objective? The fact is that there is still a great shortage of houses in this country and, if any country in the world should be able to build houses, it is Canada. I realize that labour is one problem.

I have always had the highest regard for the minister and I had hoped that he would pioneer or suggest some rapid way of building houses. I know that for some time engineers have been developing and promoting steel-core houses which, it is claimed, can be built rapidly. Perhaps the minister would know about that. I should like to have the minister tell us how his program is getting along. If it has been held up, what is the reason? What plans has he now for having hundreds of thousands of new houses built? I presume that many are required.

Mr. HOWE: We have been building houses. We built about 50,000 in 1945; 67,000 in 1946 and about 77,000 in 1947. We have not set our target for 1948 because we are examining the situation to determine how many. Seventy-seven thousand is far more than were ever built in any single year of the history of this country, and the same is true of the 67,000 figure. We have built about 200,000 since the end of the war, and last year we had a carryover, the largest we ever had, of about 45,000 houses in process of construction.

My hon. friend asks how our program compares with that in England. We usually think of England on the terms of four to one. If they have built 300,000, which I may say the available statistics do not indicate they have—I would say the figure is much too high—on a four to one basis we are still a little ahead of them. On a population basis Canada compares favourably with any other country in the world in the number of houses built. Sweden was doing better in the immediate post-war days, but they had a slump last year and our three-year total is much better than theirs.

My hon. friend suggests that we should invent something new in the way of housing, something better and cheaper. Unfortunately we have the psychology of the tenant to consider. In the early days of the war we were ready to produce a prefabricated house of aluminum, a very comfortable house, but people just would not have them in their towns and the people who lived in them did not like them. That has been the history of prefabricated houses that did not follow conventional styles of architecture.

I was interested in a competition that was held in Los Angeles when I was there a year or so ago. One of the large automobile companies was asked to go into the production of aluminum prefabricated houses. They worked out a design which seemed most attractive, a design that seemed to suit California very well indeed. Before starting into production they built three houses. One was the prefabricated house they intended to build; another was a Cape Cod cottage, and the third was a Colonial style house. All three houses cost about the same and had about the same dimensions. The vote in Los Angeles gave 85 votes out of 100 in favour of the Cape Cod cottage. Their vote showed that people like to live in the type of house in which their ancestors lived and in which they were born. That is one of the difficulties of striking out into new and original patterns of houses.

The material situation is no longer the bottleneck; the bottleneck today is skilled mechanics. We have a housing project in Ottawa of about 450 units. The first units are occupied, but I am told that it will be the end of 1948 before sufficient bricklayers and plumbers can be assembled to finish the job. That indicates the shortage of those two trades.

Manpower is the real bottleneck in house-building today, particularly skilled trade. We are making some progress as we are getting a few more mechanics every year. The supply situation is in better shape. We are amending the housing act as we go along to overcome difficulties, financial or otherwise, that arise from higher building costs. We are doing the best we can to attain our objectives, and the fact that we have done so in spite of all obstacles is an indication that the housing section is very active indeed.

Mr. MACDONNELL (Muskoka-Ontario): Has the minister not been very much disturbed at the cost of these structures, and does he see any real sign of a drop in costs? Even leaving out the fantastic instances one hears of occasionally, it seems to me that the ruling costs on these dwellings impose a burden we never would have thought was proper or possible to be carried, whether by owners or tenants. Does the minister feel that there is any real prospect of costs coming down?

Mr. HOWE: One can only speculate. Costs have been levelling off recently. The additional higher labour cost is off-setting greater efficiency in the assembly of materials, but I would say that costs of the type of housing the government builds should not be greater in 1948 than in 1947. It may be a trifle less.

The DEPUTY CHAIRMAN: We pass to the Department of Transport.

Mr. MAYHEW: Mr. Chairman, before the committee took recess at six o'clock we had agreed to make a statement on the Commodity Prices Stabilization Corporation Limited and on the Canadian Sugar Stabilization Corporation Limited and, with your permission, I am prepared to make them now.

The Commodity Prices Stabilization Corporation Limited was incorporated by letters patent dated December 24, 1941, as a private company under part I of the Companies Act, 1934. All the shares of the company, other than the qualifying shares of the directors, are held by the Minister of Finance.

The function of the corporation was and is to pay subsidies and to engage in bulk purchasing of essential Canadian requirements.

Its present activities are as follows:

1. The only remaining bulk purchasing is the acquisition of Canadian requirements of "off-shore" oils and fats. Oils and fats are still under international allocation through the international emergency food council, and to a very large extent allocations to Canada have to be purchased from or through the governments in the supplying countries.

2. The only subsidies still being paid are those on oils and fats.

3. A large part of the corporation's present activities consists of the liquidation of remaining inventories of antimony and tin, which will soon be completed, and in the checking and closing up of past subsidy accounts. All subsidies paid by the corporation were paid as accountable advances and to most subsidies certain terms and conditions were attached. It is the duty of the corporation to examine the accounts of the recipients of these payments, and in many cases final settlements cannot be concluded until after the close of the last fiscal year of the recipient in which subsidy was paid.

The estimates for the corporation in the fiscal year 1947-48 amounted to forty millions and the estimates tabled for 1948-49 amounted to eighteen millions.

The statement on the Canadian Sugar Stabilization Corporation Limited is very brief. In fact both these statements are necessarily brief because of the lack of time, but if the hon. member wants any further information we shall be glad to get it for him, and there will also be an opportunity on the estimates to get the further information required.

The Canadian Sugar Stabilization Corporation Limited was incorporated in March, 1947, for the purpose of taking over the former functions of the sugar administrator in bulk purchasing of imported cane sugar and Barbados molasses. The Canadian Sugar Stabiliaztion Corporation has acquired or is acquiring Canada's 1948 requirements of imported cane sugar.

The government of Canada has an agreement with the government of the United Kingdom which gives Canada the option of joining with the government of the United Kingdom in purchasing the entire exportable surplus of empire raw cane sugar in 1949.

Mr. MACDONNELL (Muskoka-Ontario): The statement on the Commodity Prices Stabilization Corporation Limited which the parliamentary assistant read indicated that it is now largely a liquidation proposition, and yet the estimate for the corporation for the year is a substantial one. That has reference, I suppose, to the fact that fats and oils still have to be purchased in substantial measure from the relevant governments.

Mr. MAYHEW: That is correct.

Mr. MACDONNELL (Muskoka-Ontario): I was not quite clear as to the statement on the Sugar Stabilization Corporation. Do I understand that we are co-operating with the United Kingdom in buying inside the colonial empire?

Mr. MAYHEW: If the exportable surplus of empire cane sugar is required.

Mr. MACDONNELL (Muskoka-Ontario): What effect will that have on the domestic production of non-cane sugar?

Mr. MAYHEW: I do not think it has any bearing on that. It is only an option to purchase what we require. The production of beet sugar will certainly be taken care of by this department before it brings in any cane sugar.

Mr. MACDONNELL (Muskoka-Ontario): I take it that the Commodity Prices Stabilization Corporation, which was created to meet a temporary situation, will in due course disappear. That being so, what is the full significance of P.C. 34/4433—Government Employees Compensation Act extended to Commodity Prices Stabilization Corporation. Does that mean that up to now these employees have not been eligible for pension?

Mr. MAYHEW: They are temporary employees and are not eligible for pension.

Mr. ILSLEY: It is not a pension act but a compensation act, like the Workmen's Compensation Act.

Mr. JACKMAN: I understand that there is no shortage of sugar at the present time for commercial or domestic use and that no subsidy is being paid. Why is it necessary to carry on the Sugar Stabilization Corporation, and what is the estimate for 1948-49?

Mr. MAYHEW: There is nothing in the estimates for the Sugar Stabilization Corporation.

Mr. JACKMAN: Why are we keeping the order in council, then?

Mr. ILSLEY: We entered into a contract to take part of this empire sugar for the 1948-49 season, and this is the agency which imports sugar.

Mr. JACKMAN: Why did you enter into the contract if there is plenty of sugar in the world? As a country are we favouring bulk purchasing of our essential commodities?

Mr. ILSLEY: I do not think I can give an accurate narrative of this, but I know, when I was in the Department of Finance, we were entering into contracts for two or three years ahead, and we were carefully considering whether it was advisable to do so or not. Apparently this is the last of the contracts and it covers the 1948-49 crop.

Mr. JACKMAN: How many months will elapse before the whole matter is disposed of?

Mr. ILSLEY: One cannot give an estimate of the number of months, but it will not be very long. I do not know exactly what is meant by that. I cannot give any estimate, but it is not—

Mr. JACKMAN: It will not be reviewed for the 1949-50 crop, then? It will expire with the present sugar crop year; is that the understanding?

Mr. ILSLEY: It is not likely, but one cannot say anything about that.

Mr. MACDONNELL (Muskoka-Ontario): I do not think the question of the hon. member for Rosedale has been answered satisfactorily. I want to go back to what the parliamentary assistant said. My impression was that he spoke about there being the right to purchase, not an actually firm agreement. I think he used the word "optional," or at any rate we had the right to purchase if we wanted to. We need to know whether we are bound by the contract or whether it is merely a right that we have to exercise.

Mr. MAYHEW: We cannot give the committee the exact quantities of sugar that will be required, but we have an option to purchase all that we shall need, minus what we grow in Canada. That option is with the British government, and therefore it is thought advisable to keep this corporation intact for that purpose until that necessity no longer exists.

Mr. JACKMAN: The committee is entitled to some information as to what the government's policies are on the purchase of sugar. We get a continual bombardment of pamphlets from our own beet sugar growers. This particular order in council has to do with cane sugar which we refine in this country. I cannot discover whether or not it is to be government policy to purchase sugar in bulk for Canada from Great Britain or from any pool, or whether there is a pool of which the United States is a member and whether Cuba comes into it. We are entirely at sea as to what the policy of the government is. They have the appropriation of their needs, but we do not know how long this will last. They do not know whether they have an option to get cane sugar elsewhere, or under this particular pooling arrangement. We are entitled to a little light if the government wishes to take power unto itself to regulate the sugar business of this country by order in council.

Mr. MAYHEW: We buy what sugar we require. May I say that there is on the order paper, in the name of the hon. member for Eglinton, I think, a question which the minister will be answering in a day or two. The hon. member will likely get a statement much more fully than I can give one to the committee at this time.

Mr. MERRITT: As I understand it, so long as this order in council remains in force no private Canadian dealer can import sugar. It must be all imported through this corporation. Is that not correct?

Mr. MAYHEW: That is right.

Mr. MERRITT: Is that a desirable situation now, or is it a necessary situation?

Mr. MAYHEW: The officials consider it is necessary at the present time, or else they would not ask for this. I do not want to go any farther than that.

Mr. MERRITT: I did not hear the answer.

Mr. MAYHEW: It is considered necessary at the present time.

Mr. MERRITT: Can the parliamentary assistant say why it is considered necessary, and if he does not consider it necessary, that it might be unwise unless we are to go into the bulk purchasing of commodities forever to shut off the private trade longer than is necessary?

Mr. MACDONNELL (Muskoka-Ontario): I have a supplementary question to ask. We are entitled to know whether it is a matter of policy to continue bulk buying only when it is necessary, or whether it is considered desirable in itself. In the case of fats and oils my understanding is—if I am wrong I should like to be corrected now—that there is a real reason for doing it. It is a transaction between government and government; but nothing has been said here to indicate that it is not advisable to have the trade carried out by private importers.

Mr. MAYHEW: I do not think I can say anything more than that or give any more information. I have not it to give. I have not had the opportunity to discuss it with the minister. I know that he will be making a statement on this very point in the course of a day or two. The matter can be raised then. I would like to leave it at that for the moment. I know it is not satisfactory; I admit it is not.

Mr. MACDONNELL (Muskoka-Ontario): May this order in council stand over? I do not think we should pass it without that information.

Mr. ILSLEY: Mr. Chairman, that holds up the whole act. I was hoping we could get this through.

Mr. COCKERAM: Let us have the answer.

Mr. JACKMAN: Perhaps the minister or the parliamentary assistant could give us some information with regard to the Canadian Sugar Stabilization Corporation, not so much on the supply or the procurement side, in respect of which we could get further information on another occasion, but so far as distribution is concerned. Does a manufacturer or a user of sugar in this country have to apply to this board for a licence or some permit in order to get his supply? I have noticed that the sugar administrator has an expensive suite of offices in the Royal Bank building in Montreal. I do not know why he should occupy such offices. Is he not the same gentleman who is president of the Industrial Development Bank? What is the arrangement with regard to the supply and distribution of sugar under this order in council?

Mr. MAYHEW: No licence is required. The corporation bring in the sugar and distribute it to refiners as required, and they load it into their own refineries and pay for the sugar. That is the only operation.

Mr. JACKMAN: The refiners, then, must pay the Sugar Stabilization Corporation for the sugar at a price which is fixed by the corporation itself?

[Mr. Merritt.]

Mr. MAYHEW: By the corporation.

Mr. JACKMAN: Does the parliamentary assistant happen to know whether that price is above or below the world price of sugar?

Mr. MAYHEW: I do not know.

Mr. STEPHENSON: Are we at the present time bound by the agreement to belong to this pool for a certain length of time?

Mr. MAYHEW: It is not a pool. It is just an agreement with the British for the buying of the exportable surplus of cane sugar that is grown in the empire.

Mr. STEPHENSON: Are we bound by this agreement for a certain length of time?

Mr. MAYHEW: We are not bound unless we have entered into contracts. I do not know what they are. There is no long contract in connection with this.

Mr. MACDONNELL (Muskoka-Ontario): I do not think anyone will suggest that we have been unduly holding up anything. We are ready to facilitate the proceedings, but I certainly do not think we should allow this to go through when the member for Rosedale has asked certain searching and pertinent questions which affect the matter of policy and which have not been answered. I think it would be silly to let the thing go through with the record as it is now.

Mr. ILSLEY: I am sorry I have no further information, and if hon. gentlemen insist we shall have to let it go over until tomorrow. That is all we can do. Perhaps we had better take the transport items before we do that.

The DEPUTY CHAIRMAN: Is it the pleasure of the committee to allow these items to stand?

Some hon. MEMBERS: Stand.

The DEPUTY CHAIRMAN: The item before the committee, then, under the transport department is P.C. 2245. Shall this item carry?

Mr. ARCHIBALD: I know the minister is busy, but there are a couple of points which I wish to bring up in this connection. Take P.C. 2245, which authorizes the chairman of the board of steamship inspection to relieve any ship from the obligation of complying with peacetime regulations. As the order is outlined, it states that, owing to the exigencies of war and the consequent scarcity of ships, these regulations, which are normally complied with in peacetime, shall be set aside. But the order 133/510, which deals with compensation to seamen whose effects have been

damaged, has been wiped out. There you have a situation whereby the shipping companies can still carry on, using hulls that would not normally be considered seaworthy, and yet the order in council dealing with war damage to seamen's effects is withdrawn. It is such acts that cause dissatisfaction in the ranks of organized labour. If these acts were remedied we would hear a great deal less of what is known at the present time as the communist menace in this country. This stirs it up.

Again, No. 4306 provides for permission to Canadian registered ships to clear on a voyage with masters, mates or engineers not holding appropriate certificates, as amended by 8995. These two provisions enable ships that are not normally seaworthy or properly manned to go to sea, thus endangering the lives of the crew.

Two or three weeks ago I asked the Minister of Transport whether they had reconsidered their stand with respect to the establishment of a coastguard in the light of the sinking of the *Clarksdale Victory* off Queen Charlotte islands. The answer was to the effect that the cost factor weighed heavily upon his mind. Since that day, two events have taken place in the same area, having a relationship to this question.

In the little fishing village of Massett at the north end of Queen Charlotte islands, a few miles away from the spot where the *Clarksdale Victory* sank, a certain person became ill and it was necessary to rush that person to hospital. A call was put in to Canadian Pacific Air Lines for this purpose and the cost of transportation was $252 for the flight to Prince Rupert. Two weeks later there was another emergency of the same kind and, as it was not possible to get the Canadian Pacific Air Lines, a telephone call was put in for a United States coastguard plane stationed a few miles farther north. They replied that they would be in Prince Rupert within two hours and they came and conveyed the sick person to hospital. They were asked what the charge would be and they replied, "Charge? There is no charge. This is our job".

Here is the point. The best way I can express my opinion is in the words of the hon. member for Temiscouata: I am humiliated as a Canadian. It is all right to get a helping hand from a friend, but when you put the bite on him too often it is too much. It is about time that we in Canada, with our marine history, built up a merchant marine worthy of the country and aided by the necessary protective services. There are more places than the west coast interested in this matter. The people of the maritime provinces are as deeply interested in it as the people of British Columbia, and I say to the Minister of Transport that, instead of having a couple of orders in council dealing with the removal of restrictions on steamship companies, he should pass positive orders for the building up of the marine service.

Mr. CHEVRIER: I have listened with interest to the remarks of the hon. member for Skeena, very little of which had to do with the two orders in council which are on the list of my colleague the Minister of Justice. Evidently they were an excuse for him to make a speech on the necessity of a coastguard service in this country. If my hon. friend wishes to debate that question at the proper time I shall be glad to hear what he has to say, but this is not the proper time under these orders.

However, there are two things that seem to bother him, and I shall deal with them. The first is this. He seemed to object strenuously to one of these orders being revoked, namely P.C. 133/510, having to do with compensation to seamen, war damage to effects. The reason that order in council is being revoked is that it has lapsed. There are no longer any claims under that order in council, and neither are there claims by the dependents of seamen by virtue of the sections of the order. So it was thought expedient to revoke it. Had there been any claims or had all the claims not been paid up under this order, the recommendation would have been made to extend it.

The second matter complained of is the order having to do with the relieving of ships from steamship inspection. My hon. friend says he knows of instances where ships have been allowed to ply in an unseaworthy condition.

Mr. ARCHIBALD: No. I said this allows them to ply the trade routes in a condition that is not seaworthy according to ordinary peacetime standards.

Mr. CHEVRIER: If my hon. friend reads the order in council carefully he will see that the chairman of the steamship inspection board has the right, subject to the approval of the minister, to grant relief from certain parts of part VII of the Canada Shipping Act, having to do with steamship inspection. But it is clearly set out in the order that on no condition shall he grant that permission to proceed to sea if the ship is in an unseaworthy condition. The chairman of the steamship inspection board has repeatedly told me that on no occasion has he exempted a ship from the provisions of this part of the act when he was satisfied that the ship was in an unseaworthy condition. P.C. 4306, the second order, simply

relieves the ship from the operations of sections 113 and 114 of the act and sections 132 and 133 in so far as clearances are concerned. Both of these orders in council will be contained in the new amendments to the Canada Shipping Act which I hope to be able to bring down to this house.

Mr. GILLIS: As another deep-sea fisherman, I should like to say a few words on this particular item. I agree with the hon. member for Skeena. We are not so much concerned about the orders that are being retained as we are about the ones that are being wiped out, one of which is P.C. 133/510, with regard to compensation to seamen, war damage to effects and so on. Wartime conditions necessitated the passing of that order. It was presupposed that those sailing ships at that time would be sailing them under conditions much more hazardous than and completely different from those which prevailed in peacetime sailing. So the government passed an order to compensate anyone who might run into difficulty because of wartime conditions in shipping. That particular order in council is being wiped out, but the very orders in council which set up the conditions that necessitated the passing of the previous order are being retained.

Despite the fact that the minister says the inspector can do this or that, on the approval of the minister, it is not what the minister says in this house that counts. I have all the respect in the world for him and his word. He is still boring down there at the strait of Canso. He has been telling me that all the time, and I believe him. But the fact of the matter is that, if it comes to a test, it is not what the minister said in *Hansard* that counts. It is what this order in council says that counts. I think the first order, the order for compensation that I am talking about, should have been retained if the conditions contained in the next two orders which protect and give a good deal of latitude to the shipping companies are to be retained; because the very conditions that you were trying to guard against there from the point of view of compensation are permissible to the shipping companies. Listen to this—and this is P.C. 2245:

> . . . to authorize . . . the chairman of the board of steamship inspection to relieve any ship, or the owner of any ship, from the obligation of complying with any of the provisions of part VII of the Canada Shipping Act . . . excepting therefrom those provisions of the said part and regulations made thereunder relating to radio and telegraph installations on ships. . .

And so on. The matter is entirely in the hands of the inspector of shipping. As the hon. member for Skeena pointed out, it does not make any difference what kind of ship it is. If the inspector says it is quite all right, you can sail. It is no use for someone to protest and say that the minister said in the house, "Well, that does not apply." If it does not apply, it should be wiped out. That particular section of the act which has been set aside afforded protection to the seamen. It guaranteed them that inspectors were obligated to see that certain standards were maintained with regard to ships that left port. All right then.

We come to the next one and it is much worse. Your compensation act was passed because the government visualized and, I think, rightly so, that every ship which could sail would have to be used during the war, that many of them would be in an unseaworthy condition and that sailors would be taking additional risks. So some extraordinary means of compensation was provided. The compensation is now wiped out but the conditions that made it necessary to pass the compensation provision in the first place are retained.

We now come along to P.C. 4306. This one is worse, but it is still being retained. If, as the minister says, these provisions that I have just been quarrelling with are not applicable, then this ought to be taken off the board also; run a stroke through it and say it is not necessary.

Listen to the next one, P.C. 4306, which is to provide for permission to Canadian registered ships to clear on any voyage with masters, mates or engineers not holding appropriate certificates, as amended by P.C. 8095. What does that mean?

Mr. CHEVRIER: It provides for permission to clear on a voyage, not on any voyage.

Mr. GILLIS: There is not any difference. The ship just goes out. That is all.

Mr. MacNICOL: Consider the poor crew.

Mr. GILLIS: If we read that, what does it mean? It means that you are cutting completely your standards for officers and their qualifications, and the guarantee to ordinary seamen that they have competent officers manning that ship when it leaves port. It places in the hands of the shipping companies the privilege and power of discriminating against men who have worked their way up, qualified and hold masters' certificates and so forth. That, too, maybe was necessary during the war when there were so many ships at sea, and when personnel was so difficult to obtain. But it is not necessary today, with the maritime service that was built up during the war, and with the large number of men

who took naval training and qualified at a good deal of expense and trouble to themselves. Men who hold these qualifications will demand adequate compensation for the services they rendered. So we are retaining here an order in council that enables shipping companies to pick up men out of the rank of the unemployed men who are forced, perhaps through economic pressure, to take employment on ships of this kind, while, at the same time, you leave on the beaches men who are qualified. If this order in council is not applicable; if it does not mean that; and if it is the intention of the Department of Transport to use personnel built up during the war, men who are qualified and competent, then this should be removed, and the Canada Shipping Act as applied to the trained personnel should be applicable instead of the wartime regulations.

You are removing now an order in council that made compensation applicable to certain personnel who may have run into conditions brought about by the order in council. Are you making any provision to replace that compensation order in council?

Mr. CHEVRIER: No. I told the hon. member for Skeena a moment ago that that order in council P.C. 133/510 has lapsed. No more claims have been made by virtue of it. Therefore it has used itself up. There is no need for carrying it on.

Mr. ARCHIBALD: For instance, a snag boat, *Port Essington*, ran into difficulty, and the men lost all their effects. This was a government vessel, and they lost all their clothing. There is no law which says that the government was liable for the clothing they lost. A boat of the Canadian National Railways burned up in Ketchikan, Alaska and, in that case, the railway company was not liable for the effects lost, but they did reimburse the men, out of the goodness of their hearts. Now the seafarers' international union wants to see in the Canada Shipping Act an item covering loss of effects, or an order along that line, which would apply in peacetime, so that if a ship is sunk at sea the men will be compensated for the clothes and personal belongings they had with them.

There is no difference between a boat going down in the middle of the Atlantic in peacetime and one going down in wartime. It is just the same thing. The water is cold.

Mr. GILLIS: I was just about to finish, but I wish to thank the hon. member for Skeena for helping. I do not think the minister's answer was satisfactory. It was to the effect that when there were no more claims the order in council should be allowed to lapse. If there were no more claims, so much the better. But why not leave the order in council there? In case of an emergency there may be claims. And, as the hon. member for Skeena has pointed out, a sailor loses his effects at sea is just as seriously affected as if he had lost them during wartime. If it is not costing anything, except the fact that it is there against the time when something may occur, then it should have been carried forward; if you are going to carry these others forward.

Is there any intention on the part of the minister or his department to provide something along the lines contained in the terms of the order in council?

Mr. CHEVRIER: The order in council my hon. friend has dealt with is one which was passed under the War Measures Act, and it is explained in the order just what is meant by war damage. Perhaps I had better read it to the hon. member. Paragraph (c) of the regulations defines war damage as—

> Loss (including destruction) and damage caused by, or in repelling, enemy action or by measures taken to avoid the consequences of damage caused by or in repelling enemy action.

My answer was based upon the definition contained in the order in council when I replied to my hon. friend.

Mr. PEARKES: I regret I have not order in council 2245 before me, but I should like to ask the minister a question about it. My interpretation of it is that it is retaining certain easements in the selection of certain officers on ships which were removed during the war because of shortage of personnel.

Mr. CHEVRIER: That is order in council P.C. 4306; it is not P.C. 2245.

Mr. PEARKES: I was talking about P.C. 2245. I know the minister has had communications with radio officers from the Pacific coast. They have made representations to him in order that they may have their positions assured. Does the retention of this order mean that radio officers must be carried as heretofore on ships sailing on the Pacific coast?

Mr. CHEVRIER: The best way I can answer that is by saying that this does not affect the position which existed prior to the passing of the order, in so far as radio telegraphers or officers are concerned; that is, the order excepts radio and radiotelegraphy.

Mr. MacNICOL: Is P.C. 4306 retained because there is still a shortage of qualified men?

Mr. CHEVRIER: Quite so; that is the reason for it. I can also tell my hon. friend it is the intention to carry these two orders into the amendments to the Canada Shipping Act.

While I am on my feet, perhaps I might reply to the objection of the hon. member for Cape Breton South. These two orders in council as they now stand on the list of my colleague are today sections of the merchant shipping act of the United Kingdom. That country saw fit to include the terms of these orders and, in fact, to go farther than one of them, in their act. So that I do not think we make any mistake if we follow the precedent created there.

Mr. MacNICOL: I had in mind the accident which occurred on the St. Lawrence river not far from the minister's own home town. I believe it was about two miles up the river from Cornwall. Although I am not sure of the names of the vessels, I believe they were called the *Milverton* and the *Translake*. Those two ships may have had thoroughly qualified officers; I do not know, and I have no reason to say that they did not have. But I do know the waters there are quite narrow. I suppose the channel is less than a quarter of a mile wide, and it struck me at the time that that was a situation in which officers could not be too well qualified.

On the other hand, I have no doubt there are many officers who have not certificates but who are thoroughly qualified to navigate ships in certain waters. My reason for rising was to ask whether there is still a shortage of qualified officers.

Mr. CHEVRIER: Yes, there is.

The DEPUTY CHAIRMAN: Are these orders in council agreed to?

Some hon. MEMBERS: Carried.

The DEPUTY CHAIRMAN: Then, under the Department of the Secretary of State we have P.C. 1665 and P.C. 469.

Some hon. MEMBERS: Carried.

Mr. ILSLEY: Then, Mr. Chairman, there is still certain information we have to get for some hon. members. Therefore I would move that the committee rise, report progress and—

Mr. KNOWLES: Before the minister makes his motion. I wonder if I might ask a question with respect to two orders in council which have been discontinued and which, therefore, were not called today. These two are listed under the Department of Mines and Resources. I notice that the minister of that department is not with us at present but perhaps the Minister of Reconstruction and Supply could answer my question. The orders in council to which I refer were P.C. 7167 and P.C. 7168, having to do with reserves to the crown in the matter of radioactive substances in the Yukon Territory and in the Northwest Territories. The question I should like to ask the Minister of Reconstruction and Supply is this: What is the situation now with respect to radioactive minerals? What kind of controls are exercised over those minerals by the federal government, with respect to exploration and exploitation, as well as production and final ownership?

Mr. HOWE: I am glad my hon. friend has asked that, because it permits me to place on *Hansard* a statement that I have been intending to put on the record for several days.

Mr. KNOWLES: I want to assure the committee that there is no collusion in this.

Mr. HOWE: It will be recalled that orders in council passed in 1943 reserving title to radioactive minerals on crown lands in the Northwest Territories and the Yukon were extended under the Continuation of Transitional Measures Act, 1947, largely because the question of ownership of ores in the ground was still under discussion in the united nations atomic energy commission and it was felt that no action should be taken here that might embarrass those discussions. Since then, the second report of the united nations commission has been published, and that report does not contemplate ownership of ores in the ground by any international authority which may be established. As I told the house on March 25 last, the policy of the government is that radioactive material be controlled after it has been mined and the atomic energy regulations of Canada provide for this sort of control.

While the orders in council were in effect and until the atomic energy regulations had been passed, it was necessary that mining operations be exclusively in the hands of the government. The whole situation has been reviewed in the light of present circumstances and changed conditions, and the government is now satisfied that it is in the best interests of Canada that restrictions against private prospecting and private development of radioactive minerals should be removed and has accordingly revoked the orders in council which reserved to the crown title in these minerals in the territories.

The policy decided upon is as follows:

The government will purchase through Eldorado Mining and Refining (1944) Limited, or other designated agency, acceptable uranium bearing ores and concentrates on the following basis:

1. A minimum uranium content equivalent to 10 per cent by weight of uranium oxide (U_3O_8) in the ores or concentrates will normally be required.

2. Price will be based upon the uranium content of the ores or concentrates and will be at the minimum rate of $2.75 per pound of contained (U_3O_8) f.o.b. rail and will be guaranteed for a period of five years.

3. This price includes all radioactive elements in the ores or concentrates, but consideration will be given to the commercially recoverable value of non-radioactive constituents by adjustment of price or by the redelivery of the residues containing such constituents.

4. Under special circumstances, consideration may be given to payment of a higher price or to acceptance of ores or concentrates of lower grade.

5. All operations will be carried on subject to the provisions of the atomic energy regulations of Canada.

That constitutes the new policy. As noted, the new policy permits private exploration and private mining and proposes to encourage both by putting on the ores a definite minimum value, which will be the minimum value for the next five years. I might say that I was interested to note that the semi-annual report of the United States atomic energy commission to the Senate and the House of Representatives, which reached me only yesterday, contains the following two paragraphs:

> The commission believes new reserves of source materials can best be developed by competitive private industry, under the stimulus of profits, and the means of accomplishing this are under study.
>
> In general it will be commission policy to purchase ores for its program from private sources and limit direct government production as far as possible.

It would seem that, although we arrived at the Canadian policy independently, the policy of the United States will follow parallel lines.

The DEPUTY CHAIRMAN: What is before the committee now is Bill No. 136. The minister suggested that the committee rise, report progress and ask leave to sit again.

Mr. KNOWLES: This is an important matter. I think the Minister of Justice should not press his motion that we report progress.

The DEPUTY CHAIRMAN: The hon. member rose while we were waiting and asked permission to ask a question about some of the orders that had been revoked.

Mr. KNOWLES: And got a staggering answer.

The DEPUTY CHAIRMAN: What is before the committee now is this bill. We have dealt with the bill as far as we can go and the minister has suggested that the committee rise and report progress.

Mr. KNOWLES: On a point of order, technically speaking we are not dealing with any item at all; we are dealing with section 1 of Bill No. 136. The effect of this one-section bill is to amend section 7 of the original act and thus keep the whole of chapter 16 of last year's statutes in effect. Technically speaking, I think any discussion relating to the act that is being extended is in order. The Minister of Justice has moved that we rise and report progress. If he presses that motion and the committee carries it, of course I have no option, but I appeal to the Minister of Justice not to press his motion at this moment.

Mr. ILSLEY: If it is in order to discuss revoked orders, and I must say that up until this moment I thought it was, I am content to have the discussion now rather than later. Perhaps Your Honour could rule as to whether it is in order to discuss revoked orders. I gave the committee a list of the revoked orders and they were put on *Hansard* to show what had been done last year under the act. We are extending that act and I should think we could discuss revoked orders.

Mr. NICHOLSON: I might mention that the two orders in council which we have discussed were revoked on December 30, 1947. I am sure that hon. members have not had a chance to look at the statement of the Minister of Reconstruction and Supply. It is a most important statement, which indicates a change of government policy, and I think it should be in order to discuss it at this time. In view of the fact that the two orders in council which are mentioned were revoked at the end of December, hon. members should have a chance to discuss them.

The DEPUTY CHAIRMAN: This whole procedure is irregular, and I think everybody understands that. We did agree, by unanimous consent, to discuss these items, and if the committee is willing to carry on this discussion we shall do so. But it would be by unanimous consent, not by any rule that would govern.

Mr. HOWE: I have a suggestion to make. The statement I have made is important and no one has had a chance to examine it. Per-

haps we might postpone further discussion on this matter until the committee was again considering this bill.

Mr. KNOWLES: I am quite happy to accept that suggestion if it is understood that a discussion of this statement will be in order when we are in committee again on this bill.

Mr. ILSLEY: There cannot be any understanding such as the hon. member is asking for. You cannot make a bargain that if we agree that a certain thing is in order we shall take it up later when, in fact, it is not an order.

Mr. KNOWLES: I am not trying to drive any kind of bargain. The Chairman has said that this can be done by unanimous consent. I am not bargaining with him on that point. All I am asking is that if it is to be done by unanimous consent, I am quite prepared to have that unanimous consent apply to tomorrow as well as to this evening.

Progress reported.

CANADIAN WHEAT BOARD ACT

PROVISION FOR EMPLOYEES' PENSIONS, MINIMUM PRICE OF WHEAT DELIVERIES, ETC.

The house resumed from Friday, March 12, consideration of the motion of Mr. Howe for the second reading of Bill No. 135, to amend the Canadian Wheat Board Act, 1935.

Mr. C. C. MILLER (Portage la Prairie): Mr. Speaker, while it is true that on Friday evening I moved the adjournment of this debate I feel that, since I had an opportunity to discuss this subject, first on the resolution, and again on the second reading last Friday, I should not take up too much of the time of the house but should allow other hon. members to have their say. On further reflection I think that, for the time being in any event, I have pretty well concluded my remarks.

Mr. F. E. JAENICKE (Kindersley): Mr. Speaker, I rise to support the bill.

As to the first section of it, which provides for the establishment of a pension fund for the employees of the wheat board, I am of the opinion that the farmers will look with favour upon this proposal, provided, of course, that the funds to be taken out of the moneys of the wheat board are reasonable, and I submit that any such deductions from the wheat board funds should be reasonable. In order to ensure that they shall be reasonable, I would suggest to the government that in committee we should add a subsection to this clause to the effect that the advisory committee of the wheat board should consent to the deductions to be made out of the board's funds. I rather welcome this section because it lends an air of permanency to the wheat board act which it lacks at the present time.

The second section deals with payments to producers. It is under this section that the farmers expect further payements to be made on their 1945, 1946 and 1947 deliveries. It is this part of the bill which is particularly urgent, because the money is so badly needed by the farmers in the west at the present time. I am hoping that these payments will be made as large as possible. In view of the international wheat agreement which has just been concluded and the short supply of food in general, I think the board would be justified in paying out all the moneys which they now hold in trust for the farmers.

I have received numerous letters from farmers in my constituency in connection with these anticipated payments to be made by the wheat board, and I must say that the farmers feel that much more should be paid to them than the rumoured twenty cents. Unless the payment is as generous as possible, there will be great disappointment and great dissatisfaction.

I also think that, when making these payments, the board should send along a brief statement showing the farmer what has happened to his wheat that he delivered to the board. I should like to read part of a letter which I received from a farmer in my constituency, in order to give the house some idea of what the general feeling is among the farmers. He says, in part:

> Sixty-five per cent of the farmers are without seed and feed.

Remember he writes from the northwestern part of my constituency, where he experienced a crop failure last year. He goes on:

> Owing to the bad season thousands of them are walking the streets trying to find a dollar to feed wife and children. Why should the wheat board be allowed to keep this money, and when spring comes farmers have to get down on their knees to managers of chartered banks only to be insulted? The wheat board has to account for three hundred million bushels sold at over $3 a bushel. This is not including what they sold to Britain. There is also a 160,000,000 bushels that the millers subsidized to farmers at 30 cents a bushel. We are asking you to put that before the government and not to accept payment of twenty cents a bushel.

I cannot vouch for the correctness of the figures this farmer gives in his letter, but I am putting the letter before the house to show what the farmers on the prairies are thinking, and to urge upon the government the necessity of making the largest possible payment and submitting to the farmer at the same time a brief statement of what has happened to his wheat.

With respect to the last part of the bill, which concerns the marketing of oats and barley, I am really amused by the arguments advanced in this house that the majority of the farmers of western Canada do not favour the handling of coarse grains by the wheat board or by some grain board. The hon. member for Calgary West (Mr. Smith) was undoubtedly the most outspoken proponent on behalf of those who wish to go back to the open market system of marketing grain. While I respect his views, to which he is, of course, entitled, I should like to quote what he said at page 2119 of *Hansard*:

> So I say that with respect to barley and oats . . . there is no majority demand in western Canada for the passing of this legislation.

Again, at page 2124 of *Hansard*, he says:

> So we find ourselves in this position. This measure is not seriously asked for by anyone. The Canadian Federation of Agriculture is divided on it; we know that.

The hon. member for Melfort (Mr. Wright), as well as the hon. member for Rosthern (Mr. Tucker) and other members from the west have already refuted these arguments and have shown, especially in connection with the resolutions and representations of the Canadian Federation of Agriculture, that this body has for the last three years definitely asked for this legislation and has stood on the side of orderly marketing through a grain board. I shall have a little more to say about that later on so far as my own constituency is concerned.

There has been considerable agitation on behalf of the members of the grain exchange in Winnipeg to return to the open market system, and the tactics employed to persuade the farmer to change his mind about this orderly marketing are the same as the arguments employed by my hon. friend the member for Calgary West.

Major Strange, a public relations officer of the Searle Grain Company, one of the big companies doing business in the west, has been particularly active in this respect. In a letter to the editor of *Saturday Night*, published in an issue of that periodical on March 6, he proposes to show or prove exactly the same thing that the hon. member from Calgary West tried to show the other day, namely, that there is no majority demand in western Canada for the handling of grain, including wheat, by the wheat board.

In this letter Major Strange says in part:

> The Searle Grain Company has just published the results of a recent poll which reveals that 76·4 per cent of the farmers are now gravely dissatisfied.

Undoubtedly he refers to an organized campaign by the Searle Grain Company, through their local elevator agents, of circulating among the farmers and presenting to the Minister of Trade and Commerce (Mr. Howe) a petition asking for higher prices of grain. This petition was circulated among farmers in these points where the Searle Grain Company have elevators. The company was good enough to advise me by letter on December 10, 1947, that petitions had been sent in to them from five points within my constituency. To the letter was attached a copy of a letter to the then minister of trade and commerce, in which they enclosed the petitions, and in this letter they wrote as follows:

> So far we have received about half of the replies which we anticipate will come in, and those who are dissatisfied with present prices and wish higher prices represent 79 per cent of the farmers from these points.

I wrote the company asking them to let me have a copy of the petition and also the number of signatures which they had received from the five shipping points in my constituency, and they were good enough to send me a copy of the petition and to advise me of the number of signatures. The petition, it is true, did not ask for a return to the open market, but it was worded in such a manner that its aims could be realized only by returning to the open market system of marketing our grain. The number of signatures in these five shipping points in my constituency were from six to thirty-five and the total was under sixty. This was, of course, a negligible number. I certainly dispute the fact that these represent the opinion of seventy-nine per cent of the farmers from these points.

I may say that in my constituency I have eighty-five shipping points; therefore these five points that sent in these petitions is a very small number indeed. Since last November; yes, even since last October I have received resolutions from wheat pool committees in at least half of these shipping points, urging that the wheat board should be the sole marketing agency for all grains, which means wheat and all coarse grains. The wheat pool membership in my constituency is 7,136, out of a total population of 32,000. I admit that there are some duplications, and some of these members are not active producers any more, but I think I can safely say, after

going through my petitions, that ninety per cent of the farmers in my constituency, perhaps more, are members of the wheat pool, and the resolutions which have been sent in to me represent almost the unanimous opinion of these wheat pool members.

Undoubtedly the Minister of Trade and Commerce and the Minister of Agriculture (Mr. Gardiner) have received copies of these resolutions; in fact, I know they have, and perhaps they have received more than I have. These resolutions, without one exception, ask for the marketing of coarse grains by the wheat board or by some grain board.

I do not wish to repeat the arguments previously made to support my contention. The stand of the Canadian Federation of Agriculture has been mentioned several times. The presentation made by the hon. member for Rosthern of the feeling of the rural municipalities saves me from quoting from the proceedings of their convention which was held in the last week in February. There is no question that this convention—that is the convention of the Saskatchewan association of rural municipalities—is certainly representative of Saskatchewan agriculture. Besides the numerous resolutions, I have received numerous letters from outstanding farmers in my constituency. I should like to quote just one short paragraph from a letter of one who, for decades, has been high in the councils of agriculture. This is what he says:

With particular reference to feed grains being placed under the wheat board, there is no question that the overwhelming majority of western farmers are in favour of this move. Personally I have yet to meet one farmer since October 21 who is in favour of the futures market for any of their grain.

I should like to place on record the resolution which was passed by the Saskatchewan legislature on March 4 last. This resolution was unanimously adopted by the legislature. A division was called and it was passed unanimously, with no vote against it. The Liberal members and the soldiers' representatives voted with the rest of the members of the legislature in favour of this resolution:

That this assembly:

(1) Records its opinion that the removal of marketing controls and the return to the medium of speculative trading in coarse grains has caused uncertainty, hardship and widespread loss to producers of coarse grains and livestock, and that only through the orderly marketing of all grains will producers enjoy the benefits of long-term stable prices, and,

(2) Urges that the dominion government:

(a) reimburse all producers who marketed their 1947 coarse grains prior to the decontrol order of October 21, 1947, for their losses out of the speculative profits made on their grain—

Mr. SPEAKER: Order. I must call the attention of the hon. gentleman to the fact that we have before the house second reading of Bill No. 135, and not a bill which is before another house.

Mr. JAENICKE: Mr. Speaker, I submit that I am entirely in order. I am asking that the bill be adopted and that the farmers are asking for the approval of this act which is now under consideration. Surely I am in order. I continue:

(b) immediately establish a national marketing board with adequate producer representation, to market all grains in an orderly manner, and

(c) simultaneously and permanently close the Winnipeg grain exchange.

I do not think, Mr. Speaker, there is any argument whatsoever that this move to let the wheat board handle grains exclusively is the wish of the vast majority of the farmers on the prairies. Who else has really anything to say in the matter? Surely it is the farmers' business, and they ask us today that we help them establish orderly marketing which they think is essential for their wellbeing.

I come to the last part of the amendment which refers to oats and barley. I am sorry that the Minister of Trade and Commerce now talks about necessary complementary legislation as if the proposed section dealing with oats and barley were ultra vires, as the Minister of Agriculture hinted last year it might be. I maintain that the proposed legislation is neither ultra vires, nor does it require complementary legislation on the part of the provinces. No one contends that the act, as it now stands, is ultra vires; and if it is in the powers of parliament to legislate about orderly marketing of wheat in the realm of interprovincial and international trade, why should parliament not have the same powers with respect to oats and barley and any other grain? That is the way the farmer would argue, and, of course, he would be right.

The Minister of Justice (Mr. Ilsley) was asked last year about the constitutionality of the act as we now have it. This is what he said on February 21, 1947, and it can be found in *Hansard* of that year at pages 863 and 864:

The opinion of the law officers of the crown is that the bill as drafted is within the constitutional powers of the dominion parliament. Naturally that is so; otherwise the government would not have introduced it.

The bill is the exercise of the power of the dominion parliament to regulate interprovincial and export trade and commerce in wheat produced in designated areas . . . There may be other constitutional bases upon which the legislation can be set, but the main reliance for constitutionality of the legislation is upon the trade and commerce power in section 91 of the British North America Act . . .

It should be understood that the producer will have the option of selling the wheat which he grows either into interprovincial or export markets through the Canadian wheat board or, alternatively, into local markets in the provinces, which he may do himself, not through the Canadian wheat board.

The quota control is based upon our jurisdiction over elevators and mills designated as for the general advantage of Canada, and over railways.

That concludes the quotation from the Minister of Justice, and I may say with that I fully agree. I have no doubt that this opinion is based upon the law propounded in the Reference re the Natural Products Marketing Act, 1934 case. The decision of the Supreme Court of Canada is reported in 1936, 3 D.L.R., 622, and the judgment of the privy council upholding the Supreme Court of Canada is contained in 1937, 1 D.L.R., 691. The result of the decisions was that the act was held to be ultra vires because, in the language of the Chief Justice of Canada, Sir Lyman P. Duff, contained on page 644 of the report:

The powers of regulation vested in the commissions extend to external trade and matters connected therewith and to trade in matters of interprovincial concern, but also to trade which is entirely local and of purely local concern.

In other words, the act was held to be ultra vires because it concerned trade within the province itself, while, of course, this act concerns itself only with interprovincial and external trade. I think it would be well to quote a further paragraph from this famous judgment in order to make it absolutely clear that the wheat board act as it now stands, and as it is proposed to be amended, is fully within the competence of parliament. The chief justice quotes from the Parson's case on page 625:

Construing therefore the words "regulation of trade and commerce" by the various aids to their interpretation above suggested, they would include political arrangements in regard to trade requiring the sanction of parliament, regulation of trade in matters of interprovincial concern, and it may be that they would include general regulations of trade affecting the whole dominion.

And again, on page 626:

Here again there is no suggestion that trade in a particular commodity, in so far as it is external trade or interprovincial trade, is not within the exclusive regulative authority of the dominion.

After reviewing numerous decisions on the powers of parliament on the subject of trade and commerce, the chief justice says this, at page 629:

It would appear to result from these decisions that the regulation of trade and commerce does embrace the regulation of external trade and the regulation of interprovincial trade and such ancillary legislation as may be necessarily incidental to the exercise of such powers.

Mr. HOWE: May I ask my hon. friend a question? I do not think anyone disputes the fact that the federal government has complete control of trade crossing interprovincial boundaries, but will my hon. friend explain how the board can control trade within a single province?

Mr. JAENICKE: That is not proposed in the act. All that is proposed in the legislation that is before us is to have interprovincial and external trade in oats and barley.

Mr. HOWE: But may I point this out. We have no doubt whatever that the present bill is wholly legal and within the competence of the federal parliament to pass, but the point is that a workable marketing system cannot be based upon that bill, unless the marketing authority can also control marketing within a single province.

Mr. JAENICKE: I submit that the wheat board act seems to have worked all right in the last twelve months in regard to wheat; and I further suggest that on the same basis, and under the same provisions as are proposed in this bill, the wheat board will also satisfactorily handle the trade in oats and barley in interprovincial and external trade. The act itself says, in subsection 3, of section 2, that the board is incorporated with the object of marketing in an orderly manner, in interprovincial and export trade, grain grown in Canada, and shall possess certain powers. It does not say wheat, but grain in interprovincial and export trade. This section just quoted is contained in Part II. Part II is not being amended, because it deals with all grain and not just wheat; it is only parts III and IV that deal with wheat, and the section I have quoted is taken from part II. We come to part III, which is to be extended to oats and barley, and again "the board shall undertake the marketing of wheat produced in the designated area in interprovincial and export trade," and all that the amendment will do will be to give the board power to undertake the marketing of oats and barley produced

in the designated area in interprovincial and export trade. Again, in the heading of part IV, it is stated distinctly that it just deals with interprovincial and export trade, and all three sections of part IV deal with nothing but interprovincial and export trade. Part IVA, which is to be added, provides that the governor in council may, by regulation, extend the application of part III or of part IV or of both to oats and barley, and the new part IVA therefore will effect only transactions in interprovincial and export trade in those two commodities, oats and barley; and of course it is quite within the jurisdiction of parliament to legislate.

There is one thing which is not quite clear to me. Why should oats and barley transactions be subject to order in council? Why not just say that the board shall undertake the marketing of oats and barley in the designated area in interprovincial and export trade and that parts III and IV shall be made applicable to oats and barley? This is what the farmers want. In fact they want to include all grain. Why leave it to the whim and fancy of the government as to whether or not oats and barley shall be handled by the wheat board?

Another aspect which I do not like, and about which we shall need an explanation, is this. This amending section says that the government may, by order in council, apply or extend the provisions of part III or IV to oats or barley or to both. In my opinion it should say "and". That is, parts III and IV should apply to oats and barley, because it seems to me that both are necessary, one supplementing the other.

Coming back to the constitutional aspect, I wish to repeat that I do not think there is any question of constitutionality involved. If that is so, why all this talk about complementary legislation by the provinces? I am sorry that the hon. member for Rosthern seems to agree with that, that he thinks it should be supported by effective provincial legislation.

The act is, in my opinion, intra vires on its own merits, and all this talk about supplementary and complementary legislation by the provinces is already interpreted in the country as being the government's excuse for not enforcing the provisions of this enactment, and that the government has no intention or wish that it should be enforced. I am not saying that; I say that is the rumour. That is the belief which is current in the country at the present time.

Mr. TUCKER: Will the hon. gentleman permit a question?

Mr. JAENICKE: Yes.

[Mr. Jaenicke.]

Mr. TUCKER: Is it not correct that at the last meeting of the pool delegates, a resolution was passed that complementary legislation should be passed to clear up any doubts about jurisdiction?

Mr. JAENICKE: I do not know the exact resolution, but I am informed that they say that if it is necessary it should be passed. The pool delegates might have passed a resolution with respect to the passing of supplementary or complementary legislation in order to make legal transactions within the province. That may be so, and if they did, that is fine. But the idea which is current in the country is that parliament has no power to let the wheat board handle oats and barley in interprovincial and export trade without supplementary legislation.

Mr. HOWE: Does my hon. friend think a workable control of oats and barley can be exercised if the board handles less than twenty per cent of the crop?

Mr. JAENICKE: Yes, I think so.

Mr. HOWE: I do not think so. I would not care to try it.

Mr. TUCKER: Would the hon. member say that when the wheat pool pass such a resolution they are doing it to undermine confidence in the wheat board's competence to handle wheat?

Mr. JAENICKE: I hope not.

Mr. TUCKER: Then why say it about this legislation?

Mr. JAENICKE: It looks like the manoeuvres of 1922 when the farmers of the west, almost with one voice, demanded the wheat board, and the then government, at the insistence of the Progressive party, who spoke for the farmers of the west, passed chapter 14 of the statutes of 1922, being the wheat board act. This at least was openly and clearly subject to complementary provincial legislation, and this is what the act said in section 10:

> The board shall have capacity to receive, have, enjoy, and exercise such further rights as may be conferred up it by the legislature of any province.

And section 19 reads:

> This act shall come into operation as soon as two or more of the provinces have enacted such legislation as the governor in council may consider necessary or adequate to enable the board to have or enjoy such of the powers, rights, and privileges which were passed by the Canadian wheat board of 1919.

Those are the two sections which were contained in that act. The Saskatchewan legislature was called into special session, I believe, and on July 27, 1922, they passed their act giving the board all the powers contemplated by the dominion act, and even more. But to no avail. There was no wheat board. I think Alberta did the same. I do not know what happened in Manitoba. In any event, the dominion government passed the buck at that time.

But what interests me more about this 1922 legislation is this. If the dominion passes a statute which they think should be complemented by provincial legislation to make it effective, why do they not say so in the amendment? If it is the contention of the minister that this amendment requires complementary provincial legislation, then I think some provision should be made in the bill which is now before us similar to what was done in 1922.

I am very much afraid that this talk about complementary legislation by the provinces is just an afterthought which might have occurred to the minister after receiving some representations following the introduction of his resolution. I would be sorry to think that is so, but I can imagine it might be. The minister must be swamped with representations of conflicting interests. Of course, in spite of his great capacity and ability, which we all respect, he is only human. And in that spirit I should like to appeal to him to consider the greatest good for the greatest numbers. The greatest numbers are undoubtedly the farmers who have asked for orderly marketing.

What is contained in this bill is not all that they have asked for. But I ask the minister to forget about complementary legislation, and if some further sections are necessary—as, for instance a clause to make it absolutely clear that the law does not interfere with any transactions completed within one province; and I may say I do not think it needs to include that—let him do it in committee or, if the board is to have larger powers for handling oats and barley, which would require further legislation, although I do not think it is necessary, then let the minister tell us now. I am satisfied that the large majority of the farmers in the designated area want this legislation. Let us quit beating about the bush and give it to them.

Mr. J. S. SINNOTT (Springfield): I wish, Mr. Speaker, to compliment the hon. member for Kindersley (Mr. Jaenicke), on his well-prepared speech in regard to this bill.

An hon. MEMBER: And well delivered too.

Mr. SINNOTT: I think he covered the subject fairly well and most of the western farmers are in accord with what he has said. I was in the house last Friday, when the hon. member for Portage la Prairie (Mr. Miller) spoke. I wish to congratulate him on the marvelous feat he performed. I know he wanted to help the farmers when he rose to speak. He said, as reported at page 2196 of *Hansard*:

> No matter how loudly the hon. member for Rosthern may talk, there can be no accusation that hon. members on this side of the house are responsible in any way for that delay.

As I said, the hon. member did a remarkable job in holding the house until after eleven o'clock, while his Tory friends were catching the 10.30 p.m. train to Toronto. To prove that fact, I point out that when he had an opportunity to speak tonight, he spoke for only two minutes.

Mr. CASSELMAN: He had only two minutes left.

Mr. ROSS (Souris): An hon. member is allowed only forty minutes at a time.

Mr. SPEAKER: Order.

An hon. MEMBER: The train does not leave until eleven o'clock.

Mr. SINNOTT: As I say, Mr. Speaker, I do not know why there should be all this quibbling about this legislation; I do not know what it is for. There is a great deal of opposition on the other side of the house. The hon. member for Portage la Prairie said, as reported at page 2197 of *Hansard*:

> I suggest that the government do not know themselves whether they intend to have the wheat board handle coarse grains this year, next year or ten years from now.

Mr. ROSS (Souris): Do you?

Mr. SINNOTT: If there is any sense in wasting time when they have this thought in mind, it is beyond my comprehension.

Mr. SMITH (Calgary West): Turn over the page.

Mr. SINNOTT: I shall possibly have to turn it in order to make a few remarks about one of the members on this side who spoke last Friday, and I refer to the hon. member for Winnipeg South (Mr. Mutch). He said, as reported at page 2192 of *Hansard*:

> Before this bill goes to second reading, I wish to express my view and the view which I conceive to be that of a good many Canadians on part of this bill before we are required to vote on the principle of it.

Mr. ROSS (Souris): Louder, please. We cannot hear you.

Mr. SINNOTT: Then there seems to be a certain group who are alarmed about what the farmers are doing. I think I can say whole-

heartedly that I am in agreement with the last speaker who said the farmers can very well look after themselves if they are let alone.

Mr. SINCLAIR: They cannot make enough butter.

Mr. ROSS (Souris): Have you still your ticket over there?

Mr. SINNOTT: The hon. member for Winnipeg South says that he had some relatives on the farm and that, while he did not have any physical work on the farm, he knew something about it. He was just a little bit closer than the hon. member for Calgary West (Mr. Smith), who said his great-grandmother had a farm out there and that they did very well.

Mr. MUTCH: The difference between the hon. member and me was that I left my fork on the farm.

Mr. SINNOTT: They sold their wheat at fifty cents a bushel. They took it into Calgary and they made sufficient money on wheat to retire on. If that is what the friends of the hon. member for Calgary West have done, I wish them well. But I would ask him if he would want to do the same himself today.

Mr. SMITH (Calgary West): They have been dead for about twenty years. But outside of that the hon. member is all right. Wish them well.

Mr. SINNOTT: Yes, I know. The hon. member admitted the other night that his hindsight was better than his foresight, which has been borne out.

Mr. ROSS (St. Paul's): What are you reading from?

Mr. SINNOTT: I am reading from a few notes, if you want to know.

An hon. MEMBER: Time.

Mr. SINNOTT: There is plenty of time. Do not worry.

An hon. MEMBER: Louder.

Mr. ROSS (St. Paul's): Put it in *Hansard*.

Mr. SMITH (Calgary West): You are losing leadership every minute.

Mr. SINNOTT: While under this legislation it is possible to market coarse grains under the wheat board, it does not say that it should be done immediately, but it is giving us the chance to have legislation brought down, whereby, if necessary, the committee can be formed and every angle looked into from the point of view of various parts of the country, represented by the various farm organizations. The hon. member for Calgary West has said that it would be to the disadvantage of the eastern feeders and to the disadvantage of the western farmers to have this board set up. That is not so.

Mr. SMITH (Calgary West): I said it would be to the advantage of the eastern feeders. Let us have something straight.

Mr. SINNOTT: That is not so. If you will sit down we shall get somewhere. While the farmers of western Canada are agreed on this—

Mr. ROSS (St. Paul's): The hon. member insists upon reading his speech.

Mr. SPEAKER: Order.

Mr. ROSS (St. Paul's): If so, he should read it properly.

Mr. SINNOTT: I could not hear the hon. member's remark, but I believe he said something about my reading my speech. I have a few notes here; but they are nothing like the Eaton's catalogue he was reading from a couple of weeks ago.

As I was saying before, the farmers of western Canada want the government to bring this legislation into effect, whereby they can have a stabilized market for coarse grains, the same as they now have for their wheat.

In holding up this legislation, the way we are—

Some hon. MEMBERS: Oh, oh.

Mr. SINNOTT: Seeing that we have such applause, I should like to say this, that if the hon. member for Portage la Prairie had stopped speaking on Friday last we would have had this bill through the house now.

Mr. ROSS (Souris): It was the hon. member for Provencher (Mr. Jutras) did it.

An hon. MEMBER: How about sunflower seed?

Mr. SINNOTT: If this legislation is brought down this year it will be of advantage to the farmers of the west. But, if it is not, we are satisfied it will be brought down in another year. We will not stand by and see the Winnipeg grain exchange play with the grain that the farmers of western Canada have toiled night and day to grow.

I hold in my hand an advertisement paid for by the Winnipeg grain exchange, in which they give the farmers all the answers. They ask: "Are you free to choose when, where and to whom you shall sell your wheat, and at what price?" Then they give the answer: No.

These fellows who operate the grain exchange are doing all right for themselves. If one were to visit some of their houses in Winnipeg,

houses of men who never turned a sod in their lives, and who do not know wheat from barley, he might understand why they are kicking. No wonder they complain about this legislation, and are going to great lengths to discourage orderly marketing.

I have some figures here which I believe have not yet been placed before the house, and which show a good many millions of dollars placed in the pockets of the farmers in the past few years. These figures show that in the week ending July 13, 1932, No. 1 northern was selling for fifty-three cents a bushel, and No. 3 northern for forty-eight cents, or a spread of five cents. In the week ended July 23 the spread was 5·9 cents. In the week ended September 16, 1943, the spread was 10⅜ cents, and in the week ending September 23, it was 7·58 cents. Then on September 27, just prior to the board's taking over, the spread was 7⅛ cents.

Since the board has taken over, the spread has remained constantly at five cents. This has represented a considerable saving to the western farmers on the millions of bushels of grain sold.

While the Minister of Trade and Commerce (Mr. Howe) has not been on the job very long, it has not taken him long to find out what the farmers need. I commend him for his interest in the matter, and upon offering this amendment. Section 29A is new. This section empowers the governor in council, by regulation, to extend to oats or barley the system now employed in handling wheat. In such case, part III may be brought into effect only at the beginning of a crop year and the pool period is limited to a year. Certain sections specifically applicable to wheat are excluded.

I believe my professional friend the hon. member for Kindersley covered the legal aspect of the matter. If we discontinue quibbling in respect of the legislation, as some hon. members opposite are doing, in the hope that it may not be brought into effect, we would get along faster. I believe if we take a vote on it as soon as possible we shall be able to get away at least a day sooner for the Easter vacation.

Mr. A. L. SMITH (Calgary West): Mr. Speaker, I need hardly say that I shall not make any attempt to reply to the speech just made by the hon. member for Springfield (Mr. Sinnott). The reasons are obvious: I do not know what he said, and I do not know where he stands.

I would correct him in one thing I did hear, however; and I am sure he would not care to leave a wrong impression with Your Honour or with the house. He proceeded to quote me—perhaps I should say he paraphrased what I was supposed to have said—by stating that this would act to the detriment of the western growers and the eastern buyers as well. If he cares to look it up he will find that, obviously, I did not say that.

I turn now to the odd remark made by the hon. member for Kindersley (Mr. Jaenicke). I suppose there would be no law business if lawyers did not disagree. For the moment I am not going to argue the constitutional aspect of the matter. Indeed, I am relying on exactly the same case to which he had referred. I shall quote only a few lines from the conclusion of the judgment of Mr. Justice Duff, which apparently the hon. member did not read, or perhaps did not read with his usual care.

This appears in a special edition of the case published by the king's printer in 1937, and contains the text of the act and the judgment of His Lordship Sir Lyman Duff, Chief Justice of Canada, and also the judgment of the privy council. I would read only these few lines from the judgment of Mr. Justice Duff, in closing:

> To summarize: in effect, this statute attempts and indeed, professes to regulate in the province of Canada, by the instrumentality of a commission or commissions appointed under the authority of the statute, trade in individual commodities and classes of commodities.
>
> The powers of regulation vested in the commissions extend to external trade and matters connected therewith and to trade in matters of interprovincial concern; but also to trade which is entirely local and of purely local concern.
>
> Regulation of individual trades, or trades in individual commodities in this sweeping fashion, is not competent to the parliament of Canada and such a scheme of regulation is not practicable.

Those are the final and deciding words of His Lordship in that case and, as I say, we are both relying on the same case for the views which we hold.

I want to turn back for a moment and correct a statement in the speech I made on Thursday last. I used a word wrongly and I want to apologize to those to whom it applied. I was interrupted by some hon. member to my left. After I had said that the wheat pools in the west had gone bankrupt, someone interrupted and said that that had happened because they had advanced too much money to the farmers. I then suggested that it was on account of the stupidity of the directors. It was really a mistake in judgment of the directors, and that is what I meant to say.

However, in the excitement of the exchange I used the word "stupidity", which I had no right whatever to use.

I should like to make a second correction. I was interrupted by another hon. gentleman to my left, I think it was the hon. member for Melfort (Mr. Wright), when I was speaking of one Aaron Shapiro who came out west and formed our wheat pools. He suggested that they had asked him to come there and I agreed with him. But I was wrong. Aaron Shapiro came to western Canada and was paid for his trip by the Calgary *Herald* and the Edmonton *Journal*. The farmers of Alberta and Saskatchewan had nothing whatever to do with the invitation to that man to come to the country. Those newspapers asked him and they paid his expenses and fees.

I am going to say only a word or two about barley and then I shall sit down. This is really a governmental matter and not so much a pool matter. We are well aware of this fact, and I am bringing it out because of the injury that certain policies may do us in the future. There is an embargo on the export of barley to the United States and one can export only under permit. In times gone by, they got a good deal of money from that, because the price of the permit was roughly the difference in the prices prevailing in the two countries. From that they formed an equalization fund which helped in making payments to the grower for the barley so handled.

For some time malting barley sold to maltsters and brewers has commanded a price of $2.50 a bushel—a while ago it was $2—in the middle western United States which are quite close to us. That is the logical market for that product. I know it has become a habit with some people to say that we talk too much about the western farmer and his products. I am anxious to assure the eastern members that we are not down on our knees asking for anything from anybody for the western farmer. We believe he has been the goat in connection with hogs and cattle and everything he grows, whether it be animal or vegetable, ever since these controls came in. As we have so often said, he is still controlled while that which he buys is not controlled.

I give you this simple picture of a bushel of malting barley. It weighs forty-eight pounds and it will make thirty-six pounds of malt. That has been selling for hog feed because, while we had ceilings, there was no distinction in the grades of barley. Everything went at the ceiling price and you got for low-grade barley the same price as you got for malting barley, which, of course, always carries a premium.

[Mr. Smith (Calgary West).]

Mr. GARDINER: May I suggest a correction? Malting barley was marketed directly to the maltsters and a premium was paid on it. It was not marketed in the same way as the other barley.

Mr. SMITH (Calgary West): I realize that that is quite true, but I think the minister will admit with me that unfortunately we had more malting barley in Canada than the maltsters could handle and a great deal of malting barley went to feed hogs. I am glad the minister corrected me, but there is no doubt that a portion of it was used for that purpose.

Mr. GARDINER: I do not want it to be taken for granted that I admit all that has been said. We have a different system of grading malting barley in Canada and our malting barley goes directly to the maltsters. It is true that some barley could have been cleaned to a grade that, had it gone to the United States, it would have been accepted as malting barley.

Mr. SMITH (Calgary West): The minister also knows that maltsters and brewers in the United States owned malting barley which was in our terminal elevators but they could not get a bushel of it out. So it stayed here and was used for hog feed. I do not think the minister will deny that for a single moment.

My point is that the people who have taken the trouble to grow this high grade barley are entitled, not in a begging way but as a matter of justice, to an advantage for having grown that superior product. What is happening in the middle west United States today is that the maltsters and brewers are conducting an active campaign to have barley grown in their own country for their purposes.

Let us take a bushel of malting barley in Canada. It weighs 48 pounds and it makes thirty-six pounds of malt. The dominion government places a tax of sixteen cents a pound on the malt, so that a return of $5.76 is obtained by way of tax from every bushel of barley which is malted. I am not complaining about that, except to say that, that being so, I think the man who grows the barley from which the government takes $5.76 a bushel is entitled to the price that he can get in the republic to the south.

The danger is that if the campaign being carried on there succeeds and they grow their own barley—they have had to find new sources because of our policy—the future of barley grown for malting purposes in this country will be bleak indeed. With this one observation I shall resume my seat. I do not think I have taken any great length of time. I am

going to argue the position of the Winnipeg grain exchange because I have done that before. I have enjoyed the fun which has been made of my maternal grandfather and my maternal grandmother. They have been dead well but they have been dead for thirty or forty years. I am grateful for the kindly wishes expressed by the C.C.F. It is the only kindness they have shown to anybody since they came here, and these people have been dead for thirty or forty years.

An hon. MEMBER: They were pretty smart.

Mr. SMITH (Calgary West): I am glad you think so. You are even more generous than your companions.

I want to close on a note of sincerity and respect toward everyone. I realize that my hon. friends to my immediate left have a position. They are socialists. They believe in getting control, even ownership of the things which we produce and the methods of distribution. That is another argument, for they have a logical position. I know of no member in this house who professes to be opposed to socialism who has a single leg to stand on if he supports orderly marketing as they call it, but what is actually the compulsory grabbing of the farmer's grain. That is not orderly marketing. That is the beginning of the police state, and I hate the word just as much as anyone else does. But you can only compel by penalties. You can only succeed in bringing compulsory schemes into being by penalties. Some may say we have lots of penalties now; we have the criminal code. Yes, and that is enforced by penalties. The only way you can do this thing is by penalties. What does that mean? It would have to be done by force. The end of socialism can only be the operation of the Canadian economy by force, and those of us who disagree with that principle—I admit again, they may argue for it—have not a leg to stand on in this oats and barley business if we vote in favour of this compulsion.

Mr. F. S. ZAPLITNY (Dauphin): Mr. Speaker, on Friday last we were quite willing to let this bill go to a vote, but the hon. member for Portage la Prairie (Mr. Miller) spoke until eleven o'clock, and we find ourselves in the position today of having another member of the Progressive Conservative party speaking for the second time on the same subject. So, in spite of the eagerness of this corner of the house to see this bill go through, I have no apology to make for making a few remarks at this time.

I rise mainly to correct the hon. member for Calgary West (Mr. Smith) on one thing he said. He intimated that the hon. member for Melfort (Mr. Wright) had suggested that a certain organizer by the name of Shapiro had been invited by the pool or some farm organization. As a matter of record, the hon. member for Melfort merely asked a question, and his question was: Who invited him? The hon. member for Calgary West replied to that question.

There is a danger that we might lose sight of what is actually involved in the principle of this bill. The principle, as I see it, is whether or not the members of this house believe in stabilization of farm income and in orderly marketing. In spite of all that has been said to my right, when the vote is taken on this measure we shall see where the official opposition stand on this important question. If the hon. member for Calgary West is putting forward the policy of the party to which he belongs it would be logical to see every member of that party vote against this bill. On the other hand, if the policy of that party is as it has been expressed on some occasions by the leader of the opposition (Mr. Bracken), then we might expect something different.

So far as we and the people who have sent us here are concerned, we have no doubt where we stand. I have before me a clipping from one of the weekly papers published in my constituency, the Dauphin *Herald*, which gives a tabulation of where the farmers of the prairie provinces stand on the wheat contract with Britain. It is dated April 24, 1947, almost a year ago. The poll question submitted was this:

> The 1946 wheat agreement between Canada and Great Britain sacrifices the opportunity to sell at higher prices now for the assurance of stabilized prices for the next four years. Is this a sound principle?

The question did not refer to the details of the British wheat agreement but to the principle of a stabilized market for the future in preference to taking what you can get now and taking a chance on getting next to nothing in the future. The tabulation shows that seventy-nine per cent of the farmers of the prairie provinces replied, yes; they were in favour of that principle without any reservation; seventeen per cent replied, yes, with reservations, and only two per cent were opposed to that principle. I think that answers for all time the question which has arisen in this debate as to where the farmers of the prairie provinces stand on the question of orderly marketing.

Not long ago it was announced in this house and appeared in the press that an international wheat agreement had been reached, under which three of the nations undertook to sell 500 million bushels of wheat a year and thirty-three other nations undertook to buy

it at a certain price. It is interesting to note that two of the wheat-producing nations of the world were opposed to entering into this agreement. We hear a great deal these days about the Big Four, the Big Five, and so on, but on that question a sort of Big Four appeared to be emerging. We were told that Soviet Russia and the Argentine were opposed to this international wheat agreement. To complete the Big Four, we have in this country the Winnipeg grain exchange and the Progressive Conservative party.

I believe that we should make our position clear on the principle which is actually involved in this bill. There has been a great deal of talk, much of it coming from the hon. member for Rosthern (Mr. Tucker), as to the intentions of members on the opposite side of the house in connection with the inclusion of oats and barley. We have made our position clear. In fact, last year one of the members of this group moved to have oats and barley included in the bill itself. I think the hon. member for Rosthern will have some explaining to do when he speaks in Saskatchewan, because in part of his speech he endorsed government policy in regard to the marketing of grain, but in another part he repudiated the whole policy. For example, he was asked in the middle of his speech by the hon. member for Wood Mountain (Mr. Argue) this question: Do you believe in price control? The reply was, No, if you do not control some other matters at the same time. To make sure the matter was sufficiently confused, he added this: Furthermore I do not believe in the attempt to control prices by government edict.

What does that add up to? The hon. member says he does not like price control.

Mr. TUCKER: Why not get on with the bill and leave the hon. member for Rosthern alone.

Mr. ZAPLITNY: I would be glad to leave him alone if he would leave us alone.

Mr. TUCKER: I did not take forty minutes in attacking you people.

Mr. ZAPLITNY: I am not attacking you. I am simply putting on the record exactly what happened.

Mr. TUCKER: Let us fight the election out in Saskatchewan. It won't be long either, thank goodness.

Mr. FRASER: Are you getting nervous?

Mr. ZAPLITNY: The hon. member for Rosthern said he does not believe in price control unless it is accompanied by control in some other matters. I take it he means he is not in favour of having prices of farm products controlled unless it is accompanied by price control on the articles and commodities the farmer has to buy. If he means that, I agree with him thoroughly. But he went on to say he does not believe in price control by government edict. The only kind of price control we have ever had in this country was by government edict. That is the only type of price control that is possible under the legislation we have at the present time. In other words, the hon. member for Rosthern tells us in one breath that he wants all prices controlled, and in the next breath he says he does not believe in the government doing that, which is, of course quite in line with what the government itself is doing.

Mr. TUCKER: I hope you understand what you are talking about. Nobody else does.

Mr. ZAPLITNY: If the hon. member cannot understand, I am charitable and do not blame him for that. If he means that he is in favour of government policy, that he favours price control of grain without price control of the commodities the farmer has to buy, which is the present government policy, he cannot be in favour of the opposite thing, which is to control the prices of the things the farmer has to buy along with controlling the price of grain. He must be on one side or the other. I want to say that, so far as the hon. member who spoke before me is concerned, he at least stated his position clearly. He said that, so far as he and the hon. members who sit around him are concerned—

Mr. MANROSS: We heard all this.

Mr. ZAPLITNY: Those who are chipping in will have a chance to vote on this. The hon. member said that, so far as he and those who sit around him are concerned, they will have nothing to do with a bill of this kind, and he challenged hon. members on the opposite side to stand up and be counted on this bill.

Mr. HOWE: We have not dissolution yet.

Mr. TUCKER: Let us have the vote, then.

Mr. ZAPLITNY: You will get it early enough.

Mr. MANROSS: Friday night.

Mr. TUCKER: We want to get these cheques out.

Mr. ZAPLITNY: We did everything we could last week to expedite the passage of this bill.

Mr. MANROSS: You sure did.

Mr. ZAPLITNY: We sat back on Friday evening and did not say a word, in order to give hon. members a chance to carry this bill. Instead of doing that, they debated the bill until Monday, and now when we are trying to express an opinion they tell us to sit down. When I began my remarks I said I would take only a few minutes. I think we shall now have a chance to see where hon. members stand on the principle of the bill, and whether they believe in orderly marketing and the stabilization in prices or whether they believe in speculation in food products.

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, I have listened to part of this debate with a considerable amount of attention. The other day I rose to answer the hon. member for Melfort (Mr. Wright) who had challenged hon. members to express the view of farmers who are opposed to controls. The farmers of my constituency are opposed to controls, and there are many farmers in the west who are also opposed to controls. I shall answer the hon. member right now by mentioning a letter which I have received from an organization that he perhaps knows, although it is not in his province. It is a letter from the Farmers Protective Association of Fannystelle, Manitoba, and there are many others besides that.

I would ask the hon. member who is so noisy to listen to this. We listened to them with patience. They think there is a small circle of C.C.F. people in the west who know everything about wheat, and they do not realize that the farmers and the consumers of the east are as much interested as anybody else to scrutinize the matter and to give some study to it. I will tell all hon. gentlemen of the C.C.F. group that it is wrong to think they are the only ones who can discuss this matter. We are 245 members here, and I have a right to discuss the matter just as much as these hon. gentlemen. I will tell them that they have the mind of autocrats. They remind me of the horses who have these eye-shades on each side of their head and can see only in the direction in which they are driven. It is the coachman, the driver, who makes them see what he wants them to see. They are exactly in the position of the old horses that we see in the country; they are led by the driver on the coachman's seat, and they see only what he wants them to see. When somebody says there is something alongside the way they deny it; they do not see it because their leader does not want them to see it. I will tell my lady friend that she does not sit on the driver's seat. As a lady, she sits in the backseat and her view of what goes forward is obstructed by the back of the big driver.

Mrs. STRUM: I should like to ask the hon. gentleman a question. How much influence did he have on his party on price control?

Mr. POULIOT: I will admit that my hon. friends of the C.C.F. group have much more influence than any Liberal ever had with the government to maintain controls. It is probably on account of the good looks of my hon. friend that she vamped the government and she used them to get the government to adopt socialist policy.

Mrs. STRUM: I object; that is unparliamentary language.

Mr. POULIOT: It is not unparliamentary and my hon. friend knows it. I have the greatest respect for her.

Mrs. STRUM: It has nothing to do with the question and I resent it.

Mr. POULIOT: If my hon. friend disagrees with me it is her right; but if she comes within the domain of my discussion now I cannot do otherwise than make little jokes with her, although in a very respectful way.

Mr. KNOWLES: Will the hon. gentleman permit a question? Is my memory right that the hon. member has, on previous occasions, told us in the house that it was he who, in September, 1939, sent a telegram to the government asking them to institute price control during the war?

Mr. POULIOT: No, I never asked the government to establish price controls, but I told them that the profiteers were taking advantage of the war to raise prices and I thought the government could do without the instituting of the prices board, but the thing was done that way as were many other things, and I am not responsible for the institution of the prices board, because I am against all price boards. I never asked the government to institute the prices board, but I drew the attention of the Prime Minister (Mr. Mackenzie King) to the fact that profiteers were trying to take advantage of the war to raise the prices on various commodities, and that time I was listened to. If I had been listened to all the time I would not complain today of the socialist policy of the government.

I will tell my hon. friend, the lady member, that I do not want to be unpleasant to her. She knows I have great respect for her, and if at times I tease her a little it is because she has chosen to sit amongst men, but we like her very much, nevertheless.

Now, sir, the government have been misled, misled by the C.C.F. propaganda.

Mr. MANROSS: Blind horses.

Mr. POULIOT: They have been told that it was the desire of the farmers to have such a policy as we have had and as we are going to have. It was not at all the feeling of the members that they were expressing, not at all; they were continuing their propaganda, and nothing is more clear than the speech which was made by the hon. member for Melfort and the letters that he read from the C.C.F. Premier of Saskatchewan. This policy has been forced upon the government by Mr. Douglas, the C.C.F. premier of Saskatchewan, the only C.C.F. premier in Canada, and his satellites in the house who hurrah when I say so. They have every reason to be proud of it. I remember that during the war it was the official leader of the opposition, Mr. Hanson, who was forcing his policy on the government. Now, for the after-war program we have the C.C.F. policy dictated to the government by Mr. Douglas of Saskatchewan. Why should we appease these men? There is no reason for that. There are two different ideologies. There is the ideology of free enterprise and there is the ideology of statism, of controls by the state. There is no question of Liberals, Social Crediters or Conservatives in that. There are those who are for free enterprise and those who are against it. There are those who believe that the government must act through boards and not assume any responsibility. These boards are irresponsible. It is the old principle of socialism which has been promoted by the London school of economics and all its students throughout the world. It is the old story, and I am not not surprised at it. Here we have two different ideologies, the ideology of free enterprise and the ideology of socialism, whether it is called C.C.F. or anything else. But I must keep my word. I said I was going to read something that has been sent to me by no less a gentleman than the president of the Farmers Protective Association of Fannystelle, Manitoba, and he is probably not of the C.C.F. I do not know the gentleman, but I notice—

Mr. BURTON: Do you know how many members they have?

Mr. POULIOT: I challenge my hon. friend to continue to laugh at the farmer of Manitoba, because he has been elected on the C.C.F. socialist ticket in his part of the country. These hon. gentlemen are so doctrinaire that they do not admit any discussion, and when we bring a letter from a responsible farmer from the west, on behalf of his organization, they minimize it. They laugh at it. That is not the way to discuss any question. The hon. gentleman is old enough to know—

Mr. BURTON: I am only asking the hon. member to give me information as to how much he knows of that organization and how many members it has.

Mr. POULIOT: I will tell the hon. gentleman one thing, and the more angry he gets, the cooler I shall be. I am not excited and he cannot provoke me. I will tell him one thing.

Mr. BURTON: Tell me how many members there are in that organization.

Mr. POULIOT: I will advise the hon. gentleman to keep cool, not to be excited. For my part, the crowd does not impress me. I am impressed by the argument and the logic of a thing. My hon. friend may be impressed by a long procession, but I am not at all impressed. I am impressed by arguments that appeal to reason.

I have received a letter which I consider worthy to be read in the House of Commons and I will certainly read it. I am in order in reading it, and I will read it even if it hurts the feelings of the hon. gentleman.

Mr. BURTON: It does not hurt me at all.

Mr. POULIOT: He is touchy, but there is nothing unparliamentary in the letter I am going to read. It was written by a sound-thinking farmer of Manitoba.

Some hon. MEMBERS: Oh, oh.

Mr. POULIOT: There they are again. This farmer does not believe as the hon. gentleman does, and therefore "Ha, ha, ha."

Mr. BURTON: Because we are asking you what you know about it.

Mr. POULIOT: It is a good letter and I will read it with all the greater pleasure because it hurts the feelings of the hon. gentleman who is so touchy.

Mr. BURTON: Oh, so cruel!

Mr. POULIOT: The letter reads:

Fannystelle, Manitoba,
March 6, 1948.

Mr. Jean Francois Pouliot,
House of Commons,
Ottawa, Canada.

Dear Sir:

After reading your contribution to the *Hansard* of February 27, I feel that it is my duty to write to you thanking you for your interest in western agriculture.

Although we have a Canadian Federation of Agriculture and a Canadian wheat board, I cannot see that either of them are in any way interested in our welfare, nor are they in any way obligated to represent our cause, as western agriculture could not claim to have chosen them.

The three prairie provinces have for some years back supplied all of Canada with wheat for domestic milling, at about half price. About seventy million bushels each year.

The monetary loss is a big one, but it is totally eclipsed by the fact that we have had taken from us the right to sell our grain, and we are compelled to hand it over to the government who are permitted to sell it where they wish, for a small price if it suits them, and not always without an eye to political expediency.

They take five years to pay us, and owe us nothing in the meantime.

If it were voluntary, we could call it a gift, but we would have no receipt for the income tax inspector.

We could not describe the Canadian people as being penniless and dependent upon charity.

We can only plead guilty to being a minority group.

These planners of our agricultural destiny like it very much, and now they want our oats and barley.

As they want complementary legislation from the prairie provinces, we should be able to block that, though there are powerful forces at work, whose aim it is to make the state all powerful, and reduce the status of the individual in like proportion.

I hope that you will continue to work toward the goal of getting back, not only our agricultural freedom, but the freedom of everyone who is yet a victim of government controls.

Yours truly,

R. H. Stevens, President,
Farmers Protective Association.

That is not such a bad letter. I challenge my hon. friend to be so jocular now that he has heard that letter.

Mr. BURTON: And I still challenge the hon. gentleman to speak about something he knows something about.

Mr. POULIOT: In the first place, I know the hon. gentleman and will speak about him in a minute and he will be very much embarrassed.

Mr. BURTON: Just go ahead.

Mr. POULIOT: They do not like free enterprise. I do not know how many cousins they have who are interested in the controls in the province of Saskatchewan, how many friends, how many supporters. They put them on the job there to act as tyrants over all the farmers of the west, and it is good for them; they have to take it because it is socialist policy; it must be good for them.

Mr. BURTON: Again you are speaking about something you do not know anything about.

Mr. POULIOT: I have shown my hon. friend that I do know, and if my hon. friend takes that attitude he will be defeated at the next election. The farmers of his constituency will never stand for it. They will never stand for that autocracy.

Mr. KNOWLES: This is where I came in.

Mr. POULIOT: How can any group of decent farmers stand for that autocracy, despotism, dictatorship by one man in one constituency?

An hon. MEMBER: Keep cool.

Mr. POULIOT: I am just as cool as one could be, and I am all the cooler because I see my hon. friend is still excited at the mention of one farmer of the west who does not agree with him. Why does he not travel any more—

Mr. BURTON: I do not mind that at all, but tell us what you know about that organization.

Mr. POULIOT: I will tell him now what our friends the farmers of the east have suffered, as well as the farmers of the west. My hon. friend knows very well that during the war when there were controls it was impossible for the farmers to have barley and oats without purchasing flour at the same time. They had to purchase an equal amount of flour, and there were orders for balanced rations.

An hon. MEMBER: That was private enterprise.

Mr. POULIOT: Just a minute. I know it hurts, but I am not impressed by my hon. friends, and I hope the government will not be impressed by them. I have never been impressed by noise but by sound argument, though it may take a little longer to impress them in that way. I want to make them suffer a little more, but I am coming to the point just the same. I am speaking on behalf of people that I know.

Mr. SPEAKER: Order.

Mr. POULIOT: I thank you, sir, but I can handle my hon. friends fairly well. My hon. friend knows very well that the farmers could not have their orders filled by the grain dealers. When they ordered oats and barley they were given half flour. He knows very well that flour is much more subject to moisture than is grain. If he comes down home with me he will see the warehouses of

the storekeepers full of bags of flour which they had to buy when they did not need them.

Mr. BURTON: Was that a government control?

Mr. POULIOT: Exactly.

Mr. BURTON: Did the government force them to do that?

Mr. POULIOT: Yes. It was on account of the subsidies paid for flour. My hon. friend knows that very well.

Mr. BURTON: But it was your private enterprise that forced them to do that.

Mr. POULIOT: My hon. friend knows very well what a failure the controller of feed has been. It he does not know that, I shall have to teach him. It is a thing that I know but which he does not seem to know. If there is anything that I know and he does not know, I shall take advantage of the opportunity to teach him a lesson.

Mr. Douglas is so anxious, as the socialist premier of Saskatchewan, to have this legislation enacted to put oats and barley under the control of the wheat board that he is ready to send a representative to Ottawa. He communicated twice; I do not remember whether it was by letter or telegram, but that is of no consequence.

Mr. ZAPLITNY: Carrier pigeon.

Mr. POULIOT: He telegraphed or wrote twice to the minister telling him that he was ready to send one of his legal advisers by air to discuss the matter with the government at Ottawa and tell them what they would have to do with regard to oats and barley. This is planned economy. They start with oats and barley and will continue with rye and flaxseed; and then there will be no end. Why not do it as Stalin does right away? I have said many a time that socialism is the forerunner of communism.

Mr. BURTON: No, Liberalism is.

Mr. POULIOT: No.

Mr. BURTON: Surely.

Mr. POULIOT: This is heresy. May I say to the hon. gentleman that, when he says that, he does not know what he is talking about. But now that they have a planned economy, they want to subject all the farmers of Canada to the rule of socialism, the rule of the C.C.F. I remember the time when Mr. Woodsworth and Miss Macphail suggested that the farmers should work eight hours a day. They did not go on with that for very long. I remember the kind of agrarian reform they were preaching, and it was pure socialism. It meant the dispossession of the farmers who owned the lands in order to put them under a scheme that was quite similar to the one which has now been enforced in Russia. Then they changed and made great compromises with the farmers.

We are now discussing this grain business. I get into the closed reserve of the socialists of the west to tell them that they are wrong when they say they speak on behalf of the majority of the farmers of Canada, both from the west and from the east, when they try to impose socialist legislation on the government. I still hope that the minister will leave feed grain aside when he deals with the wheat business. One of my hon. friends the other day said to me, "You find prices high. You want controls on grain." I never wanted controls on grain. We cannot control the price of grain or the price of any other commodity by putting on an embargo when we need that commodity in this country, or by lifting that embargo when prices are too low. I do not object to the farmers selling their wheat at a reasonable price. I have said that before and I repeat it now. But when the coarse grain is harvested in a much smaller quantity than is normal, the department should see to it that the farmers of the east have an opportunity to buy that grain from the producers of the west. Otherwise what I shall do will be to tell the farmers of the east to become independent of the farmers of the west; not to buy their grain from them, but to harvest enough grain to be independent. We are ready to make concessions.

An hon. MEMBER: Do you think they can become independent?

Mr. POULIOT: Surely they can do it. They can do it with regard to oats and barley. My hon. friend knows that very well. We can be independent of the farmers of the west. I do not know how long I shall have the pleasure of seeing the good-looking faces of my hon. friends in front of me in the house, but I will tell them that the farmers of the east are sick of that propaganda. They have had enough of it. The farmers of the east are ready to make concessions. They are ready to pay a fair price, provided that the goods are delivered to them, but they do not want to be the slaves of C.C.F. policy any more than do the farmers of the west.

Mr. ZAPLITNY: Would the hon. member permit a question?

Mr. POULIOT: Yes.

Mr. ZAPLITNY: Is the hon. member in favour of the eastern farmers receiving freight-free feed coming into the east, with the freight paid from the lakehead? Is the hon. member in favour of having freight paid on feed from the lakehead to the east for the eastern farmers?

Mr. POULIOT: Certainly.

Mr. ZAPLITNY: It sounds good, does it not?

Mr. POULIOT: I have no objection to reasonable assistance. But if that subsidy is enforced, and the government is willing to pay that subsidy, then we want to have the goods in the east, and we want to have a different situation from the one we had last fall when all the farmers were complaining that they could not get delivery of the grain.

Mr. BURTON: It was your private enterprise that stopped delivery.

Mr. POULIOT: It was not private enterprise. It was when we had a feed controller who is still there writing his memoirs. My hon. friends are so doctrinaire that they will not agree with me that it is a waste of money to keep that man in his job, especially after the situation for which he was responsible last fall.

I do not consider it a pleasure to rise tonight and to have to argue with hon. members from another province about this matter, which is a vital issue for us at the present time, but which may not be any longer a vital issue for us in the near future, when the farmers of the east are told of the difficulties that we have precisely on account of those controls.

Advice from a friend is much better than a suggestion from a foe. The wounds of those who love are better than the kisses of those who hate. This I dedicate to the Minister of Agriculture (Mr. Gardiner) and to the Minister of Reconstruction and Supply (Mr. Howe). And I will ask them both, after the performance that took place tonight, is it possible to say for one moment that the suggested policy of the government has been imposed upon them by the C.C.F. socialist group of Saskatchewan? There is no reply to that.

Mr. BURTON: Your colleague from Rosthern would be interested to hear that.

Mr. POULIOT: Perhaps he was too mild with his opponents.

Mr. LOW: Too frightened of them.

Mr. POULIOT: He is too much of a good-natured fellow. That is why he has been lenient with these policies.

Mr. TUCKER: Perhaps the hon. member will say who caused the Liberal government of 1922 to pass the wheat board legislation. The C.C.F. did not exist then.

Mr. POULIOT: No, the C.C.F. did not exist; but Mr. Woodsworth was a member of the House of Commons at that time. My hon. friend will recall that Mr. Woodsworth was elected in 1921, and he was very powerful in connection with this matter, as well as many others whom I shall not now take time to enumerate.

What I want is a Liberal policy of free enterprise.

Mrs. STRUM: This is a Liberal bill.

Mr. POULIOT: It is a government bill. But I do not say it is a Liberal policy. I am not deceived by false labels, and this is why: knowing the sincerity of both the Minister of Agriculture and the Minister of Reconstruction and Supply, I urge upon them the necessity to stop the gap of socialism in this measure. We should do that for the good of the farmers of this country, and even for the good of the members from the west who are farmers themselves. They have been led to believe that socialist policies are opportune, that they are timely and that the government should make them their own. There is the correspondence which my hon. friend read the other day. There are all the speeches which have been made.

Tonight I listened with great interest to the excellent speech of the hon. member for Calgary West (Mr. Smith) who, although he is a lawyer, knows more about farming the west than does any member of the C.C.F. group. He has lived with the farmers and has listened to them.

Mrs. STRUM: Whom do you think we live with? We are farmers.

Mr. POULIOT: I was going to tell my hon. friend that if I were one of her constituents I would say many things to her, with the exception of talking about wheat. I would tell her that she is gifted and that she is doing well as a member of parliament. The only thing I regret in her is her obstinacy at times to admit that she may be wrong. I should like to be a poet to write a few rhymes for the hon. member. However, since I am not so well gifted I must say what I have to say in my poor language. But I mean well. And I hope that before long she will understand that my appeal to her reason has not been made in vain, and that perhaps she will be one who will canvass other members of the C.C.F. groups to drop their insistence upon passing this kind of legislation.

Mr. KNOWLES: I wonder if the hon. member would permit another question before he finishes? I confess it is in relation to the same question I asked twenty minutes ago.

Mr. POULIOT: This is coarse grain.

Mr. KNOWLES: I think the hon. member means that this goes against the grain. Does the hon. member recall what happened on August 29, 1946, as it is reported in *Hansard* at page 5598, when he read to the house his telegram to the Prime Minister (Mr. Mackenzie King) of August 28, 1939, and the Prime Minister's reply, and boasted that he was: "responsible to a certain extent for the creation of the wartime prices and trade board"?

Mr. POULIOT: Well, since the hon. member speaks to me that way, I will tell him what happened. I was not going to say that, because he would think I was boasting. I will tell him that after that answer was sent to me by the Prime Minister I was called with the present Minister of National Health and Welfare (Mr. Martin) to the office of the late Hon. Norman Rogers to form a committee of internal security to decide with him about food and commodity prices. There was no question about wartime prices board here. Is that enough for the hon. member? I would not have said this, if my hon. friend had not given a false interpretation. Besides that, we were each offered $6,000 a year outside our indemnities. And I can tell the hon. member much more than that. I never have been for the wartime prices board, and it was only indirectly that I was responsible for its establishment some time afterwards.

Mr. KNOWLES: That was not the interpretation the hon. member gave when he read the telegram on August 29, 1946.

On motion of Mr. Pouliot the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. BRACKEN: What is the business for tomorrow?

Mr. HOWE: First is the emergency legislation of the Minister of Justice; second, wheat; third, the emergency legislation of the Minister of Finance.

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