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Permt. U.S. of S.  
Parly. U.S. of S.  
Secretary of State

From

Date

POLITICAL AFFAIRS, CANADA.

Monthly Political and Economic Report.

MID-JULY to MID-AUGUST, 1944.



FOR ACTION:-

Mr.  
Conf. Clerks  
Copying Dept.  
Despatch Section  
X Registry (110)

Connected Papers

1 Rep. Cda. 516 — 4.9.44

Dupl. Desp. has been circulated to the D.O. Administrative Staff - under Mr. Wiseman's minutes no. 578/42.

J. Cutting  
8/11  
8/9/44

Before the adjournment of Parliament on the 14<sup>th</sup> August, a number of Bills were passed, the most important of which is the Family Allowances Bill. Mr. Braden denounced the Bill as an act of bribery.

Mr. Mackenzie King received congratulations from all parties on the 25<sup>th</sup> anniversary as leader of the Liberal Party.

Col. Drew has been Parliament's great opposition, especially here he has been very loud in his views on the Family Allowances Bill. His attitude that Ontario would be bearing the cost and Quebec reaping most of the benefits has separated him from the Federal Progressive Conservative Party is regarded as the "batle" <sup>longstanding</sup> between Quebec and the rest of Canada.

In the Quebec election the liberals were defeated by the Union Nationale and Mr. Duplessis becomes Premier.

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MONTHLY POLITICAL AND ECONOMIC REPORT

Mid-July to Mid-August, 1944

FEDERAL POLITICS

1. Parliament:

Parliament adjourned on the 14th August. After spending many months debating at length the War Appropriations Bill, the House has, as in previous sessions, suddenly bestirred itself to rush through in a few weeks the outstanding votes and to pass important legislation brought down by the Government. Consideration of the estimates of the Department of External Affairs was the occasion for a general debate in which the Prime Minister gave a review of the war situation and of foreign affairs and made a statement of policy regarding the position of persons of Japanese origin in Canada (see below).


The legislation included Bills providing for Family Allowances, establishment of an Industrial Development Bank (for loans to business which the existing Banks do not cover), Federal assistance towards Housing and a War Veterans Scheme covering gratuities, re-establishment credits, vocational and educational training etc.

The financial outlay of these various schemes represents an enormous increase of expenditure by the Federal Government and reaches the formidable figure of \$1,275,000,000. on social welfare alone. This total is made up of the estimated cost of the various schemes as follows:-

	<u>Millions of Dollars</u>
Family Allowances (Annual Amount)	250
War Gratuities	750
Housing	275
	<u>1,275</u>

Of these measures, the Family Allowance Bill was the most contentious and it indeed raises questions which go to the root of Canadian domestic economy. When the bill was introduced, the Leader of the Opposition sought to have it referred to a committee to advise whether the matter was within the jurisdiction of the Federal Government. This was defeated and thereafter all parties in the House gave general support to the Bill. Mr. Bracken, however, castigated the bill in a public statement as "bribery" and repetition of the charge on the floor of the House by the one Progressive Conservative member who refused to vote for the bill caused a heated scene and led to the suspension of the member. The fight by its opponents against the "baby bonus" has been continued in the provincial field.

/The proposal

Seen then  
P.L.  
15/9/44  


Liberals	25
Progressive Conservatives	16
Vacant	7

Thus the Liberal Government has been confirmed in power by a substantially increased majority and New Brunswick is the only Province to have endorsed the Liberal Party in recent elections.

LABOUR:

1. There was a serious transport situation in Montreal for some days when all the tramway workers struck in a demand for recognition of the "closed shop" principle which the company refused to concede. After transport in Montreal had been almost non-existent for some days, the Federal Government stepped in and took the tramways under Government control, appointing Federal Commissioners. If at the end of six weeks no settlement has been achieved, the Government is to review the situation.
2. A strike of some three thousand ship yard workers lasted for four weeks in Halifax, Nova Scotia because the company declined to accept the report of the Conciliation Board regarding Union recognition. The trade unions appealed direct to the Prime Minister for the Federal Government to take over the management of the yards but without success. The men have now returned to work on the old conditions with a promise that their grievances will be referred to the Regional War Labour Board for arbitration.

EXTERNAL AFFAIRS:

1. Japanese:

The Prime Minister has announced the Government's policy with regard to the Japanese as follows:-

1. There should be no concentration of Japanese in British Columbia.
2. All disloyal persons of Japanese origin should be returned to Japan at the end of the war.
3. No immigration from Japan should be permitted after the war. Subject to this, he stated that Canada should deal justly with those Japanese who had acted loyally and were anxious to remain in Canada.

2. Pan-American Union:

Explaining Canada's attitude to the Pan-American Union, the Prime Minister, after referring to the increasing co-operation between Canada and the other nations of the Western Hemisphere,

/pointed out