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1940

Party Lines Drawn—

Special House Session On Gasoline Opens

A three-way fight over the issue of government control of business was in the making this afternoon as the British Columbia Legislature met in special session to deal with the government's proposals for extra powers of dealing with the gasoline industry, arising out of last week's "strike."

Lieutenant-Governor E. W. Hamber, attended by Lieut. Commander C. E. Donaldson and Col. J. R. Kingham, as aides, formally declared the House in session shortly after 3 this afternoon and read the Speech from the Throne which promised the introduction of legislation that would "ensure a repetition of such a condition of affairs (the gasoline strike) will not recur."

There were none of the customary ceremonials, cannon salutes and uniformed guards that go with a session opening.

By common consent party leaders agreed to waive the usual Throne Speech debate and paved the way for immediate introduction of the government's bill by Premier Pattullo.

Behind the scenes this morning the three parties prepared the battlelines on which the session will be fought.

BILL MODIFIED

While it was learned in reliable sources that the government's original plan for all-inclusive powers to go into the gasoline business have been somewhat toned down in the redrafting of the bill in the last few days, there was sufficient of the program left to provoke a warm debate.

R. L. Maitland, K.C., Conservative leader, laid the groundwork for this in a statement this morning following a party caucus yesterday.

"The issues raised by this session," he said, "draw a clear line of distinction between the Conservative party and other parties in this province."

"They call for socialization of business, which ultimately must lead to government control of every major business in the country."

"We stand for democracy and against bureaucracy."

"We stand against continued extension of powers which can be used by political parties in control to exercise their will over the people."

"The new system, which the Liberal Party and the C.C.F. Party favor, has steadily increased since the introduction of the Special Powers Act in 1934."

CONTEMPT FOR RIGHTS

"That act showed contempt for the rights of the individual and was just a beginning of a procession of the same kind of legislation," Mr. Maitland says.

Political observers interpreted this statement as meaning the government will be left steering a middle course between the cross fires of the two opposition parties.

Harold Winch, C.C.F. leader,

said he would not define his party's stand definitely until he sees the text of the government's bill, but implied they will press for socialization of utilities as they have in the past.

"We have done a good deal of studying on the oil situation in the last few weeks and we are equipped to argue the question on all lines," he said. "We have figures to refute, particularly, the arguments of the oil companies."

Meeting a general sentiment in the Liberal ranks against too drastic a move into business, the government meanwhile was reported to have modified its original bill in some respects. Government leaders have been working on it night and day since the end of last week to get it into proper shape.

Besides the main gasoline bill, there will be a few other pieces of legislation submitted to the House which are required because of the special nature of the assembly.

MORATORIUM CONTINUES

Chief of these is a measure to ensure that the moratorium law and similar laws that extend only from session to session will not be affected by the special assembly and will remain in force.

A special act will also be required to protect the seats of several members of the House who cannot be present. Under the Constitution Act a member loses his seat for nonattendance, unless the House rules otherwise. Herbert Anscomb, Victoria, and Frank Putnam, Nelson-Creston, are among those to be protected by special bill. Capt. Macgregor Macintosh, the Islands, is protected by reason of being on active service and he will automatically receive the sessional indemnity.

A wreath lay over the desk of J. M. Bryan, former Mackenzie riding member, who died last Sunday. There was a resolution of condolence to his family.

Throne Speech

Text of the Speech from the Throne by Lieutenant-Governor E. W. Hamber at the opening of the special session of the Legislature this afternoon follows:

"You have been called together in special session consequent upon a serious situation which arose respecting the sale and distribution of gasoline and petroleum products in our province."

"With the approval of my government, the board appointed under the Coal and Petroleum Products Control Board Act established prices above which gasoline should not be sold. The oil companies, in protest, referred the matter to the courts. The validity of the above act, however, was recently upheld by the Supreme Court of Canada."

"The order of the board, therefore, automatically came into effect."

"The companies thereupon refused to sell gasoline to certain sections of the community, supplying only what the companies, in their own judgment, designated as essential services."

"This situation was prejudicial to the public interest and my government will submit to you measures which it is hoped may meet the situation in future, and will insure that a repetition of such a condition of affairs will not recur."

"I feel sure that you will give your most careful thought and consideration to such measures as may be submitted to you."

In B.C. Legislature

Government to Move If Gas Orders Disobeyed

Dual powers of control over the gasoline industry in British Columbia are sought by the British Columbia government in its program presented to the Legislature yesterday afternoon as an aftermath of last week's gasoline "strike."

Immediately, the government proposes to give the Coal and Petroleum Products Control Board the authority, if the gasoline supply is shut off, to step in and operate the distribution system so that the public can get a supply of gasoline.

Secondly, the government is asking for contingent power to go into gasoline business by incorporation of a special company financed by the province, this being subject to government proclamation.

The two bills were introduced by Attorney-General Wismer and Premier Pattullo.

Attorney-General Wismer explained to the press that in taking the authority for the board to operate the existing gasoline business, he was asking something that was not possible when the first gasoline control act was passed. The court actions, he said, had proved the province had power to deal with a "local evil," and it was, therefore, seeking the authority.

This is a similar power to that contained in the Public Utilities Act in the control of power services, transportation and other utilities.

POWERS PROPOSED

The main bill, brought down by the Premier, would give the government, on proclamation by order-in-council, the following wide powers:

1. To engage in and carry on the petroleum industry; and for that purpose to acquire by purchase, lease or otherwise, any land, buildings, chattels or property; and to enter into any agreements and contracts; to employ such persons as may be necessary; and generally to do such things as may be advisable or incidental to engaging in and carrying on the industry.

2. To enter upon, inspect and value any refinery or storage plant or distributing plant, and to examine any books of account, records, inventories, letters, papers and documents that may be found there.

3. To take and acquire by purchase, lease or otherwise, and to operate any refinery or storage plant or distributing plant, or any part thereof.

4. To acquire by purchase or otherwise and hold the shares or securities of any company engaged in the petroleum industry.

5. To enter into any agreement with any person engaged in the petroleum industry for the joint management or control of such company or of any of its properties or operations.

6. To cause to be incorporated a company or corporation having as its object the carrying on of the petroleum industry... and to finance such company by the purchase of its shares or securities

ties or otherwise, the financing to be so arranged that the Lieutenant-Governor-in-Council shall have control of the company or corporation; and to vest in such company or corporation any property acquired by the Lieutenant-Governor-in-Council under the Act; and to charge such company or corporation with the duty of operating any industry that he has power to operate by virtue of the act.

FINANCED FROM TREASURY

The bill gives the government power to advance from the general revenue fund the money required to set up a gasoline system, or to borrow for the purpose.

A protective clause states that there is no intention to prevent any other person importing or exporting gasoline or petroleum products.

When he brought down the bill, Premier Pattullo told the House the history of the gasoline legislation, referring to the court actions taken by the companies and the subsequent Supreme Court decision which made the price-fixing regulation the law.

"The moment that the judgment was handed down," he said, the order became the law of the province, and no one had any authority to alter this position unless an application were made to the control board, and a new order made.

"The government had no other alternative but to announce that the law was in effect and could not be altered except on application to the board. The oil companies were advised that if the war or other reasons had raised their costs, this would be remedied if any application were made to the control board for that purpose.

"The chairman of the board, in reply to counsel for the applicants, specifically informed the companies that if they would let him know what increase had taken place in cost since the order fixing the price was made, he would undertake to have the matter settled in 24 hours. The oil companies would not accept this suggestion. They desired that the existing order be suspended and a new order made, based on the prevailing Pacific Coast prices, the industry stating that they would agree for the purposes of the interim order that the prices should not be higher than those which prevailed prior to the application of the existing order.

"Without any notice and three days prior to the conference between the chairman of the board and the companies the latter stopped the sale of gasoline except to such as they termed essential services.

INTOLERABLE SITUATION

"I think the House will agree that the situation is intolerable. Here we have an essential commodity for the industrial, economic and social life of our people to the extent that it may be termed a public utility, and as such, it is just necessary that it should be regulated as those companies which come under our

public utility legislation

"In this situation, where gasoline is so vital in the life of our people, it seems unreasonable that its sale and distribution should be at the sole dictation and control of the companies who sell it. Clearly the public has some right in the premises and the public can only have its rights protected through the agency of the government."

The Premier said that in submission of the new control measures it was not the government's desire to take any punitive action against the companies, nor was it acting in a spirit of vindictiveness.

PEACE RIVER OIL

He noted also that since the government was now drilling for oil in the Peace River the legislation would be of benefit in this direction.

There were laughs on the Opposition side and he said:

"My friends may be laughing now, but I don't think they will later. We are very sanguine that we will strike oil. We have the best geological advice on the project, and it is that the field in which we are now drilling is theoretically—whatever may be the practical result—better than Turner Valley."

"I'm not laughing at that," interjected R. W. Bruhn, Conservative, Salmon Arm, "but at the cost of getting the oil down to the coast."

The Premier said the member need not worry about that cost, providing oil was found in sufficient quantities.

He said the oil could be piped to the coast over a route of 430 miles, which did not have a higher elevation than 800 feet.

"You might be surprised to know that Turner Valley oil could be piped to Vancouver now," he said.

TRIBUTE PAID LATE J. M. BRYAN

Tribute to the late J. M. Bryan, who represented Mackenzie riding, was paid by representatives of all parties in the Legislature yesterday.

Premier Pattullo, who moved a resolution of condolence, referred to Mr. Bryan's great loyalty, and his particular devotion to the cause of organized labor.

R. L. Maitland, K.C., Conservative leader, mentioned that Mr. Bryan had been ill during the last session of the House, but this had not deterred him in his demonstration of courage in fighting for the things in which he believed.

E. E. Winch, Burnaby, paid tribute for the C.C.F., stating Mr. Bryan had always pursued his points with the utmost vigor.

In B.C. Legislature

Debate Opens On Gas Issue

The British Columbia government's program to take additional power over the petroleum industry within the province was given the backing this morning of the Liberal caucus, and political observers interpreted this as indicating the measures will go through without any major changes.

There was evidence, however, of a drive from business interests to have the government at least delay the legislation until they have had the fullest opportunity to study it.

H. R. Cottingham, president, and W. E. Payne, secretary, of the Vancouver Board of Trade, were on their way here by boat to make representations to the government on the question. While the attitude of the board has not been publicly stated, it was reported they will urge a delay in the government's bill to take power to go into the oil industry.

Privately, members of the business men's delegation state they are not so much concerned with the bill taking control of the oil industry as the trend toward more government interference in business.

The government pushed ahead with its program, however. In reliable quarters it was stated that the government regards the proposed amendment to the Coal and Petroleum Products Control Act as its main bill. This gives the fuel board the authority to step in and operate the gasoline distribution system if the companies refuse to sell gasoline. The other bill gives permissive power to enter the oil industry if it is decided in the future that this should be necessary.

The Coal and Petroleum Act amendment is viewed as giving the government the authority to prevent such a happening as the gasoline "strike" which suspended deliveries to retail stations for seven days. Under the new bill the government could act, in a situation of this kind, by forcing the delivery of existing gasoline supplies in the province.

In the House the government faced strong opposition from the Conservative wing on the point of interference with business. R. L. Maitland, K.C., the Conservative leader, plans to follow Premier Pattullo in debate this afternoon to bring out this issue. The House is expected to adjourn until 6 and will sit again this evening.

(See page 2 for summary of bills.)

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By BRUCE

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Loose Ends

By BRUCE HUTCHISON

GHOST

THE GHOST OF OUR Legislature walked here yesterday, briefly. It was nothing more than that, a wan shadow of what, in happier times, has been flesh and blood and part of our daily lives. A dummy session (valued officially at \$200 per member, and that by special dispensation of the treasury), a gesture only, soon to be engulfed by events and forgotten.

And yet vaguely significant as a symptom of our times, as a part of the universal revolutionary process in which we all live now. For here, if you had the imagination to see it, was the central issue of our times, the issue of the war, the great overshadowing issue of the future. But few members sitting here, glum and spiritless in the off-season, could see the issue or realize that they were playing any part in it. That doesn't matter. The issue goes on and will long outlive this Legislature, which, in due time, will be swept away into limbo by forces too big for it, while proclaiming to the last moment that it is in control of them.

How complicated these forces, how incalculable, imponderable and unknown, is indicated here in the first moments of the session. The very legislation for which the session is called, the two bills governing the sale of gasoline, are so controversial, men's views on them differ so drastically, that they have been in process of chopping and changing up to a few hours before the House is called, and the final draft, the considered will of the government, the best compromise possible, does not arrive on the Premier's desk, by special messenger, until after the House is sitting, 15 minutes after it has opened.

GRIM STUFF

AND IN THE COURSE of Mr. Pattullo's impromptu remarks, which he sandwiches in between the words of a written statement, you find the only meat in this session. The government does not propose to use now the power to enter the gasoline business, has no intention of entering it, requires only a weapon to hold over the oil companies. But if the government finds oil in the Peace River (at which the Conservatives jeer) then it may need this power. This seems to mean, though the Premier's remarks are obscure and disjointed at this point, that if and when oil is discovered, the government itself will distribute it in competition with private companies. And thereby will hang a fierce controversy and consequences not yet dreamed of.

All this procedure of introduction is completed grimly, with a sense of duty but no sense of anticipation; none of the human emotions of controversy, none of the old-time delight in battle, none of the usual feeling that the work of the Legislature matters and that the eyes of the world are upon us. Everybody knows that the eyes of the world are elsewhere, that nobody is paying much attention to the Legislature, that the old days of glory here have departed, for a long time anyway.

Thus there are none of the regular trappings, no guard of honor, only a few morning suits. Even in the Speech from the Throne, the reference to Providence guiding our labors are omitted, as if this time the Legislature were going to take a chance on its own. One little touch of better times remains—the yellow primroses in the lapels of the little band of Conservatives, but their frail May scent is about all that is left of the Conservative Party's ancient grandeur in these parts. And looking back on the scenes we have known here, the pomp and pageantry, the splash of color, the glint of gold braid, the grand debate and high emotion, one can hardly suppress a tear.

MUST GO ON

STILL, THE BUSINESS must be done. The revolutionary process, of which gasoline is but a minor indication, must go on. And in it see how the records, the minds, the basic beliefs of all politicians are upheaved, confounded, and littered upon the sand!

For here in the treasury benches is a Liberal government, and the central thesis of Liberalism, as originally conceived, is to leave business alone, let competition take its course. Yet here is a Liberal government not only going to control business, but going into business, if it can strike oil in the Peace River. Here is a branch of the great Liberal Party of Canada which for years has fought against controls, regulations and interferences with the old principles of supply and demand. But that same federal Liberal Party, for reasons beyond its control, is now in the business of controlling the whole economy of Canada.

Across the aisle Mr. Maitland is no less in quandary, confusion and inconsistency, as every politician must be today. For his is the party which has stood in Canada always for high tariffs, for the self-contained economy, for building up the home market and shutting out external competition; and the inevitable result of that policy, now visible in every country, is government control, regulation, interference to rectify and balance up the inequilibrium of its own creating.

This is the party which, under Mr. Bennett, wanted to carry Canada into a New Deal of ever-widening government controls. This is the party which, under Dr. Manion, promised such miracles of economic reform, under government control, that our whole economic system would have to be remade under a central bureaucracy.

Yet it is Mr. Maitland who intends to make the issue of this session by denouncing the Pattullo government for interfering with business. Will make it the issue of the next election if he can, will built up an ugly picture of Mr. Pattullo trying to be a tinpot dictator in British Columbia; will appeal to the people on what he calls old-fashioned

economics (whatever they are) and against new-fangled economics, also a generic term beyond definition and beyond the power of chemistry to analyze.

There is the brooding C.C.F. Mr. Winch glowering and as restless as a firehorse waiting for the bell, and it wants to go in for complete socialism, but knows that the people of British Columbia will tolerate no such thing. It, too, is baffled.

Still further down the line is the white plume waving from the seething head of Dr. Telford, and what he wants, in Browning's phrase, only God and Dr. Telford know, and neither will reveal.

CHAOS

CONFUSION AND chaos in party politics. Party lines hopelessly entangled and snarled. Party cries shorn of all meaning. Party adherents adhering to they know not what, apart from their seats in this assembly. Parties in flux and change and dissolution—in process of crystallization into unknown forms and shapes and policies.

But blame them not, elector. They must be so if they are to reflect the changing conditions and issues of our time. They must be so if they are to reflect in democratic fashion the changing mind and will of the people. And in the course of democracy they must grapple thus with the central problem of our times, that basic question—who is to control the state, government or private initiative?

They must grapple with it gingerly, touching it here and

there and sheering quickly away, for it is too hot to touch long; advancing, retreating; raising cry of exultation over some minor point and ignoring the essential one; pretending to solve when it is only postponing; and so, by laborious and round-about march, gradually closing in on the thing.

Gasoline is only a small part of it, the decision now important only as it indicates a trend and the possibility of other greater decisions. This session is worth while only as a symptom.

Thursday, May 9, 1940.

Up to the Legislature

WHEN MR. MAITLAND SAYS THE bill which Premier Pattullo introduced in the Legislature yesterday afternoon threatens "government control of every major business in the country," he would appear to be ignoring the voice of his better judgment. Our understanding of the provisions of the measure is that the administration is seeking authority to do what may be necessary to deal, promptly and effectively, with an emergency such as that recently produced by the refusal of the oil companies of the province to sell gasoline to the public at prices set by the British Columbia Coal and Petroleum Products Control Board. There is nothing in the proposed legislation to give rise to the Conservative leader's alarm. As an able lawyer, thoroughly familiar with the provincial economic and political scene, he must know that the present administration is in no mood to add to difficulties which it, in common with other governments in Canada, is now faced and will be faced as a result of the war.

It is not necessary to repeat the whole history of the controversy and litigation between the government of this province and the oil companies. It should be recalled, however, that the procedure followed up to the time the cut in the price of gasoline went into effect was based on the findings of a commission which, reduced to simple terms, told the automobile owners and the general public of British Columbia they were paying too much for their gasoline. The authority to enforce a reduction of the price was taken in legislation which the motor fuel purveyors challenged in the courts. A temporary suspension of its operation was followed by a judgment of the Supreme Court of Canada which held the law under which this authority had been used to be within the competence of the Legislature of this province to enact. All are familiar with the circumstances of the deadlock which ensued and the terms under which gasoline again went on sale at a price slightly more than that stipulated by the Coal and Petroleum Products Control Board last year.

The legislation now being considered, therefore, is permissive in character and is designed to utilize the right to treat gasoline as a public utility which enters in many ways into the general economy of the province. If Mr. Maitland regards the bill sponsored by the Premier as the beginning of a system of socialization of all industry in British Columbia, he is laboring under a misapprehension, and he can be assured this newspaper would join him in his hostility to such an ambitious economic venture. Meanwhile, and both the government and the Conservative opposition are agreed on the point, full and dispassionate consideration should be given to this important piece of legislation.

Friday, May 10, 1940.

Gas Bills Endorsed

Special Session To End Today

The special session of the British Columbia Legislature dealing with the gasoline problem will be prorogued by tonight with the government's two control bills receiving endorsement.

This was indicated this morning as the House pushed ahead with second reading debate on the bill which will enable the government to force the distribution of gasoline if the companies refuse to maintain an adequate supply.

In a test vote on this measure this morning the House rejected 33 to 8 a Conservative motion for a six month's hoist. With the C.C.F. supporting the government against six Conservatives and two Liberals this was interpreted as meaning the bill will go through without major changes. The bill giving power to enter the gasoline business was endorsed last night.

This afternoon the House will put both government bills through committee stage.

Seven speakers contributed to the debate this morning with Conservative leader R. L. Maitland, K.C., pressing against government interference in business, and Hon. George S. Pearson, Minister of Labor, declaring Conservatives always rushed to the defence of the big interests.

One of the final acts of the session this afternoon will be introduction of a bill giving the members a \$200 indemnity each for attendance in place of the usual \$2,000 indemnity for a regular session.

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In B.C. Legislature

House Endorses Gas Sales Bill 4 Liberals in Opposition Vote

Despite a vigorous protest from Conservatives against interference in business and a revolt of four Liberal members, the B.C. government's bill giving permissive power to go into the gasoline business was endorsed late last night by the Legislature.

In a 32 to 10 vote, C.C.F. group supported the government on second reading of the measure. The Liberal recalcitrants who voted with the Conservatives were H. G. Perry, Fort George; Dr. J. J. Gillis, Yale; Louis LeBourdais, Cariboo; and E. C. Henniger, Grand Forks-Greenwood.

In a hectic six-hour debate, the government was accused on the one hand by R. L. Maitland, K.C., Conservative leader, of using business control legislation for political power, on the other by the C.C.F., that it was not going far enough; and finally was informed by Mr. Perry that its program was the antithesis of historic Liberal doctrine. Mr. Perry demanded a party convention to let the public know exactly where the Liberals stand on socialistic policies.

This uprising brought from Attorney-General Wismer, when he pushed ahead with the government's second bill which would force the distribution of gasoline if the oil companies refused, a flat denial of the allegations of socialistic intentions.

"This government doesn't want to go into business," the Attorney-General said. "That is not our policy, but we must have these measures to make effective the legislation controlling gasoline prices that we passed two years ago. Anyone who votes against them might just as well advocate repeal of the original price-fixing law and I'll defy anyone in the opposition to flaunt public opinion and do that."

Before the vote on second reading was taken, the government had defeated a Conservative move for a six months' hoist in the measure by a split of 33 to 9. This came on a motion of Dr. J. D. Hunter, Victoria, and would have effectively killed the measure if it had passed. Three Liberals joined the Conservatives in the attempt.

Pattullo

Early in the second reading debate Premier Pattullo made it clear the government has no immediate intention of going into the gasoline business so long as private distribution is carried on.

But, he added that if the government strikes oil in the Peace River it will automatically be in the gasoline business, although as yet no definite plans have been made for handling such a supply.

Exigencies of the situation required, he said, that the government have the authority in case the public's supply of gasoline were again threatened.

Answering Mr. Maitland's public statement criticizing government interference in business the Premier declared:

"I do not believe in control of business as a general rule. I am an individualist so long as the activity of individuals does not trespass on the interests of the public. When it does I favor control—in other words control in the public interest."

He said the government had no desire to do any injury to business interests.

But, he said, the oil companies had wanted to be outside the Supreme Court's decision on validity of the price control law and the government could not stand for that for a moment. Now that gasoline deliveries were resumed the government sought gas sale authority as an additional safeguard.

Maitland

Mr. Maitland opened his attack on the bill as an abrogation of the Bill of Rights. It gave the government power to spend unlimited sums going into the business without reference to the House, and was in effect taxation without representation.

The Conservative leader said he was concerned mostly with the trend in legislation which put additional powers over different business groups into the hands of the governing party.

"It means greater autocracy, greater dictatorships," he said. "These kind of laws put such powerful weapons into the governing party's control that they never can be put out. I can tell you now that B.C. towns feel the weight of this political machine more than any others in Canada."

"Our legislation has become so bad in this respect that many people are afraid to express opinions for fear the government will take steps affecting their livelihood."

B.C. needed industrial expansion to provide jobs, he said, but regulatory legislation would drive away the money that was required because business had to base its policy on a long range view and must know in advance what sort of treatment it could expect from the government.

"This mad dive for power by the government must be stopped," he said. "The trend toward bureaucracy is undermining the confidence of the people."

Mr. Maitland said there was a big difference between curbing abuses in business and giving the party in power a big stick.

He said the Combines Investigation Act provided all the necessary authority for dealing with the situation in the gasoline industry, and the government should have invoked it long ago if it was satisfied abuses existed.

"Can you give me evidence that will convict under any legislation now in existence in Canada?" asked Attorney-General Wismer.

"How have convictions been secured in all the combine trials that have been held?" retorted Mr. Maitland.

"Is my friend suggesting a criminal charge be laid against the oil companies? I have not done that," said the Attorney-General.

"Well, what was your application to Ottawa for a combine investigation—just bluff? That would lead to criminal charges, wouldn't it?" said Mr. Maitland.

"It might if the investigation first showed them warranted," replied Mr. Wismer.

Premier Pattullo said the Opposition Leader should not impute motives to the government.

Mr. Maitland insisted the government should have invoked the Combines Act long ago. The Macdonald report said the price of gasoline was too high, held up by a monopoly scheme, and the government's duty was clear.

The reason seemed to be that by allowing the situation to develop so it could bring in the present bill the Liberal Party could get more political control, and it was probably looking for an increased gas tax.

Mr. Maitland detailed various recent acts of the Legislature which, he said, gave the governing party this type of power and insisted the time had come for protection of the public.

"How far is this thirst for power going to go?" he asked. "Next thing we know we'll have the C.C.F. system, where the executive decides everything."

Wismer

Attorney-General Wismer replied to Mr. Wismer, flatly denying that the gas sale bill meant any interference in business.

"There is no power in it to encroach on anyone's business in this bill," he said. "It simply allows the government to go into the oil business in competition with the existing companies. Any money spent under it would naturally have to be voted in estimates so the House retains control."

Mr. Wismer said that when the Macdonald report was brought down there was a unanimous demand for government action. The Conservative leader now suggested that the government should have adopted the ineffectual course of a combines investigation, which, at most, could only lead to criminal charges and not remedy the situation.

Mr. Maitland was changing his tune, he said, for back in 1936 he had urged the government to set up a public utilities commission to deal with gasoline.

"Yes, but not the kind of a bill you brought in," retorted Mr. Maitland.

The Attorney-General said the coal and petroleum board had consistently showed its intention to treat fairly with the industry and consider all arguments; but before the gas strike the companies would not go to the board. They shut off the supply and the gov-

ernment had no way of knowing when it would be resumed.

"We did the only thing we could do," he said. "We called the house to submit legislation that would make it impossible for this to happen again. Until we pass a measure such as this the government could not get five cents worth of gasoline to distribute to the people."

Mr. Wismer said he was not criticizing the ethics of the oil business. He realized they were fighting to protect their interests; but the government had had only two alternatives: either to beg for gas at any price or to stand firm.

"The Premier will go down in our history as one of the most courageous men we have known because he stood firm," said the Attorney-General.

He continued that the government had several years ago passed legislation which outlawed strikes by labor men until they had gone through processes of conciliation and arbitration.

"Are we going to have one law for labor and another for corporations? I say not," he said.

Mr. Maitland insisted the companies had broken no provincial law, and Mr. Wismer agreed, although he said it was alleged they had acted contrary to the Combines Act. The government, said the Attorney-General, was not anxious to put anyone in jail, and was chiefly concerned with getting a supply of gasoline for the public.

"We have no intention of going into business in competition with the oil companies unless they refuse to supply the people with what is a vital commodity," he declared.

Questioned by E. V. Finland, Conservative, Esquimalt, as to where the government would get gasoline if it went into the business, Mr. Wismer said he did not think the oil companies doing business in B.C. had a monopoly on the world's supply. He was sure gasoline could be purchased for cash in some markets.

H. Winch

Harold Winch, C.C.F. leader, declared his party in favor of immediate socialization of the gasoline business.

He said the companies argued that under the reduced prices they would not get a fair return, but that was on their present financial structure. The Macdonald report showed their structure was top-heavy and this was where the remedy was needed. Imperial Oil, he said, was making 40.7 per cent on its actual investment, although its statements showed only 5 per cent on market valuation of its stock.

The oil companies claimed to have steadily reduced gasoline prices, he said. Actually they had passed on to the public only a portion of the savings they had made through improved production methods. He claimed the companies, owning the tankers, collected what revenue they

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liked for carrying crude oil and charged it on to the ultimate gas prices.

Even at the present prices the people were still being overcharged and "legally robbed," he said.

During the gas strike, he declared, a Cranbrook firm imported gas from Alberta, took a six-cent retailer's spread and was still able to sell at 30 cents, which was two cents below the board's fixed price.

"That's one of the reasons we think gasoline should be brought under complete government control and ownership," he said.

He cited the Macdonald report that the retail distribution system was much too cumbersome, with too many stations, and declared the company's station leases were the "most vicious and damnable documents I've ever seen." They put the dealers completely in the power of the companies, he said.

Mr. Winch called the government's bill an "intimidation measure," and urged that it be made mandatory instead of permissive.

"A lot of people are saying it is just a weapon for the Liberal party to get campaign funds from the oil companies," he said "I'm not imputing that motive but people are saying it."

Mr. Winch figured a fair price on which to take over the gasoline business would be about \$6,000,000. Total investment, he said, was \$14,500,000 but the companies had a depreciation reserve of \$6,000,000 against this. In addition it was estimated the companies had overcharged the public \$2,300,000 since the first gas order was made, all of which should be deducted from the purchase price.

The government's plan to compete with the oil companies was futile, he said, because it simply meant adding one more gas company to the present uneconomic situation. He said the government should take complete control and could get gas from Mexico if it wanted.

Perry

H. G. Perry, Liberal, Fort George, came out with a slashing attack on the bill just before supper time.

"I don't like this legislation, gentlemen," he said. "I've been a Liberal all my life and this is against everything I've stood for."

"In the federal election I helped to defeat a C.C.F. candidate in our district by proving to the people Socialism would not work. Now I've got to go back, if I vote for this bill, and prove to them that it can work under Mr. Pattullo."

"If I support this bill, as a man of honor I'll have to go across the House and take a seat with the C.C.F., for at least they are sincere in their socialistic plans."

Mr. Perry said the government should start its socialistic program on things like sugar, butter, milk, meat and other things that were even more vital than gasoline.

"We're going to have Fascism in B.C. the first thing you know," he said. "I note the C.C.F. are talking as if they will probably support the bill, but they are making a mistake, just as the radicals in Russia did at first."

He said if the government was going into business it should start on profitable businesses rather than go into a gasoline industry at a time when the private companies found it unprofitable.

"This is the kind of Socialism the capitalists like—where the

government steps in and picks up things that are not profitable, like the P.G.E. and the C.N.R. The people are left holding the sack," he said.

Mr. Perry finished by saying that if the new Liberalism of B.C. was to be found in such a program it was high time a convention was called so the party could restate its policy to the public.

"I am saying these things more in anguish and sorrow than in temper or passion," he concluded.

Hunter

Dr. J. D. Hunter, Victoria Conservative, declared the issue at stake went further than the simple solution of the gasoline problem. It was the great question whether the government was to keep unsettling business with more and more interference.

"This government," he said, is leaning more and more to the left, year by year, destroying the principles, upsetting the tenets of democracy, freedom and liberty—attempting, perhaps unwittingly, to upset the very ideals which the British Empire is fighting in Europe to maintain.

"Must this government when it is being closely shown the evils of dictatorship, the evils of Hitlerism and the disaster of undemocratic methods in other parts of the world, try to abrogate to itself these autocratic powers?"

The Premier objected to the imputation the government was using Hitlerian methods, and told the member to curb his language.

The first vote was then taken on Dr. Hunter's move for a six months' hold.

There was a brief exchange of argument after the motion was defeated when the Premier said the vote technically closed the debate, but he raised no objection to Mayor Telford going ahead.

Telford

The Vancouver mayor urged social ownership of the gasoline business, but would not trust the present government to handle it.

He also demanded the right for Vancouver under its charter to go into the business in case of another strike.

Mayor Telford went exhaustively into figures on the financial set up of the oil companies and their costs of production. He said they had fought very hard to maintain what they said was an unprofitable business.

He said the government's whole program on gasoline was a "heads the government wins, tails the people lost proposition." When it got the power to fix prices it hoped to raise the gas tax and have a road potlatch.

He objected to Vancouver being made the main battle ground in the oil dispute and complained that the city had not been called into consultation in dealing with the problem.

Politicians in charge of things had little business sense or they would have fought, struggled, co-operated or done anything to see that gas was available to the public.

The companies, he said, called the government's bluff and the government had no plan laid down to meet the contingency.

Mayor Telford said that so long as the competitive system was to remain it should not be cramped by regulation. But, in gasoline, a co-operative agency

could be organized to act as a yardstick on prices.

Liberals Attack

Recalcitrant Liberals followed Dr. Telford, stating their opposition to the measure.

Dr. J. J. Gillis, Yale, said he was surprised the government would sponsor such a bill. The Attorney-General's explanation was unsatisfactory, he said, really an apology. He said the less government intervention there was in business the better for all concerned and on this line

he attacked marketing control as an illustration.

Louis LeBourdais, Cariboo, said he was sorry to oppose the government but the people of his riding felt that way, and he was carrying out their instructions. He said when the government went into the liquor business prices went up and the same might be expected in gasoline.

Loose Ends

By BRUCE HUTCHISON

GRISLY SHAPE

YOU COULD SEE a grisly shadow athwart the Legislature yesterday. It was the grinning shadow of the next provincial election, coming closer every day, now scarce 12 months distant. You could hear its hollow footsteps approaching in every speech. You could get whiffs of it on the breeze.

All parties were preparing for it, taking their stand, digging in, putting themselves on record. Thus the gasoline debate became quickly a battle of giants, a high argument of principle, an historic occasion. Everybody seemed to feel the importance of it, to feel the hand of history heavy on his shoulder, as if we were about to usher in the revolution by statue, over night.

Only the Premier took it in his stride, as part of the day's work. He has given up oration altogether, which is a pity, for he used to do it so well in opposition. Now he talks as if this historic occasion were only an argument among friends, proclaims himself an "individualist" (which no one will ever deny), but is prepared to exercise government control over business wherever it is essential.

It is all quite simple to him and he seems to wonder at all the fuss; all part of the day's work. Perhaps he does not realize that he hangs, like every democratic ruler in the world, on the horns of history's greatest dilemma.

He is trying, unconsciously or not, to build a new order while carrying on the old, to reconstruct the house while still living in it—and with no clear idea what he is building, with no definite plan, with no notion of the materials he has at hand, with no idea what the family wants. He is in the same position as every other democratic politician and the gasoline business is only one tiny phase of his problem.

KING CHARLES' HEAD

MR. MAITLAND, however, is not taking it as part of the day's work. He sees in this gasoline legislation his main chance. He sees the shape of the next election before him and he leans out to grasp it. He finds at last what he believes to be an issue where there has never been any of importance between him and this government.

Mr. Maitland's speech is good, spectacular, well prepared and cogently argued. He takes a high ground and stands by the ancient authorities, by ancient freedom, by principles for which our ancestors died. His speech is littered with English history, with Cromwell, King Charles' head and William and Mary. In brief, he is against giving the government more power, building up a servile state, a kind of British Columbia totalitarianism, a political machine which by intimidation of citizens, can keep itself in office forever.

It is a fine speech, a complete repudiation of the Bennett government and its New Deal, which he supported, at utter variance with the policy of his party in federal poli-

tics and so was the marketing beginning—control business.

That is right to change to break takes, to do is essential subsidies, business. It is mixed up in governmenting on and what seem

HUMAN

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LIBERAL

MR. PERRY at the

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tics and sounds strange from the man who was the original architect and advocate of marketing control legislation which was the beginning of all our present efforts to control business.

That is no matter. Mr. Maitland has the right to change his mind. He has the courage to break with past policies and old mistakes, to differ with his federal party, which is essentially the party of controls, bonuses, subsidies, tariffs and interference with business. It is no matter because all parties are mixed up in their thinking and all parties and governments, including this one, are not acting on any definite theory but doing only what seems to be a good idea at the time.

HUMAN BEINGS

MR. WISMER appears as the government's champion and does his usual competent rough-hewn job—very logical, very emphatic and very human. He is not much interested in history or theory, this very human person. He does what seems to be a good idea at the time and as gasoline prices must be reduced his idea is to reduce them and not worry about King Charles' head or the approaching revolution.

For Mr. Wismer everything is going to turn out all right in the end. Life isn't a battle as it is for Mr. Pattullo, nor an argument as it is for Mr. Maitland, nor a fine frenzy as it is for Mr. Winch. Life for Mr. Wismer is a lark and he goes through it whistling, and though he may have to pause for an unpleasant interruption like this gasoline business, he will stroll on again tomorrow, whistling as ever, admiring the scenery, smelling the flowers and gambolling on the green with the other ever-boyish spirits of the time.

Mr. Winch makes easily the best speech of the day for the reason that he knows exactly what he is talking about. He has facts. He has studied with midnight oil until he is tired and gaunt and burning up with a fever of knowledge. Too much fact by far, one of his worse faults, until the mind reels and his point is overlaid with a pale cast of thought. But one point is clear. He believes the price of gasoline is still far too high and he would socialize the business, eliminate many of the distributors and maintain them otherwise by means not clear. The same with other business, all business; and when asked whether he would compensate the owners he dodges the answer by proclaiming the large proposition that the C.C.F. will do what has to be done by the best means when the time comes. Which, says Mr. Maitland, means nothing. But shows that Mr. Winch is acquiring the sure technique of a party leader.

LIBERAL

MR. PERRY, AS USUAL, steals the picture at the last minute. Without warning,

this unreconstructed little rebel from the north leaps to his feet to oppose his own government. It is an old role with him. Mr. Perry's whole career is strewn with the bones of his many fights with his own party which is always interesting but doesn't get a man into a cabinet.

Mr. Perry proclaims himself a Liberal. He is one of the few men in this House who knows what that means. In fact, Mr. Perry announces that he is the only Liberal in his party, which, by his definition, is probably true. As a Liberal he is opposed to government in business, opposed to interference with the individual, and believes that capitalism is the best system for society. And he is perfectly consistent in his argument that if the government is going into the gasoline business it should certainly go into the milk business, the sugar business, the baking business, for they are more important to the people.

Working himself up into a very ecstasy of Manchester Liberalism, with the ghost of Gladstone at his elbow, Mr. Perry announces that if he were to vote for the government's gasoline bill he would have to join the C.C.F. in common honesty. If this is to be the government's idea of Liberalism, he cries, let us have a party convention and redefine our policy so we know where we stand.

It is a fine effort, but Mr. Perry is too wise, too well-informed to have any real illusions, to feel any real surprise. He knows that the battle has gone steadily against him for a generation or more, that everywhere nations are following the present general line of the Pattullo government, by a universal urge and necessity and he cries out in agony and in warning to the C.C.F. that we are not moving into socialism, but into Fascism, the corporative state on Italian lines. A warning which few men here have the necessary knowledge to understand.

The evening session developed a minor Liberal revolt when four Liberals, Messrs. Perry, Gillis, Lebourdais and Henniger announced their opposition to the bill and to their own government—four lonely souls who adhere to historic Liberalism even if it has long been dead in these parts. It was no use, of course, except for the purpose of record and conscience. The government's legislation survived a motion to reject it and carried over the sole opposition of the Conservatives.

But not before Dr. Telford had made a lengthy and elaborate speech which revealed him as a believer in government ownership but not ownership by this government; revealed him also in a new geniality, all his old bitterness gone—for all the world like an elderly white-haired cupid, full of jolly mischief.

Dr. Gillis opposed the legislation because he is opposed to it, Mr. Lebourdais because his constituents are opposed to it, and Mr. Cameron wound up a hard day by warning of the revolution ahead of us in a fashion to make your flesh creep.

In B.C. Legislature

Government Given New Gas Control Power

The British Columbia government today has the power to go into the gasoline business and authority to seize and operate existing oil companies if they do not supply the public with adequate amounts of gasoline.

The government's dual program of control over the oil industry, demanded to prevent a repetition of last week's gasoline "strike," was granted in toto by the Legislature and became law on the assent of Lieutenant-Governor E. W. Hamber when he prorogued the special session of the House at 5 yesterday afternoon.

Not a single comma in the two measures presented by the government was changed when they were put through third reading.

Conservatives registered their final protest against interference in business and R. L. Maitland, K.C., their leader, secured an admission from the government that the Petroleum Sales Act gave them unlimited powers of spending and borrowing for the purpose of going into the business.

Repeated assurances were given by the government, however, that it hopes never to have to use the law, but must have the power if there is any repetition of the gas strike.

Harold Winch, C.C.F. leader, wanted the government to take power to control oil company contracts with their retail stations, but Attorney-General Wismer said he doubted the extent of the Legislature's authority in such a matter.

Final act of the House was to put through a bill voting each member \$200, plus traveling allowances, for their attendance at the special session. This replaced the ordinary \$2,000 sessional indemnity.

The Opposition leader was granted an extra \$200, the Speaker the same and the deputy Speaker \$100.

Harold Winch protested that the \$200 was too much and suggested a daily allowance at a smaller figure, but he got no support after the government told him he need not take the \$200 if he did not want it.

Passage of this bill made the cost of the special session about \$20,000. The indemnities total approximately \$10,000, mileage allowances \$6,500 and the rest is in the cost of sessional staffs.

Procedure Approved.

BRITISH COLUMBIA'S STATUTE BOOKS now include legislation which will enable the government to go into the business of selling gasoline and do all that is necessary to protect the public interest in the event of an emergency such as that which seriously inconvenienced motor fuel users recently. But at the beginning of the debate on the second reading of the authorizing bill Premier Pattullo made it abundantly clear that the machinery to be placed in the administration's hands would operate only if private distribution of this important commodity should, for any preventable reason whatsoever, be discontinued. Because the government has enough important business on its hands already, enough to do to run the normal affairs of the people of British Columbia efficiently—and it is doing as well as other governments and better than most—it is to be hoped it will have no cause to invoke the authority conferred upon it by the newly-enacted "Petroleum Sales Act."

Mr. Pattullo hopes British Columbia will strike its own oil in this province's section of the Peace River district. The reports he has received to date encourage him to predict—with, of course, natural reservations—that a new and greater Turner Valley quite conceivably may be in the making. If the course of events should confirm his optimistic belief, his government will wake up some fine morning and find itself automatically in the oil business, and the Premier will be able to wear a very broad smile, confer with his colleagues and decide what shall be done. In the meantime, however, the representatives of the people of British Columbia have the satisfaction of knowing that they have conformed to the uses of democratic procedure. They have discussed and settled a matter of vital concern to the public. The government's course, insisting the law of the land be rigidly observed, has been approved.

M A Y

1940

Thursday, May 9, 1940.

CLOSER CONTROL OF GASOLINE INDUSTRY AIM OF TWO BILLS

Measures Introduced at Opening of Special Session
Of B.C. Legislature Would Confer Leave to
Set Up Provincial Trading Corporation and
Block Refusal to Supply the Public

UNFOLDING the purpose of the special session, opened at 3 p.m. yesterday by Hon. E. W. Hamber, the British Columbia Government laid two message bills before the Nineteenth Legislature dealing with gasoline. Premier Pattullo introduced the proposed draft of a "Petroleum Sales Act," which would authorize the Province to set up at discretion a trading corporation to go into the business of handling gasoline.

Attorney-General Wismer introduced amendments to the Coal and Petroleum Products Control Board Act giving right of entry into existing gasoline businesses to insure continuation of trading at the fixed price level from available supplies within the province. The Petroleum Sales Act was introduced as a proclamation measure, subject to action by the Lieutenant-Governor in Council.

The House met, went through brief opening ceremonies, and adjourned until 2:30 p.m. today, with assurance from the Government side that debate on the gasoline bills would be thorough. First reading followed for both measures, and for an initial bill to extend the life of the Mortgagees' Purchasers Relief Act, which otherwise would have expired thirty days after the close of this session.

The Speech from the Throne, the preamble to the main gasoline bill, and a brief introductory statement by Premier Pattullo all revolved around the gasoline dispute, in a temporary lull before threatened resumption of litigation. The Speech from the Throne said:

SPEECH FROM THRONE

"Mr. Speaker and members of the Legislative Assembly:

"You have been called together in special session consequent upon a serious situation which arose respecting the sale and distribution of gasoline and petroleum products in our Province.

"With the approval of my Government, the board, appointed under the Coal and Petroleum Products Control Board Act established prices above which gasoline should not be sold. The oil companies, in protest, referred the matter to the courts. The validity of the above act, however, was recently upheld by the Supreme Court of Canada.

"The order of the board, therefore, automatically came into effect.

"The companies thereupon refused to sell gasoline to certain sections of the community, supplying only what the companies, in their own judgment, designated as essential services.

"This situation was prejudicial to the public interest and my Government will submit to you measures which it is hoped may meet the situation in future, and will ensure that a repetition of such a condition of affairs will not recur.

"I feel sure that you will give your most careful thought and consideration to such measures as may be submitted to you."

"PUBLIC UTILITY"

The preamble to the proposed Gasoline Sales Act set out the passage of the Coal and Petroleum Products Control Board Act at the 1937 session, and recited the history of the litigation which followed the attempt of the controlling board to fix a retail price for gasoline sales in British Columbia. Amplifying this, Premier Pattullo declared on the floor of the House that gasoline was "a public utility," and that the Government proposed to ask leave to treat it as such.

Discussion on the bills was withheld until today, when the main debate will open on their second readings.

Amendments to the Coal and Petroleum Products Control Board Act would add one section, of which the main purport is stated, in part, as follows:

RIGHT OF ENTRY

"In the event of the persons engaged in the petroleum industry in the Province at any time refusing or failing to supply an adequate quantity of any petroleum product to the public at the price fixed by the board for that product and, as often as such refusal or failure occurs, the board may, with the approval of the Lieutenant-Governor in Council, forcibly or otherwise enter upon, seize, and take possession of the whole or any part of the movable or immovable property of any person engaged in the petroleum industry in the Province, together with the books, documents, offices and facilities of such person, and may, so long as the board, with the approval of the Lieutenant-Governor in Council, thinks it necessary or advisable, continue the management of such movable and immovable property . . ."

As explained by Attorney-General Wismer, this section when extended would confer on the Province the right of entry into distributing and service stations to continue the sale of gasoline, charging the costs of such entry back on the companies, it so desired, so that the flow of gasoline could not be shut off as long as supplies were available within the Province.

B.C. TRADING CORPORATION

The essence of the main bill, the Gasoline Sales Act, consists in wide general powers by the Lieutenant-Governor in Council to set up a trading corporation with provincial funds, financed on a fifty-year bond issue if need be, to acquire all the appurtenances of gasoline refining,

storage, distribution and sale in the right of the Province, and to carry on the business with the backing of the Provincial Treasury.

Neither bill would restrict the right of importation or exportation of gasoline.

Breaking its attention to gasoline in a brief interlude, the House stood in silent tribute to the memory of the late John Melvin Bryan, former Liberal member for Mackenzie, who died suddenly at his North Vancouver home this week. Sincere condolences were expressed to his widow and family, and a handsome floral wreath was laid on the member's seat during the sitting. Premier Pattullo, R. L. Maitland, K.C., and E. E. Winch joined in expressing the regret of the House at Mr. Bryan's passing.

DEBATE OPENS TODAY

Forty-four of the forty-eight members attended; and will be on hand today for the opening debate on the gasoline measures. By consent, customary debate on the Address in Reply to the Speech from the Throne was waived, and His Honor was thanked with an Address in Reply inside of four minutes, a record for the Nineteenth Legislature of British Columbia. Prayers were read at the opening sitting by Rev. G. A. Reynolds.

The House adjourned at 3:47 p.m., until 2:30 p.m. today.

Friday, May 10, 1940.

Gasoline Control Bills Draw Fire Of Conservatives

Premier Says Legislation Would Be Required If Province Finds Oil in Peace River—H. G. Perry Joins Attack on Socialization of Industry—R. L. Maitland Sees Added Bureaucracy

B RITISH Columbia will be actively in the oil business if the Province finds oil in the well now being bored in the Peace River district, Premier Pattullo told the Nineteenth Legislature yesterday. Under sharp verbal challenges, the Administration pressed special gasoline-control legislation forward in debate before second reading in two consecutive sittings lasting until late at night, before adjournment until today.

It was a day of tension, with blistering attacks from Conservative benches, the open revolt of one of the senior Liberals in the House, and calls from the C.C.F. on the Administration to go further and take outright ownership of the gasoline industry within the province.

PREMIER EXPLAINS BILL

Premier Pattullo explained the proposed Gasoline Sales Act as a bill "to authorize the Government to go into the business of the sale of petroleum products." With drilling proceeding at Commotion Creek, the measure would have had to come anyway, he declared. The Government was very hopeful of finding oil in the Peace River.

"It is a proclamation measure. It is not the intention of the Government to injure any business; but it does mean that if we strike oil in the upper country we can go into the business ourselves. This Government, acting on behalf of the people, has seen fit to take a certain course of action on the part of the people. It is democracy, and not bureaucracy as my honorable friends opposite suggest. I hope it will be the end of this type of legislation, but I am not so sure that it will because there may arise other combinations that will flout the law of the land," Premier Pattullo declared.

"We are taking authority for the Government itself to go into the business, and that in itself will be a safeguard. I move second reading of the bill," Premier Pattullo concluded, opening the main debate on both measures, including the bill to give the Fuel Control Board wider powers over gasoline distribution with right of entry in cases of refusal or failure to trade.

MAITLAND ATTACKS

R. L. Maitland, K.C., official Leader of the Opposition, responded with an hour's speech. He said, in part: "This bill is a sad blow to any person who had intended to invest money in British Columbia. We find here a new power given to the Government, a power to go into business, buy and sell refineries, distributing plants, to take over drilling operations, shares, incorporate companies, and to spend the money for all these things without reference to the Legislature.

"This Cabinet can spend \$20,000,000 if they like, without a single reference to the members elected to represent the people of British Columbia. The Bill of Rights can go by the board. The covenant given by William and Mary to consult Parliament before the expenditure

of any money is forgotten. The safeguard extracted by the commoners in days gone by are laughed at by this piece of legislation. This is really taxation without representation; the very thing that King Charles tried to do when he defied the Bill of Rights. This is another move towards that bureaucracy which has given control to a set of men instead of Parliament in this Province.

PARLIAMENTARY CONTROL

"The safeguards that were set up putting the control of the expenditures of large sums of money under Parliament instead of a group or a Cabinet were set up for a specific purpose. That purpose was for protection against possible graft or corruption," Mr. Maitland continued.

"This bill permits a Cabinet made up of the members of a political party in power to make contracts and deals and arrangements involving the expenditure of millions; to buy and sell and manipulate companies, and to make any kind of a contract they want with any interest or any individual without the permission of the Legislature, and without requiring ratification by the Legislature.

"There has been obvious and apparent for the last seven years a continuous reaching out by the Government for power, and more power; a continued effort to get control of everything that would be useful and helpful to a political party in this province, a system whereby the party that happens to be in power is given enormous advantage and control such as our system never intended any political party should have.

UNDER THUMB OF LIBERALS

Commissions, boards, civil servants and the public are all put more and more under the thumb of the Cabinet of the political party that is in power. Everything seems to be referred to the Cabinet. All power in this province seems to belong to those members of the political party in power. Control by them seems to be the main objective that the Government has been striving for in all of the legislation they have brought in during the last few years," Mr. Maitland declared.

"On goes the march and the trend which gives this enormous control. The climax is reached in these two bills, which are the same. One gives power to borrow millions without reference to the House. The other gives the power of confiscation. No bigger blow could be struck at the principles of democracy. This bu-

reaucracy is killing all business in British Columbia," Mr. Maitland declared. Investigation under the Combines Investigation Act could have been used if the Government thought that unfair practices were being used, he said in conclusion.

ANSWERS CRITICISM

Attorney-General Wismer spoke briefly. The Government, he said, could not spend \$20,000,000 without putting it before the House. Investigation under the Combines Act would not have met the situation at the time there was an unanimous demand from the House for action as a result of the Macdonald fuel report. The fuel board was not "a creature of the Government," and there was a right of appeal from decisions of the board to the Government. The Province had won its case in the Supreme Court of Canada, and could not intervene to hold up what was already law.

The oil companies, continued the Attorney-General, had declined at one period to abide by the court ruling, and had refused to sell gasoline to the people of the province. With a situation developing which bordered on chaos, the Government had had to act. Present legislation was being offered to prevent a repetition of the same impasse.

"There was only one thing to do, to bring in legislation to see that it could not happen again. So we called this session. Until we pass this legislation the Government has no power to go into the gasoline

business, not even to the extent of a five-cent piece. It was the oil companies who would not settle. They refused at one time to come in under the existing statute," Mr. Wismer declared.

LIKE BUNCH OF BOYS

R. W. Bruhn—I think you both acted like a bunch of schoolboys.

Mr. Wismer—I am not attacking the gasoline companies. I merely say that they took the stand that they would not sell. The Government had nothing left but to say that we would stand firm. The Premier will go down in history as the most courageous Premier this province ever had.

Resuming, Mr. Wismer said the Province had no intention whatever of going into the gasoline business "unless the companies refuse to supply the gasoline that British Columbia needs."

E. V. Finland—If the companies refuse, will the Attorney-General say where the Government proposes to get gasoline?

Mr. Wismer—We have not come to that pass yet. I do not know where we would get the oil. But there is not a world monopoly. There must be some gasoline somewhere. Both measures are precautionary, to insure against a repetition of what happened last week.

C.C.F. LEADER SPEAKS

Harold E. Winch, C.C.F. leader in the House, joined the debate. He said he very much regretted the statement by the Attorney-General that the Government did not intend to enter the gasoline business. He had not said so, Mr. Wismer declared.

Premier Pattullo—We are drilling for oil now. If we get the oil we will certainly be in the gasoline business.

Mr. H. E. Winch resumed, with a review of the Macdonald report, in which he quoted excerpts dealing with the capital structure of the oil companies as reported by Commissioner M. A. Macdonald. The companies, he declared, had spoken of ruinous losses if the former price order were continued, but the report had read very differently. Profits

exceeding 47.7 per cent on actual capital invested were referred to in the Macdonald report. Production methods had greatly improved, and real costs lowered only a portion of the benefit being passed on to the consumer, he contended.

During the dispute, Mr. Winch continued, Alberta gasoline had retailed at Cranbrook for 32 cents, compared with the Government price order of 32 cents. The laid-down cost had been 24 cents, including the 7-cent tax, and sales tax, with a spread of 6 cents to the retailer. Mr. Winch declared unfair contracts had been written with service station operators, and urged the Government to inquire into contracts in general.

SHOULD GO FURTHER

In the issue of control or ownership, the C.C.F. believed the Province should go further and take over the complete ownership of the industry within the province, eliminate duplication, and pay for these assets whatever was fair in the interests of the people. The C.C.F. believed that excess profits and unused reserves had already extinguished any sum that would need to be paid in compensation for such entry. Gasoline, he said, could be secured from Mexico, if other sources failed. If his party came to power this would be done, he said, in conclusion.

H. G. Perry, senior Liberal member for Fort George, provided one of the sensations of the day, when he declared flatly he could not vote for the Gasoline Sales Bill without crossing the floor to join the ranks of the Socialist section of the Opposition. He had just returned from a campaign in which he helped to secure the election of a Liberal by proving that Socialism would not work.

INDUSTRIAL SOCIALIZATION

"There is a fundamental principle involved," continued Mr. Perry. "As I interpret this legislation it is the socialization of industry; the very thing that has been sought, not by the Government, but by the Communist party, which is certain of where it is going. One bill refers to the 'power to seize,' and the other 'power to take and acquire by lease or otherwise.' What does that mean? I must say that I don't like this legislation. It is contrary to all I accept, and admire.

"We are not dealing with oil in the Peace River, but with the socialization of the petroleum industry. If I support this bill, I must ask in honor that you will give me a seat over there. If we are to socialize petroleum, why not butter, sugar, and everything else? You are going to have Fascism in British Columbia if this sort of thing goes on.

"It is said that we will not go into the business unless we get oil. That is a gamble. The Government, in other words, is gambling," Mr. Perry declared.

"So far as I am concerned, if you socialize industry, you must go the whole hog. British Columbia voted to socialize the P.G.E., but only when it was unprofitable. It would be the same with the oil industry. They would give it to us when it no longer paid. I have been proud of my Liberal ancestors, and sometimes their radicalism. I know where I am going. I am a Liberal still, and I am not betraying Liberalism when I vote against this bill. I say that if this is the 'new Liberalism,' then we ought to have a convention to discuss the socialization of everything."

Dr. J. D. Hunter adjourned debate as the House rose for a brief recess, before resuming at 8:30 p.m.

DIVISION CALLED

Resuming after the Dr. J. D. Hunter first division of the line Sales Bill, which killed the measure. his amendment, sec Bruhn, Dr. Hunter receipt of telegrams trade throughout the testing against the r

"It seems to me the present situation the retailer is the m squeezed without th comeback. Why shou to take a cut of 20 wealthy corporation money? The most ur of the affair is the strike need not have the public need not in the position of the rap. If there h ance for appeals to t the orders of the boe have been no gas Columbia."

Dr. Hunter offered the motion for a six- the suggestion of Mr regardless of a vote ment, debate would b bill. Mr. Bruhn dec draw, and spoke to t urging the Govern draw the gasoline and bring it up at t session, after member lie had had more weigh what was inv

AT CROSS

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The amendment as month hold on the Bill was put and decl servatives called for House divided 33 to voting with the Admi three Liberals joining in favor of the hois have killed the meas

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Mayor Telford cor Vancouver City was

Resuming after the supper recess, Dr. J. D. Hunter precipitated the first division of the session by moving a six-month hoist to the Gasoline Sales Bill, which would have killed the measure. Before putting his amendment, seconded by R. W. Bruhn, Dr. Hunter said he was in receipt of telegrams from boards of trade throughout the province protesting against the measure.

"It seems to me that so far as the present situation is concerned, the retailer is the man who is being squeezed without the chance of a comeback. Why should he be forced to take a cut of 20 per cent so that wealthy corporations make more money? The most unfortunate angle of the affair is that the gasoline strike need not have occurred, and the public need not have been put in the position of having to take the rap. If there had been allowance for appeals to the court against the orders of the board, there would have been no gas war in British Columbia."

Dr. Hunter offered to withdraw the motion for a six-month hoist on the suggestion of Mr. Speaker that, regardless of a vote on the amendment, debate would be ended on the bill. Mr. Bruhn declined to withdraw, and spoke to the amendment; urging the Government to withdraw the gasoline legislation now and bring it up at the regular Fall session, after members and the public had had more opportunity to weigh what was involved.

AT CROSSROADS

"We are at the cross roads of our political life in British Columbia. The Premier may say the Government has no intention of using these powers, but the bills are here before us. The main bill is the most vicious one that I have ever heard of, and I question whether there is anything like it in any other country in the world. I would urge the Government to withdraw the bill, and bring it up at the next session," Mr. Bruhn said.

The amendment asking for a six-month hoist on the Gasoline Sales Bill was put and declared lost. Conservatives called for a division. The House divided 33 to 9, the C.C.F. voting with the Administration; and three Liberals joining Conservatives in favor of the hoist which would have killed the measure.

SPLIT ON DIVISION

H. G. Perry (Lib., Fort George); Louis Lebourdais (Lib., Cariboo); and Ezra Henniger (Lib., Grand Forks) stood up with six Conservatives present in the House when the division bell rang. The hoist was declared defeated, and by indulgence of the House debate was allowed to continue on both bills.

Dr. Lyle Telford, Mayor of Vancouver, began an hour's address in which he reviewed the gasoline dispute as he had seen it, and described efforts to secure an independent supply of motor fuel while the trouble was on.

"It is time for direct control of the gasoline industry, but that control will be no good if it is only partial," Mayor Telford declared. "The impression has gone out that the Government is taking extensive powers, and I warn you now that tremendous pressure can be brought to bear on the Province. British Columbia may yet find itself in the same position as was Alberta. If this move is economic fallacy, legalizing it will not correct it. About all that the Government could do would be to see that there is a regular supply, and at a reasonable standard."

Mayor Telford complained that Vancouver City was refused a char-

ter amendment to grant leave to set up consumer-co-operatives under municipal control. If the Government took over gasoline properties it would be taking taxation away from the cities and leaving nothing in its place. Similarly, the Province itself would go without the gas tax. The Province could get gasoline, if it desired, from independent operators in California, but the bill would be no real solution of the difficulty. It might yet be that gasoline became a Government monopoly, and that the price to the public would again go up.

Investments by oil companies, with all their appurtenances, in Vancouver amounted to some \$140,000,000, paying taxes to some extent at the present time, though comparatively less than some other lines of business. If the Government proceeded with the measure, Vancouver City should be given leave to go into the business also, at least to the extent of insuring storage of emergency supplies, Dr. Telford concluded.

OPPOSE MEASURE

Dr. J. J. Gillis made the fourth Liberal to stand in opposition to the bill. Speaking briefly, Dr. Gillis said he could not support the measure, as it implied further interference with business by government, when there was already too much of that.

Louis Lebourdais, who previously had opposed the measure, said his stand was explained by the fact that people in the constituency of Cariboo were against the measure, and had instructed him to say so in the House. He regretted having to take the stand, but would vote against the bill.

Colin Cameron, supporting the bill, invited the Government to embark more boldly on a wider scheme. The Government, he said, was more representative of the people than were the gasoline companies, and should have the right of control. The move was part of a drive towards state economy in the interests of the public, with social ownership as the only final solution.

SECOND READING GIVEN

Premier Pattullo moved second reading of the Gasoline Sales Bill at 10:30 p.m., Conservatives demanding a division on the measure. The bill passed second reading by 32 to 10, four Liberals voting with the Conservative opposition, and C.C.F. and Labor benches voting with the Administration in support of the measure. Messrs. Lebourdais, Gillis, Perry and Henniger (Liberals) joined Messrs. Maitland, Bruhn, Paton, Hunter, Finland and Eyres (Conservatives) in voting against the bill.

Debate continued for a further half-hour on the amendment to the Coal and Petroleum Products Control Board Act, giving the Province right of entry in default of service. Attorney-General Wismer defended the bill, repeating arguments used in the main debate earlier in the day. If the Legislature had passed the coal and petroleum statute in 1937, no objection could be found now for adding another section containing some of the authority already incorporated under the utility law, he said.

Under the bill, the Province could only enter on the premises of the gasoline distribution system if refusal to deliver gasoline was continued.

"This is simply putting in a safety valve, as a precautionary measure. I deny that the Government has any intention of engaging in the business, or encroaching in any way

on business," Mr. Wismer said.

Mr. Maitland adjourned debate on the Coal and Petroleum Products Control Board Act amendments.

MORATORIUM LAW

The House gave second reading, committee review and third reading to an extension of the Mortgagees and Purchasers' Relief Act, continuing that law in effect until thirty days after the first session to be held in 1941.

The House adjourned at 10:50 p.m., after having voted leave of absences for Messrs. Anscomb, Putnam and Macintosh, who were unable to attend the session. Premier Pattullo, as House leader, proposed that the House meet at 10:30 a.m. today, and that carried.

"OR OTHERWISE!"

The Provincial Government is seeking power, through the Legislature, to "engage in and carry on the petroleum industry." It wants power, too, "to enter upon, inspect and value any refinery or storage or distributing plant," and to examine all documents therein. It demands authority from a subservient Legislature "to take and acquire by purchase, lease, or otherwise, and to operate any refinery or storage plant or distributing plant, or any part thereof" . . . "To acquire by purchase or otherwise and hold the shares or securities or any of the shares or securities of any company engaged in the petroleum industry . . . To enter into any agreement with any person engaged in the petroleum industry for the joint management or control of such company or of any of its properties or operations."

These are, indeed, wide and sweeping powers. They mean in effect that the Government, if given them, could engage in the petroleum industry, and petroleum, under the proposed legislation, "includes all derivatives of petroleum and all products obtained from petroleum, whether blended with or added to other things or not." Moreover, there is provision included in the Bill whereby the Government could take over refineries, or storage, or distributing plants, by purchase, lease "or otherwise," and the "or otherwise" could only mean confiscation, which would denote the most rabid type of Socialism, namely, the seizure of private property without compensation. The Bill nowhere defines what "or otherwise" means. Until the words are eliminated from the Bill, or qualified, they must be taken to interpret a desire of the Government to execute vengeance by confiscation of assets of any part of the petroleum industry which it finds difficulty in curbing.

The legislation is a new installment of the creeping paralysis of State Socialism. It is, as well, a Bill of revenge. It provides for the incorporation of a political company, "having as its object the carrying on of the petroleum industry," thus giving uncontrolled, arbitrary powers to public officials. The specific assault on the oil companies, for a reason well known, by singling them out as victims of price-fixing is now to be "sanctioned and ratified" by the implied threat in the present legislation of the confiscation of their assets. There is, too, the intention in the Bill of widening the scope of bureaucratic despotism, with enlarged possibilities of political corruption; and, by implied and defined powers, the Government seeks to secure from the Legislature authority which should be implicit in the latter body. The Government of British Columbia, in its economic course, veers more and more towards Totalitarianism. There is no determined and persevering resistance by the Legislature to the flinching of civil liberties, and the people take their loss lying down. The only redeeming feature of the Petroleum Sales Act is that it does not attempt to curb the freedom of the courts in interpreting its very questionable authority.

Friday, May 10, 1940.

ASKING CHANCE TO STATE CASE

Chamber of Commerce Wants Time to Study New Gasoline Legislation

Delay in the passage of the gasoline control legislation to enable the Chamber of Commerce to study the measure and make representations to the Government was sought in a telegram sent to Premier T. D. Pattullo by the directors of the chamber yesterday. The telegram, copies of which were sent to each of the Victoria members, read as follows:

"A majority of directors of the Victoria Chamber of Commerce have expressed themselves as opposed to the passage of Bills No. 2 and 3, under discussion at the special session of the Legislature now sitting.

"We respectfully ask that before legislation of this nature is enacted, the members of this Chamber of Commerce, representing the business interests of Victoria, will be given an opportunity of studying the proposed legislation and making representations to your Government regarding same."

Saturday, May 11, 1940.

SESSION OF HOUSE ENDS

Gasoline Legislation Passed —Indemnities of \$200 Per Member Voted

The fourth session of the Nineteenth Legislature of British Columbia was prorogued at 5:10 p.m. yesterday by Hon. E. W. Hamber, after a three-day session in which the Government secured passage of special legislation permitting the Province to set up a trading corporation to go into the competitive business of selling gasoline, and the right of entry at distribution outlets if deliveries are refused to the public at any later date.

Two other bills were given Royal assent, one to extend the present moratorium law into 1941, and a special measure to grant \$200 sessional indemnities to each of the sitting members.

GIVES ASSENT

The House sat two periods yesterday before prorogation, resuming debate on the gasoline bills at 10:30 a.m. and sitting, with a brief luncheon recess, until 4 p.m., when the actual order paper was cleared. Third readings followed for the gasoline bills, and special indemnity measure; the moratorium extension bill having been completed the night before. Lieutenant-Governor Hamber gave assent in the name of the Crown to all four bills.

The closing hours of the session were marked by debate in which C.C.F. and Labor members supported the Government, and conservatives with a sprinkling of Liberals opposed the special power sought by the Administration.

COMPULSION SOUGHT

At the morning sitting R. L. Maitland, K.C., Conservative Leader of the Opposition, again urged the Government to give a hoist to the gasoline bills. The outbreak of active conflict in Europe emphasized the fact that members were sitting in a useless session, which could lead only to dissension. If the bills had meaning at all, it was a drive for more power in the political control of a commodity needed by the public. The Supreme Court of Canada had upheld the coal and petroleum measure because "it is not a revenue act, and there is no compulsion to sell." Now the Government was seeking express means of compulsion, on pain of the seizure of business, large or small, the Leader of the Opposition concluded.

Capt. C. R. Bull (Liberal, South Okanagan) supported the bill, stating that the Government was taking the middle course, between socialism which would not work and "die-hardism" which would do nothing. He regretted only that the powers of the Government were not greater, and did not extend to the control of credit. Marketing acts, Capt. Bull declared, had been a godsend to the farmers of the Interior, along the same principle.

Leslie H. Eyres (Conservative, Chilliwack) opposed the bill. "The Legislature would be better employed if it adjourned to reassemble to consider the action of 'fifth columns' in British Columbia during the crisis in Europe. Boards of trade were opposed to the gasoline measures, and considered such

powers as alarming. It was by the slow growth of power that dictatorship had come to Europe. Under Provincial regulations as they stood retailers of gasoline were being unfairly treated. Mr. Eyres, seconded by E. V. Finland (Conservative, Esquimalt), proposed a six months' hoist of the second bill, amendments to the Coal and Petroleum Products Control Board Act.

DIVISION CALLED

The House divided on the hoist, which would have killed the measure, Administration and C.C.F. benches voting it down by 33 to 8, with two Liberals, Dr. J. J. Gillis and Louis Lebourdais, standing up with six members of the Conservative Opposition in favor of the hoist. Debate continued on the same measure, by consent of the House.

Thomas Uphill (Labor, Fernie) supported the bill. "I would agree with the Government if they did take over the gasoline business. I say God speed the day when the Government will take over all commodities. Until that day comes we are going to get nothing but strife and turmoil," Mr. Uphill declared.

R. W. Bruhn (Con, Salmon Arm) reiterated objections taken to the prior measure. "This is vicious legislation. It is legislation of this kind that is doing everything possible to drive capital out of the country. There is no good in saying it isn't so, for I know that it is. This type of legislation at this minute is stopping new capital from coming into the country. Then, why must there be two boards dealing with utilities? I say they are political boards, dictated to by the Government. I suggest that the Government place gasoline under the utilities board, and make that board non-political, and responsible only to this Legislature. In my opinion the Government has too much power now," Mr. Bruhn asserted.

PROTECTING DEMOCRACY

E. T. Kenney (Lib.-Skeena) declared British Columbia was acting five years behind the times. Five years ago, he asserted, Nova Scotia had controlled gasoline, reduced the price to the public several times, raised the gasoline tax to 10 cents, and built a new highway system with the money. The objections of boards of trade were not everything; and the public itself was asking for protection. The Government was protecting democracy by taking the course they did, Mr. Kenney submitted.

Harold E. Winch, C.C.F. leader in the House, returned briefly to the debate. The Government did not appear to like their own legislation, he declared. It was said that there was no intention of using it. Social forces were at work in British Columbia as in Europe, and would force the taking of definite sides on economic questions. It was a clash of property interests against the interests of the people. The Government had prosecuted strikers at Blubber Bay, but had failed to take action against the oil companies, even though a "conspiracy" was alleged. The "fifth column" in Canada was the extreme use of economic power, Mr. Winch asserted.

MINISTERIAL REPLY

Hon. George S. Pearson, Minister of Labor, joined in the debate. He was amazed, he said, that the real issue was being cloaked and not discussed.

"We have heard a lot about dictatorship. Who do you want to have the dictatorship, the oil companies? The issue is being masked. The real issue is that the oil companies defied the authority of this Government. Here is a group of companies of such

great power that out the whole pus, making w contracts they the little fellow panies have men who work set up hours-o wages, they s agreements, m possible for so Mr. Pearson d

"Much has deal given to reduction of o get four cents, fore, or anything line business lends itself to Let me say rig a Socialist, bec practicable un things. We a way of Social regulated comp see that comp where the inter quire it. The is resent that th oil industry, de province. That is why these sented. That ruined the co province," the clared, in conc

The House r at this point, progress on the measure.

Adjourning a ing at 2:30 p. cluded debate o bill after thre had spoken.

J. A. Paton said amendmen tol Board bill ship. Members had no oppor the legislation encies. Only a be rendered.

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Dr. J. D. Hunt said he viewed trend of the G socialism. Retat had received ver with no attentio from Victoria their five-cent The Liberal Pa endeavoring to lital out of the Hunter asserted

READ O

Amendments Petroleum Prod Act passed secor sion by 31 to 6; as before. Mas

great power that it ranges throughout the whole province like an octopus, making what arrangements and contracts they like, and squeezing the little fellows. Some of the companies have had no regard for the men who work for them. When we set up hours-of-work and minimum wages, they set up contracts and agreements, making it well-nigh impossible for some men to carry on," Mr. Pearson declared.

"Much has been made about the deal given to the retailers, with the reduction of one cent. But they will get four cents, and they did not before, or anything like it. The gasoline business is an industry which lends itself to monopolistic control. Let me say right now that I am not a Socialist, because Socialism is not practicable under our scheme of things. We are not traveling the way of Socialism. We believe in regulated competition, and we will see that competition is regulated, where the interests of the people require it. The issue is that the people resent that that great octopus, the oil industry, defies the laws of this province. That is the issue, and that is why these bills have been presented. That same octopus also ruined the coal industry in this province," the Minister of Labor declared, in conclusion.

The House recessed for luncheon at this point, with debate still in progress on the fuel board amending measure.

Adjourning at 1 p.m. and resuming at 2:30 p.m., the House concluded debate of the second gasoline bill after three further members had spoken.

J. A. Paton (Cons., Point Grey) said amendments to the Fuel Control Board bill savored of dictatorship. Members of the House had had no opportunity of discussing the legislation in their constituencies. Only a snap judgment would be rendered.

"It seems strange we should be slugging the oil companies or any other company at a time like this; when it may not be long before we are unable to get crude oil from which gasoline is made, by reason of wartime transportation conditions," Mr. Paton concluded.

E. V. Finland (Cons., Esquimalt) said he was opposed to the bill because it added to already wide powers enjoyed by the fuel board. It was a dangerous practice to give a Government such authority. A reduction in gasoline prices could have been secured more easily by negotiation, and without resort to any form of control at all. As it was, small retail operators had been injured, the Province had lost gas revenues, an unnecessary session had been held, and British Columbia had received unfavorable publicity abroad.

Denial of access to the courts was interference with a fundamental principle of justice, and the first act of dictatorial forms of government, Mr. Finland submitted in conclusion.

Dr. J. D. Hunter (Cons., Victoria) said he viewed with dismay the trend of the Government towards socialism. Retail gasoline dealers had received very unfair treatment, with no attention paid to petitions from Victoria and elsewhere that their five-cent spread be restored. The Liberal Party appeared to be endeavoring to make political capital out of the gasoline bills, Dr. Hunter asserted in conclusion.

READ ON DIVISION

Amendments to the Coal and Petroleum Products Control Board Act passed second reading on division by 31 to 8; on the same lines as before. Messrs. Gills and Le-

bourdais (Liberals) voted with Conservative benches against the bill. Ezra Henniger (Lib.) who had crossed the floor on an earlier division, supported the measure; while Messrs. Perry, McGrath and Murray were not in their seats at the division. C.C.F. and Labor benches voted with the Administration on the test. No pairs were announced.

Debate in committee stages of the gasoline bills was fragmentary. Both the Petroleum Sales Bill and amendments to the Coal and Petroleum Products Control Board Act were completed in committee without change. Mr. Bruhn offered an amendment to the second measure, providing that no one could be forced to sell gasoline below cost. The amendment was rejected on a show of hands, after Government benches declined to accept the revision.

R. L. Maitland, Leader of the Conservative Opposition, pointed out that the Fuel Board Bill gave power to "forcibly or otherwise enter" on the premises of the gasoline industry. This power would not be used, unless there was a refusal to continue general supplies, Attorney-General Wismer countered.

BLANKET POWERS

Mr. Maitland objected to the Petroleum Sales measure, which, he said, gave the Administration power to buy up shares of domestic or foreign companies engaged in the gasoline industry in the province. The clause was ratified, unchanged. Mr. Maitland objected that under Section 7 of the same bill the Government could pay out unstated sums from the consolidated revenue fund by order in council without reference to the Legislature. The clause was ratified, and the bill completed unchanged.

Third readings followed for both gasoline measures, the C.C.F. Opposition siding with the Administration, and Conservatives opposing both bills to the end.

INDEMNITY VOTED

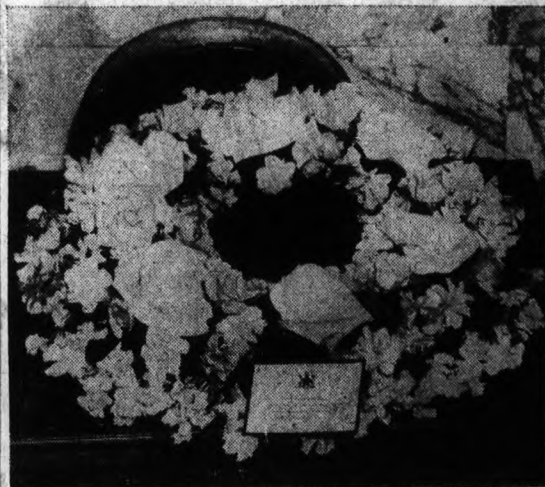
Premier Pattullo introduced a special indemnity bill covering the extra session, granting \$200 to each member of the House, \$200 each in allowances to the Speaker and the Leader of the Opposition, and \$100 to the deputy speaker; together with mileage for each member. The allowance that would have gone to the late J. M. Bryan was voted, as customary, to his widow. Sessional costs, though not announced, will exceed \$16,700, after provision is made for sessional staffs.

The bill went to three readings in succession, without much challenge. Members and special allowances work out at \$10,000; mileage at \$6,500; with costs of sessional staffs relatively light, due to the three-day session.

At 4 p.m. the House was through its business, and recessed pending the arrival of the Lieutenant-Governor, who prorogued the session at 5:10 p.m.

The Assembly stood to sing the National Anthem, as its last action.

Legislature Chair Empty



An empty chair and a wreath-covered desk in the Legislative Chamber, when the special session of the Provincial Parliament opened on Wednesday afternoon, told of the passing of J. M. Bryan, M.P.P. for Mackenzie, to whose memory warm tributes were paid by Premier Pattullo, R. L. Maitland, K.C., and E. E. Winch, representing the three parties in the House. A card attached to the wreath bore the inscription: "With deepest sympathy from the Prime Minister and Members of the Executive Council of the Government of the Province of British Columbia."

NEW GASOLINE RULE DEFERRED

B.C. Legislators Return to Their Homes After Three- Day Session

The session over, members of the Provincial Legislature were en route home yesterday to ridings distributed throughout the Province. The Cabinet for the most part was dispersed for the week-end, without official announcement concerning the gasoline dispute, or release yet of the newly adjusted order, Regulation No. 11.

Final details of the amended price-fixing regulation were under review by the Provincial Government, with action expected this week on whatever will be the new selling basis for gasoline in British Columbia. Attorney-General Wismer and Dr. W. A. Carrothers, chairman of the fuel control board, were reported out of town during the day.

Sessional staffs began the winding up of the residual business of the session, including the restoration of committee rooms, the printing of all bills in certified stages, and the storage of sessional uniforms and equipment.

Costs for the three-day session will be in the neighborhood of \$20,000, compared with \$136,000 for a full time session. Members directly will draw \$16,000 of the sum, in sessional allowances and mileage rebates to and from their homes. As customary, the acts of the session will be sent to Ottawa for final approval. The main gasoline bill, a proclamation measure, will not become law until proclaimed by the Lieutenant-Governor in council.

Note and Comment

By SANDHAM GRAVES

Since it has already cost you approximately \$20,000, perhaps you should see part of what you got for your money at the special session of the Nineteenth Legislature. Moreover, it is your duty to know the law. This, then, is part of the law:

"Bill 3—1940: An Act to amend the Coal and Petroleum Products Control Board Act.

"His Majesty, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows:

"1. This Act may be cited as the 'Coal and Petroleum Products Control Board Act Amendment Act, 1940.'

"2. The Coal and Petroleum Products Control Board Act, being chapter 8 of the Statutes of 1937, is amended by adding the following as section 36 A:

"36 A (1) In the event of the persons engaged in the petroleum industry in the province at any time refusing or failing to supply an adequate quantity of any petroleum product to the public at the price fixed by the board for that product and, as often as such refusal or failure occurs, the board may, with the approval of the Lieutenant-Governor in Council, forcibly or otherwise enter upon, seize, and take possession of the whole or any part of the movable or immovable property of any person engaged in the petroleum industry in the province, together with the books, documents, offices, and facilities of such person; and may, so long as the board, with the approval of the Lieutenant-Governor in Council, thinks it necessary or advisable, continue the management of such movable and immovable property; and, for such time as the board continues the management, the board may exercise in respect of such movable or immovable property all of the powers, duties, rights, and functions within the province of the person whose property has been taken and of any officer or manager of such business; and in respect of such property may exercise all the powers that are required for the purpose of continuing and carrying on the business of such person and of maintaining the supply of petroleum products to the public; and all of the officers, employees, and servants of the person of whose property possession has been taken shall obey the orders and instructions of the board in relation to such property; and the board may dismiss any of such officers, employees, and servants and may employ others. The board may, in relation to the business in respect of which the property has been taken, receive and pay out all moneys due to or payable by that person and give cheques, acquittances, and receipts for the money to the same extent as such person could do if no possession had been taken by the board.

"(2) The costs incurred in any proceedings taken by the board under this section shall be in the discretion of the board, with the approval of the Lieutenant-Governor in Council, may order by whom and in what amount or proportion they shall be paid."

As the Attorney-General of British Columbia told legislators, the language of a statute means precisely what it says; neither more, nor less. This statute says quite a lot. In the hands of a Conservative administration it might mean one

thing; under a Liberal administration a different thing; and under a Socialist administration something else again. But, actually, it says that the board, with the necessary approval of course, may step in and run the business, dismiss the staff, collect the takings, and dispose of the goods, fill the vacancies, and generally conduct the business, if there has been a refusal or a failure to continue trading. The board is under no expressed direction to ascertain if the refusal is wilful or unavoidable; or the failure to supply is malicious or physically impossible. Nor are there, in the amending statute, any expressed limitations to the setting of the level of a just and reasonable price at which control shall be exercised. But, as the Attorney-General of British Columbia also explained, it is not the intentions of the board, or the Lieutenant-Governor in Council, or the Legislature, to use any business unfairly. On the contrary, there are only the very best of intentions. The troublesome fact is that intentions, even the very best intentions, do not become the law of the land. The statute does. It means precisely what it says; neither more, nor less. If the statute should find its way into the nearest court tomorrow—of which there is no suggestion—the court would be bound in all honor to hold that it was not aware of the intentions of the Legislature, nor could it take any cognizance whatever of such intentions if it were. This column has a deep respect for the law, but it is slightly puzzled over this one. Only slightly, because in the long run you get what you pay for in this world; in gasoline, in politics, in legislation, in quite a few other things. Laws do not reform people. It is people who reform laws. Some day, perhaps, we may even catch up with the Ten Commandments; and they, you know, put their very best intentions right into the Bill.

MAY

1940

Wednesday, May 8, 1940.

Battle Looms on Gas Control As Legislature Opens Session

By Sun Staff Reporter

VICTORIA, May 8. — Without the customary ceremonial British Columbia's legislature gathered this afternoon in special session to deal with the aftermath of last week's dramatic gasoline strike.

In a short speech from the throne Lieutenant Governor E. W. Hamber outlined the reasons for calling the House, and promised the government would submit measures that would "ensure a repetition of such a condition of affairs will not recur."

By consent of all party whips the ordinary Throne speech debate was dispensed with and the House prepared to go right ahead with its business, which is the introduction of the government's bill.

WARM DEBATE

After the tabling of the bill, the House adjourns until afternoon when the debate on second reading will be launched by Premier Pattullo. R. L. Maitland, K.C., Conservative leader, will follow him, with Harold Winch of the C.C.F. next.

In corridor gossip today the special session gave promise of developing a warm debate on the subject of government control in business. While the government's original sweeping intentions of going completely into all phases of the gasoline industry are reported to be somewhat toned down under party pressure its program has sufficient implications to raise a clear-cut issue.

It will still give the government wider powers of control over the gasoline business, with authority to handle distribution, if necessary.

As battle lines on the question of gasoline control developed here, one point was clear. The government is going to find itself steering a middle course between two fires, on one hand that it is going too far, on the other that it is not going far enough.

Following a Conservative caucus Tuesday, Mr. Maitland made his stand clear in the following statement issued today:

"The issues raised in this session draw a clear line of distinction between the Conservative party and other parties in this province.

"They call for socialization of business which ultimately must lead to government control of every major business in the country.

"We stand for democracy and against bureaucracy.

"We stand against continued extension of powers which can be used by political parties in control to exercise their will over the people.

"The new system which the liberal party and the C.C.F. party favor has steadily increased since the introduction of the Special Powers Act in 1934.

"That Act showed contempt for the rights of the individual and was just a beginning of a procession of the same kind of legislation."

WINCH WAITING

Harold Winch said his party has made an exhaustive study of the gasoline situation and is prepared to argue it along any line.

Before announcing the party's stand Mr. Winch said he would wait to see the government's bill, but implied that the C.C.F. will continue to press for socialization of all utilities as they have done in the past.

Text of Speech From Throne at Victoria Today

By Canadian Press

VICTORIA, May 8.—Following is the text of the speech from the throne at the opening of the special session of the British Columbia legislature:

Mr. Speaker and Members of the Legislative Assembly:

You have been called together in special session consequent upon a serious situation which arose respecting the sale and distribution of gasoline and petroleum products in our province.

With the approval of my government the board appointed under the "Coal and Petroleum Products Control Board Act" established prices above which gasoline should not be sold. The oil companies, in protest, referred the matter to the courts. The validity of the above act, however, was recently upheld by the Supreme Court of Canada.

The order of the board, therefore, automatically came into effect.

The companies thereupon refused to sell gasoline to certain sections of the community, supplying only what the companies, in their own judgment, designated as essential services.

This situation was prejudicial to the public interest and my government will submit to you measures which it is hoped may meet the situation in future, and will ensure that a repetition of such a condition of affairs will not recur.

I feel sure that you will give your most careful thought and consideration to such measures as may be submitted to you.

A Ghostly Session Is Opened But It Casts Some Shadows Ahead

By BRUCE HUTCHISON

VICTORIA, May 9.—The ghost of our Legislature walked here yesterday, briefly. It was nothing more than that, a wan shadow of what, in happier times, has been flesh and blood and part of our daily lives. A dummy session (valued officially at a mere \$200 per member and that by special dispensation of the treasury), a gesture only, soon to be engulfed by events and forgotten.

And yet vaguely significant as a symptom of our times, as a part of the universal revolutionary process in which we all live now. For here, if you had the imagination to see it, was the central issue of our times, the issue of the war, the great overshadowing issue of the future. But few members sitting here, glum and spiritless in the off-season, could see the issue or realize that they were playing any part in it.

That doesn't matter. The issue goes on and will long outlive this Legislature which, in due time, will be swept into limbo by forces too big for it, while proclaiming to the last moment that it is in control of them.

How complicated these forces, how incalculable, imponderable and unknowable, is indicated here in the first moments of the session. The very legislation for which the session is called, the two bills governing the sale of gasoline, are so controversial, men's views on them differ so drastically, that they have been in process of chopping and changing up to a few hours before the House is called and the final draft, the considered will of the government, the best compromise possible, does not arrive on the Premier's desk, by special messenger, until 15 minutes after the House has opened.

What is this legislation? An ingenious device to fit into the utter maze of our Canadian Constitution, a delicate new instrument devised by Mr. Wismer. Up to now the province has had no power to discipline the oil companies, because they are engaged in trade and commerce, a matter of federal jurisdiction only. But since they have lately refused to sell gasoline they have created a "local evil"—one of the magic phrases of our Constitution—and a local evil comes under the Provincial Government. Alas, many others of the same sort will remain after this legislation has passed.

Weapon for Peace

However, since there has been a local evil in the gasoline business, the government takes power to seize gasoline from the oil companies and sell it, if they refuse to sell it at the legal price—a power which seems drastic in itself, but is not as drastic as that already covering electricity. The government can seize power plants any time it pleases regardless of price.

But the more important bill, the bill which serves to bring to focus for a moment the basic is-

ssues of our times, is introduced by Mr. Pattullo who appears immaculate as ever, grayer than he used to be, plumper, but still full of vigor and that boyish self-confidence which has carried him far. Mr. Pattullo's bill, arriving in the nick of time from the King's Printer, enables the government to enter the gasoline business itself—but not to take over the existing companies.

And in the course of Mr. Pattullo's impromptu remarks, which he sandwiches in between the words of a written statement, you find the only meat in this session. The government does not propose to use now the power to enter the gasoline business, has no intention of entering it, requires only a weapon to hold over the oil companies. But if the government finds oil in the Peace River (at which the Conservatives jeer) then it may need this power.

Business Must Be Done

All this procedure of introduction is completed grimly, with a sense of duty, but no sense of anticipation; none of the human emotions of controversy, none of the old-time delight in battle, none of the usual feeling that the work of the legislature matters and that the eyes of the world are upon us. Everybody knows that the eyes of the world are elsewhere, that nobody is paying much attention to the legislature, that the old days of glory here have departed, for a long time anyway.

Thus there are none of the regular trappings, no guard of honor, only a few morning suits. Even the speech from the throne, the references to Providence guiding our labors are omitted, as if this time the Legislature were going to take a chance on its own. One little touch of better times remains—the yellow primroses in the lapels of the little band of Conservatives, but their frail May scent is about all that is left of the Conservative Party's ancient grandeur in these parts. And looking back on the scenes we have known here, the pomp and pageantry, the splash of color, the glint of gold braid, the grand debate and high emotion, one can hardly suppress a tear.

Still, the business must be done. The revolutionary process, of which gasoline is but a minor indication, must go on. And in it see how the records, the minds, the basic beliefs of all politicians are upheaved, con-

founded, and littered upon the sand.

For here in the treasury benches is a Liberal Government and the central thesis of Liberalism, as originally conceived, is to leave business alone, let competition take its course. Yet here is a Liberal Government not only going to control business, but going into business, if it can strike oil in the Peace River. Here is a branch of the great Liberal Party of Canada which for years has fought against controls, regulations and interferences with the old principles of supply and demand. But that same federal Liberal Party, for reasons beyond its control, is now in the business of controlling the whole economy of Canada.

Across the aisle Mr. Maitland is no less in quandary confusion and inconsistency, as every politician must be today. For his is the party which has stood in Canada always for high tariffs, for the self-contained economy, for building up the home market and shutting out external competition; and the inevitable result of that policy, now visible in every country, is government control, regulation, interference to rectify and balance up the inequilibrium of its own creating.

This is the party which, under Mr. Bennett wanted to carry Canada into a New Deal of ever-widening government controls. This is the party which, under Dr. Manion, promised such miracles of economic reform, under government control, that our whole economic system would have to be re-made under a central bureaucracy.

Parties in Flux

Yet it is Mr. Maitland who intends to make the issue of this session by denouncing the Pattullo government for interfering with business. Will make it the issue of the next election if he can, will build up an ugly picture of Mr. Pattullo trying to be a tin-pot dictator in British Columbia; will appeal to the people on what he calls old-fashioned economics (whatever they are) and against new-fangled economics, also a generic term beyond definition and beyond the power of chemistry to analyze.

There is the brooding C.C.F., Mr. Winch glowering and as restless as a firehorse waiting for the bell, and it wants to go in for complete socialism, but knows that the people of British Columbia will tolerate no such thing. It, too, is baffled.

Confusion and chaos in party politics. Party lines hopelessly entangled and snarled. Party cries shorn of all meaning. Party adherents adhering to they know not what, apart from their seats in this assembly. Parties in flux and change and dissolution—in process of crystallization into unknown forms and shapes and policies.

But blame them not, elector. They must be so if they are to reflect the changing conditions and issues of our time. They must be so if they are to reflect in democratic fashion the changing mind and will of the people. And in the course of democracy they must grapple thus with the central problem of our times, that the basic question—who is to control the state, government or private enterprise?

They must grapple with it gingerly, touching it here and there

and sheering quickly away, for it is too hot to touch long; advancing, retreating; raising cry of exultation over some minor point and ignoring the essential one; pretending to solve when it is only postponing, and so, by laborious and round-about march, gradually closing in on the thing.

Gasoline is only a small part of it, the decision now important only as it indicates a trend and the possibility of other greater decisions. This session is worth while only as a symptom.

Liberal Group Protests B.C. Gasoline Bill

Thinks Seizure Clause Too Drastic; Be Modified

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VICTORIA, May 9.—Among a minority of Liberal members there is dissatisfaction with the government's gasoline bill, and several have stated that they will vote against it as it is now written. The bill may be modified to meet their objections, before it comes to a division in the House.

Dissenting Liberals took chief objection to the bill's provisions for the seizure of oil company properties. This clause they considered much too drastic and dictatorial.

VICTORIA, May 9.—The Liberal caucus today agreed to back up the government's program of control over the gasoline business.

Meanwhile the government will have to contend with arguments of business men against interference with their operations.

H. R. Cottingham, president, and W. E. Payne, secretary, of the Vancouver Board of Trade, are on their way here by boat to see the government.

While the Board of Trade's attitude has not been publicly stated, it is reported they will ask for delay—until the fall session at least—in the government's program, urging that business men be given the fullest opportunity to study it in the meantime.

Representatives of business, as well as the oil companies, who are watching the session closely, state they are not so much concerned with the measure to control the petroleum industry as with the trend toward government interference.

This issue, it is indicated, will be brought out in debate on the government's measure, opened this afternoon by Premier Pattullo, followed by R. L. Maitland, K.C., Conservative leader.

The House will go into the subject from all sides today, sitting till 6 and then continuing after supper.



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Thursday, May 9, 1940.

Gov't Asks Power to Enter Oil Business, And Compel Sales

Text of B.C. Gas Control Legislation

By Canadian Press

VICTORIA, May 9. — Partial text of the bill authorizing the British Columbia Government to enter the oil and gasoline business as introduced in the Legislature Wednesday:

The Lieutenant Governor in Council may, in his discretion, for and in the name of His Majesty, from time to time exercise, within the province, all or any of the following powers:

- (a) To engage in and carry on the petroleum industry, and for that purpose to acquire by purchase, lease or otherwise any land, buildings, chattels or property, and to enter into agreements and contracts, to employ such persons as may be necessary, and generally to do such things as may be advisable or incidental to engaging in and carrying on the industry;
- (b) To enter upon, inspect and value any refinery or storage plant or distributing plant, and to examine any books of account, records, inventories, letters, papers and documents that may be found there;
- (c) To take and acquire by purchase, lease or otherwise, and to operate any refinery or storage plant or distributing plant, or any part thereof;
- (d) To acquire by purchase or otherwise and hold the shares

or securities or any of the shares or securities of any company engaged in the petroleum industry;

- (e) To enter into any agreement with any person engaged in the petroleum industry for the joint management or control of such company or of any of its properties or operations;
- (f) To cause to be incorporated under the Companies Act or otherwise a company or corporation having as its object the carrying on of the petroleum industry, and having such powers set forth in subsection one of Section 22 of the Companies Act, or such further or other powers as may seem proper, and to finance such company by the purchase of its shares or securities or otherwise, the financing to be so arranged that the Lieutenant Governor-in-Council shall have control of the company or corporation, and to vest in such company or corporation any property acquired by the Lieutenant Governor-in-Council under this act, and to charge such company or corporation with the duty of operating any industry that he has power to operate by virtue of this act;
- (g) To do all things that are incidental to, or necessary or advisable for, the effective carrying out of the foregoing powers.

May Take Over Monies

The Lieutenant-Governor in Council may at any time sell, lease or dispose of any property acquired under the provisions of this Act. He may enter into any arrangement with any person for the management of any business in which the Lieutenant-Governor in Council has engaged pursuant to this Act. The Lieutenant-Governor in Council may at any time abandon any property acquired pursuant to this Act or discontinue any business in which he has engaged pursuant to this Act.

For the purpose of carrying into effect the provisions of this Act according to the true intent or of supplying any deficiency therein, the Lieutenant-Governor in Council may make such regulations, not inconsistent with the spirit of this Act, as are deemed necessary or advisable.

Without thereby limiting the generality of the provision contained in subsection (1) it is declared that the power of the Lieutenant-Governor in Council to make regulations shall extend to:

- (a) Prescribing in what manner and at what times balance

sheets and statements of profit and loss shall be prepared by any company or corporation established under this Act;

- (b) Require any company or corporation established under this Act to pay into the Consolidated Revenue Fund any moneys in its hands not immediately required for its purposes;
- (c) Appointing or designating any person to carry out or execute, subject to directions from the Lieutenant-Governor in Council, any power conferred by this Act that the Lieutenant-Governor in Council decides to exercise.

LOANS FROM TREASURY

The Minister of Finance from time to time, with the approval of the Lieutenant-Governor in Council, advance to any company or corporation established pursuant to this Act, from the Consolidated Revenue Fund, such sums or money as are necessary to pay the expenses of such company or corporation, or to provide either of them with money to purchase or acquire anything that may be acquired under this Act, or with adequate working capital.

Can Make Bond Issues

The Lieutenant-Governor-in-Council may authorize the payment of any purchase monies agreed to be paid by the Lieutenant-Governor-in-Council or on his behalf, pursuant to this Act, to be paid in cash out of the Consolidated Revenue Fund, or may authorize the issuance of debentures or treasury bills or notes for the purposes aforesaid on such terms and conditions as he may determine.

All securities issued under this Act and the interest thereon shall be chargeable upon and payable out of the Consolidated Revenue Fund and the securities shall bear interest at a rate not exceeding 5 per cent per annum, payable half yearly, and shall be repayable at a date not later than 50 years from the date thereof.

Treasury bills or notes may be renewed and re-issued from time to time and the amount outstanding on any original or renewed treasury bills or notes may be converted into debentures.

The Lieutenant-Governor-in-Council may, from time to time, provide for the repayment of all securities issued under this act by appropriating yearly out of the general revenue of the province such sums of money as may be sufficient for the creation and maintenance of a sinking fund for the final payment of every such security and may make provisions for the investment from time to time of the amount of any sinking fund or any part thereof.

All securities issued under this Act shall be signed by the Minister of Finance.

FROM GENERAL FUND

All expenses necessarily incurred in the administration of this Act shall, in the absence of a vote of the Legislature for that purpose, be paid from the Consolidated Revenue Fund.

The Minister of Finance may from time to time, with the approval of the Lieutenant-Governor in Council, borrow monies and make arrangements with any bank for loans or money overdrafts to provide funds required for the purposes of this Act; and may as security for any loans or overdrafts issue debentures.

Treasury bills, or notes bearing interest at a rate not exceeding five per centum per annum and repayable in not more than 50 years; and every amount so obtained by way of loan or overdraft shall, until repaid, together with the interest thereon, be a charge against the Consolidated Revenue Fund, and any such debentures, treasury bills or notes may be renewed or reissued from time to time.

This act shall not prevent any person from importing petroleum into or exporting petroleum from the province.

This act shall come into operation at such time as may be fixed by the Lieutenant-Governor by his proclamation.

Thursday, May 9, 1940.

Dual Control of Industry Sought In Bills Before Special Session

Board Would Get Right To Run Plants If Supply Stopped

(Text of Petroleum Sales Act on
Page Three)

By Sun Staff Reporter

VICTORIA, May 9.—Dual powers of control over the gasoline industry in British Columbia are sought by the British Columbia government in its program presented to the Legislature Wednesday as an aftermath of last week's gasoline "strike."

Immediately, the government proposes to give the Coal and Petroleum Products Control Board the authority, if the gasoline supply is shut off, to step in and operate the distribution system so that the public can get a supply of gasoline.

"LOCAL EVIL"

Secondly, the government is asking for contingent power to go into the gasoline business by incorporation of a special company financed by the province, this being subject to government proclamation.

The two bills were introduced by Attorney General Wismer and Premier Pattullo.

Attorney-General Wismer explained to the press that in taking the authority for the board to operate the existing gasoline business he is asking something that was not possible when the first gasoline control act was passed. The court actions, he said, had proved the province had power to deal with a "local evil" and is, therefore, seeking the authority.

This is a similar power to that contained in the Public Utilities Act in the control of power services, transportation and other utilities.

The Petroleum Sales Act, introduced by the Premier, contains a protective clause stating that there is no intention to prevent any other person importing or exporting gasoline or petroleum products.

Premier Pattullo told the House the history of the gasoline legislation and the Supreme Court decision which made the price-fixing regulation the law.

APPLICATION ASKED

"The oil companies were advised that if the war or other reasons had raised their costs, this would be remedied if any application were made to the control board."

"The chairman of the board specifically informed the companies that if they would let him know what increase had taken place in cost since the order fixing the price was made, he would undertake to have the matter settled in 24 hours."

"The oil companies desired that the existing order be suspended and a new order made, based on the prevailing Pacific Coast prices."

"Without any notice and three days prior to the conference between the chairman of the board and the companies, the latter

stopped the sale of gasoline except to such as they termed essential services.

"In this situation, where gasoline is so vital in the life of our people, it seems unreasonable that its sale and distribution should be at the sole dictation and control of the companies. Clearly the public has some right and the public can only have its rights protected through the agency of the government."

TRANSPORT COSTS

The Premier noted that since the government is now drilling for oil in the Peace River the legislation would be of benefit in this direction.

There were laughs on the opposition side and he said:

"My friends may be laughing now, but I don't think they will later. We are very sanguine that we will strike oil."

"I'm not laughing at that," interjected R. W. Bruhn, Conservative, Salmon Arm, "but at the cost of getting the oil down to the coast."

The Premier said the oil could be piped to the coast over a route of 430 miles which did not have a higher elevation than 800 feet. "You might be surprised to know that Turner Valley oil could be piped to Vancouver now," he said.

Gas Rea

The H With R Weigh

You could see yesterday. It was a special election, coming distant. You could hear every speech. You

All parties were going in, putting the debate became quick principle, an historical importance of his shoulder, as if by statute, overni

Only the Premier stride, as part of the He has given up together, which is a used to practise it so well in opposition. Now he talks as if this historic occasion were only an argument among friends, proclaims himself an "individualist" (which no one will ever deny) but is prepared to exercise government control over business wherever it is essential.

It is all quite simple to him and he seems to wonder at the fuss; the day's work. Perhaps not realize that he every domestic world, on the horns greatest dilemma.

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Tories Seize Issue

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Friday, May 10, 1940.

Gasoline Bill Passes Second Reading in B.C. Legislature

The House Is Heavy With History and the Weight of Principle

By BRUCE HUTCHISON

You could see a grisly shadow athwart the Legislature yesterday. It was the grinning shadow of the next Provincial election, coming closer every day, now scarce 12 months distant. You could hear its hollow footsteps approaching in every speech. You could get whiffs of it on the breeze.

All parties were preparing for it, taking their stand, digging in, putting themselves on record. Thus the gasoline debate became quickly a battle of giants, a high argument of principle, an historic occasion. Everybody seemed to feel the importance of it, to feel the hand of history heavy on his shoulder, as if we were about to usher in the revolution by statute, overnight.

Only the Premier took it in his stride, as part of the day's work. He has given up oration altogether, which is a pity for he

used to practise it so well in opposition. Now he talks as if this historic occasion were only an argument among friends, proclaims himself an "individualist" (which no one will ever deny) but is prepared to exercise government control over business wherever it is essential.

It is all quite simple to him and he seems to wonder at the fuss; all part of the day's work. Perhaps he does not realize that he hangs, like every domestic ruler in the world, on the horns of history's greatest dilemma.

He is trying, unconsciously or not, to build a new order while carrying on the old, to reconstruct the house while still living in it—and with no clear idea what he is building, with no definite plan, with no notion of the materials he has at hand, with no idea what the family wants. He is in the same position as every other democratic politician and the gasoline business is only one tiny phase of his problem.

Tories Seize Issue

Mr. Maitland, however, is not taking it as part of the day's work. He sees in this gasoline legislation his main chance. He sees the shape of the next election before him and he leans out to grasp it. He finds at last what he believes to be an issue where there has never been any of importance between him and this government.

Mr. Maitland's speech is good, spectacular, well prepared and cogently argued and commits him to no definite policy. He takes a high ground and stands by the ancient authorities, by

British freedom, by principles for which our ancestors died. His speech is littered with English history, with Cromwell, King Charles' head and William and Mary. In brief, he is against giving the government more power, building up a servile state, a kind of British Columbia totalitarianism, a political machine which by intimidation of citizens, can keep itself in office forever.

It is a fine speech, a complete repudiation of the Bennett government and its New Deal, which he supported, at utter variance with the policy of his party in federal politics and sounds strange from the man who was the original architect and advocate of marketing control legislation, the beginning of all our present efforts to control business.

That is no matter. Mr. Maitland has the right to change his mind. He has the courage to break with past policies and old mistakes, to differ with his Federal party, which is essentially the party of controls, bonuses, subsidies, tariffs and interference with business. It is no matter, because all parties are mixed up in their thinking and all parties and governments, including this one, are not acting on any definite theory but doing only what seems to be a good idea at the time.

This reporter believes Mr. Maitland to be absolutely sincere in opposing the gasoline legislation, believes he is genuinely horrified by the advancing power of the State, the shrinking liberty of the individual. But what he would do about it, how he would manage an economy which won't manage itself without drastic sacrifices (which neither he nor business nor anybody else would tolerate)—this one doesn't know.

Probably Mr. Maitland doesn't know. The government doesn't know either. Nobody knows. We are simply now in the agonizing process of finding out as we go along and putting on a good pretense of assurance.

Mr. Wismer appears as the government's champion and does his usual competent rough-hewn job—very logical, very emphatic and very human. He is not much

interested in history or theory, this very human person. He does what seems to be a good idea at the time and as gasoline prices must be reduced his idea is to reduce them and not worry about King Charles' head or the approaching revolution.

For Mr. Wismer everything is going to turn out all right in the end. Life isn't a battle as it is for Mr. Pattullo, nor an argument as it is for Mr. Maitland, nor a fine frenzy as it is for Mr. Winch. Life for Mr. Wismer is a lark and he goes through it whistling, and though he may have to pause for an unpleasant interruption like this gasoline business, he will stroll on again tomorrow, whistling as ever, admiring the scenery, smelling the flowers and gambling on the green with the other ever-boyish spirits of the time.

Winch Cites Facts

Mr. Winch makes easily the best speech of the day for the reason that he knows exactly what he is talking about. He has facts, oceans of them, in which he loves to wallow. He has studied with midnight oil until he is tired and gaunt and burning up with a fever of knowledge. He has, indeed, read the Macdonald fuel report which is the basis of the gasoline business, an accomplishment perhaps unique in this assembly, and he has a seething mass of information concerning the cost of oil, the profits of the oil companies, the methods of making gasoline. Too much fact by far, one of his worse faults, until the mind reels and his point is overlaid with a pale cast of thought.

But one point is clear. He believes the price of gasoline is still far too high and he would socialize the business, eliminate many of the distributors and maintain them otherwise by means not clear. The same with other business, all business; and when asked whether he would compensate the owners he dodges the answer by proclaiming the large proposition that the C.C.F. will do what has to be done by the best means when the time comes. Which, says Mr. Maitland, means nothing. But shows that Mr. Winch is acquiring the sure technique of a party leader.

Mr. Perry, as usual, steals the picture at the last minute. Without warning this unreconstructed little rebel from the north leaps to his feet to oppose his own government. It is an old role with him. Mr. Perry's whole career is strewn with the bones of his many fights with his own party which is always interesting but doesn't get a man into a Cabinet.

Mr. Perry proclaims himself a Liberal. He is one of the few men in this House who knows what that means. In fact, Mr. Perry announces that he is the only Liberal in his party, which, by his definition, probably is true. As a Liberal he is opposed to

government in business, opposed to interference with the individual, and believes that capitalism is the best system for society. And he is perfectly consistent in his argument that if the government is going into the gasoline business it should certainly go into the milk business, the sugar business, the baking business for they are more important to the people. (The government, of course, is not going into the gasoline business).

Working himself up into a very ecstasy of Manchester Liberalism, with the ghost of Gladstone at his elbow, Mr. Perry announces that if he were to vote for the government's gasoline bill he would have to join the C.C.F. in common honesty. If this to be the government's idea of Liberalism, he cries, let us have a party convention and re-define our policy so we know where we stand.

Warning Cry

It is a fine effort, but Mr. Perry is too wise, too well-informed, to have any real illusions, to feel any real surprise. He knows that the real battle has gone steadily against him for a generation or more, that everywhere nations are following the present general line of the Pattullo Government, by a universal urge and necessity, and he cries out in agony and in warning to the C.C.F. that we are not moving into Socialism, but into Fascism, the corporative state on Italian lines. A warning which few men here have the necessary knowledge to understand.

The evening session developed a minor Liberal revolt when four, Messrs. Perry, Gillis, Lebourdais and Henniger, announced their opposition to the bill and to their own government—four lonely souls who adhere to historic Liberalism even if it has long been dead in these parts. It was no use, of course, except for the purposes of record and conscience. The Government's legislation survived a motion to reject it and carried over the sole opposition of the Conservatives.

But not before Dr. Telford had made a lengthy and elaborate speech which revealed him as a believer in government ownership, but not ownership by this government; revealed him, also, in a new geniality, all his old bitterness gone—for all the world like an elderly white-haired cupid, full of innocent mischief.

Dr. Gillis opposed the legislation because he is opposed to it, Mr. Lebourdais because his constituents are opposed to it and Mr. Cameron wound up a hard day by warning of the revolution ahead of us in a fashion to make your flesh creep.



Four Liberals Bolt Gov't Over Measure

C.C.F. Votes With Pattullo After Hectic Seven-Hour Debate at Victoria

By Sun Staff Reporter

VICTORIA, May 10.—Despite a vigorous protest from Conservatives against interference in business and a revolt of four Liberal members, the British Columbia government's bill giving permissive power to go into the gasoline business was endorsed late Thursday night by the Legislature.

In a 32-10 vote the C.C.F. group supported the government on second reading of the measure. The Liberal recalcitrants who voted with the Conservatives were H. G. Perry, Fort George; Dr. J. J. Gillis, Yale; Louis LeBourdais, Cariboo, and E. C. Henniger, Grand Forks-Greenwood.

In a hectic seven-hour debate, the government was accused by R. L. Maitland, K.C., Conservative leader, of using business control legislation for political power and by the C.C.F. of not going far enough; and finally was informed by Mr. Perry that its program is the antithesis of historic Liberal doctrine. Mr. Perry demanded a party convention to let the public know exactly where the Liberals stand on Socialistic policies.

'HOIST' DEFEATED

This uprising produced from Attorney-General Wismer when he pushed ahead with the government's second Bill which would force the distribution of gasoline if the oil companies refused, a flat denial of allegations of socialistic intentions.

Before the main vote on second reading the government earlier defeated 33 to 9 a Conservative move for a six-months' hoist in the bill.

Early in his remarks on second reading debate, Premier Pattullo made it clear the government has no immediate intention of going into the gasoline business so long as private distribution is carried on.

But he added that if the government strikes oil in the Peace River it will automatically be in the gasoline business, although no plans have been made for handling such a supply.

Exigencies of the situation required, he said, that the government have the authority in case the public's supply of gasoline were again threatened.

OUTSIDE DECISION

Answering Mr. Maitland's public statement criticizing government interference in business, the Premier pointed out that he does not believe in control as a general rule, but that when the activity of individuals trespasses on the public interest he favors control in the public interest.

But, he said, the oil companies had wanted to be outside the Supreme Court's decision on validity of the price control law, and the government could not stand for that for a moment.

Mr. Maitland opened his attack on the bill as an abrogation of the Bill of Rights. It gave the government power to spend unlimited sums going into the business without reference to the House and was in effect taxation without representation, he charged.

The Conservative leader said

he is concerned mostly with the trend which puts additional powers over different business groups into the hands of the governing party.

COMBINES PROBE

"It means greater autocracy, greater dictatorship," he said. "These kind of laws put such powerful weapons into the governing party's control that they never can be put out."

He said the Combines Investigation Act provides authority for dealing with the situation and the government should have invoked it long ago if it were satisfied abuses existed.

Attorney General Wismer, in reply, denied the gas bill meant any interference in business, and said that any money spent under it would have to be voted by the House. He said the government is doing the only thing it could, submitting legislation which would make another gasoline strike impossible.

INTIMIDATION MEASURE

The government, he said, had passed legislation which outlawed strikes by labor men until they had gone through conciliation and arbitration. "Are we going to have one law for labor and another for corporations? I say not," he declared.

Harold Winch, C.C.F. leader, declared his party in favor of immediate socialization of the gasoline business. He called the government bill an "intimidation measure," and urged it be made mandatory instead of permissive.

Because the government's plan to compete with the oil companies means adding one more gas company to the present uneconomic situation he said the government should take complete control.

H. G. Perry, Liberal, Fort George, came out with a slashing attack on the bill. "I don't like this legislation, gentlemen," he said. "I've been a Liberal all my life and this is against everything I've stood for."

LIBERALS PROTEST

He finished by saying that if the new Liberalism of B.C. is to be found in such a program, it is high time a convention was called so the party could restate its policy to the public.

Dr. J. J. Gillis, Yale, and Louis LeBourdais, Cariboo, both Liberals, also stated their opposition.

Premier Pattullo objected to an imputation by Dr. J. D. Hunter, Conservative, Victoria, that the government is using Hitlerian methods, and told the member to curb his language.

Mayor Telford of Vancouver urged socialized ownership of the gasoline business, but said he would not trust the present government to handle it. He also

demanding the right for Vancouver to go into the business in case of another strike. He said the government's whole program on gasoline is "heads the government wins, tails the people lose."

Pattullo Wins Assurance of 'Gas' Program

Second Bill Endorsed As House Beats 'Hoist' Motion

By Sun Staff Reporter

VICTORIA, May 10.—Second of the government's gasoline bills—power to take over distribution if gas companies shut off the supply—got the endorsement of the Legislature today when on a 33-8 vote the House turned down a Conservative move for a six months' hoist.

The vote was interpreted following Thursday night's action on the gasoline sales bill as meaning that the government's program will go through without any major changes.

R. L. Maitland, Conservative leader, declared the bill made Dr. W. A. Carrothers, Coal and Petroleum Board chairman, a "czar" with power over every little gas business. He predicted new lawsuits on the question of the power to compel gas distribution.

When the vote on the six months hoist motion was taken, Dr. J. J. Gillis, Yale, and Louis LeBourdais, Cariboo, Liberals, joined the Conservatives against the government. The C.C.F. supported the bill. H. G. Perry, Fort George, and E. C. Henniger, Grand Forks, two Liberals who opposed the Gas Sales Bills Thursday, night were not in the House for the division.

Trade Board Asks Delay On Gas Plan

Vancouver Delegation Submits Brief to Pattullo

By Sun Staff Reporter

VICTORIA, May 10.—Pressing the government to delay its gasoline control legislation, a Vancouver Board of Trade delegation remained in Victoria today, but there is every indication the government intends to press right ahead with its program.

Before the night is over the special session of the Legislature will be ended and the two government measures will be law, it is expected.

Board of Trade delegates said they were getting the backing of boards in several parts of the province in their request for a stay of action.

The brief submitted by H. R. Cottingham, Vancouver Board president, to Premier Pattullo, said in part:

"The damaging effect to the maintenance and development of industry and business in British Columbia cannot be exaggerated, and the Council of the Board of Trade has instructed us to express the most emphatic opposition to such legislation."

"We see no possible justification for the alienation of the rights of the individuals by attempting to authorize the confiscation of private property."

"We see no possible justification for the government to seek to be empowered to engage in the petroleum industry or any other business or industry which is not strictly a matter of government."

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Going Too Far

Mr. Pattullo piloted his oil bills through the Legislature and it is on the statute books of the province now that the government of British Columbia can go into the gasoline business if it wishes.

Frankly, the legislation was passed as a club to be swung over the heads of the oil companies in case they order another sit-down strike on selling.

Debate in the House indicated the wide public alarm at the proposals involved in the two enactments. The government apologetically pleaded that it did not really intend to go into the business of selling gas, did not even wish to do so. But it wanted extra powers at hand.

In our view, the special session just finished was quite uncalled-for and the enactments far beyond the scope of powers that the people would willingly give the government.

Mr. Pattullo had the public with him when he reacted sharply to the refusal of the oil companies to sell supplies to their customers. That was a mistake of first importance on the part of the people who serve Vancouver with gasoline and oil supplies. With public opinion behind it, the government won a victory in the compromise which started the wholesale gasoline chariots again on their delivery rounds. The government restored supplies to consumers and the companies agreed to recognize the government's right to fix prices.

Here should have seen an end of the matter. The proposed special session should have been cancelled. The government had been sustained in its right to control prices, but now it has entered another field entirely. There was no justification, on the circumstances submitted, for the government to take power to itself to sell oil products.

Mr. Winch was quite right when he protested there was a real difference between power to control prices and the right of government to invade the ordinary business of commodity buying and selling.

NAZI PROBE URGED

VICTORIA. — Suggestion the government adjourn debate on its gasoline bills so the House could discuss "fifth column" activities within the province was made by L. H. Eyres, Conservative, Chilliwack, in the legislature Friday. There was no comment from the government benches.

Gas Bills Pass Without Changing of a Comma

Government Given Power to Enter Oil Business And to Seize Operating Companies

By Sun Staff Reporter

VICTORIA, May 11. — British Columbia government today has the power to go into the gasoline business and authority to seize and operate existing oil companies if they do not supply the public with adequate amounts of gasoline.

The government's dual program of control over the oil industry, demanded to prevent a repetition of last week's gasoline "strike," was granted in to by the Legislature and became law on the assent of Lieutenant-Governor E. W. Hamber when he prorogued the special session of the House at 5 p.m. Friday.

CONSERVATIVE PROTEST

Not a single comma in the two measures presented by the government was changed when they were put through third reading.

Conservatives registered their final protest against interference

in business and R. L. Maitland, K.C., their leader, secured an admission from the government that the Petroleum Sales Act gave them unlimited powers of spending and borrowing for the purpose of going into the business.

Repeated assurances were given by the government, however, that it hopes never to have to use the law, but must have the power if there is any repetition of the gas strike.

\$20,000 SESSION

Harold Winch, C.C.F. leader, wanted the government to take power to control oil company contracts with their retail stations but Attorney-General Wismer said he doubted the extent of the Legislature's authority in such a matter.

Final act of the house was to put through a bill voting each member \$200, plus traveling allowances, for their attendance at the special session. This replaced the ordinary \$2000 sessional indemnity.

The Opposition leader was granted an extra \$200, the Speaker the same and the deputy speaker \$100.

Harold Winch protested that the \$200 was too much and suggested a daily allowance at a smaller figure but he got no support after the government told him he need not take the \$200 if he did not want it.

Passage of this bill made the cost of special session about \$20,000. The indemnities total approximately \$10,000, mileage allowances \$6500 and the rest is in the cost of sessional staffs.

M A Y

1940

Province Asks For Oil Control

Government Requests Sweeping Powers Over Petroleum Industry in Province

By A. H. WILLIAMSON
(News-Herald Staff Correspondent)

VICTORIA, May 9.—If the Government of British Columbia so desired, it could, under legislation placed before a special session of the Legislature on Wednesday, take over the operation of the petroleum industry in this province by order of the Lieutenant-Governor-in-Council.

This is the effect of a bill presented to the House by Premier T. D. Pattullo during the brief opening of the special session Wednesday afternoon.

Entitled "An Act to confer upon the Lieutenant-Governor-in-Council certain authority in relation to the Petroleum Industry in British Columbia," the act will do all that the title infers.

Its clauses:

"The Lieutenant-Governor-in-Council may, in his discretion, for and in the name of His Majesty, from time to time exercise all or any of the following powers:

1. To engage in and carry on the petroleum industry and for that purpose to acquire by purchase, lease or otherwise any land, buildings, chattels or property and to enter into agreements and contracts; to employ such persons as may be necessary and generally to do such things as may be advisable or incidental to engaging in and carrying on the industry.
2. To enter upon, inspect, and value any refinery or plant or distributing plant, and to examine any books of account, records, inventories, letters, papers and documents that may be found there;
3. To take and acquire by purchase, lease or otherwise, and to operate any refinery or storage plant or distributing plant or any part thereof;
4. To acquire by purchase or otherwise and hold the shares or securities of any company engaged in the petroleum industry;
5. To enter into any agreement with any person engaged in the petroleum industry for the joint management or control of such company or of any of its properties or operations;
6. To cause to be incorporated under the Companies Act or otherwise a company or corporation having as its object the carrying on of the petroleum industry and having powers set forth under the Companies Act.

In addition to all this, the government proposes—in another bill presented to this session—an amendment to the Coal and Petroleum Products Control Board Act which would enable the province to "forcibly or otherwise enter upon, seize and take possession of the whole or any part" of the petroleum industry's property, in event of refusal to supply "any adequate quantity of any petroleum product."

With introduction of the two bills by the premier and Attorney-General Gordon S. Wismer, K.C., the House adjourned until 2:30 this afternoon for second readings.

Both Liberal and C.C.F. groups discussed the measure in caucus Wednesday night.

Gas Shutdown 'Local Evil'

VICTORIA, May 9.—(Special to The News-Herald) — Last week's shutdown of gasoline stations in B. C. gave the provincial government the first opportunity it has had to step into the gasoline business—if it so desires.

This was revealed by Attorney-General Gordon S. Wismer, K. C., in a press conference following the opening of the special session of the Legislature Wednesday afternoon.

Until the shutdown, Mr. Wismer explained, the government had no authority to "forcibly enter" premises of the oil companies and take over operation of their plants—nor could it be obtained from the Legislature.

The gasoline shutdown, however, brought the entire petroleum industry under the heading of "local evil" as defined under the B. N. A. Act. Thus the Legislature is enabled to amend its Coal and Petroleum Control Board Act to enable the taking over of the industry in the event of any act such as the recent shutdown.

According to the amendment introduced by the Attorney-General the petroleum industry could be taken over "forcibly or otherwise."

Legislature Pays Tribute To Bryan

VICTORIA, May 9.—(Special to The News-Herald) — Veterans of the three major parties in the Legislature joined in tribute to the late J. M. Bryan, member for Mackenzie, who died last Sunday, when the special session on the petroleum industry opened here Wednesday.

A motion by Premier T. D. Pattullo for a vote of condolence with the family was seconded by R. L. Maitland, K.C., leader of the Opposition. E. E. Winch, C.C.F., as the oldest member of the House in actual age, also spoke in tribute to the former member. The House then stood for one minute's silence.

Three other members were missing from the session. They were Captain MacGregor F. Macintosh, at present serving in the army; Frank Putnam, Nelson-Creston, undergoing an appendectomy and Herbert Anscomb, on a business trip to Eastern Canada.

Premier Would Bring Peace Oil Here By Pipeline

VICTORIA, May 9. — (Special to The News-Herald)—Premier T. D. Pattullo is quite confident of his ability to deliver oil from the government's Peace River prospect, he told the special session of the Legislature Wednesday.

"But first," he concluded, "we have to strike oil."

However, he indicated that as a result of extensive investigation and much consideration by experts, he was confident the oil was there. He would bring it to Vancouver, probably by pipeline, he said. The distance was 430 miles and greatest altitude only 800 feet. The field was three times as large as Turner Valley, he added, and closer to Vancouver.

Friday, May 10, 1940.

3 LIBERALS BOLT GOVERNMENT VOTE

C.C.F. Back Pattullo To Defeat Conservative Amendment To Give Oil Bill Six Months Hoist

By A. H. WILLIAMSON

VICTORIA, May 10.—(Special to The News-Herald)—Bill No. 2, enabling the government to enter the petroleum industry, passed the second reading at the special session of the Legislature here late Thursday night on a vote of 32 to 10.

Dr. J. J. Gillis, Liberal member for Yale, joined three other Liberals—Louis Lebourdais, H. G. Perry, E. C. Henniger—and the Conservatives in opposition.

Hon. Gordon Z. Wismer moved second reading of Bill No. 3, amending the Coal and Petroleum Products Act and R. L. Maitland, K.C., adjourned the debate.

VICTORIA, May 10.—(Special to The News-Herald)—First test of opposition strength to the sweeping legislation now before the special session of the Legislature came unexpectedly Thursday night when a division was called on an amendment proposing that the legislation be given a six months hoist.

The amendment was defeated thirty-three to nine, but the division disclosed three Liberal members voting against the government, and the C.C.F. group voting with the government.

The amendment was proposed by Dr. J. D. Hunter, Victoria, Conservative, and seconded by Rolf W. Bruhn, veteran Salmon Arm Conservative. The Conservatives voted solidly for it, being supported by Louis Lebourdais, Cariboo; E. C. Henniger, Grand Forks, and H. G. T. Perry, Fort George, all from the Liberal ranks.

The amendment almost cut off debate on second reading of the bill, but after considerable argument across the floor of the House, Mr. Speaker Whittaker allowed the members to settle the question by voting that the debate proceed.

It was immediately taken up by Mayor J. Lyle Telford, Vancouver.

"Heads the government wins, tails the people lose," was the way the Vancouver mayoral representative looked at the proposed legislation.

"All this leaves our people nervous, in doubt and afraid even if, in spite of revealed profits, fearful this government might be more inefficient or grab profits and put them into the consolidated revenue fund, as per usual," he said.

"They see no relief from the present burden.

"We have experienced confiscation by this government of our civil revenue," he added.

"Deprive us of our share. Vancouver is the milch cow for the B. C. government. No accounting is given. Anyway, this is a very unprofitable business—although the oil companies fight to retain it."

As a solution His Worship suggested the retaining of free competition "plus protective efficiency of a co-operative agency to act as a yardstick." He would "avoid political patronage and monopoly, further sabotage—of our economy and sit down strikes of monopolies."

Vancouver was not desirous of being a battleground in this struggle and he felt a little more courtesy and consideration might have been shown that city.

"The only objective that we have in mind," he concluded, "is to provide our people with a commodity that is essential, at a price that is reasonable and just and in a manner that will not lend itself to disturbance of the present economy unduly. We are not demanding any method of operation that is not efficient, we are not suggesting that government or public ownership should be adopted if it can be proven that private enterprise can be more efficient and grant the consumer a greater return for his dollar than would result by the adoption of some other method."

Winch Proposes Greater Control

VICTORIA, May 10.—(Special to The News-Herald)—Harold Winch, young leader of the C.C.F. party, urged here Thursday that the government go even farther in the control of industry than it proposed in the special session of the Legislature.

From Mr. Winch came four proposals at the end of a 90-minute speech filled with facts and figures on the oil industry.

He urged:

1—Immediate control to prevent repetition of the recent impasse.

2—Alteration of Bill No. 2 from permissive, intimidative

proclamation legislation to mandatory policy statute for ownership.

3—Immediate opening of negotiations with a safe oil supply to meet possible oil company "block-ading tactics."

4—The government immediately to enter into negotiations with British interests for the purpose of utilizing recent inventions relative to the manufacture of gasoline from coal in order that B.C. in future would not be solely dependent upon foreign sources of supply.

"If the government can't do all this, it can and will be done by the C.C.F.," shouted the young Vancouver-East C.C.F. leader.

Feature of his argument was the new Houdry process of gasoline refining which produced up to 80 per cent supply of gasoline from a barrel of even the poorest type crude oil. This compared with 44 per cent under existing methods

Maitland Denounces New Action

VICTORIA, May 10.—(Special to The News-Herald) — A bitter denunciation of proposed legislation to enable the government to engage in the petroleum business, and a general attack on the tendency of government to acquire the complete powers of the Legislature were launched by R. L. Maitland, K.C., Leader of the Opposition, as he entered debate in the special session of the Legislature here Thursday afternoon.

"This bill is a sad blow to any person who had intended to invest money in British Columbia," said Mr. Maitland, at the start of his hour-long talk.

"We find here a new power given to government. This cabinet can spend \$20,000,000 if it likes without a single reference to the members elected to represent the people of British Columbia. The Bill of Rights can go by the board. The safeguards extracted by the commoners in days gone by are laughed at by this piece of legislation.

"This is really taxation without representation. This is another move toward that bureaucracy which has given control to a set of men instead of Parliament in this province," said Mr. Maitland.

The Opposition Leader voiced criticism of the government for the manner in which it had kept secret the legislation to be dealt with at the session.

"For some reason or other it was guarded, something mysterious," he said. "Certainly the fact that we are not informed is in keeping with the autocratic policy followed by this government for some time," he added.

Under the Combines Act, machinery was available to meet almost any situations — including the recent gasoline deadlock — Mr. Maitland said. And he wondered why the government had not used it.

Referring to alleged dictation of the C.C.F. members, Mr. Maitland said he saw little difference today.

The Opposition Leader voiced parties.

City Board Asks For Delay

By A. H. WILLIAMSON

VICTORIA, May 10.—(Special to The News-Herald)—A direct appeal to Premier T. D. Pattullo to delay passage of the two petroleum industry bills now before the special session of the Legislature was made by the executive of the Vancouver Board of Trade late Thursday afternoon.

Following a meeting of its council in Vancouver, the executive immediately came to Victoria and presented the following appeal to the premier.

"The council of the Vancouver Board of Trade is very seriously concerned by the fact that our government has seen fit to introduce bills Nos. 2 and 3 with a view to enacting legislation of such a far reaching and confiscatory nature.

"The principle embodied in the wording of these two bills is so foreign to the instincts of British justice and fair treatment that we cannot understand what circumstances can possibly be conceived to have warranted such a sudden and disturbing attempt to deprive the people of this province of their rights before the courts on matters of civil rights and private possession of property.

"The damaging effect to the maintenance and development of industry and business in B. C. cannot be exaggerated and the council of the Board of Trade has instructed us to express the most emphatic opposition to such legislation. We see no possible justification for the alienation of the rights of individuals by attempting to authorize the confiscation of private property.

"We see no possible justification for the government to seek to be empowered to engage in the petroleum industry or any other industry or business which is not strictly a matter of government. We see no possible justification for the government's actions in attempting to have this legislation enacted without giving the people of the province and all business interests affected by this type of legislation an opportunity to become thoroughly acquainted with it before it is voted upon in the Legislative Assembly.

"Therefore we most sincerely and earnestly request in the best interests of this province that action in this matter be delayed until such time as all the affected interests have had an opportunity to consider these bills."

The appeal was made over the signature of H. R. Cottingham, president.

Premier Pattullo would not make any statement on the appeal until he had time to study it, he said.

Meanwhile, private members were receiving telegrams from boards of trade in their respective constituencies also asking for delay in passage of the measures pending further study by all interested parties.

Saturday, May 11, 1940.

Opposition Moves Fail To Halt Passage Of B.C. Petroleum Act

Three-Day Special Session Cost Province in Excess of \$20,000

Hard-fought legislation enabling the British Columbia government to enter into the petroleum industry and—in event of an emergency such as the gasoline crisis of two weeks ago—forcibly take over existing plants, passed out of the hands of the Legislature at close of the special session here Friday night and into the hands of the cabinet.

It now can be proclaimed as the law by the lieutenant-governor-in-council at any time the government so desires.

Amendment after amendment, proposed by opposition ranks, went down to defeat as division after division revealed the government and C.C.F. members voting together against Conservatives and individual Liberal support. All the amendments aimed at the same object—the hoisting of the legislation for at least six months.

The three-day special session cost British Columbia in excess of \$20,000. A sessional indemnity of \$200 was approved for each member, with extra payments to the leader of the opposition, Speaker and Deputy Speaker. In addition, the mileage payments to members totalled more than \$9,000. On top of all that was the payment of the sessional staffs, printing and incidental expenses.

Payment of the indemnity was opposed by Harold Winch, C. C. F. leader who urged payment on a daily basis for the brief session.

"Bankrupt as I am, I feel we are being paid too much," said Mr. Winch. I feel that a strong stand by the government would have solved the gasoline situation without this session being called."

E. T. Kenney, Skeena Liberal, felt differently. Up-country members had to spend as much as two weeks away from their businesses for the session and he believed "the laborer is worthy of his hire."

Final passage of bills two and three, introduced by Premier Pattullo and Attorney-General Wismer respectively, went through committee stage with little difficulty. Most opposition came from Messrs. Maitland, Rolf Bruhn and Alex Patton. Although many suggestions were made as amendments to sections of the bills, no changes were made.

So rapidly did the legislation move forward in the final stages that its passage exceeded the expectations of Premier Pattullo and the House had to recess for nearly an hour pending arrival of the Lieutenant-Governor for formal proclamation.

His Honor's assent to the bills obtained, the 'prorogation' order was read by Hon. George M. Weir, provincial secretary, and as the governor and his aides walked out, the entire assembly sang the national anthem.

Notably absent was the usual uproarious outburst of paperthrowing, cheery shouting and singing that always has accompanied the end of a session.

Maitland Assails 'Useless Session'

"While that great struggle is going on in Europe we are sitting here in absolutely useless session," said R. L. Maitland, K.C., leader of the Opposition, as he attacked the government amendment to the Coal and Petroleum Products Control Act as the House resumed this morning.

"This is nothing more than a political bill from end to end," he said. "A man can't start a hotel or anything because this czar sitting here says we have too many of these things in B. C."

In giving judgment in the recent litigation, he continued, the Supreme Court had ruled the act *intra vires* because there was "no compulsion to sell." Now the government amended the act compelling the dealers to sell.

"Are we in for another period of litigation?" he asked.

Attorney-General Wismer said no. At the time of the judgment no "local evil" such as the gasoline deadlock had arisen, he said.

Debate on the bill was continued by Capt. C. R. Bull, Liberal, South Okanagan, and Leslie H. Eyres, Conservative, Chilliwack.

M A Y

1940

BATTLE LOOMS IN LEGISLATURE OVER GAS BILL

Conservatives to Oppose
Extension of
Control.

HOUSE OPENS

By Daily Province Staff Correspondent

VICTORIA, May 8. — Opposition to what is termed as a move to extend "bureaucratic political control" in British Columbia is expected to be forthcoming today in the Provincial Legislature's special "gasoline session" which opened today and adjourned until Thursday.

Although details of the bill to be presented on the gasoline case have not been made public, it is understood the Legislature will be asked for authority to engage in the oil business in some future time.

FOUGHT OIL BOARD.

Informed circles state that R. L. Maitland, K.C., Conservative leader, and his followers will fight the government's bill upon the same ground that they opposed the introduction of the Coal and Petroleum Products Control Act at the session of 1937; the principle of extending enlarged powers to the government will be attacked.

"WE'RE FOR DEMOCRACY."

"The issues raised in this session draw a clear line of distinction between the Conservative party and other parties in this province," Mr. Maitland said.

"They call for socialization of business which ultimately must lead to government control of every major business in this province.

"We stand for democracy and against bureaucracy.

"We stand against continued extension of powers which can be used by political parties in control to exercise their will over the people.

"The new system which the Liberal party and the C. C. F. party favor has steadily increased since the introduction of the Special Powers Act in 1934.

"That act showed contempt for the rights of the individual and just a beginning of a procession of the same kind of legislation."

Harold E. Winch, leader of the C. C. F. group in the House, said:

"There will be no permanent solution outside of complete government ownership of the distributing phase of the petroleum industry. We are keenly interested in the government's move, because there now has been disclosed the greatest example showing the power of controlling interests and how they will use it when the occasion arises.

"We have figures to refute, particularly the arguments of the oil companies."

LEGISLATIVE POMP LACKING

Formalities Cut at Victoria

By Daily Province Staff Correspondent

VICTORIA, May 8.—No cannons boomed a welcome to His Honor Lieutenant-Governor E. W. Hamber when he arrived at the Legislative Buildings from Government House to open the special session of the Legislature this afternoon.

No uniformed guard of honor, resplendent in gay uniforms and flashing medals was drawn up for his inspection prior to accompanying him into the Assembly to deliver his message.

Most of the pomp associated with the traditional ceremony of opening day was absent.

Precisely at 3 o'clock his honor, accompanied by his aides, Lieutenant-Commander C. E. Donaldson and Col. J. R. Kingham, and his secretary, A. M. D. Fairbairn, approached the brass gates.

His Honor delivered his brief message, recounting in a few words the story of the recent dispute between the government and the oil companies, and advising the members that they had been called together to consider enactment of measures to make a repetition of such an occurrence impossible.

Notice was also given of an amendment to the Constitution Act to provide the machinery for the payment of less than the usual indemnity for attendance at this session.

Then Premier Pattullo informed the House that he was in receipt of a message from his honor, recommending the passing of a bill to deal with the situation arising from the gasoline dispute situation. This was the reason for the session.

Tradition Upheld

Conservatives Wear Pooley Primroses

VICTORIA, May 8.—The Pooley tradition continues. Conservative members of the Legislature are wearing primroses.

At every session of the Legislature since 1912, when he was a young member, Harry Pooley has provided the Conservative floral emblem for the opening day of the Legislature. Pooley primroses have become as much a part of the ceremonial opening of the Assembly as the speech from the throne.

Early this morning, in the rain, Mr. Pooley was out in his magnificent garden selecting primroses for the Conservative opposition group.

Mr. Pooley retired from the Legislature in 1937 after more than a quarter of a century of continuous representation of Esquimalt. The last four years of his term he and Rolf Bruhn alone were entitled to wear the yellow blooms.

Once again, although there are but five Conservatives present at the special session, primroses are in evidence as of yore and the Pooley tradition continues unbroken.

Thursday, May 9, 1940.

House Debates Bill Giving Government Full Control of Oil Industry

GAS "STRIKE" OPENED WAY

By Daily Province Staff Correspondent
VICTORIA, May 9.—Complete control of the petroleum industry from the drilling for oil to the distribution of petroleum products to the public is included in the Petroleum Sales Act, and the amendment to the Coal and Petroleum Products Control Board Act, presented to the special session of the Legislature Wednesday afternoon by Premier T. D. Pattullo and Attorney-General Gordon S. Wismer.

The Petroleum Sales Bill asks the members to confer upon the Lieutenant-Governor-in-council, at his discretion, the right to bring the measure into operation upon proclamation, and thereupon engage in the production, processing and distribution of petroleum.

The amendment to the Coal and Petroleum Products Control Board Act seeks additional and far-reaching powers for the board presided over by Dr. W. A. Carothers.

CREATED "LOCAL EVIL."

The preamble to the Petroleum Sales Act sets forth at some length the history of the dispute between the government and the oil industry in relation to the Coal and Petroleum Products Control Board Act.

It charges that suspension of deliveries of gasoline to the public "brought about unemployment and caused great inconvenience, hardship and loss, thereby creating a local evil in the province."

This declaration of "a local evil" makes possible the extraordinary powers sought in the measure. This was explained by Attorney-General Wismer following the adjournment. It was not possible, he said, to take such sweeping powers and authority in the Coal and Petroleum Control Board Act at the time of its passage in 1937.

Action of the oil companies in stopping deliveries to the public constituted what is called in law "a local evil." Such being the case, the government has the right to ask for such legislation as may be used to prevent a recurrence of the situation.

TEXT OF GAS BILL

Gives Government Full Power To Buy or Lease Oil Plants

(By Canadian Press.)

VICTORIA, May 9.—Partial text of the bill authorizing the British Columbia Government to enter the oil and gasoline business as introduced in the Legislature Wednesday:

The Lieutenant-Governor-in-council may, in his discretion, for and in the name of His Majesty, from time to time exercise, within the province, all or any of the following powers:

(a) To engage and carry on the petroleum industry; and for that purpose to acquire by purchase, lease, or otherwise any land, buildings, chattels, or property; and to enter into agreements and contracts; to employ such persons as may be necessary; and generally to do such things as may be advisable or incidental to engaging in and carrying on the industry;

EXAMINE BOOKS.

(b) To enter upon, inspect and value any refinery or storage plant or distributing plant, and to examine any books of account, records, inventories, letters, papers, and documents that may be found there;

(c) To take and acquire by purchase, lease or otherwise, and to operate any refinery or storage plant or distributing plant, or any part thereof;

(d) To acquire by purchase or otherwise and hold the shares or securities of any company engaged in the petroleum industry;

(e) To enter into any agreement with any person engaged in the petroleum industry for the joint management or control of such company or of any of its properties or operations;

(f) To cause to be incorporated under the Companies Act or otherwise a company or corporation having as its object the carrying on of the petroleum industry, and having such powers set forth in subsection 1 of section 22 of the Companies Act, or such further or other powers as may seem proper; and to finance such company by the purchase of its shares or securities or otherwise, the financing to be so arranged that the Lieutenant-Governor-in-council shall have control of the company or corporation; and to vest in such company or corporation any property acquired by the Lieutenant-Governor-in-council under this act; and to charge such company or corporation with the duty of operating any industry that he has power to operate by virtue of this act;

(g) To do all things that are incidental to, or necessary or advisable for, the effective carrying out of the foregoing powers.

MAY SELL OR LEASE.

The Lieutenant-Governor-in-

council may at any time sell, lease or dispose of any property acquired under the provisions of this act. He may enter into any arrangement with any person for the management of any such property or for the management of any business in which the Lieutenant-Governor-in-council has engaged pursuant to this act. The Lieutenant-Governor-in-council may at any time abandon any property acquired pursuant to this act or discontinue any business in which he has engaged pursuant to this act.

For the purpose of carrying into effect the provisions of this act according to the true intent or of supplying any deficiency therein, the Lieutenant-Governor-in-council may make such regulations, not inconsistent with the spirit of this act, as are deemed necessary or advisable.

Without thereby limiting the generality of the provisions contained in subsection (1) it is declared that the power of the Lieutenant-Governor-in-council to make regulation shall extend to:

(a) Prescribing in what manner and at what times balance sheets and statements of profit and loss shall be prepared by any company or corporation established under this act;

(b) Require any company or corporation established under this act to pay into the consolidated revenue funds any moneys in its hands not immediately required for its purposes;

(c) Appointing or designating any person to carry out or execute, subject to directions from the Lieutenant-Governor-in-council, any power conferred by this act that the Lieutenant-Governor-in-council decides to exercise.

The minister of finance may from time to time, with the approval of the Lieutenant-Governor-in-council, advance to any company or corporation established pursuant to this act, from the consolidated revenue fund, such sums of money as are necessary to pay the expenses of such company or corporation, or to provide either of them with money to purchase or acquire anything that may be acquired under this act, or with adequate working capital.

The Lieutenant-Governor-in-council may authorize the payment of any purchase moneys agreed to be paid by the Lieutenant-Governor-in-council or on his behalf, pursuant to this act, to be paid in cash out of the consolidated revenue fund, or may authorize the issuance of debentures or treasury bills or notes for the purposes aforesaid on such terms and conditions as he may determine.

All securities issued under this act and the interest thereon shall be chargeable upon and payable out of the consolidated revenue fund and the securities shall bear interest at a rate not exceeding

5 per centum per annum, payable half-yearly, and shall be repayable at a date not later than 50 years from the date thereof.

The Lieutenant-Governor-in-council may from time to time provide for the repayment of all securities issued under this act by appropriating yearly out of the general revenue of the province such sums of money as may be sufficient for the creation and maintenance of a sinking fund for the final payment of every such security and may make provisions for the investment from time to time of the amount of any sinking fund or any part thereof.

MAY BORROW MONEY.

All expenses necessarily incurred in the administration of this act shall, in the absence of a vote of the Legislature for that purpose, be paid from the consolidated revenue fund.

The minister of finance may from time to time, with the approval of the Lieutenant-Governor-in-council, borrow moneys and make arrangements with any bank for loans or money overdrafts to provide funds required for the purposes of this act; and may as security for any loans or overdrafts issue debentures, treasury bills or notes bearing interest at a rate not exceeding 5 per centum per annum and repayable in not more than 50 years; and every amount so obtained by way of loan or overdraft shall, until repaid, together with the interest thereon, be a charge against the consolidated revenue fund, and any such debentures, treasury bills or notes may be renewed or reissued from time to time.

This act shall not prevent any person from importing petroleum into or exporting petroleum from the province.

This act shall come into operation at such time as may be fixed by the Lieutenant-Governor by his proclamation.

BOARD MAY MOVE IN.

Two subsections are added to the Coal and Petroleum Products Control Board Act, as Clause 36A.

The first one contains the main principles of the amendment. It provides that "in the event of the persons engaged in the petroleum industry in the province at any time refusing or failing to supply an adequate quantity of any petroleum product to the public at the price fixed by the board for that product and, as often as such refusal or failure occurs, the board may, with the approval of the Lieutenant-Governor-in-Council, forcibly or otherwise enter upon, seize, and take possession of the whole or any part of the movable or immovable property of any person engaged in the petroleum industry in the province, together with the books, documents, offices and facilities of such person."

All officers and employees of the concern occupied by the board must obey the orders of the commission, "and the board may dismiss any of such officers, employees and servants, and may employ others."

The second subsection provides that costs incurred in any proceedings taken by the board under the section "shall be in the discretion of the board," and the board with the approval of the government "may order by whom and in what amount or proportion they shall be paid."

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A Dangerous Bill

PREMIER PATTULLO has a bill before the special session of the Legislature which if adopted will give him the power to take over and operate the petroleum industry of British Columbia or any part of it. The legislation is drastic and far-reaching. It marches along the same course as Mr. Aberhart has taken in Alberta and not very far behind the Alberta Premier.

There is more than a possibility—there is a probability even—that Mr. Pattullo has no wish to enter the oil business in British Columbia and no intention of doing so. But he has had a clash with the oil companies, he feels there may be another clash and he wants an axe to hold over the companies' heads. The legislation he is asking for is the axe. If he gets it he can use it to work his will.

There is no question that Premier Pattullo can find a good deal of public support in British Columbia for taking strong measures against the oil companies. Considerable public goodwill was forfeited when the oil companies precipitated a gasoline famine on the province.

There is a danger, however, that feeling against the oil companies may serve to obscure the real implications of the legislation now before the House. It is not the oil companies alone that will have an axe suspended over their heads if this bill passes, but every business enterprise in British Columbia. If Mr. Pattullo can get the power to step into the oil business and take it over in whole or part, he can get the power to take over any business or any part of any business, whether it has to do with production, processing, merchandizing or distribution. He can become the economic as well as the political master of the province.

The people who are in the province, the industries already located here, will have to endure this condition of affairs, unless they take the obvious steps to remedy it. But where is the likelihood that any capital not now invested in British Columbia and seeking a location will come to a province which has a law on its statute books permitting its government at will to confiscate both the fruits of investment and investment itself? And without new capital, what likelihood is there of new development?

It would be a good thing for the industries already established in this province, and for the people whose livelihood is wrapped up in the future of these industries to give serious thought to the problem which Mr. Pattullo's impulsive legislation has raised. Can this province afford to allow such wide and potentially dangerous powers to be placed in the hands of any government? Above all, can it afford to allow such powers to be placed in the hands of a government which is notoriously interested in lucrative sources of campaign funds?

LIBERALS BACK GAS PROGRAM

Passage Without Major Changes Forecast After Vote.

(By Canadian Press.)

VICTORIA, May 9. — British Columbia Government's program to take additional powers over the petroleum industry within the province was given the backing today of the Liberal caucus and political observers interpreted this as indicating the measures will go through without any major changes.

But there was evidence of a drive from business interests to have the government at least delay the legislation until they have had the fullest opportunity to study it.

H. R. Cottingham, president of the Vancouver Board of Trade, and Secretary W. E. Payne, were on their way here by boat to make representations to the government on the question.

While the attitude of the board has not been publicly stated, it was reported they will urge a delay in the government's bill to take power to go into the oil industry.

Privately, members of the business men's delegation state they are not so much concerned with the bill taking control of the oil industry as the trend toward more government interference in business.

In the House the government faced strong opposition from the Conservative wing on the point of interference with business. R. L. Maitland, K.C., the Conservative leader, plans to follow Premier Pattullo in debate this afternoon to bring out this issue.

PLACES BLAME ON COMPANIES

By Daily Province Staff Correspondent

VICTORIA, May 9.—Responsibility for precipitating the stoppage in supplying gasoline to the public was placed upon the doorstep of the oil companies by Premier Pattullo, in introducing the Petroleum Sales Act Bill at the special session of the Legislature Wednesday afternoon.

The Premier said that the measures that would be introduced were "not punitive in character," but were intended to protect the public.

"It will be recalled," the Premier said, "that at the fall session of 1937 this House passed the Coal and Petroleum Products Control Board Act. A control board was appointed and a base price for gasoline was fixed.

OBTAINED INJUNCTION.

"Immediately the oil companies brought an action to restrain the board from carrying out the order, maintaining that the act was ultra vires.

"A judge of the Supreme Court granted this injunction which was maintained until the trial. The trial judge held the act to be ultra vires in its price-fixing sections and continued the injunction.

"An appeal was taken to the Court of Appeal, and judgment was handed down on June 9, 1939, upholding the legislation. The Court of Appeal, however, on motion of the oil companies, continued the injunction until hearing in the Supreme Court of Canada.

On the 23rd of April, 1940, the Supreme Court of Canada gave judgment unanimously dismissing the appeal.

WOULD NOT ACCEPT LAW.

"The moment that this judgment was handed down," the Premier went on, "the order became the law of the province.

"The oil companies would not accept this, and three days prior to the conference between the chairman of the control board and the companies, the latter stopped the sale of gasoline.

"I think the House will agree that the situation is intolerable."

Mr. Pattullo wants to put British Columbia into the oil business, with himself as general manager. It would seem to be rather more of a gamble than a cautious investment.

Thursday, May 9, 1940.

Legislature Notes

Oil Pours In Parliament

VICTORIA, May 9.—In seeking authority to go into the petroleum business the government envisions the need for such powers if its oil drilling venture in the Peace River area is successful.

Premier Pattullo broke short a prepared statement reviewing the government's dispute with the oil companies, to remark, "and don't forget that the government is now drilling for oil in the Peace River country."

R. W. Bruhn, Salmon Arm, chuckled.

"My friend may laugh," said the Premier, "but we feel very sanguine as a result of the advice we have. Theoretically the field is better geologically than Turner Valley and twice as large."

"I was not laughing at the idea of finding oil," the Conservative member hastened to assure the Premier, "but as to how you would get it out if you did bring in a well."

"Oh," beamed the Premier, "you need not worry about that. It would be possible to pipe oil from Turner Valley to Vancouver, but that is a long distance. A line can be run from the Peace River to the sea that would be only 430 miles in length and would only require a lift of 800 feet."

"But," he added good naturedly, "we must find the oil first."

For the first time in recorded history the speech from the throne did not conclude with a prayer, that the blessing of Providence should rest upon the House in its deliberations.

Lobby comment was that this was unnecessary as Providence was probably now included in delegated powers controlled by some government board or commission.

Tom Uphill, who has headed his one-man party in the Legislature for more than two score years, demands recognition.

Premier Pattullo in explaining that there would be no debate on the reply to the speech from the throne, explained that this was by agreement. He had consulted R. L. Maitland, K.C., Conservative leader, and Harold Winch, C.C.F. leader, he said.

"But you did not consult me," interrupted the irrepressible member from Fernie. "I'm a party leader too; my own party."

The Premier smiled broadly, bowed to Mr. Uphill and apologized: "I certainly would have consulted the Independent-Labor member, had I been able to locate him."

"Well, that's all right," answered Tom, "I don't want to be overlooked."

Friday, May 10, 1940.

Price Regulation

THE principle affirmed in the recent judgment of the Supreme Court is that the regulation of prices within the provinces comes within the jurisdiction of the provincial legislatures as a matter of "property and civil rights" as defined in the language of the British North America Act. It means therefore that such regulation does not come within the jurisdiction of the Parliament of Canada as a matter of "trade and commerce."

But once this is said, it is not hard to foresee an immense exacerbation of the existing constitutional conflict in Canada. Shortly put, it means that it is altogether unlikely that Parliament can rest content with this interpretation and application of the organic law of the nation.

If that is the constitution as it stands, then we may be perfectly certain that there will be an increasing effort to amend the constitution. For the constitution on this interpretation confers a superior power upon the provinces in relation to the central power of the nation and it is a conflicting power in the very nature of it.

If the provinces can regulate the prices and control the distribution of one commodity within their borders, they can do the same with any commodity. And there are reasons of profound importance, political reasons and economic reasons, why this power should reside, supreme and undivided, in the nation itself.

We can be pretty certain that the Supreme Court judgment here is not the end of anything at all but rather the beginning of a new and incalculable phase in the remaking of Canadian government and law.

Move to Adjourn Gas Debate Beaten

By Daily Province Staff Correspondent

VICTORIA, May 10.—Leslie Eyres, Chilliwack member, suggested to the government this morning that the gasoline debate be adjourned to permit the House to discuss the activities of "the fifth column" in British Columbia.

No response came from the government benches.

Gas Bill Hoist Move Defeated In House

By Daily Province Staff Correspondent

VICTORIA, May 10.—The government's gasoline legislation advanced to the committee stage today, when the amendment to the Coal and Petroleum Control Board Act was given second reading.

An effort was made at the morning session to give the measure a "six months' hoist," but this met a fate similar to the initial effort of the Conservatives to delay the Petroleum Sales Act on Thursday. (See also page 13.)

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Friday, May 10, 1940.

Four Members of Liberal Party Bolt In Vote On New Gasoline Bill

Harry Perry Leads Revolt Against Pattullo's Measure

By Daily Province Staff Correspondent
VICTORIA, May 10. — Second

reading was given by 32 to 10 to the government's bill to empower the Lieutenant-Governor in Council to take control at any time that was deemed necessary, of the petroleum industry in British Columbia, last night. But the advancement of the legislation was not achieved without a distinct cleavage in the ranks of the Liberal party.

Led by Harry G. T. Perry, former speaker of the Legislature, three Liberal M.L.A.'s — Ezra Henniger, Grand Forks; Louis LeBourdais, Cariboo, and Dr. J. J. Gillis, Yale, chairman of the Liberal caucus—voted with the Conservative opposition. The C.C.F. party voted with the government.

SUGGESTS CONVENTION.

Mr. Perry, who stands high in Liberal councils, suggested a party convention to decide whether it approved of the present policies of the government.

Highlights of the afternoon was the attack made upon bureaucratic methods of administration by R. L. Maitland, K.C., Conservative leader.

Dr. J. D. Hunter, Victoria, Conservative, sprang a surprise at the evening session when he sought to have a six-months' hoist given to the bill. It was defeated by 33 to 9, Dr. Gillis voting to continue the debate, but opposing the measure later.

DEFINITE OPPOSITION.

H. G. T. Perry, former Speaker, and Liberal member for Fort George, was the first of the private members to engage in the debate.

He took a stand of definite opposition to the measure, and with genial sarcasm complimented the government upon calling the session, saying: "The government has done a great deal in allowing us to discuss the matter."

He blamed the chairman of the control board for precipitating the recent suspension of gasoline sales.

Premier Pattullo was on his feet instantly. "He was not to blame. It was the law, and the law had to be obeyed."

Mr. Perry bowed to the Premier, and blandly asserted: "Then I must lay the blame at the feet of the attorney-general."

Mr. Wismer entered denial.

"CHAIRMAN SUPREME."

"The order itself was the cause of the trouble," declared Mr. Perry. "The chairman of the board is supreme. He is far above the Legislature. He does not have to come to this House to answer before a committee. But he went to sleep over the week-end and when he woke up he found that the order must be changed."

"This bill is contrary to all that I stand for as a Liberal," he declared.

The bill, he pointed out, was designed to take over the oil industry when it became unprofitable; when it was not advantageous for the companies to supply gasoline.

COMPETITION VALUE.

Provision of gasoline at a "reasonable and just" price, in a manner that will not cause undue disturbance of the present economy, was urged by Mayor Lyle Telford, Independent.

Mayor Telford declared so long as the competitive system survived, principles of free competition should be adhered to.

But he recommended that the value of free competition should be retained, plus protective efficiency of a co-operative agency to act as a "yardstick."

"Let us avoid political patronage and monopoly, further sabotage of our economy and 'sit-down' strikes of monopolies," the mayor said.

Dr. J. J. Gillis took a stand against dictatorial legislation in general, and the efforts of the government to seek added powers to enter the gasoline business in particular.

He attacked the Marketing Board, which he declared to be ineffective.

The motion to hoist the government's bill for six months was seconded by R. W. Bruhn (Salmon Arm) and defeated by 33 votes to nine.

The House unanimously agreed, however, that the debate should continue.

C. C. F. URGES SOCIALIZATION

By Daily Province Staff Correspondent

VICTORIA, May 10.—Complete socialization of the gasoline industry instead of "permissive, intimidative, proclamation-legislation" was the demand voiced by Harold Winch, C.C.F. leader, in urging that the government take over the ownership of the oil companies' plants in British Columbia.

The youthful socialist leader presented a characteristically detailed factual analysis of the oil industry to the Legislature in the debate on the Petroleum Sales Act bill. He supported his argument with quotations from publications and trade journals, as he developed the position of his party, which he summarized under four headings:

1 Immediate control to prevent repetition of the recent impasse (when the sales of gasoline were discontinued to the public).

2. Alter the bill from "permissive, intimidative, proclamation-legislation to a mandatory policy of ownership.

3 Immediate opening of negotiations with some safe oil supply to meet possible Canadian and United States oil companies' attempt at blockading tactics.

4 The government to immediately enter into negotiations with British interests for the purpose of utilizing recent inventions relative to the manufacture of gasoline from coal, in order that B.C., in future will not be solely dependent upon foreign sources of supply.

SAFEGUARD SUPPLY.

The issue before the House at this time, he declared, was that of assuring the public an adequate supply of an every-day essential commodity, on a basis that is economically and socially sound.

The oil companies, he declared, had maintained that it was not possible to function on an economically sound basis under the provisions of the order that had been issued last August by the Coal and Petroleum Products Control Board. They must either substantiate or disprove this contention.

CHARGES BIG PROFIT.

Quoting from the Macdonald report, he criticized the financial setup of the companies' operation in British Columbia. The cost accounting system in use in the industry was inaccurate, he maintained. He asserted that while the companies were actually making a profit of 44.7 per cent, they only showed by their accounting methods a profit of 5 per cent. This had been shown by the Macdonald report.

He scoffed at the claims made by oil companies that costs had increased greatly since the outbreak of war. The higher rate of exchange meant but a fraction of a cent increase per gallon of gasoline, Mr. Winch said, while crude oil, he was informed, was actually lower in cost today than it was a year ago. The price was recently around .105 per barrel.

It was true that tank ship rates had gone up, but every tanker on the Pacific Coast was owned by the oil industry. It was simply taking money out of one pocket and putting it into another.

PUBLIC OVERCHARGED.

The Macdonald report was definite in the assertion that there should be a reduction in gasoline prices, and while the report was made several years ago, it was relatively true of present conditions. The people of British Columbia were being overcharged today, he asserted, even under the reduced rates recently agreed upon.

He said that during the gasoline shortage of a few days ago gasoline was actually selling in Cranbrook for less than previ-

ously, and 2 cents below the price today. It was brought in from Alberta, and the retailer made a spread of 6 cents. He asked that this be drawn to the attention of the control board.

The recent agreement reached between the government and the companies had been at the expense of the retailers. The average sale of gas at service stations in the Vancouver area was only 70 gallons daily, he said, and the loss of a cent was a serious affair to them.

"CAMPAIGN FUNDS."

Flourishing special contracts between oil companies and dealers before the House, the C.C.F. leader declared that such agreements were vicious in the extreme. They gave the companies control over the lives and means of livelihood of the retailers. The oil companies who demanded free competition denied the same privilege to those who worked for them he charged.

The people on the street were saying, "It is a swell act to get campaign funds out of the oil companies."

Premier Pattullo started to rise to his feet, but Mr. Winch forestalled him. "I do not make that as a statement, but I am telling you the way that the man on the street views it."

ATTACK ON GAS BILL RENEWED

(Earlier details of the debate on page 13.)

VICTORIA, May 10. — The threat of dictatorship in B. C. is doing more to wreck the province than anything else, declared R. L. Maitland, K.C., Conservative leader, launching a second attack on the government's Gasoline Sales Act in the Legislature today.

When asked by Attorney-General Gordon Wismer what he would do if the Conservative party were in office, Mr. Maitland replied:

"Whatever I did, I would not strike fear into every industry in the province as this government is doing."

"I would take care of this situation in such a way that freedom and fairplay were not threatened by litigation."

Capt. C. R. Bull, South Okanagan, Liberal, came to the defense of Dr. W. A. Carrothers, chairman of the Control Board. He declared that the doctor was fair, impartial and efficient.

"I resent this idle, foolish talk of no interference in business," Capt. Bull declared, adding:

"I regret that the powers of government are not greater. I

regret very bitterly, indeed, that we in British Columbia do not have a sovereign state."

The type of control legislation that was before the House had been a godsend to the fruit industry, he declared.

Friday, May 10, 1940.

FEARS BUREAUCRACY

Maitland Charges Democratic Principles Repudiated By Act

By Daily Province Staff Correspondent

VICTORIA, May 10.—Democratic principles of responsible government are being denied; parliamentary responsibility is being curtailed and tremendous powers are being placed in the hands of bureaucracy under control of a politically chosen cabinet.

These things were happening in British Columbia today, and the measures presented to the special session of the Legislature were further evidence of a trend toward dictatorship that had been in progress for the past seven years, R. L. Maitland, Conservative leader, charged in attacking the gasoline control bill Thursday afternoon.

Making it clear that he was not defending the oil companies, but was opposed to the assumption by the cabinet of the inherent rights of the people as represented by the Legislature, Mr. Maitland vigorously criticized the government's petroleum control legislation. He said it not only threatened to retard busi-

ness investment, but it endangered employment, provincial progress and opened the door to political corruption.

"This bill is a sad blow to any person who had intended to invest money in British Columbia," the Conservative leader declared upon rising in his place to lead in voicing his party's opposition to the petroleum sales legislation.

"We find here a new power given to government," he went on, "a power to go into business, buy and to sell refineries, distributing plants; to take over drilling operations, shares, incorporate companies, and to spend the money for all of these things without reference to the Legislature."

"This cabinet can spend \$20,000,000 if they like, without a single reference to the members elected to represent the people of British Columbia. The bill of rights can go by the board," he continued. "The covenant given by William and Mary to consult Parliament before the expenditure of any money is forgotten."

Taxation Without Representation

"The safeguards extracted by the commoners in days gone by are laughed at by this piece of legislation. This is really taxation without representation; the very thing that King Charles tried to do when he defied the bill of rights. This is another move toward that bureaucracy which has given control to a set of men instead of Parliament in this province," Mr. Maitland charged.

"The safeguards that were set up putting the control of the expenditure of large sums of money under Parliament, instead of in the hands of a group of a cabinet, were set up for a specific purpose. That purpose was for protection against graft and corruption; against giving the party in power the right to exercise a corrupt influence by spending public money without check or interference by Parliament itself."

"This act," the Conservative leader went on, "permits a cabinet, made up of the members of the political party in power, to make contracts and deals and arrangements involving the expenditure of millions; to buy and sell and manipulate companies, and to make any kind of a contract they want with any interest or any individual they want, without the permission of the Legislature, and without ratification by the Legislature."

Referring to the calling of a special session, Mr. Maitland criticized the secrecy and lack of information that surrounded it. The members should have been

given some information as to the real purposes behind the summoning of the House.

"They could then have brought with them some idea of the public reactions to the measures proposed. 'For some reason or other,' he added, 'the legislation was guarded; was secret; something mysterious. Certainly the fact that we were not informed is in keeping with an autocratic policy such as has been followed by this government for some time.'"

Turning his attention to the Coal and Petroleum Products Control Board, the speaker pointed out that the board itself was regulated and controlled by the cabinet.

In turn the commission was to have power, subject to the executive, to compel persons engaged in the coal and petroleum industries to comply with the provisions of orders that it might make. Already its powers were extensive, and were exercised under cabinet direction.

"And this particular board can be fired by the cabinet. Their salaries are fixed by the cabinet. Their officers, clerks and employees from office boy to chairman are appointed by the cabinet, and they can only engage experts with the approval of the cabinet," he emphasized in pointing out the sweep of cabinet control.

"They can not make an order, rule or regulation, grant an exemption, nor rescind, amend, change, alter, or vary any order, rule or regulation without the approval of the cabinet."

Government Reaching for Power

Saying that he wished to discuss "that particular feature of government in British Columbia," Mr. Maitland declared: "It has been obvious and apparent for the last seven years—a continuous reaching out by the government for power, and more power; a continued effort to get control of everything that would be useful and helpful to a political party in this province; a system whereby the party that happens to be in power is given enormous advantage and control such as our system never intended any political party should have."

"Commissions, boards, civil servants and the public are all put more and more under the thumb of the cabinet of the political party that is in power. Everything seems to be referred to the cabinet."

"All power in this province seems to belong to those members of the political party that is in power, whether they know anything about the subject matter in hand does not matter. Control by them seems to be the main objective that the government has been striving for in all of the legislation they have brought in during the last few years."

"This is growing to such an extent in this province that people are afraid to exercise openly freedom of action, and political action particularly, that was so obvious in years gone by."

"This course of legislation that gives more power and control to the party in power is becoming a dangerous thing."

"This country was built upon a democratic basis and foundation; built by people who had the pioneer spirit and the British idea of democracy; and idea of democracy that gives people the right to go forward and create, and produce, and build; a democracy that gave men an opportunity to expand business and industry; and the jobs that men got in Canada during the building of this great country were obtained because people felt that they would have a fair opportunity to build, and to benefit fairly by their labor and their investment."

"And they knew that they always had access to the courts in the case of any unfair treatment by government. They had an opportunity to go before a tribunal that was not a political tribunal. They were not hampered and surrounded by a bureaucratic system that gave all the power to a political party that got, not a majority of votes, but the most votes, during the last election."

Pattullo's View

WOULD GUARD PUBLIC RIGHTS

By Daily Province Staff Correspondent

VICTORIA, May 10.—Individualism in business is permissible only insofar as it does not trespass on the rights of the people as a whole, declared Premier T. D. Pattullo, speaking in support of the Gasoline Sales Act before the B. C. Legislature, Thursday.

"I am in favor of control where control is essential to the public interest," the Premier said. "And I am confident control is essential in this particular interest."

Mr. Pattullo, in a brief summary of the government's stand on gasoline "abuses," said they had chosen to take a certain line of action, backed by the majority of the Legislature, without wishing to do any injury whatever to business.

MEANS BUSINESS.

He intimated further that if "similar abuses" occur in other businesses, the government may find it necessary to follow a similar course.

"We might need to use this act ourselves," he added. "As you know, we are now drilling in the Peace River country and expect to strike oil."

The Premier then referred to a press statement made on Wednesday by Conservative Leader R. L. Maitland, K.C., in which he declared "the issues raised in this session draw a clear line of distinction between the Conservative party and other parties in the province."

"So far as I am concerned that line has always been drawn," declared Mr. Pattullo.

"What line?" interjected R. W. Bruhn, Conservative M.P. for Salmon Arm.

"A straight line," retorted the Premier with a quiet smile.

The Premier reiterated that the Gasoline Sales Act was being introduced solely to deal with "exigencies" that had arisen in the recent stoppage, and not with any intent to control business in the province.

"This government is acting on behalf of the people supported in the Legislature by the majority of members representing the people," he declared.

WISMER'S STAND.

After Mr. Maitland had concluded a lengthy attack on the government's stand, Attorney-General Gordon Wismer rose in defense.

Refuting statements that the government was seeking to interfere with business, Mr. Wismer said that oil companies had the same right as the consumer to appeal against any decisions of the control board.

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Saturday, May 11, 1940.

Telford Deplores Increase in Cost of City's Gasoline

SAYS SESSION TRAGIC WASTE

The fact that the government's new gasoline price order abolishing all preferential commercial rates will increase the city's gasoline bill by \$3500 per year is deplored today by Mayor Telford on his return from the brief session of the Legislature.

"I would say our session was a tragic waste of time and money," his worship declared in a prepared statement.

TAXPAYERS PARALYZED.

"The most tragic part of it all is that we, the consumers and taxpayers, are being penalized as usual."

The city has been officially advised by the three oil companies it patronizes that, commencing May 8, the city's preferred rate of 22 and 24 cents per gallon, depending on the quality, was increased by one cent to 23 and 25 cents.

Each year the city uses approximately 350,000 gallons in its police cars, fire engines, trucks and other vehicles.

"If suggested government interference brings such results, one shudders to think what actual government control, under the present political administration, would result in," the mayor's statement continued.

QUOTES FIGURES.

"It is shown from official sources that the gross profit of the petroleum products industry is 13.32 per cent., the lowest in British Columbia, while that of the distilleries, 56.4 per cent., and the breweries 46.4 per cent., are the highest.

"These latter, as we all know, are closely allied with our Provincial Government control.

"One hesitates, with such evidence at hand, to advocate the present government's control of such urgent economic necessity as gasoline and oil.

"Naturally, any and all governments should have powers to meet all emergencies, but otherwise, with the present Liberal government's record before us, and its avowed opposition to the principle it applied for (government control and operation), it would be the greatest folly to have them take over complete control."

SOME LIBERALS DISSENTED

Petroleum Sales Act Passes, Special Session Adjourns

By Daily Province Staff Correspondent

VICTORIA, May 11.—The government's programme to extend control over the petroleum industry in British Columbia was enacted by the passage of the Petroleum Sales Act and an amendment to the Coal and Petroleum Products Control Board Act. His Honor the Lieutenant-Governor prorogued the House at 5 p.m. Friday.

The debate had been characterized by bitter attacks, led by R. L. Maitland, K.C., upon the growth of bureaucratic government in British Columbia.

Harry Perry, Fort George; Louis Lebourdais, Cariboo; Ezra Henniger, Grand Forks, and Dr. J. J. Gillis, Yale, chairman of the Liberal caucus, voted against the government.

"INCIPIENT DICTATORSHIP."

"An ill-timed attempt to interfere with the economic law of supply and demand by a government that is fast becoming an incipient dictatorship," was how E. V. Finland, Conservative member for Esquimalt, described the gasoline impasse in the closing stages of the debate.

"Widespread harmful publicity has been given to the unnecessary crisis created by the impetuous action of the Control Board," he said.

"What do you mean by that?" interrupted Attorney-General Gordon Wismer.

"I mean that this whole unfortunate situation has arisen from the impetuous passing of the control act introduced in 1937," Mr. Finland replied.

J. A. Paton, Point Grey Conservative, recommended that in-

stead of "clubbing each other," the government should be trying to bolster up business organization in the province.

Return of the five-cent "spread" to the retail dealer was urged by Dr. J. D. Hunter, Victoria Conservative.

FOR EMERGENCY ONLY.

Mr. Maitland insisted that the powers conferred by the Petroleum Sales Act would permit the government to purchase shares in "companies anywhere and at any time."

The Petroleum Sales Act, he emphasized, was permissive.

The Attorney-General explained that it was machinery to be held in readiness for any emergency. Personally he had no desire to see the government enter into the gasoline business on the scale permitted by the act.

When third reading had been given the bill authorizing payment of \$200 and mileage to members for their attendance was presented.

Harold Winch, C.C.F., took exception, saying the amount was ridiculous.

This brought E. T. Kenney, Skeena, to his feet. He explained that such a stand might be justified by Mr. Winch, who only had to come from Vancouver. He, however, would be absent from home for ten days.

Mr. Bruhn said the C. C. F. leader was inconsistent. He had supported the increase from \$1600 to \$2000 in the sessional indemnity two years ago.

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Principles at Stake

MR. H. G. T. PERRY, former speaker of the Legislature, and one of the outstanding members of the House, refused to vote for Mr. Pattullo's bill giving the government power to take over the petroleum industry. He was a Liberal, he said, and the Premier's bill was not Liberalism. It was Socialism. The question before the House was the socialization of the petroleum industry. Grave, fundamental principles of government were at stake.

Mr. Perry spoke as a Liberal, defending Liberal principles, because, no doubt, he assumed that on that plane his remarks would have most weight. He might just as well have taken higher ground and combatted the government's measure as subversive not only of Liberal principles but of the principles that lie at the roots of all government in this country.

We have assumed in this country for a long time that we enjoyed the rights, liberties and safeguards guaranteed to the people of the United States in their Bill of Rights. We have enjoyed them, too, on the whole, though no guarantee of them has been written into our constitution. But of late there have been repeated interferences from the increasingly powerful and increasingly irresponsible governments of the provinces. In Quebec, in Ontario, in Alberta and now in British Columbia there has been legislation setting at naught the fundamental rights of the citizens—even attempting to exclude citizens from the protection of the courts.

Mr. Perry was quite right when he said there were grave principles at stake in the legislation before the House at Victoria. To the oil companies, no doubt, the legislation is important because of the things it threatens to do to them. To the people of British Columbia it is much more important because of the direction in which it leads.

If the government of the day can confiscate or wreck or threaten the business of the oil companies—and the legislation gives it power—it can do the same to any business and can so entrench itself in office that there will be no possibility of getting rid of it.