

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fourth Session – Tenth Legislature
21st Day

February 27, 1947.

The Assembly met at 3:00 o'clock p.m.
On the Orders of the Day.

RESOLUTIONS

RESOLUTION – ESTABLISH A FEDERAL GRAINS MARKETING BOARD

Mr. J.A. Wellbelove (Kerrobot-Kindersley) moved, seconded by Mr. Aitken (Hanley):

That this Assembly, being of the opinion that the price returns for grain marketed through the medium of speculative trading, are not a true index of the values that should be returnable to the producer, and, realizing that long-term marketing agreements are necessary to stabilize grain production in Western Canada, recommend that the Government of Saskatchewan strongly urge action by the Government of Canada to:

- (a) close the Winnipeg Grain Exchange to all futures trading; and
- (b) establish a Federal Grains Marketing Board with adequate grower representation thereon.

He said: . . . and if he is not able to clear his trades to the satisfaction of the clearing house well then he is suspended as a member of the Winnipeg Grain Exchange and any accumulated grain that he may have under bids are confiscated by the clearing house and settlement made to his creditors, that is to safeguard against default. Well then we've got nothing to complain about with regard to that, but it is the very set up of the exchange and its function that we are attacking this afternoon.

With regard to the miller now. A miller today is in a far better position to sell, or equally as good a position, to fill his overseas commitments as he has ever been. During this past year there has been a little over 13,000,000 barrels of wheat flour exported, that's nearly half of the milling being carried on in Canada. 13,000,000 barrels of 196 pounds to the barrel. When the miller accepts a bid from the Old Country and cables his acceptance of the delivery at a specified month under the old exchange system, of course, he notified his broker and the broker went into the Winnipeg Grain Exchange and obtained a futures market to cover his commitment as far as his trade was concerned with the overseas market. Well now, they never had any wheat it was always somebody that had to take up the paper, on a futures price, able to deliver at that futures date. His position is far more secure at the present time because instead of trading in paper he can notify the Wheat Board that he has a commitment of such and such a month for the delivery of so many thousand barrels of flour overseas and he is guaranteed, of course, with the Wheat Board that has the wheat not paper as the old speculators had. He is guaranteed by the Wheat Board that that amount of wheat will be available in the specified month for him to meet his commitments. So far as the miller is concerned there is no necessity for futures market to safeguard

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his commitments in accepting the business overseas and then during the past year we have enrolled a very valuable recruit if he'll stay put. Up until the last year or so we weren't just exactly sure but speaking before the Montreal meeting of the Agricultural Institute of Canada, the Right Hon. J.G. Gardiner said, about the middle of December. Agricultural Minister Gardiner last week squelched some arguments of the Winnipeg Grain Exchange when he told the Montreal meeting of the Agricultural Institute of Canada the farmers could not possibly make a profit on wheat under the open free market system. Referring to a grain exchange argument that an open free market obtains the best average in long time results, Mr. Gardiner said the fact is that under the system wheat growing in Western Canada at a profit to the farmer is impossible. So I think, Mr. Speaker, we are making progress. Of course, if it was a matter on which one could be neutral, one would almost like to get a ringside seat and watch the scrap, the Right Hon. J.G. Gardiner versus the Winnipeg Grain Exchange, but I do not think it is a matter on which anybody in Western Canada, that is interested in the farmers' position, can afford to be neutral and we welcome the definite stand by such an influential man as the Dominion Minister of Agriculture.

In regard to the farmers' organizations, farmers' organizations for a number of years have been asking for the closing of the Winnipeg Grain Exchange. We consider that the growing of wheat with drouth, rust, grasshoppers, hail, frost, that we have enough hazards without introducing an artificial hazard between the producer and the consumer. We don't think that's necessary. Now, to enable this system to function on the Winnipeg Grain Exchange, it is necessary to have and that has always been agreed in all of the inquiries that have been held investigating the working of the Winnipeg Grain Exchange, it is always agreed that there must be a horde of speculators there, speculators and scalpers to make the system function. Well now, these people neither intend to deliver or accept delivery of wheat. The big majority of them never intend to deliver or accept delivery, all they are interested in is the handling of paper futures and making the margins. You can often, if you go into there with the ticker tapes working, you can watch the ticker tape reveals on the board, as the marker marks it up on the board that there has been a slight margin of profit made, then they'll make their sales on that advanced price and through that speculation make a meal ticket. Well now, we are feeding too many of that class of people and I think it can be said of them they neither sow, toil nor spin and yet the farmer feedeth them and I think that that's one class of people that we have really got to eliminate so that we get a relative price between what the producer receives and what the consumer pays for our product. Then I have dealt with that matter about which is often put forward, that it's necessary to have a buyer and seller get together through the medium of an exchange so that the law of supply and demand can function. We have often been told, when we have raised objections to the working of the Winnipeg Grain Exchange that this is necessary so that you have this medium through which the buyer and seller can get together and the law of supply and demand can function and the relative price for your product can be duly recorded.

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Now I would like to deal with that fairy tale, Mr. Speaker, just for a few minutes and I would like to quote from a broadcast authorized by the Wheat Pool on December 11, 1946, bearing in mind that the law of supply and demand definitely is the motivating spirit which gives the index of the price. President Truman in December, made a speech in which he – this was authorized by the Wheat Pool so that the facts can be vouched for – made the statement:

In the crop year 1947 and 1948 the United States will have larger grain reserves than originally anticipated.

The law of supply and demand came right in on that speech, Mr. Speaker, and down went wheat 10 cents on the Chicago market and rye dropped 20 cents on the Winnipeg market. Now for the life of me I can't see where the law of supply and demand was functioning there to regulate the price on the Chicago or Winnipeg markets because at that particular time bread was being rationed in Great Britain and millions of people were starving in Europe. The law of supply and demand with regard to getting the commodity to the people that needed it as being the basic principle that was regulating the price. If a speech of the President of the United States can force wheat down 10 cents on the Chicago market and rye on the Winnipeg Exchange at 20 cents, I don't know what some lesser source would be able to do.

The Winnipeg Grain Exchange are very much interested in educating us that farmed and hauled our grain about 23 miles from 1910 on for awhile. We had a real education and we paid for it, there is no doubt about that and I don't know whether they anticipate we are going to pay the same price for our education this time. This must be an advanced course of education I take it, because we got through the elementary stage some years ago, so this must be an advanced course of education that they are anticipating for the farmers.

A short time ago an article appeared in a Canadian financial paper which is published in Montreal and the article written under a Winnipeg date line by the paper's Winnipeg correspondent, gave a very frank preview of what is in store for the western farmer. We don't have to guess anymore, we have been advised in advance as to what the tactics of the grain interests are to be and I am quoting from the broadcast authorized by the Wheat Pool on December the 11th. The article bears the heading, "Grain Exchange Fighting with It's Back to the Wall." Well, we are going to try and punch a hole through that wall and then underneath is a subheading which says: "Grain Plans for Campaign to Educate the Farmers to the Open Market Benefits," and again I quote:

The western farmer must be educated and quickly as to the value of the open market. The surest way of guaranteeing restoration of the futures trading is to win over, to the open market, cause the majority of the farmers whose political power is the best way of persuading Ottawa . . .

And, again, the article states that the Winnipeg Grain Exchange has already taken its first step.

Recently it advertised for a public relation officer and more than 200 applicants answered the advertisement. A lot of people wanting to educate the farmer. The new officer, the article states, when he is appointed will be faced with a

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herculean task. He will have to attempt to satisfy the many conflicting interests represented on the exchange. He will at the same time have to conduct a vigorous campaign. This is quoting from the official paper sent out by the Winnipeg Grain Exchange and repeated in this broadcast.

He will at the same time have to conduct a vigorous campaign throughout the West to make clear to the farmers how closely their ultimate welfare depends on the continuation of the open market. Public opinion on the issue must be swayed within a comparatively brief time.

And then from the communication that was sent out to most of us over the signature of the North West Line Elevators Association, we have this. It shows how interested the elevator people are, the line elevator people are in our welfare. This is addressed to the Right Hon. W.L. Mackenzie King. I should have said Mr. Chairman, an open letter from the Northwest Line Elevators Association.

On February 23, 1946, we urged upon you that the Government pay the western farmer, through the Canadian Wheat Board, a price of not less than \$1.80 per bushel, basis No. 1, Fort William and Vancouver and then again our member companies are daily in contact with many thousands of western farmers and we feel that we must indicate to you that your advisers must have been in contact with the wrong people because we find widespread dissatisfaction among the farmers of the wheat agreement. Once again, they were in contact with the right people there at Ottawa and then again, the chief executives of our member companies have spent their lifetime in the grain business and it is reasonable to assume the expert knowledge they have acquired concerning the handling and marketing of grain justifies them in speaking as they now do with some authority on the government policy in respect to the grain products of western Canada. Yet it is strange to find the responsible Departments of your Government are supremely indifferent to any expression of opinion from them on the marketing policies.

That is from a circular sent out by the Northwest Line Elevators Company, it is an open reprint of a letter addressed to the Right Hon. W.L. Mackenzie King.

Now we see just exactly how keenly interested the Winnipeg Grain Exchange were in seeing that the farmer got everything that was coming to him as they intimate in those articles that the Ottawa Government is filching part of the returns which should rightly come to us.

The first Canadian Wheat Board was established in 1919. The initial payment basis No. 1 was \$2.15. The participation certificates, two of them, one 30 cents and one 18 cents, making a total of 48 cents by participating certificates brought the basis of No. 1 Northern up to \$2.63. The farm price in 1919 on all grades average \$2.37. Now when the Winnipeg Grain Exchange put up the same arguments then as they are doing right now in this circular letter and circularizing in all the different newspapers that the farmer would be getting a far better deal if they were allowed to come into the picture. The Government of that day, in the middle of August, 1920, withdrew from the marketing through the Wheat Marketing Board and we had the open market.

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\$2.37 under the Wheat Board in 1919, they withdrew at the end of that crop year, at least by the middle of August, 1920. The 1920 farm price averaged \$1.62 or a loss of 75 cents as between those two crop years and at that time the grain exchange was circularizing all the papers speaking on behalf of the farmer that if the Grain Exchange came into the picture the farmer would get from between \$3 to \$5 per bushel for his wheat. Instead of that from the Wheat Board price of \$2.37 in 1919 he got an average of \$1.62, or a loss of 75 cents a bushel, but that was not all. The open market still continued to function in 1921 and the average price to the farmers was 81 cents. In 1930 the average price was 49 cents, in 1932 the cash wheat on the Winnipeg Grain Exchange was quoted at 38 cents, and yet we saw no Winnipeg Grain Exchange advertisements in those days; the advantages of the exchange after they got into the picture. Then again referring back to their advertisements that we should be getting \$2.18, saying that the farmer is losing at the present time 63 cents a bushel. We have another in 1942. February the 2nd, 1942, when the delegation went down from western Canada to wait upon the Government asking for dollar wheat, the Winnipeg Grain Exchange was very, very silent there. We notice the Grain Exchange cash wheat was traded at 78 1/2 cents the day we went down to Ottawa. The Chicago market was \$1.29 and 5/8ths, 51 cents a bushel difference and yet the Winnipeg Grain Exchange tells us that if they are allowed to come into the picture they will surely set things up with regard to an equalized payment with regard to Canadian and Chicago quotations. But we find there when they certainly must have known what their wishes were on February the 2nd, 1942, when about 400 farmers were going down there to ask for \$1 wheat and yet the cash trading on the Winnipeg Grain Exchange was 78 1/2 cents and Chicago \$1.29 and 5/8ths.

Then just before the outbreak of War, and I will just quote this figure in the last week of August, 1939, the Winnipeg Grain Exchange was functioning then and October wheat was trading from 56 to 60 cents. There was no wheat being delivered because the Wheat Board, with its initial payment of 70 cents, was taking all the wheat. But the Winnipeg Grain Exchange, at that time, reflected the price of about 60 cents a bushel and in the Resolution we are asking for long-term marketing agreements. We are in general sympathy with the agreement between Canada and Great Britain, but I think the farmers interests would be best served if we had a unilateral instead of a bilateral agreement.

I want to again state, Mr. Speaker, that I think farmers' organizations and farmers, generally, are in agreement with the marketing wheat agreement with the Old Country. There is only one feature which is kind of disconcerting. We realize that the average price is going to be carried over from 1945 to 1950. But the way in which the agreement is drawn, it does presuppose that the last two years of that contract there won't be a lessened market because it reduces the bushelage that will be deliverable. I realize that the matter is being taken up in Ottawa at the present time and there may be a different construction placed upon it now. But as the original release was, it did presuppose that during the last two years of that agreement the bushelage deliverable under the contract was reduced from the first two years of that and it also did presuppose that there would be a lower financial return in the last two years of that agreement. That in itself is not so wonderfully encouraging because we believe, Mr. Speaker, that a little of this of itself is good so far as it goes, but we believe that a multilateral agreement would be the best thing.

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Reading from yesterday's Regina Leader-Post in the Ottawa dispatch, when the matter of the three year marketing agreement was under discussion earlier, Agriculture Minister Gardiner answered Progressive Conservative criticism of the Anglo-Canadian Wheat Agreement. He said that he thought western farmers were generally well satisfied with the Government marketing of their wheat. He also disclosed that Denmark, Holland, Norway and France had expressed interest in negotiating agreements similar to the contract with Britain, but said that up to now none had made proposals along the lines of that treaty. Well we do hope, Mr. Speaker, that what is now a bilateral agreement will develop into a multilateral agreement until we begin to get somewhere near the realization of the anticipations of Sir John Boyd Orr, that all the world would be interested in seeing that all the rest of the world was well fed and had sufficient to eat.

I have another from yesterday morning's paper. You will notice that we are asking that a Grain Marketing Board be set up with adequate grower representation. Mr. MacKinnon is quoted in yesterday morning's paper, the Minister of Trade and Commerce at Ottawa, said that while the Wheat Board was not being given power to handle grain other than wheat, there was a provision allowing it to buy, sell and deal with these grains if authorized to do so by the Governor in Council. This would provide producers of those grains with an optional method of marketing their products.

Now, Mr. Speaker, we are, with all respect to the hon. gentleman, the Minister of Trade and Commerce, who had a wide experience on a lot of those things, but not so much from the growers standpoint, we are a little bit concerned at the hint that is conveyed in that, there may be a possibility of Order-in-Council allowing certain grains to be marketed. And there is a possibility that some of the others may not be included in that which would leave the speculative market a little more leeway than it has at the present time. It has got the full round now with about two or three million bushels of rye and we do not want to see anything more fed into that market. So that we are definitely on record as far as farmers' organizations are concerned, that there should be established a Grains Marketing Board with adequate grower representation.

Just in closing I would like to draw attention to the position of rye as it was at July 30th, that is, as you know the end of the crop year. Grain Exchange spokesmen are saying that the Grain Exchange enables the grower to get the full return from his crop. They must think that we have awful short memories, because we have had too much experience along that and it was not necessary for them to repeat the dose here in July 30th, so far as the rye grower was concerned. The 30th of July, rye was quoted spot at \$3.04 and street of a 20 cent rate point was \$2.05. There's 99 cents spread between spot and street. Well, that in effect, Mr. Speaker, reveals the feeling of the elevator companies that are buying grain out in the country to the instability of a speculative market because before they could avail themselves of \$3.04, which the Winnipeg Grain Exchange would like us to think the farmer was going to get, they have got to buy street at the 20 cent freight rate point on a margin of 99 cents. That, of course, includes freight and handling charges. But spot \$2.04 and street \$2.05, that shows that they are not prepared to take the risk which is involved in the speculative dealing in the only grain that is being speculated in at the present time. And all the amount of literature and persuasion that is being put out in the papers does not convince any of us that it would, that is

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as far as the growers organizations are concerned, that we would gain, that we would tremendously lose if the speculative market came back into its own. Those of us who have had an opportunity at times in looking at the market in action, I have stood there in the gallery and wondered just what the most of us would think if we could watch the crazy dealing there just before the market closes. That's when the wheat pit is bad enough now in the rye pit, but the big pit nearest the gallery is closed right now, but the crazy antics of a bunch of fellows there selling their wheat, what a contrast to the man who is working away back in the country producing this wheat. And to think that it is necessary for a hoard of speculators and gamblers to be in there between the producer and the consumer to reap the benefits for which they neither labor nor toil in any shape or form, is a thing that we would like to see definitely eliminated.

I would like to move second reading of this Resolution.

Mr. J. Aitken (Hanley): — Mr. Speaker, a few Hon. Members have already spoken, very ably told this House the importance of this Resolution. If it were not for the importance of it I don't think I would speak at this time.

There is one or two things which we should remember in connection with this Resolution. As one of those who came to this province a few years ago, I quite well recall the bitter battles we had in those days against the Grain Exchange. Well, the battle has gone on all these long years and I believe that now the Grain Exchange is on its last legs, but we don't want to be too sure about it because strange things have happened before and they might happen again.

As I recall those early years, Mr. Speaker, there were two main subjects of conversation wherever farmers met at church or market. The all-important subject was the weather, and the next was the price of grain. Those of us who were new to the country found that the ways of the weatherman here were very strange. Sometimes the clouds would come up and bring rain to our crops and they would grow and flourish. Other times rain would pass us by and the crops would wither and fade. It was quite a mysterious process but we accepted it because these things are in the disposition of the kindly providence, we made no protest. But it came to the price of grain, there also seemed to be a mysterious process centred in the city of Winnipeg, where a group of men, we called them the bears and the bulls, they boosted the price one day and the next day they pulled it down and the farmers were not at all satisfied that that was the proper way to sell grain. But the newspapers, especially the Winnipeg Free Press and other origins of that sort, informed us that there was no other way, there was nothing that could be done about it, it was the law of supply and demand.

Now I recollect meeting John Ruskin. John Ruskin said that the law of supply and demand, that it was the law of the wolf and the tiger. Well, here in Canada, it seemed to be the law of the bears and the bulls. But if you went deeper than the Free Press, if you asked the Communists why does this law of supply and demand operate in the crazy way that it does, tell us why? And the orthodox Communist would throw you a chart; they would date it over a period of years and they would show the rising price and the descending price, then they would draw a straight line. They would say to us farmers, now here you are, see that straight line,

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that line is the average price over a period of years, but when you farmers get that price you are getting the cost of production. Because you see if you did not get the cost of production your industry would go out of business.

Well, over a period of years I think we have seen the agricultural industry in western Canada go so nearly out of business that it is not pleasant to think of it. Of course, they said we have free trade and you farmers will be all right. The Free Press was strong on free trade. The Liberal Party was strong on free trade. So most of us voted Liberal at that time in the hopes that somehow or another we would get this free trade. But alas, we found that trade was not so free, there seemed to be so many unexplainable things. We were selling our grains under the law of supply and demand, but when we went to buy a piece of machinery it didn't matter where you went, Massey Harris, I.H. Shields, John Deere, the machines were all about the same price. The way I have seen their yards in Saskatoon, piled up with binders, disc harrows and all the rest of it, standing there all winter but the next spring they were just as high as ever, perhaps a little higher. And there, again, we ask the economists, how is it we have to pay a set price for machinery and these men can fix prices, we are under the law of supply and demand? Well, they said, you see it is the difference between primary products and secondary products. Well, it was interesting to know these things, but it happened just the same. And so things went along until the First World War came along and then we got a Wheat Board to keep the price of wheat down. That was our first Wheat Board and the farmers were quite enthusiastic about it. They said here now, this is something just in answer to prayer. We want to hang onto this Wheat Board.

Well, after the War was over the Wheat Board went out of business, prices began to drop and I remember how anxious the farmers were at that time. I remember a convention of grain growers, at which the Hon. Charles Dunning appeared. The Hon. Charles Dunning at that time held the trust and the confidence of the western farmers in a degree probably never equalled before. Mr. Dunning took the platform and we asked him why can't we have a Wheat Board? Mr. Dunning said, "well the fact of the matter is gentlemen, there is not a man in Canada who is capable of being the head of such a vast organization." Some delegate spoke up and he said, "Why, Mr. Dunning, you could head that Board." But Mr. Dunning modestly shook his head. I never saw Mr. Dunning being modest either before or since, but he was that day, he just declined, the job was far too big. And so the farmers decided to do something themselves and they set up the Wheat Pool and again, I remember Mr. Dunning taking the platform. He spoke about the new organization, I just forget what he said about it, but I know how he concluded, 'for God's sake read your contract.'

So I think, Mr. Speaker, we have been badly served by the Liberal leaders in whom we have put our trust. I may say that as you all know, a few years later, Mr. Dunning became the head of the Maple Leaf Milling Company. So we knew then definitely and decidedly what side he was on. No, Mr. Speaker, no man can serve two masters and neither can the Liberal Party.

Then the depression came along. There was a Conservative Government in Parliament. On the Winnipeg Grain Exchange wheat went to an all-time low and I want to give credit to the Prime

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Minister of Canada at that time, the Right Hon. R.B. Bennett, who took his courage in both sides and set up a Wheat Board. That was in 1935. They did set up a Board, but they did not go the right way about it. Just about a year or two later I was in New Zealand, under a Labour Government, I saw how the Labour Government went about it and they had the right way because the New Zealand dairy farmers were just in as bad a fix as the western Canadian wheat grower. Their product was selling at half price, about six pence a pound and the Labour Government said, if you elect us we will give you the cost of production. Shortly after the election they called together, or appointed a committee of dairy farmers to investigate and report on the cost of butter, production of butter.

That committee brought in the report, I think it was about a shilling a pound, about double what they had been getting for it. The Labour Government said all right, we will give you that price. Now, Mr. Bennett didn't do that, but he did go far enough, so far as to set up the Wheat Board. Well, what happened after that? I think that was in the spring. After Mr. Bennett set up his Wheat Board, there began a lobbying in Ottawa, one of the bitterest campaigns that has ever been seen down there. It was headed by the Secretary of the Grain Trade, a gentleman by the name of Mr. J.R. Murray and the fight went on for weeks down there under the able leadership of an outstanding Liberal, Col. J.L. Ralston, MP. As the result of this battle, Mr. Bennett's Act was amended so as to allow the speculator, the grain speculator, to enter the picture once more. Then after that came the election of 1935 when the Liberal Members came back West and pointed with pride to the fact that they had voted with the Government in support of the Wheat Board Act. They assured the electors that if they were returned to power the Wheat Board would continue to function and that a fixed minimum price would be paid. The Right Hon. Mackenzie King, speaking in Calgary said, the farmers were just as much entitled to fixed prices for their products as labor was to a fixed minimum wage. Mr. King said he believed in fixing these levels for the purpose of maintaining standards of living, that everything that was done for labor should be done equally for the farmers. With which sentiments, I am sure, Mr. Speaker, we can all agree.

But then what happened after the election? The first thing they did was to dismiss the Wheat Board under Mr. McFarlane and along with it the Advisory Committee, appointed by Mr. Bennett and ever since then, Mr. Speaker, have we had that Advisory Committee which we farmers have advocated for so long? In place of the McFarlane Wheat Board the Government appointed a board presiding over by Mr. R.J. Murray, who was, as I have said already, the Secretary of the Winnipeg Grain Exchange. The gentleman who had lobbied so energetically to destroy the Wheat Board in its infancy. The man who had been the arch enemy of the Wheat Board, now became the chairman of the Wheat Board. That was Liberal policy. At that time the representative for the constituency of Weyburn was the hon. gentleman who is now Premier here. In his speech in the House of Commons, the Hon. Mr. Douglas said that putting Mr. Murray in charge of the Wheat Board was like putting a weasel in a hen coop to raise chickens. Well, in spite of the weasel being in the chicken coop, the Liberal Party did raise a flock of chickens – a big flock and a lot of them came home to roost here in Saskatchewan.

Well, then what did Mr. Murray do? The Murray Board pursued what was known as a fire sale policy of selling wheat. During one day in December, 1935, they dumped 13 million bushels of

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wheat on the market. Subsequent investigation showed that it had been bought mainly by speculators who made handsome profits as the result of a 35 cent to 40 cent increase in price during the year. And then they went on to announce that the Wheat Board would no longer accept delivery of wheat as long as the price was above 90 cents. This is absolute violation of the Wheat Board Act of Canada. In this way the will of Parliament and of the Canadian people was thwarted by means of an Order-in-Council passed by the Dominion Cabinet. This, from a party that for years and still does, pay lip service to democracy. I must say, Mr. Speaker, in fairness to the gentlemen opposite, that there was one Liberal who raised his voice against this outrage. That man was the Hon. W.R. Motherwell.

Mr. Motherwell said of this action:

If the Executive can pass this kind of Order-in-Council and get away with it, not one of the Bills passed this year is safe. What do we gather here for? Might we not just as well have a Mussolini and be through with it? Why this Assembly at all?

Some Hon. Members: — Hear, hear!

Mr. Aitken: — I don't like to thrash over this old straw, Mr. Speaker, the dust is very unpleasant. I do so for two reasons – the first is I want to point to those who are waging this battle against the Grain Exchange that we can't afford to take any chances in trusting the Liberal Party. If there was even one man, even one Mr. Motherwell in it, I think I would take a chance, but there isn't a Mr. Motherwell today in the whole Liberal Party and we can't take chances.

Now coming back to the Grain Exchange. I often wondered in those old days just what was wrong with the Grain Exchange, because it seemed to me that everything possible had been done to keep it a going concern. A wave of popular indignation would rise against it – become so strong that the Government of that day – didn't much matter whether they were Conservative or Liberal – would be forced to appoint a Royal Commission. The Royal Commission would have its sitting and call witnesses in, or they might amend some laws here and there and that was that.

To go on then another wave of protest would rise and again we would have a commission and again the laws would be amended and so I don't know how many Royal Commissions have investigated this speculative concern, but the fact is that it doesn't work and it can't be made to work.

As you all know the Grain Exchange depends on a vast army of speculators to sustain and carry forward its operations. Without this vast army they couldn't operate. They call them speculators, but it is really gamblers. Now, there may be – I am not going to be too hard on the Grain Exchange – but maybe sometimes that its necessary to buy wheat in advance. But there does come a time that wheat buying for the future is gambling pure and simple and its neither very pure nor very simple.

I turn from the Acts of Parliament, and Royal Commissions; I turn back and refer again to the old Scotch philosopher, Thomas Carlyle. Carlyle wrote of many things. Carlyle's main theme was – that this is a moral world and if and when men go

contrary to the moral law, then disaster ensues. And right there, Mr. Speaker, I saw just what was the matter with the Grain Exchange, because as Carlyle said, you can have all the Parliaments you like, you can pass as much legislation as you like, you can file Bill upon Bill, but you can't make wrong right. That is why I say, Mr. Speaker, that until this Grain Exchange is completely and entirely eliminated, we will never have a satisfactory system of grain marketing in western Canada. I have much pleasure in seconding the motion.

Mr. G.H. Danielson (Arm River): — Mr. Speaker, I would like to say a few words on this Resolution. Some of the things that have been said here this afternoon, are things that are very clearly in my mind and in my memory. I have been a farmer in Saskatchewan for 43 or 44 years and anyone that has carried on that long knows some of the history of what has been discussed here this afternoon. I am not going to take up very much time to go into the past history over which this Resolution deals. I just want to say a few words, but the Member for Kerrobert, of course, had to inject a little bit of politics.

Of course, this question has been more or less a political football and made that way be certain political parties for years and years. I want to recollect or try to turn my mind back and remember some of the things which he so conveniently forgot when he dealt with some of the things that took place from 1935 on.

We know what happened during the period from 1930 up to 1935. Our Wheat Pool got into a position, of course, where it couldn't operate without certain guaranteed help from the Government — not only Provincial but Federal. That help was forthcoming from the Government of this province. It was also forthcoming from the Federal government under Mr. Bennett who was the Prime Minister at that time. I happened to be a Wheat Pool delegate part of that time and I remember very well the meeting we had in the city of Regina here. I think it was the first week in July, when Mr. McPhail, the First President of the Wheat Pool, during that meeting, returned from Ottawa. What he had been able to accomplish along the lines of getting the necessary financial agreement and backing from the Federal Government whereby our Wheat Pool, our farmers' organization was provided with funds whereby it could continue to function and take care of our crop for that year. I think one of the conditions, if I remember correctly; if I am not correct I am sure some of the Members of this House can correct me — was that . . . I know, Mr. Speaker, the Premier cannot keep his mouth shut when I am speaking. If he has anything to ask me, that is all right, but let him keep it; adhere to the rules of this House. He is worried particularly about everybody else, particularly myself should do something, so I am not going to take anything from him.

I think one of the conditions, Mr. Speaker, was this, that the Wheat Pool would put Mr. McFarlane in charge of the central selling agency of the Pool. As I said, if I am wrong in this I am sure the Member for Kerrobert can properly correct me, but I think that was one of the conditions. Mr. McFarlane took over; no doubt a good man. We know what happened to the wheat markets and not only the wheat market, but every other market of commercial products not only in Canada, but in the whole world during that period. We know what happened to the silk market in Japan, we know what happened to the cotton markets in the United

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States and Canada and every other country. We know also this, Mr. Speaker, that during that period, due to certain ideological policies and socialistic tendencies of countries in the other parts of the world with more money, imported our grain and paid for it that paid their own farmers as much as \$2.24 a bushel subsidy to produce their own wheat. Why was this done? Well, we found out back in 1939, Mr. Speaker, why it was done and I don't think we can rightly blame any one country or any one government or any one wheat pool or farmers' organization, or anybody else for an economic condition which was brought about by certain world conditions. During this four or five years of Mr. McFarlane's operation of the Wheat Board he has done his level best to see that we get something for our wheat. At least we were able to ship it and get it off our farms when we had any. Of course, he couldn't pay us nothing and a good deal of the money he paid us, Mr. Speaker, was Government money. When he had that wheat there it was piling, up, it was piling up.

In 1935 there was a change of Government. The Liberal Party at that time – and I took part in that election – told the people of Canada and the farmers of Saskatchewan, that if they were returned to power they were going to do everything in their power to try to sell the wheat for western Canada. They did that. In the fall of 1936 the Wheat Board price was set at 85 cents a bushel and that was considerable above the open market price, the day that the price was set. I haven't got the figures here, but I know that what I am telling you is correct. The market operated with the Wheat Board and the open market. It wasn't very long, Mr. Speaker, before the open market commenced to gradually go up and up and up, and in the first six weeks of that crop year there was approximately 35,000,000 bushels of wheat shipped from western Canada to the terminals of Fort William and Port Arthur. Less than seven hundred – I think it was six hundred and thirty-four thousand bushels of that 36 million bushels was consigned or sold or given to the Wheat Board to sell. All the rest – about half – the price of the open market was slightly above the Wheat Board price of 85 cents, Mr. Speaker, do you remember? The farmers sold it on the open market. Now what happened?

You were keeping a Wheat Board organization operating – an expensive thing – at all times, without getting any wheat because the open market was higher. An Order-in-Council was passed and this is what it said: that if the market closes at any time, any day, below the certain closing price on that day when the Order-in-Council was passed, which was 96 cents, Mr. Speaker, then automatically the Wheat Board steps back into the picture and they take all the wheat. Now that was the Order-in-Council. Now what happened/

From the last week August in 1936 for 51 weeks – for two years or for two years less one week – the open spot cash market in Fort William never closed below \$1. Now that is the history of our wheat. The Government of Canada, through Mr. Murray's Wheat Board, sold, I think, approximately 300 million bushels of wheat at an average price, Mr. Speaker, of \$1.13 a bushel. Now these are facts and I can back them up, every one of them. Now what did the farmers get?

Mr. Burgess: — . . . 90 cents . . .

Mr. Danielson: — No, no, it was not 90 cents. The Order-in-Council closed

the Wheat Board, so to speak, provided that if the price sunk below that day's closing price at any time the Wheat Board automatically came into the picture and took all the wheat and that was 96 cents a bushel. And the last week in August, that was the last week at that price. From then on the market, Mr. Speaker, at Fort William, raised above \$1 a bushel. As a matter of fact the closing price of the last week in August – on that week's average closing price – was \$1.50 a bushel; and you can go then on for practically two years when the wheat was above. And the highest quotation I have from Hansard and from the statistics which you can get from the Wheat Board – any person who wants to go down there – you can get the closing prices and the high and the low for every marketing day away back for the last 15 or 20 years if you want to dig them up. So there is no need for arguing this thing. Perhaps that wheat which was on hand, that the Wheat Board sold the first six hundred and some odd thousand bushels of wheat which they got before the open market price raised above the set price of 85 cents a bushel. That's all they sold out of the 1936 crop. What could they do with it?

Mr. Burgess: — What did you say the . . .

Mr. Danielson: — I said that the first six weeks there was 36 million bushels of wheat marketed in the crop year of 1936-37, and that only six hundred and some odd thousand bushels of wheat was delivered to the Wheat Board – half that amount of wheat. And they got that wheat – and I don't know what they did with it if they didn't sell it, Mr. Speaker.

Out of the whole stock of wheat, about 298 million bushels – that was turned over to Murray after Mr. McFarlane quit the Wheat Board, that was sold for an average of \$1.13 a bushel. Now what did the farmers do that had to deliver that wheat? I suppose some of that wheat was delivered at as low as 38 cents a bushel up to probably 78 cents a bushel – I think 78 cents a bushel was the highest price under Mr. McFarlane. I am not criticizing Mr. McFarlane, he did the best he could. There was no other country that did any better so far as wheat prices to the farmers were concerned. But I say this – the rest of that amount of money between what the farmers got – which every farmer can recollect – between \$1.13 and what they got for the wheat, which would be I think, on the average probably 55 cents or 56 cents, because there was much of it sold below and some of it above that price. Where did the rest of the money go, Mr. Speaker? I am sure the banks got a great big part of that money for carrying charges, advancing the money to carry that wheat for two, three or four years. I am sure that the elevator companies, in spite of the fact, Mr. Speaker, that we had poor crops – I know what happened right in my constituency.

They shipped in wheat from the northern part of the province, took it out of the railroad car and hauled it into the elevators, and filled it to the top and locked the elevators; and paid the elevator agent \$5 a month as a watchman. With that organization, the Pool organization, the farmers didn't do that. They had to reduce expenses, of course, but they certainly gave enough to live on, that the line elevator companies did. Now these are facts. The rest of that money, all that money between the \$1.13 at which the wheat was sold and what the farmers got – practically every nickel of it – went to pay storage expenses, carrying charges to the banks on the money invested, insurance and so

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forth. There is where it went. It cost money. I don't know exactly what it cost now, but in those days I asked some questions and one grain man said to me: that it cost you just a fraction above 14 cents a year, each year, to carry a bushel of wheat in storage. 14 cents a year – that figures insurance, carrying charges, interest at the bank on the money invested, interest on freight and all that sort of thing, and then the charges to the elevator companies for the storage. Now there is where the money went. That is the situation and everybody should know that. My friend, Mr. Burgess, conveniently forgets about these things.

I don't think I am going to spend anymore time on this. I can heartily support this Resolution and I think that the Government of Canada – when I see that our CCF friends in the House of Commons, Mr. Speaker, supporting the CCF Party, are also heartily supporting the Government in the policy which they are pursuing at the present time. They have expressed very strongly and think that this policy is all right: that the price that we are getting for our wheat at the present time, while it is not the top price so far as the British contract is concerned, we would take into account the long term and the assurance of prices for four or five years at a reasonable level. I think it is all right. I agree with it and I say this, while there has been some criticism that the price is not high enough, in particular from my friend over there, the Minister of Agriculture, I saw in the press here this summer that he thought we should have \$1.86, something like that. It was a little over \$1.80 and I am sure about this, that the majority of the farmers, the vast majority of the grain producers that actually till the soil and produce the grain and do the hard work, they are satisfied with the agreement that we have with Great Britain today, taking everything into account. I am going to go so far as to say this, that if could go out and the Government could go out and say to the farmer, the wheat farmer of western Canada, and in particular in Saskatchewan, that we will guarantee you for ten years a certain specific price for your grain – I think they could cut it below the \$1.55 a bushel, considerably lower and get practically 90 per cent of the farmers to agree with that policy. Of course, that is something we never had yet, a stability of income. You know, Mr. Speaker, that is peculiar, every time you get a good crop the price is no good. That is only when the crop is very low that the prices are high and for many of us at least that is not any benefit. Sometimes some of us even have to provide ourselves with seed for the coming year and then it hits us both ways. The policy of the Government in regard, not only to wheat prices, but I think in regard to other agricultural profits, of trying to effect long-term agreements with fair and reasonable prices for the producer is one which commenced, which I am supporting very strongly and which I think will commend itself to practically all the Members of this House.

In view of the fact that I can agree with everything that is in this Resolution and I wish, Mr. Speaker, to move an amendment to the Resolution and that the amendment ties in with these words, realizing that long-term marketing agreements are necessary to stabilize the grain production in western Canada can recommend that the Government of Saskatchewan shall urge the Dominion Government, on the Government of Canada, to do so and so, close the Winnipeg Grain Exchange and so on, establish a Federal Grain Marketing Board with adequate grower representation thereon. I wish I had one more clause to this Resolution but it is all in the Act.

I move that the following be added to the Resolution:

and further, that this Assembly commends the Government of Canada for the actions it has already taken to obtain long-term agreements for the sale of various agricultural products at fixed prices and would urge that this policy be continued and extended.

Mr. Burgess: — Mr. Speaker, I beg leave to adjourn the debate.

Debate adjourned.

RESOLUTION – DEVELOPMENT OF SASKATCHEWAN RIVERS

Mr. D.H.R. Heming (Moose Jaw City) moved, seconded by Mr. Thair (Lumsden):

That this Assembly, through the Provincial Government request the Federal Government to give immediate consideration to and take earliest possible action on development of the Saskatchewan Rivers to provide:

1. Waters for irrigation of –

(a) land served by these river systems;

(b) land in the Qu'Appelle Valley, and adjacent thereto, and any land lying adjacent to dams on the South Saskatchewan River if developed for power purposes;

2. A much needed source of water supply for the cities of Moose Jaw and Regina, and for urban communities within the serviceable area;

And urge the said Government to expedite all engineering, agricultural and economic surveys necessary to determine the location of dams on such river systems suitable for power development similar to that suggested in the “Acres Report for Fort a la Corne.”

He said: Mr. Speaker, I have, this is the second Session in succession I am bringing in a similar motion, by repetition I hope that the request will not weaken but will get stronger because the urge and necessity for water increases as the years go by. Water to mankind is very essential inasmuch that a man can live without food and with water for the length of time it takes his body to lose one-third of its average normal weight. A man with food, however, and no water lives only the number of hours that a man with water and without food lives days.

So, Mr. Speaker, the necessity for water is very, very apparent and has come to my notice, particularly that illustration applying to the record of a lost race that lived on this continent 1,600 years ago. The mayors of where is now Yucatan were the first cousins of the Iroquois, of the Eskimo, of the Incas of Peru, they lived in that area and were corn eaters. They had a population of many hundreds of thousands of people, they had cities of 200,000 or more of citizens. They had a perfect chronology and arithmetic system that embraced the concept of zero. They had an astronomy that compared with any country in the world at that time, sculptors and artists that even today, on their temples that are still standing, indicate the skill which was applied to art. Their workmen were adept and

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experienced. These people, Mr. Speaker, raised themselves up without a wheel, without a beast of burden and without a tool, to a high state of cultural civilization. Yet, Mr. Speaker, in a few short generations, this race disappeared entirely from the face of the earth and the archaeologist tell us that the reason why was drouth superimposed by disease caused by malnutrition. I would not say that had they survived that they would occupy all of this country now, but had they had an engineer in those days who understood irrigation, who understood the preservation of water and the necessity of it in agricultural needs, they would possibly have occupied a far, far larger area than even is occupied now by South American and by Mexico and to possibly a greater extent of population.

There was published recently a biography of a man named Cadbury, an Ontario born Canadian, who, hearing the cry of the farmers in the State of Victoria in Australia, after eight years of drouth, proceeded to that country. And by impounding the water of the small rivers that they had there, turned that country into a veritable Eden so that today Australia is asking for 100,000 immigrants to go to Victoria, New South Wales and South Australia, with the assurance that there will never be a need of water to produce agricultural products.

But we stand at the present time, Mr. Speaker, in front of a challenge, there is a threat to us and the threat is Argentine. Argentine has never been a thorn in the flesh of wheat negotiations of joint co-operative farmer movements. Argentine was the one nation who remained antagonistically neutral throughout the War, permitted out enemies funds, their personnel and their patrons to go into their country. Argentine at the present time have a committee in Europe securing immigrants to develop the Pampas with the one main essential is that thou shalt be a fascist. They had riots in Rome because of this Pampas. Mr. Speaker, the United States of America have sent a delegation of 15 spearheaded experts to deal with Peron to supply \$2000 million worth of turbines of dynamos of the various fabricated types of machinery that will go into 69 major projects of dams, hydro, electric projects, canals, irrigation systems, boats and harbors. The Argentine Government had purchased their own railway and have already entered orders for 90 diesel engines to operate that railway. These Pampas are going to be developed under the most modern conditions. Argentine is going to be a competitor in a far, far larger way than ever it had been in the past for the European market for agricultural goods.

So it beholds us, Mr. Speaker, if we would take our part and our place in this sphere that we, too, should proceed along the line of conservation of preservation of our great natural resource. If we do not it will avail us little, if our children's children tell us that we permitted them to be born in a dust bowl. We have men, currently Hon. Mr. Gardiner, the Hon. Mr. St. Laurent and the Member for Toronto, Mr. MacNicol, who have all been telling us in the past few months that we need this project, we need irrigation, we need water conservation. But I contend, Mr. Speaker, that by reason of the fact that one of our great competitors are receiving impetus, our huge lake financial character, so that they can be in a position before we are to occupy markets of the world. I contend, Mr. Speaker, that the chance has been thrown to our Dominion Government to act and to act quickly. And those men who now favor the movement of the development of the West should pick up the glove that Argentine throws down and provide us as quickly and as expeditious as

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possible with the assurance that in the years to come, the future generations will have security of tenure of their lands and security of a permanency of a crop. I, therefore, move this Resolution.

Mr. W.S. Thair (Lumsden): — Mr. Speaker, in seconding this Resolution by the Hon. Member for Moose Jaw City, I would like to confine my remarks particularly to the development of the South Saskatchewan River and perhaps other small river areas in southwestern Saskatchewan where the irrigation projects are perhaps feasible.

I would like to refer particularly to water development. First, for the purpose of irrigation and second for supply of water for the cities of Regina and Moose Jaw and third, to raise the water levels in Long Lake, Manitou Lake and other lakes in the Qu'Appelle Valley and to the east and fourth, for the development of electrical power. A proposed dam above Elbow in the South Saskatchewan River. There is ample evidence of greatly increased interest in water along the above mentioned lines, and especially in the three western provinces. To substantiate my statement I am going to make two or three quotations here, give two or three quotations. The first one from, as has been mentioned by the Hon. Member for Moose Jaw and that is a quotation from eastern Canada External Affairs Minister, the Hon. St. Laurent at the Canadian Club meeting in Montreal on January 6th, where he was speaking of a proper balance between the measures essential to Canadian future and the cutting down of Government taxes. He said he considered, and I quote:

The harnessing of the water shed of the rockies is one of the most essential measures that should be undertaken.

And further, he made the statement:

Millions of tons of water are run off yearly from the eastern slopes of the rockies, if used for irrigation or electrical purposes in the western plains, would multiply several times the opportunity for productive agriculture in investment and labor in the mid-western provinces.

Mr. J.R. MacNichol, Progressive Conservative Member for Davenport, Toronto, Ontario, has given some study to the problem of irrigation and has been across Canada a number of times. He is a champion of water development, particularly along lines of irrigation and power and I would say that at least from a promotional standpoint he is creating a body of public opinion, favorable public opinion, toward this cause in the three western provinces. He spoke at Moose Jaw and I will quote briefly. On January 16th he said:

Let's band ourselves together to get irrigation for the Prairies. I can't think of another project for the Government of Canada to institute which would stave off depression like this irrigation project will.

And then speaking to the Regina Junior Chamber of Commerce a day or so later he said:

I am in favor of spending \$10 million a year for 20 years on irrigation projects in the West.

And then we come to the statement by the Right Hon. J.G. Gardiner Federal Minister of Agriculture, during a western tour

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a few weeks ago, speaking in Regina. He didn't seem to be very enthusiastic about it, but he said the Federal Government was committed to spend \$110 million over a period of time, emphasis on time I expect, on irrigation projects in western Canada and said further that each of the six or seven large projects would each be considered on its own merits. But, Mr. Speaker, the real question, I am sure to this House, is when. Will it be this year, next year or in 10 years from now? Or could it be that he might possibly keep it in reserve until another Federal election comes around?

In fact we have Mr. Gardiner's own words to the Moose Jaw Board of Trade, when he said that the Government will not be in too big a hurry about it. Judging by past records, Mr. Speaker, this does not seem to be very hopeful. Now even if the Federal Government does not intend to spend a large sum of money at the present time in the South Saskatchewan River development as outlined by Mr. MacNichol, I am given to understand from officials that a 50-foot dam above Elbow, including a power repumping project, could be built for less than \$5 million.

Mr. Danielson: — Does he mean that the dam is only going to be 50 feet high? 50 feet long?

Mr. Heming: — It would be 50 feet long if Mr. Gardiner has his way. I am given to understand, and I will repeat it, that a 50-foot dam near Elbow including the power repumping project could be built for less than \$5 million. If this were done immediately . . .

Mr. Patterson: — Is that information from an official of the PFRA?

Mr. Heming: — I don't think I need to quote the official.

Mr. Patterson: — Is it . . .

Mr. Heming: — No, it might be any official.

An Hon. Member: — It might be anybody.

Mr. Heming: — If this were done immediately, Mr. Speaker, it would be, as I said before, a certain source of water supply for the cities of Moose Jaw and Regina. It would supply water for irrigation for some thousands of acres of land in the immediate vicinity of the dam, provide water for irrigation purposes from Buffalo Lake to Lumsden and Craven and, as I said before, it would raise the water level in the Long Lake, in the Qu'Appelle Lake. Such project would also develop power to generate up to 220 million kilowatt hours per year in primary power. To speak of this, is as much power as is used in Saskatchewan, all over Saskatchewan, at the present time.

Now, I might say that there has been some considerable money spent on the survey and in the House of Commons, in the Leader-Post, this morning's paper, and I read from the Leader-Post of February 26th. It is disclosed in a sessional paper that was tabled in Parliament in reply to a question asked by Mr. Ross Thatcher, CCF Moose Jaw, that during 1946 a total of \$120,547 was spent by the Dominion Government in surveying and

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engineering work on the South Saskatchewan River irrigational project. No money has been spent as yet on actual construction work on this project. Now, speaking of the Qu'Appelle Valley, where it is within my own constituency, just a few brief words.

The Qu'Appelle Valley area between Buffalo Lake, and particularly in the Lumsden and Craven areas, has become an important market garden area. I believe that some who are keenly interested in irrigation development in the beautiful Valley of Qu'Appelle believe that there is a great future for vegetable gardening there and that a surplus could be taken out by a small cannery at Lumsden. It has been proven beyond a doubt that good vegetables can be grown in this Lumsden-Craven area, and soil surveys were made by the Federal Government at Ottawa some two or three years ago as to the quality of the soil. The development perhaps in this next step is to establish, as I said, a Co-operative Canning Plant at Lumsden, which would greatly add to the district, both in wealth and population.

At Taber, Alberta, the tons of cucumbers for a large concern of growing pickles are grown there and generally processed. The revenue to the grower is very high per acre and it is believed that fine cucumbers can be grown under field conditions in the Qu'Appelle Valley.

Now there is some water development along the lines of irrigation in Saskatchewan in the last eight or nine years. Roughly speaking, I believe there are 100,000 acres of land in Saskatchewan under various forms of water development schemes. It is under the schemes, not under water. It is under the water development schemes at the present time, with perhaps a small percentage actually under water. In addition there are some thousands of small individual farm projects.

I would just like to say a word about the future of irrigation – just briefly, Mr. Speaker. It depends in a great measure on the response of the land to water – from the reading I have done – the types of crops that will flourish at certain latitudes, and the length of the growing season. But the most important factor of all is, perhaps, the man that tills the soil under irrigation projects. Some critics say that there seems to be no great rush on the part of the farmers to reap the benefits of water on their farms and that the farmers of Saskatchewan, in a great measure, on the whole are not water conscious. Perhaps they are like myself, used to growing wheat on more or less arid or semi-arid conditions for some years. Irrigation development in Saskatchewan must go through various stages something like this: Actual, the education of farmers to the value of irrigation, and actual demonstration by means of model irrigated farms with the assistance of sympathetic farmers; experimentation with crops best suited for latitude, climate and soil and the establishment of secondary industries to process the products of irrigated farms.

The editor of the Saskatchewan Farmer, Mr. Tom McNoble Ness, wrote a series of articles in November, 1946, in which he said that 'Saskatchewan has an area of about 33 million acres of cultivated land, of which possibly 1 million acres might in time be irrigated.' But even 250,000 acres of irrigated land in southwestern Saskatchewan would have a profound effect on the 33 million cultivated acres. Small irrigation projects would give stability to agriculture which we have been talking about in the south and southwestern Saskatchewan; and this assurance of

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feed and fodder reserves would assist the dry land farmer in the surrounding areas.

Mr. Speaker, I am going to close with this statement, made the other night at the Regina Chamber of Commerce meeting to which the Members were all invited and which a good many attended, by quoting from the address on Tuesday evening of this week by H.G. Long, Managing Editor of the Lethbridge Herald, speaking to the Regina Chamber of Commerce, when he said:

Where suitable land and necessary water could be brought together, they would create isles of plenty during drought years, which would be a stabilizing factor in the whole agricultural life of this province whose economy will always be founded largely on wheat and livestock.

Mr. Speaker, it is my pleasure to second this Resolution.

Mr. Corman: — Mr. Speaker, I beg leave to adjourn the debate.

Debate adjourned.

ADJOURNED DEBATES
RESOLUTION – ENACT LEGISLATION ESTABLISHING MINIMUM LABOUR
STANDARDS

The Assembly resumed the adjourned debate on the proposed Resolution by Mr. A.T. Stone (Saskatoon City):

That this Assembly respectfully urge the Government of Canada:

1. To take such steps as are necessary to have the British North America Act amended to vest in the Parliament of Canada jurisdiction to enact legislation establishing minimum labour standards throughout Canada.
2. Upon the coming into force of such amendment, to enact legislation establishing minimum labour standards throughout Canada which are at least as high as the fair and progressive standards already established in Saskatchewan.

And the proposed amendment thereto:

That all the words after “establishing” in the third line of paragraph (1) be struck out and the following substituted therefor:

A National Labour Code; and

That the word “Saskatchewan” in the fourth line of paragraph (2) be struck out and the following substituted therefor:

In any Province in Canada.

The debate continued on the amendment.

Hon. T.C. Douglas (Premier): — Mr. Speaker, I hadn't intended taking any part in this discussion on the Resolution moved by the Member for Saskatoon, had it not been for the line which was taken by the Leader of the Opposition and the amendment which the gentleman moved.

The other day my hon. friend, in taking part in this debate, made the rather sweeping statement that the statement made or inferred by some of the Members who had taken part in this debate and other debates on labour matters, was to the effect that until 1944 no government had really given proper attention to labour matters until the present Government came into office; and the Leader of the Opposition said that any person who made that statement was either ignorant or wasn't telling the truth. Now, I think that that statement is well worth investigating. I think that if one goes over the records one might reverse that position. One might say that any person who states that very much was done for labour before the present Government came into office is either ignorant or is seeking to mislead the public. The only difference between my hon. friend's statement and my own is that I think I can substantiate what I am going to say.

The Leader of the Opposition, in order to back up his statement, then proceeded to cite some of the things which the previous administration had done for labour; and he said the first one was that throughout the years they had listened attentively to delegations from different labour organizations. Well, Mr. Speaker, I am prepared to concede the first point. I am quite prepared to concede that they did listen attentively to labour delegations; I think that many of the labour delegations felt that it went in the one ear and out the other. I am not going to say why; but I think that a lot of them felt that that was what happened. But listening to delegations and doing anything about the recommendations of delegations are certainly two very different things.

The second thing for which the Leader of the Opposition claimed some credit, was that the previous administration had handled very satisfactorily the 1938 strike in the Estevan area. I don't know how familiar he is, or how familiar he thinks the House is, with the handling of the 1938 strike in the Estevan area, but I didn't think he chose a very good illustration if he wanted to make this House, or anyone else, believe that his Government was very well interested in labour. Because the settlement of the 1938 strike was, as far as a good many of the workers in the minefields were concerned, simply a betrayal of the workers in that part of the country; for the strike was settled by dividing the field and some of the workers being turned over into the tender mercies of the company union, so that today that coalfield is still split down the middle with part of the miners in a miners' union and a part in a company union. Peace has been maintained throughout the War under P.C. 1003, but when 1003 ceases to function, we may see a situation there which will cause a good deal of concern both to labour and to the Government in the years and months that lie ahead.

The third thing for which my hon. friend claimed some credit — and I don't know why — was that in 1943 a Liberal Member had brought a Bill into the House. That's rather interesting — the Liberal administration had come to office in 1934, and nine years later one of the private Members, not the Government, finally got around to bringing in a piece of labour legislation.

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That labour legislation I have in my hands here – Bill No. 51 – introduced into the Legislative Assembly in the year 1943 and introduced on Thursday, April 1st. And it was sent by the Legislature in 1943 to the Law Amendments Committee, on which of course the Liberal Party had a preponderous majority, and was killed in the Law Amendments Committee and notice of it was brought back to the Legislature on April 10, 1943, saying that the Bill be not proceeded with. Now that hardly can be considered to be a contribution to labour – that the only thing they had done for labour in nine years was to have a private Member bring in a Bill which was conveniently murdered in its cradle.

The fourth thing for which my friend thought that his administration ought to have some credit with reference to labour was the fact that they had passed, as a Provincial Statute, P.C. 1003, which was a Federal Order-in-Council regarding the matter of collective bargaining. And the Leader of the Opposition took very strong exception – he used, I thought, pretty close to unparliamentary terminology in referring to the Hon. Minister of Labour who, he said, had stated on some previous occasion that this Act would die with the end of the War; and the Leader of the Opposition, of course, was very indignant about that. Well, technically speaking, of course, the Leader of the Opposition is quite correct; the Act which was passed by the . . . Strange, isn't it, wherever you get the least solidity you get the greatest volume. Sometimes a laugh can betray a great vacancy. Well, the Act which was introduced by the previous administration, in 1944, it is true, would not expire with the end of the War. But is the Leader of the Opposition expecting anyone to believe that this legislation was put on the Statute Books, having in mind that it would stay there as a permanent statute of the Province of Saskatchewan? It had first of all, the introductory section all of which merely referred to the schedule and the schedule is P.C. 1003, a Federal Order-in-Council. Now imagine this staying on the Statute Books of Saskatchewan for 10, 20 or 30 years! It says this:

Whereas it is deemed to be in the public interest, especially during the War period, and more particularly in industries essential to the prosecution of the War, that employers and employees collaborate for the advancement of the enterprises in which they are engaged . . .

And it goes on:

. . . and whereas it is therefore deemed necessary by reason of the War for the security, defence, peace, order and welfare of Canada and for the effective prosecution of the War that regulations be made in respect of such matters.

Now, surely, while they may not be technically true, this Act was going to expire with the end of the War. Does anyone think that the Government of that day seriously contemplated that this would stay on the Statute Books as a charter for labour? Isn't the very wording of it, and the very terms which I have read, indicative of the fact that this legislation was being placed there as the Federal legislation, as the Federal Order-in-Council had been passed, merely as a war measure to deal with, as it says itself, collaboration between labour and employer for the better prosecution of the War.

Now, these are the things for which my hon. friend asked

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some questions. Well, he can have all the credit he can find in them; but I think that most people would be quite prepared to compare the record which he himself outlined with what has been done in the last two-and-a-half years.

First of all, there has been a Trade Union Act passed and the Leader of the Opposition pointed out that in passing that Act we had taken off the Statute Books the provision of P.C. 1003. Quite right. While P.C. 1003 was acceptable to labour in lieu of anything better, the fact remains that P.C. 1003 was far from being a charter of liberty for labour and The Trade Union Act now on the Statute Books of Saskatchewan is far in excess, as far as labour is concerned, of anything contained in P.C. 1003.

Let me give some illustrations. P.C. 1003, which was put on the Statute Books in 1944 by the previous administration, excludes the Crown. It provides that persons, but not unions, are certified. It provides that a majority of the employees affected must vote in favor of a bargaining representative, not a majority of those voting, but a majority of those affected. If that were put into operation in all electoral contests in Canada there would hardly be a Federal or Provincial Member able to hold his seat and certainly very few municipal men.

Mr. Embury: — P.C. 1003 did not provide for the certification of unions.

Mr. Douglas: — I stated that 1003 provided for the certification of persons, not unions.

Mr. Embury: — Not to the exclusion of unions!

Mr. Douglas: — It made no provision for the certification of unions but for persons as the representatives of the union. My hon. friend will recognize the difference. Under The Trade Union Act in Saskatchewan, a union may be certified as the bargaining agents, and whoever may be the officers of that union may act in that capacity. Under P.C. 1003, the persons who are the officers must be named as the bargaining agents. If the union changes its personnel, changes its officers, then the certification must be changed accordingly.

Mr. Embury: — Yes, but it is automatic, isn't it?

Mr. Douglas: — Not necessarily automatic. Some cases entail a good deal of delay, but The Trade Union Act of Saskatchewan, as I say, includes the Crown as P.C. 1003 did not do. P.C. 1003 certifies persons as representatives of unions rather than unions themselves. P.C. 1003 required that a majority of those affected must vote, not merely a majority of those voting, which has never been considered a very fair or democratic procedure. In P.C. 1003 there is no assurance, as there is in The Trade Union Act, of union security; there is no check-off and coercion or intimidation is not listed as an 'unfair labour practice.'

Therefore, we have no hesitation at all in having a

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comparison made by the people interested in labour in this province or anywhere else as between The Saskatchewan Trade Union Act on the one hand and P.C. 1003 on the other. And probably the best proof – because the proof of the pudding is always in the eating of it – the best proof that The Trade Union Act has been for the advantage of organized labour has been that you have seen in the last two years a 60 per cent increase in trade union membership in this province. That is the first thing I say this Government has done for organized labour in passing The Saskatchewan Trade Union Act.

The second thing is that it has facilitated the organization of its own employees so that, today, the time has passed when the employees of the Government come with hat in hand, or have to be pushed around this way or that way according to the laws of patronage or the rules of rewarding the friends of political parties and the workers. The Government workers in this province are now organized so that they can bargain with the Government through their own elected representative and sit down once a year with the representative of the Government, draw up their collective bargaining agreement and that agreement guides and directs our relationship for the balance of the year.

The Government passed The Annual Holiday-with-Pay Act, providing for two weeks' holidays a year for the workers of this province. The Workmen's Compensation has been amended to provide the highest workmen's compensation anywhere in Canada and the Minimum Wage laws has been amended, and, more particularly, the administration tightened up to the place where we think we have some of the best minimum wage administration in the Dominion of Canada.

I would just ask the House, for a moment, to think about the Minimum Wage administration as it has affected this province in years gone by. In 1931, for instance, learners in millinery, dressmaking and tailoring shops received \$3 to \$12 per week, hours being 51 in smaller cities and 49 in larger cities. Today, in all cities, everyone working receives a minimum of \$18.50 per week, or 50 cents per hour. In 1931, experienced kitchen help received \$11 per week and in 1936 it was reduced to \$10 per week. In 1938 it was reduced to \$8 per week. It was raised to \$16.80 by the present Government, in 1944, and now stands at \$18.50. Delivery boys, in 1938, received \$6 per week. In 1940, this was raised to \$8 per week; and in 1944, it was raised to \$10 per week and in 1946 it was increased to \$18.50 per week or 50 cents per hour. Up to 1944, the highest minimum wage in shops and plants in the province was \$14 per week and 30 cents per hour. It is now \$18.50 per week or 50 cents per hour. Until 1937, the minimum wage orders applied to women only, and from 1938 on they applied to both sexes. Up until 1939, the orders applied only to the eight cities of the province. The wages prescribed were the same for all cities, although, in some cases those wages applied for longer hours in smaller cities. In 1940, seven towns were brought under the Minimum Wage order; in addition, the lumbering industry was covered. In 1944, after the present administration took office, The Minimum Wage Act was extended to cover 21 towns, rather than seven, and in 1946 it was extended to cover all towns of 500 or over, a total of approximately 60 towns, rather than the former seven.

You will note that although there were some low wages in the period 1931 to 1934, nevertheless the general level of wages for experienced employees were reduced in 1935. This reduced

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level continued substantially unchanged until the present administration assumed office in 1944. In 1944 the general level of rates was increased and a further increase took place in 1946. In 1946, there were two factors which made the increase even bigger than they might appear to be at first sight. First the rate was applicable to the cities and was applied for the first time to a number of towns, numbering 60 in all. Secondly, all the experienced rates were eliminated so that the minimum wage for the first time actually became a minimum wage. It might also be mentioned that, in 1946, overtime became payable at the rate of the time-and-one-half for the first time in the province. Now that is what has been done in the matter of administration of minimum wage legislation and I am certainly quite prepared at any time, to see that conditions of particularly the unorganized and untrained workers in the province, as they are today, compared with conditions as there were prior to July, 1944. Now may I say a word in conclusion about the amendment which has been moved by the Leader of the Opposition.

The Leader of the Opposition is in favor of striking out the words 'minimum labour standard throughout Canada' and substituting instead a 'National Labour Code'. I am interested to know that my hon. friend is in favor of a National Labour Code; his Party has had a lot of opportunity to do something about it and to-date has been very reluctant to take any steps towards that ends. At the Dominion-Provincial Conference we could make little or no progress with getting the Federal Government to assume responsibility in the matter of setting up a National Labour Code. But now that my hon. friend is in favor of a National Labour Code, I hope that his feelings in that regard will be contagious. But there are two weaknesses in the proposal, it seems to me, which my hon. friend is making.

First, he is suggesting that the term 'minimum labour standard throughout Canada' be struck out and 'a National Labour Code' inserted. Now the term National Labour Code is used loosely and can mean different things to different people. My hon. friend, in the course of his remarks, said that the Minister of Labour, in taking part in the debate, hadn't said whether or not this Government was in favor of giving up its jurisdiction in the matter of labour. Well, that was a surprising statement to come from the Leader of the Opposition, because I took it for granted that he would be familiar with the submissions which have been made by this province, at least, to the Dominion-Provincial Conference; and in both the submissions which we made. I quote from the lengthier one which gives slightly more detail, I quote from Part 4, page 77. In the previous paragraph we had been dealing with the fact – probably perhaps if I read part of it:

The Dominion has suggested that the British North America Act should be amended so as to make it clear that the provinces have the power to delegate to the Dominion any of the powers specifically assigned to them, and vice versa.

Now we say:

But we would like to go further, however, We urge a specific constitutional amendment to confer upon the Dominion power to put into effect minimum standards of national application relating to wages, hours of labour, holidays, age for employment and all other labour matters for which quantitative standards are set. Federal

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legislation of this kind would tend to eliminate interprovincial competition for industry at the expense of labour. It would also help to remove the serious deterrent to advanced labour legislation produced by the fear presently existing in the minds of provincial authorities that they might put the industries under their jurisdiction at a serious disadvantage.

I am sure all the Members will agree that that is the situation. And so we go on and say in this brief:

It seems self-evident that, as the industrial development of the country proceeds, provincial control over labour relations will become increasingly inadequate. Yet once the present emergency is declared at an end, the Dominion will, failing adjustments in the meantime, be thrown back into its prewar position. The Saskatchewan Government is convinced that the Dominion will have to be given jurisdiction over increasing areas of labour relations; in fact we suggest that the only fully satisfactory solution to the problem will be to give the Dominion jurisdiction over the entire field. For that reason we urge that, in addition to the amendment already suggested in regard to national minimum standards of certain working conditions, that the British North America Act should be further amended to give the Parliament of Canada exclusive power to enact legislation relating to trade unions, collective bargaining, unfair labour practice and the settlement of labour disputes.

If this proposal should prove to be unacceptable at the present time, we suggest that at least the Federal Government should be given jurisdiction over such matters in all industries which are clearly of national importance.

Now, the position we took then and the position which we still take, Mr. Speaker, is that labour matters can be divided into two classes. That there are, first of all, those for which quantitative standards can be set: hours, wages, conditions of labour, holidays, age of employment and so on; and that on such matters there should be concurrent legislation, with the Federal Government setting a minimum standard so that all provinces will be protected with reference to that minimum; so that a province which starts to give a reasonable high minimum will not be asking its employers and manufacturers to compete with a province which has no minimum at all, or a very low minimum. And so we suggested first, that there ought to be a national minimum insofar as these quantitative standards are concerned, with each province having concurrent power, of course, to go above the standard but not the power to go below. That is to do with quantitative standards.

On the other hand, on the matter of collective bargaining, of unfair labour practices, of dealings between trade unions on the one hand and employers on the other, that that field should be turned over exclusively, not on a concurrent basis, but turned over exclusively, to the Federal Government. Now, I am not telling any secrets out of school when I say that both in open session and more particularly in closed session that the Federal Government has evinced no interest in accepting these responsibilities and if there isn't any general labour legislation or national application it certainly has not been because of the unwillingness of this Government to surrender jurisdiction

with preference to that field. So, what I want to point out is that there are these two weaknesses in my hon. friend's amendment: the first, is that the term "National Labour Code" can be absolutely meaningless. For instance some people loosely are referring to some of the legislation which is being drafted now at Ottawa as a National Labour Code. It hasn't been brought on the floor, but copies of it got out to different organizations across Canada – about which I see there has been some complaint – and if the press publicity which has been given to it is correct, this legislation is little more than a revival of the old Industrial Disputes Act. If that is all it is – and that seems to be the general consensus of those who have read the legislation – I haven't seen it myself – but if that is correct, then, of course, it isn't by any stretch of the imagination what is generally meant when people use the term "National Labour Code". Now the term National Labour Code is so loose that it can mean a lot or it can mean absolutely nothing. We think we ought to say what we mean specifically and what we mean is – first, that we want a minimum standard set right across Canada on the matter of quantitative standards, and secondly, that we want the Federal Government to have exclusive jurisdiction when it comes to the matter of collective bargaining and dealing with unfair labour practices. I think the suggestion of the second part of my hon. friend's amendment also is a little confusing.

My hon. friend suggests that we strike out the phrase "already established in Saskatchewan" and insert "in any province in Canada"; so that it would read that upon coming into force of such amendments to enact legislation establishing minimum labour standards throughout Canada which are at least as high as the fair and progressive standards in any province of Canada. I am not going to quibble about that. It could mean that you could take the province with the lowest standards and take the most favorable in that province; and you would comply with the Resolution.

Mr. Patterson: — Mr. Speaker, on a Point of Order . . .

Mr. Douglas: — Oh, well I am sorry. I certainly had no intention of that. Let me read it again so as to be perfectly fair to my hon. friend. It would read:

Upon the coming into force of such amendment to enact legislation establishing minimum labour standards throughout Canada which are at least as high as the fair and progressive standards already established in any province of Canada.

I am pointing out, first of all, of course, that if I wanted to find fault with the terminology it would be that all you had to do is pick out the standards which are as high and as fair as the progressive standards already established in any province; so that you took the province with the lowest standards and took the highest in that province, you would be complying with the Resolution. But that is not what my hon. friend means, of course. What my hon. friend means is that you would take the highest from each; and, of course, the reason for my hon. friend suggesting that, I take it, is that he doesn't want to admit that the highest standards at the present moment are not obtained here in Saskatchewan.

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An Hon. Member: — The Minister of Labour admitted that himself.

Mr. Douglas: — That they are not the highest?

An Hon. Member: — That Saskatchewan is not the highest.

Mr. Douglas: — But in the overall picture I don't think the Hon. Member would say that. There are particulars in which other provinces may be higher, but the overall picture certainly will show that we have the highest labour standard in Canada. We have no objection at all to having the Federal Government, if it sets up national labour minimum standard, selecting the best from each province wherever that might be. But I am not prepared to accede to my hon. friend's desire to minimize the fact that in Saskatchewan we have undoubtedly what has been conceded by labour organizations and social welfare workers across the country to be the most progressive labour legislation in the Dominion.

Therefore, I should like to move, seconded by Mr. Williams:

That all the words after "therefor" in the second line of the first paragraph of the amendment be struck out and the following substituted therefor:

Minimum labour standards of national application relating to wages, hours of labour, holidays, age of employment, and all other labour matters for which quantitative standards can be set, and to give the Parliament of Canada exclusive power to enact legislation relating to trade unions, collective bargaining, unfair labour practices and the settlement of labour disputes; and 2:

That all the words after the word "therefor" in the second line of the second paragraph of the amendment be struck out and the following substituted therefor:

In Saskatchewan or should fairer and more effective standards be established elsewhere in Canada, as fair and as effective as such other standards.

I would so move.

Mr. Patterson: — Mr. Speaker, I beg leave to adjourn the debate.

Debate adjourned.

SECOND READINGS

Hon. T.C. Douglas (Premier) moved second reading of Bill No. 42 – **An Act to amend The Marriage Act.**

He said: Mr. Speaker, this proposed amendment has been brought forward by the Department of the Attorney General and the object of the amendment is to prevent marriage by a party or parties to divorce proceedings before the time for appealing from a decree absolute has elapsed. A recent English case handed down by the prominent jurors in England held that a marriage solemnized prior

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to the time that is allowed for appeal has elapsed that such a marriage is not valid and that the parties are guilty of having committed bigamy.

For this reason we are amending this Act requiring that the proof that the time has elapsed and that the divorce is fully in effect, must be produced before a marriage license can be granted or proceeded with.

An Hon. Member: — Is that the only change?

Mr. Douglas: — That's the only major change. There may be some verbal changes.

Motion agreed to and Bill read a second time.

Hon. J.H. Brockelbank (Minister of Municipal Affairs) moved second reading of Bill No. 44 – **An Act to amend The Municipal Expropriation Act, 1946.**

He said: Mr. Speaker, this Bill which is to amend The Municipal Expropriation Act, 1946, of last year makes up a slight deficiency that was missed last year in framing the Bill and provides a slight change in the arbitration proceedings or in the method of determining value and damages and so forth. They are all details which can be well discussed in Committee.

I move second reading of the Bill.

Motion agreed to and Bill read a second time.

The Assembly adjourned at 11:00 o'clock p.m.