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 Secretary of State

From



Date

FOR ACTION

Mr.
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Canada. Political affairs

Monthly Political Report.

Mid-March - Mid-April 1944.

Connected Papers

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POLITICAL & ECONOMIC REPORT

MID-MARCH TO MID-APRIL, 1944

I. FEDERAL POLITICS

1. Parliament

The political position has been relatively quiet during the period and the House was in recess for Easter from 31st March to 17th April. The situation has been overshadowed by the forthcoming meeting of the Prime Ministers in London. Mr. Mackenzie King has announced his imminent departure and said that in his absence Colonel Ralston would act as Prime Minister. He had previously reiterated his views in a statement to the House that the meeting would not be in the nature of the customary Imperial Conference but would represent an exchange of views on the general situation.

The main item discussed in the House has been Civil Aviation on which a separate report has been forwarded. Three new bills have also been presented to the House setting up the new departments of Reconstruction, Veterans Affairs and Social Welfare (see below).

2. Dominion Provincial Conference

The Dominion Provincial Conference which was to have taken place at Easter has now been postponed until the late summer or early fall. When it is held it is expected that the whole field of Dominion-Provincial relations may be discussed. This was proposed at the last Conference in 1941 which failed to reach agreement because the Premiers of three Provinces (Alberta, Ontario and British Columbia) refused to consider a re-casting of Federal-Provincial financial relations on the basis of the Rowell-Sirois Report.

In the meantime a Dominion-Provincial Health Conference is to be held in Ottawa early in May. Provincial Ministers of Health and their deputies have been invited to attend. The purpose of the meeting will be to consider the draft Health Insurance proposals which are now before a Parliamentary Committee.

3. Progressive Conservatives

Mr. McTague who recently resigned as Chairman of the National War Labour Board and also from his post as judge in the Supreme Court of Ontario, has been appointed National Chairman of the Progressive Conservative party. Mr. Borden, a nephew of Sir Robert Borden, until recently co-ordinator of Controls in the Department of Munitions and Supply, has been appointed general adviser to the party.

Mr. Bracken, leader of the Party, who is inclined to define policy in the form of a series of points, proposed in a recent speech ten new points in expounding a programme of the State's responsibilities to youth. These were:-

1. He or she must be born healthy.
2. Maintained in health.
3. Developed in character
4. Informed in the useful wisdom of the ages
5. Trained in a useful calling
6. Taught the dignity of labour.
7. Required to work as well as to learn.
8. Shown the mental and spiritual necessity of accomplishment
9. Given an opportunity to earn a living
10. Expected to carry his own weight in the community and a little more if he can.

/In a later

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printed list.

2 Lo J. Greenway (F.O)
 Dr. Messerly (M.O)
 R. Kendall (B.B.C.) } ~ w/c 1c encl ~ Comps ~
 22.5.44

3 Lo m/d.N.O ~ w/c extract ~ Comps ~ 23.5.44.

In a later statement Mr. Bracken outlined his views on the question of Commonwealth co-operation. He urged an even closer co-operation with Commonwealth nations, and said that he was in favour of Canada acting as an autonomous power to strengthen the ties which bind the members of the Commonwealth together and that to this end a plan for continuous consultation in matters of common interest should be worked out. In a reply to Mr. Bracken's statement the Prime Minister again castigated him in the House of Commons for his failure to seek election.

4. Social Credit Convention

The first Social Credit Convention in Canada was held in Toronto early in April. About 115 delegates were present at the opening Session, though only 93 of those were voting delegates. The largest delegation came from Quebec, which had 42 voting delegates. The most important business of the Convention was the consideration of a proposal to establish a National Social Credit Association "for organising Canada for definite democratic political action to the end that Social Credit candidates, pledged to establish Social Credit principles, will contest all Federal constituencies where the electors desire the opportunity to elect such a candidate". The Quebec delegates opposed this resolution on the ground that the time was not yet ripe for political action and that education was the prime need. They introduced an amendment on these lines, but when that was defeated, supported the original resolution with some reservations. In the end it was passed unanimously.

Another resolution which ascribed the origin of war to monopoly finance, and which called for an all-out war effort in order to bring the present struggle to a conclusion was eventually dropped because of the objection of the Quebec delegates to certain clauses.

Mr. Solon Low, at present Provincial Treasurer for Alberta, was elected President of the newly formed Social Credit Association of Canada. It is not known whether this will involve his resignation of his present office in Alberta, but this seems to be a very probable consequence, since after his election he expressed the opinion that the proper place for the National Social Credit leader was in the Federal House of Commons. Mr. Low has announced in his Presidential capacity that the ten New Democracy members of the House of Commons, all of whom support Social Credit, are now to drop the New Democratic Party label and to take their Social Credit "straight".

II PROVINCIAL POLITICS

1. Ontario

The record of accomplishment of the Legislature in the Session which prorogued just before Easter has been quite impressive. Thus, it is claimed that with one exception, all of the Government's 22 Election points have either been actually fulfilled, or else that the necessary enabling legislation has been passed. The one exception is the pledge that the Provincial Government would assume 50% of the school taxes now charged against real estate. On this point Colonel Drew has renewed his pledge, and a thorough study is being made of the best method of carrying it out.

The Provincial budget disclosed a generally satisfactory position and was remarkable for the largest net debt decrease in the history of Canada.

/Altogether

Altogether some 88 bills received Royal Assent at the end of the Session.

The situation with regard to a possible election remains unchanged. Colonel Drew would probably face one with equanimity for his stock and that of his Party seems to be rising steadily. But the C.C.F. are apparently resolved to give him no excuses for going to the country. If, as is commonly believed, Colonel Drew does want an Election, it will be interesting to see where and how he succeeds in contriving an occasion for it.

2. Ontario C.C.F. Convention

This Convention was held in Toronto during Easter. It was attended by 250 delegates and over 100 resolutions were due to be considered and decided upon. Most of these were on familiar C.C.F. lines. A proposal that the C.C.F. should co-operate with the Labour-Progressive Party, alias the Communist Party, was rejected almost unanimously.

3. Quebec

The chief item of note this month is the taking over by the Province of the expropriated Montreal Light Heat and Power Consolidated. Senator T.D. Bouchard has been appointed Chairman of the new body, which is now known as the Quebec Hydro-Electric Commission. A separate report on this will be forwarded.

4. Manitoba

The Legislature has passed a bill to make the National War Labour Code applicable to all industries with its provision for compulsory collective bargaining. Much emphasis was placed during the session on the Government's broad reconstruction programme which it hopes to undertake with certain Federal assistance.

5. Saskatchewan

The general election in Saskatchewan seems a certainty before midsummer, as the life of the Assembly is due to expire in July and the Legislature has prorogued without taking any steps to extend its term. The Assembly has passed a bill making the Federal National War Labour Act applicable to all industry. An Act has also been passed providing that members of the armed forces serving outside the province should have three separate representatives in the Legislature. Approval has also been given to enable the Federal Government's proposed National Health Insurance scheme to operate in Saskatchewan.

6. Alberta

The Alberta Bondholders Protective Committee for Great Britain forwarded a strongly worded protest to the Government in March regarding Alberta's default on her sterling debt. The settlement proposals suggested by the Committee were rejected.

7. British Columbia

At the British Columbia Liberal Party's Convention a resolution was passed calling upon the Federal Government to enforce the removal of all persons of Japanese ancestry at the end of the war. The Progressive Conservatives in British Columbia have passed a similar resolution. A private C.C.F. member in the British Columbia Parliament has introduced a bill designed to curb anti-Semitism.

B

III LABOUR

1. Labour Code

The Federal Government have announced that a provisional