

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Fourth Session – Tenth Legislature**  
**25<sup>th</sup> Day**

**March 5, 1947**

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

**RESOLUTIONS**

**RESOLUTION – COMMITTEE ON PRIVILEGE AND ELECTIONS RE INCOME WAR TAX  
ACT**

**Hon. T.C. Douglas (Premier):** — moved, seconded by Hon. Mr. Fines (Provincial Treasurer):

Ordered, that the Select Standing Committee on Privileges and Elections consider the provisions of the Income War Tax Act, Revised Statutes of Canada, 1927, Chapter 97, as they relate to members of a Provincial Legislature, and particularly, section 3, sub-section (9), as added by section 2, sub-section (5) of Chapter 55 of the Statutes of Canada, 1946, and to report its findings and recommendations at this Session.

He said: Mr. Speaker, the Federal Government had given to the Federal members an expense allowance of \$2,000 a year which was declared to be free of income tax. The Federal Minister of Finance, in his budget on June 27<sup>th</sup> last, said that the Federal Government was introducing an amendment to the Income War Tax Act, which was subsequently introduced, providing that any province which wanted to could have part of the provincial Member's indemnity set aside as expenses, and therefore exempt from income tax.

There are certain provisions, I believe, that the amount so set aside could not be more than one-third of the total; or more than 50 per cent of what was named to be indemnity apart from travelling expenses. Now this offer is there; the legislation has been amended to make provision for this and the Government feels that this is not really a decision for the Government to make; it is a matter which affects the welfare of all the Members of the Legislature and the opinion of the Members of the Legislature, therefore, ought to be brought to bear on the problem. For that reason it was felt that the proper thing to do was to refer it to a Select Standing Committee of the Assembly; and probably the most appropriate committee would be the Committee on Privileges and Elections.

Therefore, I move this Resolution.

Motion agreed to.

**ADJOURNED DEBATES**

**RESOLUTION – ESTABLISH A FEDERAL GRAIN MARKETING BOARD**

The Assembly resumed the adjourned debate on the proposed Resolution by Mr. J. Wellbelove (Kerrobot-Kinderlsey):

That this Assembly being of the opinion that the price

returns from 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.

And the proposed amendment thereto by Mr. Danielson:

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. W. Burgess (Qu'Appelle-Wolseley):** — Mr. Speaker, there can be no question that the consideration of the marketing of wheat is one of the most important questions that can be taken up by the Saskatchewan Legislature. It also is true that there is no question upon which the opinion of this Legislature should have more weight upon the councils of the Parliament of Canada than this same wheat question.

We are, here in this province, more dependent upon the satisfactory marketing of our wheat crops than any group of people anywhere. It should surely be possible that we could arrive at some conclusion with reasonable unanimity.

The Hon. Member for Arm River, speaking to this Resolution the other day, suggested that the wheat problem had been mixed with politics during the years. He was perfectly right; and today what is needed is not more politics, but a genuine attempt by all parties to evolve a method that will be satisfactory, that will be in the interests of the farmers and that will be in the interests of the country. The Hon. Member, however, in his remarks, while disclaiming any idea of talking politics nevertheless did a pretty fair job of disclaiming for the party of which he is a member, responsibility for some of the errors of the past.

I have no intention of belabouring the Liberals or the Conservatives, or taking up the time of the House in a long discussion of the history of the grain marketing in western Canada. But a very brief look at the past ought to be a help or guide for the policies of the future; and we should profit by the experience that has been gained, and in Saskatchewan we have had some experience.

In the community where I was raised, the towns of Sintaluta and Indian Head, as well known to every Member of this House, the first meetings of the organized farmers of Saskatchewan were held. It was there that E. A. Partridge homesteaded; it was there that W.R. Motherwell hauled his grain with oxen; it was at Sintaluta that the fight for a loading platform was staged against the Canadian Pacific Railway; it was there that that

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battle was fought and won. The loading platform may seem a trivial matter today, but it was important in those days and it did solve one of the difficulties of that time. We had other experiments. I think the first farmers' elevator so-called, was built in one of those towns. The Grain Growers Grain Company first hung out its shingle in Sintaluta and accepted its first consignment of grain. The Square Deal Grain Company, not so well known, had its head office at Sintaluta; and the first man to sign a Wheat Pool contract was an Indian Head farmer; as well as that, of course, the first meeting of organized farmers that I have already mentioned.

In the evolution of the organized farmer we saw most of the physical problems of handling wheat. They built what is generally accepted as the most efficient, economical grain-handling organization to be found anywhere in the world. Economies have been effected, storage and carrying charges have been reduced, grades and weighing rackets have been eliminated; but at one point the problem was too big for the unaided strength of the farmers themselves and their needs must seek the aid of the people of Canada through the Government.

At the time of the First Great War when the prices of wheat were scaring to ridiculous and intolerable heights, the Government of that day very quickly instituted a wheat board to market the wheat. The purpose at that time was quite definitely to protect the consumer in Canada and in the allied countries from famine prices, also perhaps to protect the economy of Canada against an uncontrollable and uncontrolled orgy of speculation in land values and so on. but, Mr. Speaker, the Wheat Board idea appealed to the farmers, who after all are the most reasonable of people. It appealed to them as being a method of marketing that would make for stability in the farmers' income. We recognized, as farmers, that in such a hazardous occupation where we take and must take the risks of weather, of insects, grasshoppers, cut-worms, frost, hail and all the rest, that to have also the vagaries in a price set-up, dependent on the variations and gambling instincts of those who like to take a flyer on the Grain Exchange – that idea is just too much for any industry to stand. And so, from that time on, in the minds of farmers, the idea of a Wheat Board backed by the resources of the country, having for its objectives square deal for the farmer and a square deal for the rest of the people, gained increasing favor.

In the hungry '30s, when due to the catastrophes brought on by the economic nationalism in the world, brought on by the fear of war, brought on by the excessive stock market gambling, and with the price of No. 1 Northern wheat in the Prairie elevators sunk to below 25 cents a bushel, people of all kinds pleased with the Government of that day to use the method that had been used at the time of the First Great War to protect the consumer, to use the same method to protect the producers. It took years to persuade the Government of its duty. Finally, however, the efforts of the Wheat Pool, through the experience gained by the Government in their stabilization attempts, and also, I believe, to some extent on the advice of Mr. John I. McFarlane who was the agent of the then Government, a man who, though on of the grain trade; a man who had made millions in the business, still he seemed to be one who recognized a responsibility toward the people with whom and through whom he had made his millions. and, as I say, through these various reasons, or some or any of them, we did have, in the year 1935, placed on

the Statute Books of Canada the Canadian Wheat Board Act.

This Act, after being argued in the Agricultural committee of the House of Commons, was finally passed unanimously. The work of the W.R. Motherwells, the Partridges, the Damons, the Millers and the rest of the pioneers seemed to be actually coming to recognition; but the farmers and their problem did not get over the hurdles of the selfish interests determined to protect their rackets nor the politicians blinded to the best interests of the country and alive to what seem to them to be their immediate party advantages.

In 1936 a new government had taken office. Apparently they thought it would discredit the previous administration if it couldn't show them that the great losses in the Treasury had been sustained in the operation of the Wheat Board. I don't need to remind the Members of this House of, as it was then called, the fire sale of wheat, which took place in the year 1936; took place against the advice of John R. McFarlane; against the advice of the Wheat Pool officials; against the evidence of a rising world market, which was shown by such things as the action taken by the Argentine Government in setting a price on their inferior wheat at what amounted to 90 cents a bushel; against the evidence of what was going on in the United States and what was going on in Australia. If they were not trying to make the worst possible showing their actions could have had no other result.

The wheat taken in the 1935 Wheat Board at a fixed price of 87½ cents primarily was sold at an average price of 84 cents. In the autumn of 1936, the 29<sup>th</sup> of that year, the Wheat Board met and set a price of 87½ cents a bushel. Very quietly they met, very quietly they set that price and it was subject to approval by Order-in-Council. Nothing was done from July 28<sup>th</sup> to August 27<sup>th</sup> when an Order-in-Council was passed approving the set price of 87½ cents but with a rider and what a rider, Mr. Speaker.

The rider was to the effect that this Wheat Board could only function if the closing price, the market price, sank below 90 cents a bushel. The consternation with which this announcement was received by people who had worked for their lifetime for orderly marketing had to be felt to be understood and, Mr. Speaker, it was felt and it was understood by a good many of the Members who sit in this House as well as thousands of the farmers who are not privileged to sit in this House.

The Right Hon. W.R. Motherwell, who had spent his lifetime working for the people of western Canada, through the organized farmers and through the political party in which he believed, both of which organizations he had served with dignity and distinction to himself and to the benefits of his fellowman, expressed what was in the minds of thousands of farmers in his speech delivered in Ottawa June 30, 1938, but among a great many other things he said, and I quote:

It has been the most distressing experience of my life. Would to the most high that it had been the Tories who had been responsible for it or yon strange people in the corner. I could have put up with it, not easily, but at least without agony.

In describing the objections taken by himself at the unwarranted use of the executive power by the Government of that

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day, sterilizing the Wheat Board and in making of non-effect an Act in statutory form passed by the Parliament of Canada, unanimously he said:

Dozens, possibly hundreds, of telegrams were sent to the Minister, I myself sent three of them and in those telegrams I left nothing unsaid. It would have cost me the same to send a wishy-washy as to send a good one, so the good one went.

I may say that among those hundreds of telegrams to which Mr. Motherwell referred was one that I sent myself. I might say further in case it might be of any interest to the Member of this House, that Mr. Motherwell was not the only former Liberal who was darn good and sore at that particular time. There are some of them who haven't forgiven them yet for the actions taken in the fall of 1936.

As I said at the outset what the farmers need and what the people need is not a rehash of the political sins of the past, but an honest to God effort by all of us here and in Ottawa to make effective a policy, a policy that will be in statutory form that will insure a fair and just price for our producers and that will not be subject to the upsets by political whims. In my opinion there is nothing, no single thing that can be done that will better safeguard the interests of all the people of Saskatchewan, even all the people of Canada, than stability and equity in the income of its farming population. What do we need? We need, Mr. Speaker, to do more of the things that are mentioned in this Resolution. We need to close the Winnipeg Grain Exchange and stop a condition where the life and bread of the people and the price and the return of our labor shall be dependent upon the whims, dependent on the fears, dependent on the rumors of a misguided gambling public.

The Grain Exchange, of course, if you have nothing else and add that we had at one time nothing else did actually serve some purpose. Some form of spreading the risk was necessary and it may be true that the losses sustained by the speculators sometimes did to a degree increase the return to the producer, but whether, Mr. Speaker, whether it was the farmer or the consumer or the general public that was being fleeced doesn't make a great deal of difference. The thing was uneconomic, unsound, immoral and failed in every emergency with which it was faced.

In the second clause of the Resolution we offer a substitute, a Grain Marketing Board with adequate grower representation. I don't mean an advisory board, a board whose advice doesn't even have to be listened to. I mean representation on the board, direct representation, a share in the making of the decisions that will be binding on the people they represent, the people of whom they are a part, the people whose interest they understand, the people whose best interest they have at heart and a further amendment which will offer some suggestions to the Government of Canada to this Wheat Board of the policies and this equity, both for the people who produce the wheat and the people who are customers.

Farmers, as I said before, were among the most reasonable of people and we recognize that the impoverishment of our customers is just as bad as the impoverishment of ourselves. They prepared to make fair contracts with any nation on a long-term

basis, with no objection to selling to the people of Great Britain, at the present time under the circumstances which they are placed, close to bankruptcy due to the War of blood and tears, expenditure of their wealth and their treasure on behalf of our liberty just as much as their own. I say we have no objection to a contract based on a fair price, having their assurance in which we have confidence that later on if we should again become as cheap as chaff that they will not take advantage of the then relatively weak position of the people who feed them through their time of difficulty, but will be prepared to pay a price that will give a reasonable return.

It seems to me that booms and depressions, extra high prices and extremely low prices are the exact opposite to what is in the best interest of this or any other country. Our economic system, at least, needs something that will do for it what a governor did for an old steam engine, something to level out the load. I think that the stabilizing over as long a period as possible on the price of wheat will achieve that purpose in the economy of Saskatchewan more than any other single thing. The idea which we will incorporate, have been incorporated, into the deal made between our Government and the Government of Great Britain, of course, should be available to the people and the Government of other countries, who want our products and who are prepared to make deals on the same principles. Now the thing we should be prepared to do is accept the goods of our customers because how else do we expect them to pay for ours.

So, Mr. Speaker, anyone seeking to remove the barriers to the free flow of the goods and services of the world from one country to another, from one people to another on a free trade basis can count on my support. Free trade however, is not and cannot be a one-way street. We have in reality two contracts at the present time, one between our Government and the Government of Great Britain, made on the basis of negotiation and another bearing similar relationship to the first imposed on the farmers of the country; imposed with their consent. This contract, up until the present time and through the years of the War, the farmers' interests have – in fact usually – been secondary to the governmental policies with regard to inflation and to the maintenance of price ceilings. I am not for one moment arguing, Mr. Speaker, that the interests of Canada did not require price control or the avoidance of, to as large a degree as possible, the evils of inflation. The farmers shared their proportionate share of the burdens of those policies. But in this setting of the price of wheat we bore not only our share as the general taxpayers, but for five years wheat has been turned over to millers, brewers, to the whole domestic market on the basis of 77  $\frac{3}{8}$  cents per bushel.

A part of that time the Wheat Board received on behalf of the farmers, \$1.25; but the difference between \$1.25 and \$1.55 which our wheat was being sold for to the people of Great Britain and the higher price for which it is being sold to the people of other countries, is and has been, up until a week or so ago, a direct contribution by the farmers in addition to their ordinary contribution to the tax. It is impossible for me to say how much this amounts to. The figure is certainly more than \$1900 million. I wouldn't be surprised if it is three times that; but it is certainly in the hundreds of millions of dollars.

We should have a contract with the Government and people of Canada on the principle as the contract we have with the Government and people of Great Britain; a contract with the people of

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Canada that they, in accepting the responsibility for the maintenance of the stability of the farmers' income, and the price which shall be paid to the farmer, should have some flexibility in the future to the extent of making the purchasing power of his dollar bear a fair relationship to the cost of his necessities.

Before anyone suggests or utters a word in the future – I am thinking, Mr. Speaker, of the time which may come when the markets for wheat are not as buoyant as they are today – when it will be necessary to have some backing behind the Wheat Board; before any one shall suggest that wheat is being subsidized, remember that the people of Canada owe to the Wheat Board and to the farmers of western Canada, hundreds of millions of dollars by reason of the amount they have saved during the War years.

Mr. Speaker, I move, seconded by Mr. Wooff:

That all the words after the word "Resolution" be deleted and the following substituted therefore:

(c) obtain multilateral long-term agreements for the sale of all grains at equitable prices, and adoption of a policy in regard thereto whereby the prices paid to farmers shall be flexible so that they may respond to changes in the purchasing power of the dollar resulting from inflationary trends or from relaxation of price controls.

**Mr. G.H. Danielson (Arm River):** — Mr. Speaker, I listened very carefully to the speech made by the member for Qu'Appelle-Wolseley. He has delivered a very eloquent and very well reasoned discourse on this question that has been discussed in this House in every Session; and is still being discussed. However, you know sometimes, Mr. Speaker, when we get down to realities and tear away all this coverage and dust collected over certain things that have gone on in the past, we find that things are not exactly what they seem to be when we simply take a glance back over the time that has gone past.

Before I go any further, Mr. Speaker, I would like to correct that statement that I made when I spoke on this Resolution and moved the amendment. I said this: 'that in the fall of 1936 when the Dominion Government passed the Order-in-Council closing the Wheat Board, that the Order-in-Council provided that if the market closed at any one day below 96 cents a bushel, then the Wheat Board would automatically come into operation and take all the wheat.' Now I was mistaken. I spoke on that occasion, Mr. Speaker, entirely from memory; I had no papers or notes and I find upon checking this that I should have said 90 cents a bushel instead of 96 cents. However, what I was trying to establish was this – and I am going to try to prove the same point again – and I think every farmer in this House will agree with me on this – that you cannot, Mr. Speaker, operate a Wheat Board and an open Grain Exchange side by side. It can't be done. That's been proven time and time again; and as I said, I am glad to hear the Members say that this is not a political question.

Now, if we go back a little ways we will find that the Wheat Board Act of 1935, went into operation in the summer of 1935 – about August 1, 1935 – at the beginning of the crop year. A

board appointed under this legislation set an initial price for wheat of 87½ cents a bushel for No. 1 Northern out of Port William. I remember that day very, very well, because I happened to be in the city of Regina, staying in the Wascana Hotel and the person in the next room to me had a radio; and he opened the door and said, "This might interest you."

Mr. Bennett spoke on the radio that night and as a matter of fact that was the opening of the campaign for the election was going to come. He announced the Wheat Board price of 87½ cents. I have since that time had a conversation – this was several years ago – with an individual who was present at that occasion and he said to me that they spent a long, long time – there were different bodies to this committee. There were representatives there from the farmers, from the public, from the grain companies and I think from the millers as well – I am not sure about that, but I believe that is correct. He said they wrestled with this thing for hours and hours and hours. He said we couldn't come to any agreement and finally we got disgusted and we quit; and from some mysterious source there came the call for the Committee to re-convene again and they were then told that the price was 87½ cents per bushel. Now so much for that.

This Board began operations during that fall and started to receive the wheat from the farmers. Now when it came into the fall of 1935, not 1936, Mr. Speaker, but 1935, the price of the wheat during the last three weeks of September and during October 1935 was above, but only slightly above the price set of 87½ cents per bushel. At the end of any week it was never higher than 94.2 cents a bushel at fort William; and the low was 88.6 cents during this six weeks – which is only slightly above the 87 ½ cent price. Actual closing prices at the end of each week were as follows: 89.7 cents, 94.2 cents, 91.1 cents, 94.2 cents, 92.6 cents, 90.2 cents and 88.6 cents. Now that was the average closing prices during this period. By October 26<sup>th</sup> there had been delivered by the farmers 145,670,535,000 bushels of wheat, not to the Wheat Board. That was the amount of wheat, Mr. Speaker, that had been delivered by the farmers in western Canada to the elevators. Now I am reading from Hansard, and I have the prices covering 24 months on all these things.

One of the Members, Mr. Manion, asked Mr. Gardiner when he made this statement – he said, "to the Board?" and Mr. Gardiner said, "No, that was the total amount that had been delivered to the elevators by the farmers during that period." Only 63 million – here is the point that I want to show you farmer Members of this House – and I think it will grown on you – out of 145,670,535,000 only 63,789,477,000 went to the Wheat Board during these six weeks in the fall of 1935, when the price over 87½ cents a bushel varied between 88.6 cents and 94.2 cents.

**An Hon. Member:** — Might I remind the hon. gentlemen that his quoting is a complete repetition.

**Mr. Danielson:** — Mr. Speaker, I didn't quote these figures when I spoke last time and I think I should be permitted to show what my point is.

Nevertheless that was the experience in 1935 when the average Member of this House, and I think the farmers think that



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all the wheat that was delivered to the market at that time went to the Wheat Board. And that is not the case, only 44 per cent, Mr. Speaker, in the fall of that year. The same thing happened in the fall of 1936 when the Wheat Board was closed. the price was set at 85 cents a bushel, 2½ cents a bushel less than in 1935; and during the time that the Wheat Board was open slightly over 500,000 bushels of wheat went to the Wheat Board. The rest of it went to the grain trade out of the 36 million bushels that was delivered by the farmers. As a consequence the fact is this: that only a small, small fraction of the grain went to the Wheat Board when the market was above the Wheat Board price. And more than that, during that time there was a good deal of farmers' wheat hauled out and put into storage. Instead of delivering it to the Board the farmer held it there waiting for higher prices and it was, of course, sold at considerably higher prices when the prices finally went from \$1 at the beginning of the last week in August 1936, to \$1.59 and a fraction sometime before the year was up.

These were the lessons; and during these following two years, Mr. Speaker, the average yearly closing price on the Winnipeg Grain Exchange was for the crop year 1936-37, \$1.22.7 a bushel and for the year 1937-38, \$1.31.4 a bushel; for the whole crop year of these next two years. If we take it on a weekly closing basis, we will find that the price averages out slightly different, but very little; and that is the period of which has been said that a fire sale took place. Well, you can call it anything you like, but the fact remains that in the fall of 1935 the Wheat Board had almost 300 million bushels of wheat handed to them. With the crop of 1935, that was increased considerably; and during the next year and a half the Wheat Board sold this wheat and received – let me, again, quote Hansard:

When the Liberal Government came into office in 1935 we estimated that if we sold the wheat at the price then prevailing...

Which, as I said, was between 88.2 and 94.4.

. . .we estimated that if we sold the wheat at the price then prevailing which was much above the price at which it had been purchased, we would lose some \$21 million. We sold that wheat over the next two years and received \$80 million more than the farmer got for it, plus his first cost at Fort William, but not another dollar went to the farmers. Why? Because it cost the Government of Canada, or should I say, cost the Wheat Board approximately \$76 million to carry that wheat.

That, Mr. Speaker, was in storage charges to the elevator company, the terminal company, to the banks for interest, no doubt to the railroads on interest on freight charges and such things as that. Now everyone knows these things, I was interested in this myself. I delivered by wheat to the Wheat Board in 1935. But this fact remains that you can pass all the resolutions you like, but there is no use to try to ask the Government to operate a Wheat Board for the purpose of disposing of our grain in western Canada if you are going to keep the Grain Exchange open. And what we have to do, as farmers, is to do our best to see that that does not happen because the Wheat Board is stuck before it gets started. There is no question about that.

Now as far as this amendment is concerned, I have nothing in particular against it. It only sets out certain things which I think are probably preferable to the present conditions and that is that we ask for multilateral agreements. That is something that I think every government, who is concerned about the welfare of this world at the present time, is trying to accomplish, but so far, Mr. Speaker, there has been very, very little done along that line. It seems as if we are gradually drifting into the old system of opening up trade treaties or agreements between the individual nations not based on any overall plan by any means, but based on the principle of getting the best bargain you can with the one you are particular dealing with. And I think Canada has progressed some way along that line. Every other nation – I had a list here some days ago of how many nations have entered into this agreement – and it is remarkable, Mr. Speaker, how many of them have, not in one place but five or six different places.

I hope the day will come when this amendment to the amendment can be put into operation, but I think our best between at the present time is to do what we are doing now because we are living now – we are not living years from now – to try to go forward and enter into as many agreements as is practicable, whereby our products, not only wheat, but everything else – we have many other things to dispose of in Canada – whereby these products will be sold to other nations.

I think, Mr. Speaker, another point I would like to make is this: in view of the fact that international trade today, not only in wheat but in other commodities, is carried on – not international intercourse. We find that these agreements or deals are made by boards set up by governments mostly. I think that in Canada we can do that work better insofar as our grain is concerned by having a Wheat Board set up to deal direct with these other agents of other nations which are set up for that particular purpose. On that basis, until we get to the stage when we can implement this lofty ideal which is embodied in this amendment to the amendment. I would say that the Government of Canada should go forward and make all the agreements either individually or multilateral agreements with other nations and to see to it that not only now, but in the future years, we will have an assured market for our products, which, of course, we must have in order to prosper in this country.

I have nothing against the amendment to the amendment that wipes out the amendment – it is all right. I shall support it.

**Mr. J. Wellbelove (Kerrobot-Kindersley):** —Mr. Speaker, it is not my intention to take up very much of the time of this House. The matter has been very well covered, but there are one or two things that I would like to point out.

The Resolution as it started was a very simple and direct Resolution and as amended is still a very simple and direct Resolution. But the debate has wandered far afield in some ways. That, I suppose, is reasonable. In moving the motion I had no government to defend, but others have felt it incumbent upon themselves to defend of account for the sins of omission all down through the years and that necessarily has taken up quite a piece of field. but there is one thing I do want to

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draw attention to, Mr. Speaker,.

We have in this House several times heard about the exploitation of our natural resources. I do not think there is anything which has been exploited more than the farmer's love for his home and the soil. It was Sir Josiah Stamp, I think, who made the statement that for the last century the farmer had fed the world below the cost of production. I think the time has arrived and it is far past due, when we should realize the very important part that the farmer plays in the economy of any nation. What we are asking for is the removal of the gamble from the marketing of food stuffs – a think that should have been done long, long ago. It is a step in the right direction, but it is only a step towards the realization of one man's dream where the producer will be assured of adequate returns for his product and the consumer will be assured of freedom from exploitation in the purchasing of food stuffs to maintain a sufficient nutritional standard. We are a long ways away from that, but the closing of the Winnipeg Grain Exchange is a definite step in that direction.

There is one other thing which I would, just briefly, like to draw the attention of the House to and that is in regard to long-term agreements of farm products or any other primary product. It is pure and simple planning. I don't think there is anything in the word 'planning' that we should shy away from, but there does seem to be an inclination on the part of a lot of people to shy away from that word 'planning.' We, as farmers, we endeavoured through the pooling of our grain to get an adequate return over a period of years and later through our support of the principle of the Wheat Board, we have again emphasized our adherence to the word 'planning.'

I was much amused the other day to find a new term in the definition coming in. One of the greatest troubles whenever politics gets into a thing of primary importance, it is thrown and buffeted around to meet the ends and aims of different people, but I notice that a little while ago, the right Hon. J.T. Gardiner and Mr. Taggart, instead of speaking of 'planning' they speak of 'forward price.' Well, now, Mr. Speaker, I don't know whether the forward price for which we are asking in this amendment to the motion; is a pure and simple guarantee that we will get a return for our products under multilateral agreements. I think it was the right Hon. Lloyd George who said when agriculture languishes the nations decay. That, Mr. Speaker, is just as true today as it ever was and the Resolution that we have before us is one slight step in the direction in giving some assurance to the farmer that his product when placed on the market, will not be placed there at the discretion of a speculative group of people who neither intend to make nor take delivery of wheat.

I have much pleasure in supporting the sub-amendment.

Sub-amendment agreed to.

Amendment as amended agreed to.

Motion as amended agreed to.

#### **RESOLUTION – ACREAGE BONUS FOR INCREASED BARLEY PRODUCTION**

**Mr. A.L.S. Brown (Bengough):** — moved, seconded by Mr. R.H. Wooff (Turtleford):

That this Assembly, in view of the demand for increased barley production and in the event that the Federal Government decides to encourage this increased production through the medium of an acreage bonus on all barley acreage sown in Western Canada, request the Government of Saskatchewan to recommend to the Government of Canada that such payments be not less than \$5 per acre.

He said: Mr. Speaker, there is too much controversy in this House although I can recall making that statement on previous occasions and on those occasions it turned out to be a brother-like debate.

In this Resolution we are not debating whether the subsidy paid for this increased production should be on a bushel or an acreage basis or we are not debating the principle of whether a subsidy should be paid or should not be paid in encouraging production of any crop. but the Federal Government has indicated rather clearly that it intends to encourage this increased production through an acreage bonus and we suggest in this Resolution that that payment, if it is paid, be not less than \$5 per acre.

The Resolution indicates that we are not only interested in the financial returns that may benefit the individual farmer who may divert some of his other acreage that he would have sown to other grains, divert that to barley, but we are also interested in attempting to put some stability into our agriculture products. I think it is generally accepted among agriculturists that within a period of a very few years, if we go on producing wheat at the rate that we are producing it today, at the expense of some of our other feed grains, that we may in the very near future reach the stage where we will have a surplus of wheat and a low production in our coarse grains. The Canadian Federation of Agriculture at numerous times have made presentations to the Federal Government placing before that body what they considered to be their views and recommendations as an affect on agricultural industry, and I think that if there is anybody in the Dominion of Canada that is interested, not only in the welfare of agriculture, but is interested in the welfare of the whole Canadian economy, that can be truthfully said of this Canadian Federation of Agriculture. They have never at any time went to the Federal Government or to any government with the idea in mind of bulldozing them into doing something against their wish. I feel that the Canadian Federation of Agriculture at all times has made reasonable presentations to the governmental bodies that they may meet and I feel when they made their recommendations to the Federal Government, last fall, that they were making a fair and reasonable request when they suggested that if the decision was made to pay on an acreage bonus, that it should not be less than \$5 an acre.

I think that numerous statistics could be given to prove that unless it is made at \$5 an acre it will result in no increase in production of barley and at such, not accomplish its intended end.

Now, Mr. Speaker, with the indulgence of the House I would like to quote a few figures. I am rather reluctant to quote any statistics for I often times feel that speakers that quote and use statistics much in the same manner as a drunken man uses a lamp post, more for support than for illumination. However, I

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do feel that possibly some general quotations of statistics as it affects the different areas of the Province of Saskatchewan might be in order.

The Province of Saskatchewan has, as you are aware, been divided into what is called crop districts and there is nine in number of these crop districts and they, generally speaking, represent one general type of climatic and soil condition. I say that, generally speaking. And if there is going to be any increased production in barley it must come from what is known as the south-central crop district – that is crop district No. 3. There we find an area which is one of the largest crop districts in the province, an area which in 1945 had in crop 3,290,000 acres in wheat and only 438,000 acres in barley. Here is an area in which there can be a drastic reduction in acreage sown to wheat and a drastic increase in acreage sown to barley. However, in that area, over a 30-year period, the average yield of wheat has been 12.1 bushels per acre. Basing the price on the assumption that we have \$1.35 guaranteed by the Canadian Wheat Board and assuming that we may not have any further payments on our certificates, that will give us a return of \$14.03 per acre. Now in this same area the average yield of barley has been 18 bushels per acre and assuming that barley remains at its present ceiling price, this will give to the farmer a return of \$9 per acre. There we find a difference of \$14.03 for wheat and \$9 an acre for barley based upon its present ceiling price. Well, I think it is only fair to assume that the farmer looking at that figure will, realizing that wheat, generally speaking, is a more sure crop in that area, not consider increasing his barley acreage unless he is assured that if he obtains the average yield in barley he will receive in return from that barley sufficient to be of equal amount if he had sown it to wheat. The south-central district, therefore, requires exactly \$5.03 based upon the long-term average yield and assuming that we receive no payment on our certificates. If there is a payment made upon these certificates – it is true we will not know that until 1950 – but if we gamble on the assumption that there may be some payment made on there, I suggest, Mr. Speaker, before they will have an increased barley production in that area that it will have to be considerably more than \$5 per acre.

In what is know as the coarse grains area of the province or at least an area where coarse grains are grown to a greater extent, I feel that there will possibly be very little increase in barley production in that area because taking in crop district No. 8, which is the northeast and represents the coarse grain growing area of the province, that in 1945 they sold only 824,000 bushels of barley and 481,000 acres of rye. That is, there can be very little increase in that area as compared with the area of the south centre. But even in that area, the wheat returns based upon a long-term average of 20 bushels per acre will return them \$23.20 and barley based upon the long-term average of 25.2 bushels to the acre and assuming that they will receive, that the ceiling price is the same, the ceiling price, they will only receive in return \$12.60 an acre for the barley, added to that are \$5 an acre which only gives them \$17.60 as compared with \$23.20. So unless the bonus is set at at least \$5 per bushel they cannot expect a great deal of increase. And while here in Canada we are faced with a feed shortage in some respects, it is true that from Canada we export a considerable amount of our feed grain, particular to the United States.

Now, this may be very well for an immediate time. I think that to have any stability in our agricultural economy, we must have somewhat more diversifications in our agriculture than we have in the past. And it is only through increased feed production that we can obtain this diversification in our agricultural economy. But so we can obtain this diversification we must assure to the farmer that when he grows the grain he is not being discriminated against when he feeds it to the hogs. I think this has been very clearly illustrated in the rapid decline in our hog production from 1954 when we raised, here in Saskatchewan, one and three-quarter million hogs which have been reduced by one million to three quarters of a million. By having this acreage, this bonus placed upon an acreage basis, it will give to the farmer some cash return for his crops with the net results that he will be able to feed his grain to his hogs, have his cash profit in the form of this bonus and be in a position to carry on his hog feeding business during the time in which it takes to raise.

As I have stated at the outset, Mr. Speaker, we are interested through this Resolution and the Canadian Federation of Agriculture is interested not only in the welfare of agriculture, but also in the economic welfare of Canada and while we suggest \$5 an acre here it does not mean that we are asking the Federal Treasurer to bonus, if you wish to use that term, agriculture in western Canada to the extent of \$5 per, of this total \$5. At the present time, barley is selling on the open market at the ceiling price, but the Canadian Wheat Board is exporting a considerable amount of this barley to the United States and it is receiving a considerably higher price for it than they are paying the farmers in western Canada.

It is true that in the past few years we have been receiving what is called an equalization payment based upon the amount which is termed from that which is sold in the United States. When this equalization fund is taken into consideration, it will considerably reduce the amount that is necessary for the Federal Government to put into paying this \$5 an acre of bonus.

Mr. Speaker, I do not wish to take up too much time of this Assembly. I feel that in this Resolution we are not asking anything that is unreasonable and even though it may cost the Federal Treasury a certain amount of money, we feel justified in recommending that it be not less than \$5 per acre for I believe that the Federal Government is as interested as we are in obtaining some stability in our agricultural economy and unless we can get some diversification from our wheat economy, I feel that that stability will not be reached in any short length of time.

Mr. Speaker, I move this Resolution.

**Mr. W.J. Boyle (Kinistino):**—Mr. Speaker, in rising to second this Resolution, I do so because I come from a barley growing area. As the former speaker has stated, I am not either supporting an acreage bonus. We are just simply asking that should the Dominion Government agree to that method of endeavouring to raise the production that the land be not less than \$5 per acre. We feel that there is great need for feed grain being increased at the present time. Our Canadian council of agriculture has gone on record that they are in favor of that and I would like to quote from that report on the course grains, their findings.

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The present proposal for the extension of barley acreage are strictly supported by the facts that barley has been in extremely short supply during the past several months. Prospects of small year-end stocks in July 31<sup>st</sup>, 1947, and recommendations for increased hog production in 1947, led to the proposal that Canadians increase the barley acreage from 6.7 million acres in 1946 to 8,000,000 in 1947. We felt, also, that should they agree to the \$5 an acre bonus it would help the man that is growing barley and feeding it to his own hogs. In the past, there has been a 15-cent equalization payment. There is no possible way the farmer that grew his own grain could get that bonus. The only way that he could get it was to sell it, sell his barley. Therefore he was penalized to the extent of 15 cents a bushel. We are not altogether in agreement with the \$5 an acre bonus for this reason, it creates an army of inspectors as we have seen in the past, travelling over our province inspecting all our, all the lands which I don't think is good business, but however, should they, should the Dominion Government decide on that method of endeavouring to get increased production we feel that it should be at least \$5 an acre. Now, we had hoped that this would be in addition to the 15-cent equalization payment because statistics has proved that the return from barley has been very much below the return for wheat and if they take off the equalization payment and just put on \$5 an acre, will leave it just about the same place as it was before as far as returns to the farmer, and last year, according to our Statistics Branch, the returns for barley was something like \$3.47 an acre less than for wheat, so how they can expect to get the farmers to increase their barley production unless they increase that, at least even to what the wheat grower is getting, is beyond me.

It is always good farm practice, we find up in that country, to diversify our production. We can't grow too much wheat or our land will become what we call wheat sick. But by diversing it to coarse grains, either barley or oats, it is a much better farm practice. You can control the wheat much better and it has been the policy in the past when returns are anywhere near equal that the farmer will grow possibly 50 per cent coarse grains. So, I don't think unless, as I said before, they increase the returns from the barley that they'll get any increase up in that part of the country. they may get increased hog production, which will just mean just that much less barley being shipped out to either the east or the west.

Now, we are not, s I said before, endorsing this method paying bonuses, but if they decide on that, I figure that we should at least have the \$5 and I would support this Resolution.

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

Debate adjourned.

The Assembly adjourned at 6:00 o'clock p.m.