

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fourth Session – Tenth Legislature
41st Day

Thursday, March 27, 1947

The Assembly met at 11:00 o'clock a.m.
On the Orders of the Day.

ADJOURNED DEBATES

RESOLUTIONS

RESOLUTION – MORE ADEQUATE HOUSING PROVISION BY FEDERAL GOVERNMENT.

The Assembly resumed the adjourned debate on the proposed motion of Mr. Daniels (Pelly):

That this Assembly recommend that the Provincial Government urgently request the Federal Government to provide more adequate housing in Canada by:

- (1) granting subsidies to citizens in the lower income brackets where rental costs exceed one-fifth of the gross income.
- (2) according housing corporations, set up by Co-operative and Provincial and Municipal Governments, the same terms under the national Housing Act as are granted to the corporations set up by lending institutions; and
- (3) extending credits through the Bank of Canada at low rates of interest to citizens who desire to build homes for themselves.

and the amendment thereto proposed by Mr. Patterson:

That all the words after "Government" in the first line be struck out and the following substituted therefore: take early action to provide more adequate housing in Saskatchewan by promoting and assisting the organization of Limited Dividend and Co-operative Housing Projects under the national Housing Act.

Hon. J.H. Sturdy: (Minister of Reconstruction and Rehabilitation): — Thousands of married veterans in the province will be amazed at the action or attitude towards housing taken by the Hon. Leader of the Opposition. He gave me the impression according to his statements that the housing situation in this province is not as serious as the Government has represented. I wish to emphasize this fact that the housing situation is probably worse today in this province than it has been at any time irrespective of the action taken to alleviate the situation the best we could. According to the Regina Leader-Post, the Hon. Leader of the Opposition has made this statement; that the Federal Government had passed a National Housing Act to provide construction for investment purposes. Well now, the type of housing that we require is low rental housing that is greatly needed in this province, especially for returned men and those of our people

who are in the lower income brackets. Houses that are built for investment purposes do not affect them whatsoever, as neither can they afford to purchase these houses and neither can they afford to pay the rental that these houses demand. So that houses built for investment purposes do not effect them whatsoever, as neither can they afford to purchase these houses and neither can they afford to pay the rental that these houses demand. So that houses built for investment purposes do not effect or cannot help to solve the housing situation inasfar as at least 50 per cent of our provincial population is concerned and I would say 75 per cent of our returned men.

He goes on to state that these houses that are being built or the loans being advanced under the national Housing Act, are for the building of houses for low income people. I have dealt with that and very few of these houses that are being built come under that category at all, I don't know if there are any as a matter of fact.

I have before me a report of the Central Mortgage and Housing Corporation for the year 1946, it deals, of course, with their entire housing program for that year and I would point out that the Central Mortgage and Housing Corporation are charged with the administration of the National Housing Act. Now the Hon. Leader of the Opposition proposes in his amendment that: "take early action to provide more adequate housing in Saskatchewan by promoting and assisting the organizations of Limited Dividend and Co-operative Housing Projects under the National Housing Act." Well, let us see the record for 1946. There were no loans, two co-operatives, under section 43 of the National Housing Act, two co-operatives in that year, which means that there were no houses built in 1946 by co-operatives in the Dominion of Canada. So evidently we cannot hope for much alleviation of the housing situation as far as his amendment proposes in respect to co-operative housing projects.

Then what is the record of dividend housing corporations. Well according to the report from which I am reading, there were 3,299 units or loans made in 1946. Now 3,299 units for the entire Dominion of Canada, is merely a drop in the bucket and we must provide some means to extend our house building program to provide a minimum of 90,000 units a year, to provide for normal population increases and replacements for houses and back loans of 5,000 houses required in the urban centres of Canada. It seems to me, Mr. Speaker, that the amendment suggested by the Hon. Leader of the Opposition does not begin to cover or to meet the housing requirements in this province. In the past year, some 60,000 houses have been built in the Dominion of Canada but the joke is for whom have these houses been built? Only a quarter of this 60,000 have been built for rental purposes and only 7,000 have been put up by Wartime Housing are for low rental housing and the rentals for these exceed \$25 per month. Yet according to the latest report we are told that 25 per cent of the people of Canada cannot pay rent in excess of \$12 per month. In Canada we haven't got such a thing as low rental housing except possibly the five or six hundred housing units that have been provided by this Government.

As I mentioned only 7,000 of these 60,000 houses that have been built during 1946 are for rent and none of those can be placed in the category of low rental houses, even these 7,000 wartime houses cannot be considered as a low rental house. Now it is true that 3,000 homes have been built by these low

March 27, 1947

dividend housing corporations, organized under Housing Enterprises of Canada. So only 3,000 houses have been built by these corporations. Now the rentals that they demand for these houses are from \$42 to \$47, certainly that is not low rental housing in any sense of the word. Now of the houses that have been built for sale, only 566 come under price control and those 566 are just a handful of houses. We have some of these in Saskatchewan. Montgomery Heights in Saskatoon, some in Regina, some in Moose Jaw; and the complaints which we have had from representatives of all three, are that the housing costs are very much too high in consideration of the faulty construction and the poor materials used. This leaves the 49,500 homes erected in 1946 were built by individual contractors and so on and they are for sale at inflated prices. Homes which only a relatively few Canadians can pay the high prices; homes in which thousands of our Canadians invested in at the high price; the faulty materials used very often mean that they are going to suffer a very serious loss when houses drop in price in the future. It means, also that of these 60,000 houses built during 1946, that relatively few of those can be purchased or rented by people on moderate income or in the low income bracket and that includes at least 75 per cent of our married returned men.

For these reasons, Mr. Speaker, the amendment suggested by the Hon. Leader of the Opposition doesn't again cover the housing situation here in the province and for this reason I would point out that people in this province in the lower income bracket, particularly our married returned veterans are going to be disappointed that the Hon. Leader of the Opposition is not in favor of granting subsidies to provide for low rental house construction in this province. They're going to be disappointed also, that he is not in favor of the Provincial go continuing its housing program. We have already occupied or have in the course of construction some 600 units and we are prepared to enter the present housing scheme provided we are given the same terms and conditions of loans that are granted to labor institutes under financial housing. Elsewhere in the civilized world, Britain, Norway and Sweden and other European countries have subsidized rental housing to enable poor families to occupy healthful, hygienic homes and so improve the general standards of health in the nation. In many of these countries, municipal governments also undertake the construction of low rental subsidized houses. One of the difficulties confronting the prospective home builder or home owner is to get money at a low rate of interest.

The Hon. Leader of the Opposition is also opposed to the extension of credit to enable our people to do just that. For these various reasons, Mr. Speaker, I am certainly voting against the amendment proposed by the Hon. Leader of the Opposition. Believing as I do that it is the function of the municipal governments, Provincial Governments and Federal Governments to do what they can to improve the housing condition for the people of this province. And since the Federal Government has access to credit and to natural resources that we have no access to, the financing of these projects should be from Federal Government resources as it is in other countries.

Amendment negatived.

Motion agreed to.

RESOLUTION – DISTRIBUTION TO MUNICIPALITIES OF MONEYS IN RESERVE ACCOUNT

The Assembly resumed the adjourned debate on the proposed motion by Mr. Patterson (Leader of the Opposition).

That, in the opinion of this Legislature, the Government of Saskatchewan should give early consideration to determining and putting into operation a plan for the equitable distribution to the Municipalities of Saskatchewan of the \$1,260,192.27 now held in a Reserve Account to provide for an adjustment of public revenues to equalize the levies made following the reassessment of Rural Municipalities commenced in 1938.

Hon. J.H. Brockelbank (Minister of Municipal Affairs): — It has been sometime since this motion was discussed so I will read it:

That in the opinion of this Legislature, the Government of Saskatchewan should give early consideration to determining and putting into operation a plan for the equitable distribution to the Municipalities of Saskatchewan of the \$1,260,192.27 now held in a Reserve Account to provide for an adjustment of public revenues to equalize the levies made following the reassessment of Rural Municipalities commenced in 1938.

To understand this situation, Mr. Speaker, I think we should take a look, a very brief look at the history of the public revenue tax. The public revenue tax was imposed, incidentally, by the Liberal Government, about 1916 or 1917, I didn't look up the exact date but it was during the First World War. It was imposed as a -provincial tax. Those who have by nature of the position they occupy, or because of their opinions have been opposed to this tax, have often referred to it as a tax that was imposed in wartime as a wartime tax. Many representations between the First world War and the Second World War, I think have been made to ask that the tax be removed -because it was a wartime tax. Our hon. friends opposite, of course, agree with us on this point that it is a -provincial tax and it is quite evident that it is not considered to be a wartime tax because nothing was ever done during that time to remove it. It is interesting also to note that this was not the first provincial tax on new property. Before that time there was the supplementary revenue tax, the public revenue tax. It was aimed at that time, at increasing the mill rate and changing the name in the hope that it would probably be a little more acceptable but the history of real property taxation as a provincial tax goes back a long piece in the Province of Saskatchewan. It is to be noted that our hon. friend's offices have never become very enthusiastic about interfering with this Act very much until they ceased to be the Government of the Province of Saskatchewan. No more right, either legal or otherwise, to drain a portion of the profits form the operation of the liquor board or part of the education tax or part of any other of the revenues of the Province of Saskatchewan. Recognizing that, we then arrive at a conclusion that we cannot avoid and that is that no government really has any right to compromise this tax, it being

March 27, 1947

a provincial tax. No municipality has a right to claim it. No government has a right to compromise this provincial tax without by promise either made or inferred.

It is also very important to remember, that this Government made no promise in regard to the public revenue tax, or in regard to any adjustment of the public revenue tax at elections. But it is true. I don't know what is true about the commitments made by the former Governments in regard to this tax but I do know that they didn't do anything to put into effect those commitments until they ceased to be the Government of the Province of Saskatchewan. It is very easy to make recommendations to return over a million dollars to someone else when you haven't got the responsibility that the Provincial Treasurer has today.

Now, the motion before the House is for an equitable distribution and the question we might debate is what is an equitable distribution. If there is going to be any distribution we would agree that it would be equitable. But I would suggest that the motion is a little weak in that it should, if any distribution were contemplated, it should be to rural municipalities. That the distribution be to municipalities, and not to rural municipalities, that might have been a slip on the part of the Leader of the Opposition when he drafted the motion. The amount mentioned in the motion, \$1,260,000 (odd) is of course the amount which is in the reserve fund but that does not necessarily have any relation to the actual amount of public revenue tax which was paid by taxpayers in certain municipalities in excess of the amount which they would have been had the new assessment been put into effect all at the same time in 1940.

Incidentally, in 1938 (it wasn't when the reassessment commenced in 1939), I believe, some provision was made but there was no new assessment used until 1940. Actually, if we figure out this amount we find that it is actually less, slightly less than a million dollars, that taxpayers in rural municipalities have paid in public revenue tax in excess of what would have been paid if certain other things had been done, that is if the new assessment had been put into effect. That does not at all affect the question of whether or not this is a provincial tax or whether the municipalities have any claim. On the other hand, there are many taxpayers in the Province of Saskatchewan who during that period from 1940 to 1946 paid less public revenue tax than they would have paid if the new assessment had been put into effect all at once in 1940. Of course, we don't get any motions in the House to do anything about that. That's just very conveniently left alone.

I have know of cases where individual ratepayers in the municipalities after the new assessment came into effect in that municipality made application to the Municipal Council for a compromise of his taxes. In this particular case that I'm thinking of the new assessment reduced that man's taxable assessment by about 50 per cent. He owed two or three thousand dollars of taxes and if the new assessment was right and I think everybody admitted that it was the nearest thing to a correct assessment that we have ever had then that man had during those previous years been paying to the municipality twice, almost twice as much taxes as he would have paid had the new assessment been in effect previously. But, Mr. Speaker, the municipality did not pay any refund of taxes to that man and the municipality would be on very poor grounds to do that. Taxation is based on the assessed valuation which is in effect at that particular

time when the taxes are levied and I don't think this Government nor my hon. friend's government when they were here could undertake any plan to go back to correct inequalities which existed in the past because the assessment wasn't correct. No municipality could be expected to do that and I don't think that the province should be expected to do that very thing either. If we did it, it would be the first time that anything like this was ever attempted. If we admitted that principle which we do not admit for a moment that we should go back and correct inequalities because of an assessment that was not equitable but which was legal and in effect then still the municipalities have no claim whatsoever on those refunds because in one municipality it may be in the total amount that the ratepayers in that municipality paid \$1,000 more in Public Revenue Tax than they would have paid had the new assessment been in effect in 1940. But in that very municipality there may be individual taxpayers who paid less than they should have paid. Individual taxpayers that paid 10 per cent more than they would have paid, who paid 50 per cent more than they would have paid and for anybody to suggest that a redistribution of this money to the municipalities will bring any equity insofar as the assessment that was in effect at that time was concerned, it's just a ridiculous statement and that wouldn't be equity by any means at all.

Mr. Speaker, what I would be willing to see this Legislature recommend is that this money, the proper amount, not the one million, but the proper amount which is approximately one million, be used for the municipalities on a basis of need and be used in a small way to equalize and stabilize the position of the municipalities. With a sum as small as one million it is not right that we could expect to accomplish a great deal but that million dollar fund used over four or five years could put into effect a plan of equalization and stabilization in municipalities which is far beyond anything that was ever done in the past and which has never been suggested by any former government.

Now, the question is how should it be equalized? I think that everyone in this House will recognize that if there is to be distribution then this House recommends consideration of a distribution that should be on a basis of need in the municipalities. There are many factors in the municipalities affecting the question of need but fortunately most of them can be measured with a fair degree of accuracy. This is not entirely new and I think this Legislature has heard me talk about some such plan and hope that some such plan could be put into effect at some time. Not being new, some work has been done on this question of equalization, the possibility of measuring the need of various municipalities and I would just like to give a very brief explanation of a measure of need which has been worked out. Various factors come into the picture in regard to municipalities, first of all, provincial highways. The municipality which has no provincial highway at all is in a lot worse position with regard to providing road services than a municipality that has 40 miles or so of provincial highways within its boundaries. Where a municipality has 30 or 40 miles of provincial highway it means that the main market road problem in that municipality is pretty well taken care of by the Provincial Government and the municipality is left with the side-road problem only.

Another thing that affects the question is the hypsography of the municipality; the presence or absence of ravines and coulees and rivers and swamps, all of these things which make transportation more difficult in the municipalities. There is a

March 27, 1947

vast difference in travelling across a level prairie municipality and travelling across a municipality which is rough, which needs a lot of roads built down and up hill and a lot of high grades and a lot of bridges. The degree of stoniness of the land has a great deal to do with the cost of road construction. The question of the cover on the land, whether it is light bush, medium bush or heavy bush has also something to do with the cost of building the roads in that municipality. Those four items go a long way towards measuring the need of the municipality, from the point of view of the cost of constituency of the road to serve the municipality.

We come to the other side of the question and that is the question of the ability of the people in the municipality to pay. Some might object to taking this factor into consideration but I think that it is only fair that it should be taken into consideration. We have not enough of the first class land to supply the farmers of the province. A great deal of the lower grades of land must be occupied and used if we are going to maintain our number of farmers but that isn't the basic reason. People don't go farming just for fun, they farm because it's an economic necessity. And it is an economic necessity in the world that the lower grades of land be used to produce food stuffs. So when we remember that it is at least to a certain extent a matter of accident as to whether they find themselves located on good land in good areas or on lower grade land in areas where all of the land is lower grade, isn't altogether a matter of accident. But whether or not where they are located is a matter of accident the very fact that there is a world need and a national need that we use this low grade land, I think is enough argument to make us realize that we should not further penalize those people who find it necessary to occupy and use this lower grade land. For that reason, for the reason that they have less ability to pay, I think we should take into consideration in equalization the kind of soil and their general ability to pay.

So we take into this picture the soil classification, as that is a factor in the ability to pay, that's taken direct from the assessment information. The soil rating for the units, the average rating for the units, the Hon. Members will know that the assessment is arrived at by a point system and whereas the Regina Plains may, (just forget the figures now at the moment) have one figure whereas the soil rating in another area may be only half of that figure. Another factor is the distance from main marketing centres. Municipalities located right around a good town or city have fewer transportation problems than a municipality that is located without good marketing centres in it at all. The population of the units is also a factor, because the higher the population the more service is necessary and so by a system of giving all of these points, these eight points which total up to one hundred, then measuring each municipality on that basis, we can arrive at a fairly accurate measure of the need of various municipalities in the province.

I would like to give the House a few examples because I want to emphasize the difference which exists in our municipalities in the province. As I don't want to start any arguments, Mr. Speaker, I want these -municipalities to remain incognito but I will give the facts in regard to each one. Here is one nine township municipality with an assessment of \$938,000, a population of 2,600, a municipal millrate of 20.8 mills; out of

that millrate of 20.8 mills they give doctor and hospital services of course, since the beginning of the year they will not be giving hospital service. These are the millrates for 1946. The levy is approximately \$20,000. Now when you take off the \$20,000 for supplying the doctor services and the hospital services to 2,600 people, take off the cost of administration in the municipality, take off the cost of various other things which can't very well be controlled, which the municipality has to pay for, the very maximum that you could expect that the municipality will have for maintenance and improvements of public works would be some \$6 to \$8,000 in that nine township municipality. Using the method which I outlined to the House very briefly a few minutes ago, this municipality on a basis of a million dollars, I think it was for four years, for all municipalities on an equalization grant would come in for an equalization grant of a \$1,000 to \$1,200. I want the House to understand that this could not be worked out accurately until you have the points worked out for every municipality in the province, then you add your total points and you divide your total points into the total amount of money to be distributed on the equalization basis and you get your log figure or the value of one point. Then take your points in any municipality, you multiply it by your log figure and you get your grant. Now, that, I think, pretty well shows that that municipality is in a position where it needs a lot of assistance and would get it.

Here is another one, a small one, a seven township municipality with an assessment of \$855,000, population of 3,000, municipal millrate of 15 mills and none of that is used to supply medical and hospital services to the p of the municipality except as required. The levy there would be \$13,125. Now these levies have made no allowance for non-collectable taxes and there always should be an allowance of 10 per cent of discount and non-collectable so that these figures are really too high. The greatest possible amount you could expect that municipality to have to spend for public improvements would be six to seven thousand dollars. That seven township municipality has n gravelled provincial highway at all, has very poor rating with regard to roughness, stoniness, soil classification and is very low on this whole system.

Now we come to another one here, we have an eight township municipality with the assessment of \$1 million but the population in this municipality, Mr. Speaker, is only 900 whereas the population in the last one was 3,000 with a much lower assessment. This one has a municipal millrate of 11, they do not give any doctor or hospital service. There is a levy of \$13,100 but even though this municipality is a little better off than the other they could only have six or eight thousand dollars of a possible expenditure on public works. This municipality, on the basis which I mentioned, would be entitled to an equalization grant of about \$735.

I take another one here, a nine township municipality with an assessment of \$2,200,00; a very moderate population of only 1,500 people; they have a municipal millrate of ten mills – quite a moderate millrate and out of that millrate they get doctor and hospital service. You see the great difference between the municipalities even when you get up here to the municipality where they have an assessment of \$2,200,000, which isn't quite the average yet but is getting up that way. They have a levy of 22,000, but even at that considering that they

March 27, 1947

are giving doctor and hospital services, their possible expenditure on public improvements could not be more than five, or six or seven thousand dollars in the municipality. But they are rather fortunate in this municipality because they have 36 miles provincial highway in the municipality. They score fairly good in hypsography and the question of stoniness, soil and all of these points. They don't come in for a very high equalization grant, as a matter of fact it would be something less than \$500.

Here is another municipality of nine townships with an assessment of over \$6 million, a population, Mr. Speaker, of only 1,150; and an assessment of \$6 million; a municipal mill rate of five mills; they don't give any doctor or hospital service out of that five mills but their levy is over \$36,000. It is possible after making a generous allowance for administration costs, for the various fixed costs which a municipality can't avoid, they could spend on public improvements from \$20,000 to \$24,000 in that nine township municipality.

Now there you have just a few samples, a few samples which are very interesting. I think probably the House would be interested in more but I don't want to take any more of your time. Incidentally the municipality with an assessment of over \$6 million and \$20,000 to \$24,000 or more of public improvement budget would not qualify for any equalization grant and incidentally they haven't even got anything coming even if we accept the suggestions that have been made with regard to refund of the public revenue tax. Now you have it all the way from the mill rate of 20.8 mills to the mill rate of 5 mills. The 20.8 does include doctor and hospital but when we start below that we have 15 mills to 5 mills. In the municipality with 15 mills, six to seven thousand dollars are available for public improvement. in the municipality with 5 mills from \$20,000 to \$24,000 is available for improvement. There would be a flat grant which I hope the Minister of Highways will put into effect for the municipalities throughout the province. A flat grant which would be on the basis of size of the municipality only; that a nine township municipality get the flat grant and a smaller or larger one be adjusted accordingly but take no other factors but size only into consideration. When an equalization grant which a million dollars would supply on a basis of four years we would find that some of these poorer municipalities would get the flat grant, would get \$800, \$1,000, \$1,200 additional each year and it would be something if this House recommends it and the Government adopts the proposal that would have an effect to stabilize the activities in that municipality. The municipalities could go ahead and plan with greater confidence for the future.

Now, Mr. Speaker, for these reasons I am going to move an amendment to this motion, to allow this House to express its opinion on putting into effect such a plan of equalization as I have outlined to the House this morning.

That all the words after "That" in the first line be struck out and the following substituted therefore:

This Legislature approves of the proposal of the Government to distribute the amount of money collected from ratepayers in Rural Municipalities, from 1940 to 1946, inclusive, which is in excess of the amount which would have been collected had the new assessment been used for taxation purposes in 1940 and ensuing years, to Rural Municipalities for public improvements, and, further,

this Legislature recommends that the Government consider a plan to distribute this money on an equalization basis over a term of years.

Before I close, Mr. Speaker, I want to mention two or three things, the first, the very evident need for some method of equalization among municipalities as a first step towards enabling all the municipalities to carry out the responsibilities, to give the services which they should be able to give. I don't think I need argue that point. This question of equalization has been discussed on many occasions in the past. It has been discussed with the Association and the Association of Rural Municipalities has gone on record in favor of an equalization grant for municipalities and I am of the opinion that the use of this money for those municipalities which most need help would be an acceptable solution to all parties concerned. I move the foregoing amendment.

Mr. G.H. Danielson (Arm River): — The amendment wipes out the Resolution entirely. I think I should be allowed a little latitude in discussing this matter. The Resolution as originally introduced was that this fund — you can call it a trust fund, you can call it a reserve fund or anything you like, it doesn't matter, the fact remains that this fund was created for a certain specific purpose, a purpose which was discussed and which was agreed to by the man who has been elected to speak for the Rural Municipalities of the Province of Saskatchewan. ...

Mr. Benson: — Mr. Speaker, on a Point of Order, I would like to have a ruling as to whether or not this amendment is in order? It appears to me to be a substitute motion.

Mr. Brockelbank: — Speaking on the Point of Order, Mr. Speaker, I would admit freely that there is a great resemblance in the principle of the original motion and the amendment but I would also point out that it does make some changes in the motion. The motion said an equitable distribution 'to municipalities' whereas the amendment says, 'the Rural Municipalities'. The motion mentions a specific figure, the amendment does not mention a specific figure but refers to an amount which can be figured out by the simple process of arithmetic. I would say that it isn't just a substitute motion, it contains a lot of the same principles with some changes.

Mr. Speaker: — I declare the amendment in order.

Mr. Danielson: — Some Ministers have denied all knowledge of understanding and others have frankly admitted that understanding. As a matter of fact the Provincial Treasurer said he didn't know anything about this matter at all and the Minister of Municipal Affairs speaking at the convention made this statement on page seven of his printed address. Having spoken about establishing a fund for equalizing grants to the municipalities he said this:

As I mentioned previously the Government is seriously considering placing in this fund the money in the reserve account in relation to the Public Revenue Tax. If this was done this fund would also provide a

March 27, 1947

stabilization which is desirable and a guarantee of the continuance of the grant for some time even though the tax revenue might decrease.

I have no fault to find with that statement. I suppose he was expressing the policy of the Government at that time or perhaps he was speaking on his own accord but the Provincial Treasurer has taken the attitude that this money is not money which belongs or to which the municipalities have any claim and that he doesn't know anything about it. Now then, I would like to prove to you, Mr. Speaker, and to your House that there was a clear understanding between the rural municipalities – between the executive and the government of the day.

In 1946, the Public Revenue Tax Adjustment was discussed in the directors Report submitted at the Saskatoon Convention and it will be recalled that at the time the re-assessment of rural municipalities commenced under a Freeman Plan. The former Provincial Government stated its intention of making an adjustment of Public Revenue Tax levies in re-assessed municipalities at the completion of the assessment work with a view to maintaining a reasonable balance of equity in public revenue levies between the municipalities which were first assessed and those whose assessment was completed during the latter year. Your executive was asked at that time to submit recommendation as to the basis on which such an assessment might be made and the report of the committee appointed to investigate the matter was presented to our present Provincial Government early in 1945. Now that is the present Government, Mr. Speaker, in power in the province today.

The Committee's recommendation was in brief that the municipalities assessed in the second and subsequent year of reassessment work, and in which the accurate assessment was reduced, should receive an adjustment which would bring their accurate public revenue tax levy over the re-assessment period to approximately the same amount that would have been levied if the re-assessment had been all completed during the first year. It was also suggested that the appropriate credits should be set up by the Government against public revenue tax, liabilities of the municipalities concerned, if credits could be adjusted between the government and the municipalities over a period of years on such basis as might be agreed upon. It was not considered feasible to bring the adjustment down to a quarter section basis but adjustments between the government and municipalities was favored as a means of re-establishing on an approximately uniform basis the public revenue tax levied among all rural municipalities. Our present Provincial Government has as yet made no announcement of policy with respect to the public revenue tax adjustments, however, it is re-opening negotiation with the Government in this connection. That was a year ago last March, first week in March at the Saskatoon Convention. The exact report at our 1946 Convention gave a resume of the situation with regard to the adjustment of the public revenue tax levied in assessed municipalities.

At the time the re-assessment was commenced it was understood that the re-assessment work would take place over a period of several years and the question was then raised by the association as to how the public revenue levies in the reassessed municipalities could be established on an equalized basis between the municipalities first assessed and those assessed in

the second and subsequent years of the reassessment work. The Provincial Government of the day agreed that if the new assessment was made effective from the year of the completion of the assessment, an adjustment would need to be made after all the municipalities had been reassessed in order to establish a reasonable balance of equity in public revenue tax levies among the municipalities. It was recognized at that time that it would scarcely be feasible to bring the adjustment down to the basis of the individual taxpayer but it was suggested by the Committee of the Association which was appointed to investigate this matter, that a reasonable basis of equity would be reached if the adjustment were made with the municipalities. The Committee's recommendation was in brief:

That the municipality assessed in the second and subsequent year of reassessment work and in which the accurate assessment was reduced, should receive an adjustment which would bring their accurate public revenue tax levies over the reassessment period to approximately the same amount that would have been levied if the reassessment had been completed during the first year. It was suggested that appropriate credits should be set up by the Government against public revenue tax liabilities and the municipality concerned. These credits could be adjusted between the Government and the municipality over a period of years on such basis as might be agreed upon.

Now, that in brief brings the thing right up to date and establishes the fact that compared to anything that might have been said there was a clear and distinct understanding between the government of the day, that justice was going to be done. But now many things have been said in regard to this matter and I know something about this, Mr. Speaker, because my municipality was reassessed the second year and I know what I am speaking of in this regard. We have a very small municipality but we were fairly highly assessed. We are not a large municipality because we are not a full nine township municipality. But our public revenue tax on the whole assessment of the municipality was reduced by \$2,000. Now, I think a \$2,000 reduction all over the province would probably be an average, I may be far wrong on it and the Minister of Municipal Affairs probably knows much more about these things than I do. But if that is the case then there are municipalities in the Saskatchewan who did not get the reduction till the fourth year, (I think it took four years to complete the reassessment) and they would have at least \$8,000 coming back from this reserve fund. That is the situation.

Again as I said during the last convention, a resolution was passed. I am not going to read it because I have it here but before I go into that, Mr. Speaker, I want to point out this that during the last season, last summer, district meetings were held in the different municipal districts in the Province of Saskatchewan and in every instance, its proposal was discussed and it was reaffirmed and the report of the Committee that made its report to this Government in 1945, was endorsed by every district convention. Again at the last meeting of the convention here, I have here a resolution endorsed by all the district conventions and endorsed 100 per cent practically by the municipal convention here two or three weeks ago, asking that this thing be done. And as a matter of fact, every bit of this report, all these reports both by the directors to the

March 27, 1947

convention and the resolution accept this as being understood. As a matter of fact there is no doubt about this thing. This is something that should be done and there should be no quibbling about the duty of the Government insofar as I can see to live up to that agreement which was entered into in good faith by both sides of the bargain.

I would like to point out that during the period of the time the former government was in power, to commence this re-assessment up to the 1944 session, I remember very well when the estimates of the Municipal Department were before this House, how our friends, the CCF Members sitting over there, Mr. Speaker, made a very searching and complete inquiry into the agreement and into the fund that was set aside to meet this payment when the time was going to come due. I remember our friend the Minister of Natural Resources and the present Minister of Municipal Affairs and all of them, they were very critical and very, very, particular to be assured by the Government that this agreement was going to be lived up to and there were funds provided to fulfill that agreement when the time came.

I am not going to say very much more with regard to this matter, Mr. Speaker, but I emphasize again that I don't think that this Government has any right to take this money and use it for equalization, to hand out grants to the municipalities on an equalization basis. I know that the municipal organization and Association has asked time and time again that that be done but never have they requested that the Minister of Municipal Affairs cannot throw this particular money just any place. It has been asked to use for that specific purpose or must be used for that purpose. Now that is the situation. The people who contributed this money, the taxpayers – of course, I don't think it has been seriously considered by anyone that you could go back and allot exactly every nickel or every dollar or cent of that money to the individual taxpayer who paid that money – that would be an impossibility, Mr. Speaker, because many of them are gone, they have died, sold out, they are gone. The credit of one year's taxes was set up for those men who had no taxes cancelled, whose farms had no tax cancelled. That was set up against a particular section of land or portion of land. It wasn't allotted back to the individual, it was always credited to the taxes, 25 per cent each year for four years against the taxes that were levied on that particular portion of land, from then on for the next subsequent four years.

That was the method but I think, Mr. Speaker, insofar as the allotment of this money is concerned we can safely leave that in the hands of the individual municipalities, or the municipalities as a whole. I believe if we have a body of men conducting the municipal affairs of this province it could then be fully trusted to do the right and proper thing. I think they will be guided principally by the wishes of the people who put them into office, so there is no trouble about that. I don't think we need to worry about that particular point but after all there is nothing to prevent this Government from saying that the same method should be used in returning this money, namely that a credit goes to the parcel of land which was paying the taxes. Again that money will not go back 100 per cent just as cancellation of 50 per cent of the 1938 seed agreement debt will not go back to everybody that paid that money. That is more or less a kind of hit and miss proposition but I think perhaps it would be 90 or 95 per cent equitable.

I am certainly not in favor of taking this money as this amendment suggests which in my mind is a trust fund. Some might call it a reserve fund. But nevertheless, I have it clearly established that it was a clear understanding, that it has been carried on from year to year by the man who is speaking for the rural taxpayers of the Province of Saskatchewan; that a committee has made its report and given advice to this Government in 1945 with regard to how this thing should be handled. Therefore, Mr. Speaker, I think that this Resolution is doing an injustice. It is violating the agreement that was first entered into. It should not be done until at least the municipal organization has the right to express their opinion on this thing because you have nothing today either in writing or by statement by anyone verbally who has authority to speak for this municipal organization that has ever suggested that this money should be used for the purpose which this amendment says it shall be used for, Mr. Speaker.

Mr. J. Benson (Last Mountain): — I would like to know why was this fund set up and what was the purpose of the fund after it was set up? I don't think we have any right to change the purpose for which that fund was set up. I believe that equalization of grants may be necessary but I do not think that we should change the purpose of any funds that have been set up. It looks to me as though the amendment is designed to obtain money for equalization grants, money that was collected from people for an entirely different purpose and because of that fact I will oppose this amendment and support the motion. But in voting that way I want to say that I am not opposed to a system of equalized grants for municipalities but I am opposed to changing the purpose of a fund that has already been set up to do a certain thing and does that for some other purpose entirely different.

Hon. O.W. Valleau (Minister of Social Welfare): — Referring to the original statement covering what this money was set up for. It says details of the amount of public revenue taxes, being 31 per cent of the arrears and current taxes, set aside as reserve for possible adjustment following a revaluation of rural municipalities in the province. A possible adjustment ... Okay, what kind of an adjustment are you going to make? There are no details set out in this. This is the official document covering the amount of money which was taken out. I think, Mr. Speaker, it is pretty generally accepted in spite of what the Member for Arm River has said that it is not practicable to return this money to the individuals. I don't think that we need devote any particular attention to that problem. Then the problem arises, is it an equitable adjustment to return it to the municipalities? In the first place the money never did belong to the municipalities; it was provincial taxes. The municipalities were the collectors of the tax and actually if you come down to argue the matter out, I fail to see that the municipalities have any claim on it. But if it is found impractical to return it directly to the people who did contribute then possibly it should remain in the provincial treasury.

But leaving that for a moment and going on and accepting as a matter of fact that it should go back to the municipalities, what period of time are you going to accept as a period of time upon which the adjustment should be made? It would be quite diffident and it would be just as fair to say that the adjustment should be made on the basis of when the assessment was completed

March 27, 1947

as when the assessment was started and yet if you are going to use those two different periods you would arrive at quite a different result.

Mr. Danielson: — What did the agreement say?

Mr. Valleau: — The agreement says for a possible adjustment, a possible adjustment following the revaluation and I don't know that we are bound by anything that may have been said out of this House. That's the official document setting out the possible adjustment and whatever anyone may have said and I noticed that the Member for Arm River used the two terms when he spoke a few minutes ago, first, at the start of the assessment and at the completion of the assessment.

Mr. Danielson: — Mr. Speaker, I am not going to let the Minister place the wrong interpretation on anything I said, I never used it in that implication ...

Mr. Valleau: — Well, just which did you name?

Mr. Danielson: — From the commencement.

Mr. Valleau: — Oh, the commencement – well why the commencement?

Mr. Danielson: — Because that's the agreement.

Mr. Valleau: — We'll take three municipalities that for 40 years in this province the assessment of the -municipalities was considered to be fair and equitable. Then someone got the idea that there should be a revaluation or reassessment of all the municipalities on the same basis. Now, are we going to take the time when somebody got the idea, the time when the motion was originally started or the time when they revalued the first municipality or the time when they revalued the last one? When you start talking about a matter of justice or equity just which one of those particular periods are you going to pick and it does make a most amazing difference.

We'll take three municipalities of "A", "B" and "C", one has been paying \$1,000 public revenue tax, one \$1,500 and one \$2,000. After the reassessment let us assume that that they come down to the \$1,500, they are all equal. If we take the first period the municipality which is paying \$2,000 has a refund. If we take when the reassessment is all completed and assume that this one that has been paying \$1,000 was one of the first ones raised then they are the ones that should have the money returned to them and who is there to say on a basis of justice and equity just which basis that should be on.

I happen to come from a part of the country where every municipality was raised, absolutely every one. Are they the ones that should have the refund? Well, my hon. friend says, "No", but I fail to have heard any particular reason why it should not be on that basis. Why we should not take the completion of the period and in view of the fact that inevitably we are barred from paying the money back to the people who originally paid it any whose money it was, back to the individuals and that is agreed

on by the House and due to the fact that we must find some method of distributing this – we don't want to keep it in the provincial treasury – distributing it where it will go back on a general way for assistance to those people who have provided it. I think that the method outlined by the Minister of Municipal Affairs which is contained in his amendment to the motion provides us probably as accurate a basis as it is possible to arrive at.

Mr. W. Burgess (Qu'Appelle Wolseley): Mr. Speaker, one of the arguments that is advanced by all of the speakers is in reference to the individual as he is concerned with this assessment. Personally, I don't think it would be even desirable to pay the money back or attempt to pay back to the individual. I don't think that would be equity at all. This whole question of assessment has never been a scientific thing in the history of Saskatchewan. After the last assessment it is considerably better than it was previously.

Let us consider the individual within a municipality. The individual within a municipality has no particular kick coming to an assessment provided he is assessed fairly in relationship to the other individuals within the municipality. Now it's a well known fact that in the earlier days of the province the different municipalities didn't use exactly the same methods of setting up their assessments. At no time it didn't even matter so long as they assessed the farms in the municipality fairly one with the other. It didn't matter whether the municipality No. 100 had a higher assessment than RM 200 or not because their municipal taxes which were collected on all of the land in the municipality based on an assessment that was fair as far as the municipality was concerned, would be fair as far as the individuals were concerned. Then a government came along and decided that as one of the methods of raising provincial revenues they put on a supplementary tax based on the assessment of the municipalities and they take the assessment of the municipality as the basis.

Now, that was the first grave error, Mr. Speaker. That is not and never was a proper method of raising provincial revenues. To that, of course, I am not going to get unanimous agreement in this House. I may be the only person who thinks that but I don't think it ever was or is today a proper method of raising provincial revenues. However, it was done. The main inequities or the lack of uniformity in the assessments of various municipalities began to be apparent because as far as the supplement revenue tax was concerned the municipality became as it were, the individuals. The provincial tax on all of the municipalities, if one municipality was assessed on a higher basis than another, so far as the provincial tax is concerned it was just as inequitable as if the individuals within a municipality were assessed on an inequitable basis. The hon. gentleman who just sat down told us that his municipality had been raised by this last assessment. I would say then if we were to get justice these municipalities, rather than having something coming to them, they owe the provincial revenue something because of the fact that they hadn't been paying their share. We all agree, of course, that it would be impossible to expect to get those municipalities to pay up and so we'll drop the idea of collecting from them. But I think it will be agreed, Mr. Speaker, that if it had been possible to assess all of the municipalities in one year there would be no difficulty about this matter at all. When a municipality undertakes an assessment within its

March 27, 1947

municipality, a reassessment of all the farms in it, it is usually completed in one year and any adjustments that are made carry on from that date and of course, there is no attempt to go back and pay back or decide that it should be made retroactive. You can't make things retroactive without getting into difficulties that are perhaps worse than the problem you are trying to cure. But the fact that in this case, it was going to take four or five years to do the job of assessment is the reason for the difficulty.

Now, I think two or three things might have been done which would have been fair. We might have said we won't change the assessment on any municipality until the job is completed, that is to say, that all the municipalities would have continued paying on the basis of their old assessment until the whole job was completed or they might have said we'll refund to the municipalities, who can be proven to have been paid too much on the basis as suggested by the original motion. I think one of those two things are and ought to be done or else a third thing, say there is not going to be any adjustment, and the money would be left in the provincial consolidated revenues.

Mr. Valteau: — On the basis of your proposition that we should have waited until the job was completed, or might have waited until it was all completed and then put it all in, what would the Hon. Member do in view of the fact that this assessment is a continuing proposition, which will continue over the years, year after year? It's not finished now, never will be finished.

Mr. Burgess: — Well, I can't answer that, Mr. Speaker, because I was not aware that it was continuing all the time. I thought it was more or less finished. Well, Mr. Speaker, if that's the case we better drop the matter if we are going to be at it all the time. I thought this was a special assessment that had been put on and there was a time that it was finished. So I'm not prepared to answer the question. I haven't got the answer. I'd say there were three things at least that occurred to me that might be done and I have indicated what those three things were. The thing that is suggested in the amendment, I don't think is even a reasonable proposition. I don't think it could even be considered because if we are going to institute an idea of equalization grounds, let's have a suggestion, a Bill, we have had 117 of them we can have another one. Have a Bill indicating an idea of the Government that is reasonable and a Bill for an equalization grant to municipalities but don't tie it up with something that has happened due to, what shall I say, accidents of the past. If the Government wants to argue that the money should be left in the consolidated revenues of the province and be used for the welfare of the province, I think in view of the difficulties of dividing it around that a fairly good case could be made for that. I think a somewhat better case could be made for attempting to repay it to the municipalities on the basis of the time in which their assessment was made and the amount by which they were over-assessed and, but I don't think it is too terribly important.

I just want to deal with one other point of the Minister of Social Welfare. He said that the agreement called for a possible adjustment. At the time when this reassessment was started, there were people who argued that there wasn't much wrong with the assessment of the municipalities. There

were people who argued that most municipalities were assessed far too high. As he told it, there were some municipalities assessed too low. Now a possible adjustment might take all of these things into consideration and it would not have been possible, you like the word possible, for that statement to have indicated what the adjustment would be and I don't see that the word possible adjustment has anything wrong with it at all.

Mr. D.S. Valleau (ASVR): — Mr. Speaker, I want to refer to one or two statements made by the Member who has just spoken and I think that possibly he has a slightly wrong point of view. He referred to the municipalities whose assessment had been raised and suggested that since their assessment has been raised that they must owe something for back taxes that they didn't pay or while he admitted that it is impossible to collect those or even to levy them, that they obviously have a moral obligation to pay something because they hadn't been assessed high enough in the first place. Well he says he was only joking, but still I think that the question or the problem deserves consideration, jokingly or otherwise. These particular municipalities and there are numbers of them throughout the province, had their assessment increased because the total valuation, there could be two reasons, one that they had been improperly assessed in the first place but the more likely reason is that their actual value had increased due to changing conditions. For example, in the early days many municipalities in the province had no railway facilities within the municipality whatever and in some cases I can recall that grain was hauled up to 45 miles. If the railway came in closer under the terms used in the reassessment, if a man was five miles from the railhead, he would have a higher assessment than the man who was 45 miles away. But it would obviously be unfair to expect the man who had hauled 45 miles to the railhead for 20 years to make a payment based on an increased assessment because the railway had come in. At the same time it is obviously fair that this assessment should be increased when the railway did come in and I have in mind also that the reassessment took into consideration the soil factors. In the early days our soil surveys weren't nearly as accurate as they are today. When the first assessments were made they were made on the basis of existing knowledge. A changing scientific knowledge led to a change in these assessments and more accurate soil survey also led to a change. It's conceivable in the future the soil survey may be perfected. The map may change or the actual soil conditions themselves may change due to climatic factors. Sun spots, absence of rain might change one soil area which is very good into a desert or increased rain due to conditions many miles away may make a Garden of Eden of spots which today are deserts. The assessment is something that is going to fluctuate continually. Even if each assessment and each time that it is made it is made perfectly as far as man can do it and we can't ever admit that man is perfect, still the conditions will change at all times. If we are going to suggest that assessment is ever completed like the laws of the Meeds and Persians and never changes, then we are ceasing to be scientific. Also new municipalities are being formed in pioneer areas, adjustments in boundaries may come about, so many varying conditions may exist from time to time that I think it's a bad principle to lay down that individuals should either make increased payments or accept refunds for an inequitable assessment in the beginning. If we were going to draw up a plan making all taxation in Canada perfectly fair and then levy other taxes and

March 27, 1947

receive refunds from everyone in Canada who has ever paid taxation so that the fairness would be made retroactive to the beginning of Confederation we would have an impossible task.

Mr. M.H. Feeley (Canora): — I want to suggest, I think it's already been brought up but I think it can't be stressed to much, the fact that you cannot make the tax equitable. The tax set up has not been equitable for a number of years and if you are going to try to go back and correct that inequity as was brought out here you've got to go back a long way.

Take for example two municipalities, one in which the assessment has been reduced 25 per cent and I have here that just about works out to that figure and another one in which the assessment has been increased 25 per cent, heaven only knows how many years this situation has gone on, in all probability it has been that way ever since they began the assessing, one of these municipalities has been paying 25 per cent to much, not for one or two or five years but for 35 years and the other municipality has been under-assessed all those years. Now, it seems to me that the only thing to do with it is to accept this as being money that belongs to the province. I am rather inclined to think that the Member for Qu'Appelle-Wolseley has an idea when he says that this should logically go into the consolidated fund of the province just the same place that all of the other money from the public revenue has gone. But apparently we have gotten into some sort of a position where we feel that that isn't just feasible, that it just can't be done. I want to suggest that there is a certain inequity, an injustice that has been going on over a period of years, that this money can and should and under the amendment will be used to give a measure of correction to, and that is the situation in regard to the different municipalities.

We have been spending money down through the years, the Government has, money that is of a direct benefit to the different municipalities and the people living therein. In some municipalities we have spent vast sums of money on highways, on market roads and on bridges and in other municipalities we have spent mighty little and those expenditures have never been based to the slightest degree upon equity or the relative needs of these municipalities.

I have some returns here, Mr. Speaker, that are rather interesting. I want to make a comparison of one or two municipalities. I have one municipality here that up to the reassessment, it's the one that's down about 25 per cent, was assessed \$938,182. This municipality has a debt of about \$10,000. The levy in 1945 was 20.8 mills and according to a return I have here in the year 1945, I asked how much grant that municipality received for market roads, the answer was nil. Now I have another municipality in a very different situation. This municipality has an assessment of upwards of \$7 million. It's levy in 1945 was 4 mills. The grant for market roads in 1945 was \$1,006. Now, Mr. Speaker, this isn't a new situation. Down over the years this municipality has had spent in highways and secondary highways and market roads and bridges, \$1,168,593. Now, the municipality that I referred to first has been aided during those years to the extent of \$96,164,78. \$38,000 of that was spent during the last two years. I want to give this Government credit for making a start towards something of an adjustment in that situation.

Now, if we are going to talk about equity and justice of collecting as we have collected from these poorer municipalities down through the years thousands and thousands of dollars in gas tax, in licences and have given them in return practically nothing. This isn't the case all over but it is the case in altogether too large a portion of the province. I have a letter, Sir, I have a letter in answer to a question. I asked a question; Do Government employees driving their own cars receive more compensation per mile when driving in some parts of the province than when driving in other parts? The answer; in certain areas where the conditions for travelling by road are subnormal, applicable for the most part to the northern part of the province, particularly north of provincial Highway No. 5, when driving off government highways. Another question: Why is it paid? The answer; To compensate an employee for the additional depreciation to which his car is subject when travelling on subnormal roads. Question; How much does it amount to per mile? The answer; The normal allowance is seven cents per mile and the differential is one cent per mile. Now perhaps, Sir, some Hon. Members won't think that that cent a mile amounts to very much but as a matter of fact it is exactly the same thing as though the people in those parts of this province were taxed an additional 15 to 20 cents a gallon, on every gallon of gas they used driving cars and trucks on those roads.

The Hon. Members across the way for many, many years had a chance to correct that, had a chance to part of the way at least rectify it. Mighty little was done. Equalization grants, our grants were never made as equalization grants. They were made for the purpose of satisfying the wheel that did the most squeaking, Mr. Speaker, and I think that it's time that we awaken to the fact that that situation is unfair, it is intolerable. Just in case that some person may think that this applies to our part of the country in North, I want to assure you that it doesn't. I have the case of another municipality in another part of the province. This municipality is in an even worse condition perhaps than the one that I mentioned. This municipality has a little larger assessment, \$1,403,000 for 1,400. They have only 23 miles of secondary highway. The expenditure for market roads last year was \$500. Incidentally the year before it was \$500 I believe. In each of these two years the municipalities I mentioned were in the fortunate position, in a position to take care of themselves very well. One year they received \$1,006 and one year \$1,060. The total expenditure during those years when this other municipality received almost \$1.25 million in expenditures, this municipality received \$50,000. This was the earlier settlement, one of those considered as part of the province. It doesn't only apply to one thing, but over a considerable portion of the province, starts here and there and over that northern part and up in the LIDs the situation is general. I hope, Sir, that Members in considering this situation will be prepared to support us in the use of this money, this money that came to us more or less accidentally. I don't know just how it came in, but at least that we can use this \$1.25 million to help to rectify a situation that should have been corrected long years ago.

The amendment was agreed to on the following recorded division:

YEAS -27

Douglas (Weyburn)	Thair	Brown
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Wellbelove	Daniels	Wooff
Valleau (Melfort)	Harris	Swallow
Brockelbank	Lazorko	Van Eaton
Lloyd	Putnam	Connon
Williams	Howe	Arthurs
Fines	Gibbs	Dewhurst
Feeley	Heming	Gibson
Trew (Mrs.)	Willis	Valleau

NAYS – 8

Benson	Procter	Hooge
Burgess	Danielson	Embury
Patterson	Dobie	

The main motion as amended was agreed to.

RESOLUTION – PRAIRIE FARM ASSISTANCE ACT

The Assembly resumed the adjourned debate on the proposed motion of Mr. Danielson (Arm River):

That this Assembly recommends to the Government of Canada that consideration be given to amending subsection (b) of section 7 of the Prairie Farm Assistance Act to provide that farmers, resident in an ineligible township which is adjacent to an eligible township and whose average yield of wheat is eight bushels or less per acre, shall be entitled to the benefits of the Act.

Mrs. B. Trew (Maple Creek): — If action as requested by this Resolution was taken by the Dominion Government, it would be a step in the right direction. I feel too that it should not be necessary in this House to go very long on the necessity of such legislation as the Prairie Farm Assistance Act. I have always felt that the benefits of such protection against severe crop failures as it gives the western agricultural population, should extend not only to the immediate beneficiary of it, but to the nation as a whole. When our farmers become extremely impoverished their ability to produce is considerably lessened and both from the standpoint of the great need of the products of the farm and of the economic conditions resulting from lack of purchasing power, it is desirable that this measure of economic security be given them.

The provision in this Act which says, that for any rectangular block of sections of land having an area of not less than one quarter of a township within an ineligible township and a side of which lies along the boundary of an eligible township is determined to have an average yield of ten bushels of wheat or less which has become in effect because of price of wheat, eight bushels per acre, such blocks or sections of land shall be eligible for award as though it were a complete township. That provision, Mr. Speaker, was a step towards greater justice when it was put in, in amendment in 1941, I believe. Certainly there can be no quarrel with the justice of extending benefits to any individual farmers who may not live within a block of eligible sections but have a very low yield of wheat. In fact a rather interesting thing happened when at the noon recess I had just such a case presented to me from someone from my constituency. Nor in my opinion is it unreasonable to ask that any

farmer whether or not he lives in a township adjacent to one that has been declared ineligible should receive payments when through drought or other related causes he suffers a total or partial crop failure.

With the Resolution as it stands, I have but one fault to find, it doesn't go far enough. I feel that if we in this House are to pass the Resolution on such an important subject as this, we should endeavor to so word our request as to express to the Dominion Government more of what we consider necessary before the PFAA can be truly satisfactory. Therefore, Mr. Speaker, I propose to move an amendment which will read as follows:

That all the words after "that" in the second line be struck out and the following substituted therefore:

Consideration be given to amending the Prairie Farm Assistance Act to provide that, without the necessity of a declaration of the Governor General in Council, every bona fide farmer, farming land which, due to causes beyond his control, yields less than eight bushels of wheat per acre in any year, shall be entitled to assistance up to a maximum of \$5 per acre, not exceeding a total of 200 acres, but, in case of total crop failure, to a sum of not less than \$400.

I would like to say, Mr. Speaker, that I recognize that this might entail larger advances from the consolidated revenue fund of the Dominion, if with the farmers paying a higher levy on their marketing which I believe they are willing to do. By the way, many farmers have expressed their willingness, even a desire, to pay more when they have the wheat and be able to draw more benefits. In fact, the Saskatchewan Association of Rural Municipalities at its annual convention in 1946, passed the following resolution:

That the crop failure bonus be increased to \$5 per acre and if the maximum be \$1,000 and the assessment 2 per cent and if the payments be made on an individual basis.

However, as I said, there is every probability that large funds might be required from the federal treasury and I am basing my arguments for these sums being paid on the fact that the Dominion Government in its proposals to the Dominion-Provincial Council, was willing to assume the responsibility of providing either unemployment insurance or assistance to all employable agriculture employees.

My contention is that if the Federal Government should be fair to agricultural provinces such as Saskatchewan, where there are comparatively few industries and a large number of farmers, who because of being self-employed would not be eligible for unemployment insurance. The Federal Government should assume its responsibility by guaranteeing to the farmer who suffers loss of income due to causes beyond his control, a measure of economic security at least comparable to that which it proposes for employees in trade and industry. The present benefits paid to farmers under the PFAA fall far short of unemployment benefits. The maximum amount payable to any farmer is \$500 but the highest average payments for complete crop failure in any province, in any of the years since the Act went into effect, was under \$400, that I believe is insufficient. It is an interesting fact too, that the farmers contribution to the one per cent levy even in

March 27, 1947

Saskatchewan has paid for about one-third of total benefits paid out under PFAA during the last six years and for the western provinces together a higher percentage. Workers are expected to pay 45 per cent of unemployment insurance, the employer's contribution is part of his cost of production and of such are usually passed unto the consumers. I contend that it is not very different from the government share. That is it is paid by the people at large to some form of either direct or indirect taxation. The minimum payments of \$400 as suggested in my proposed amendment is necessary to protect the farmer with a small acreage, who nevertheless must live.

In support of the request that consideration be given to making the individual farms the units for determining eligibility, I ask each Member here to recall how moisture and soil conditions may vary in many townships on even such a small area. I can personally recall years, in a part of the province where I live, a farmer, who is considered by his neighbors, and I submit that his neighbors are his severest judges, to be using just as good farming practices as his neighbors, when that man, had a poor crop while the very next section farmer because of a lucky cloud burst or two had a good one. I believe that rather than there being any more danger of keeping poor farmers on land, it would have the opposite effect as a closer scrutiny of farming operations would be natural. And you notice, Mr. Speaker, that in the amendment we used the words "due to causes beyond his control". Certainly under the present time, in the Act as it now reads, the presence of some poor farmers in a border lined township may make such a township eligible where otherwise it wouldn't be. The possibility of keeping farmers on poor land, which is a different problem would certainly not be any greater than it is at present. I feel rather that it might tend to make governments more aware of the need for action in taking sub-marginal land out of cultivation or providing irrigation projects or doing whatever is necessary to give residents of these areas an income sufficient for their needs.

Mr. W.S. Thair (Lumsden): — You may recall that one year ago I moved a Resolution that the Federal Government amend the PFAA in the following ways. The crop failure clause be eliminated, minimum compensation be increased, the Act should become automatic and it should be administered more nearly on individual farm basis. This was along the lines suggested in last year's motion on the proposals of this Government to the Dominion-Provincial Conference on reconstruction and I might say it runs along the same lines as the amendment today. At that time it was supported by all the Members of this House and was agreed to unanimously. I might say that this is in accord with the briefs submitted by the Saskatchewan Government to the Dominion-Provincial Conference on Reconstruction, 1945, which as I stated embodied the same principles — roughly speaking, that the recommendation is in substantial agreement with the present amendment and also with the supplementary submission on this subject of the Government of Saskatchewan to the Dominion-Provincial Conference in April, 1946. In this submission of April, 1946, I might say regarding the application of this Act that the PFAA was compared throughout with the Unemployment Insurance Act, this is quite obvious to anyone who has read the submission, for the protection of industrial workers and the Unemployment Insurance Act, as you all know was set up by the present Liberal Government at Ottawa.

So looking at it in this light, Mr. Speaker, the automatic operation of the Act is obviously necessary if the farmer is to be guaranteed protection against loss of income, even roughly equivalent to that enjoyed by industrial workers. Under the Unemployment Insurance Act the benefits are paid on the basis of individual need and are not withheld as in the PFAA until the problem reaches a certain magnitude. The farmer's need is no less great because only 165 townships, you might say, average 5 bushels to the acre or less, or because he happens to live in a township not eligible for benefits. The Saskatchewan Government submission therefore agrees that they should combine the crop failure and the emergency year provisions of the Act into one scheme in which the farmers would receive adequate aid on a scale varying with the yield.

Mr. Speaker, the chief argument against the individual farm basis is the cost of administration. I have some figures here, the cost of the administration I might say of the Unemployment Insurance per insured worker as of April 1st, 1944, was \$2.30 while the cost of administration of the PFAA to date, for farm operation in the prairie provinces was only 63 cents.

With regard to the amount of the benefits, Mr. Speaker, the maximum of \$5 up to 200 acres, according to the submission to the Dominion-Provincial Conference, is the minimum required from any farm for one year. I might say here while as compared with the Unemployment Insurance Act the worker needs only two hands but the farmer must have seed, feed, fodder, gasoline, machinery and equipment before he can earn a cent and so I would like also to refer to the intensive studies made by the farm management of the University of Saskatchewan along this line. They find that the absolute minimum for such farming expenses in any year of a complete crop failure would be about \$500 for the farm expenses alone. These studies indicate a minimum of \$500 for cash living expenses for the family for one year, although this was less than enough to maintain health adequately.

I would like also to quote here in closing – and I am going to be brief this time – I would like to quote a brief of the Saskatchewan Government, of the former Saskatchewan Government, the Opposition now, to the Reconstruction Council under Dean Cronkhite with regard to this PFAA in its administration. They said in April, 1944, some 2 or 3 months before we took office:

In respect to the determination of liability for compensation on a township basis the plan is subject to criticism by farms and farm organizations, and it would appear that until losses are compensated on an individual farm basis it will not receive full public approval.

It also suggested:

That the experience of crop failure is sufficient to warrant the conclusion that severe losses from crop failure would have to be compensated for from public funds.

In closing I would just say, Mr. Speaker, that a farmer should not be expected to get along with less when he suffers a complete failure of farm income through conditions beyond his control. Surely then we are being more than moderate when we

March 27, 1947

ask for certain changes in the Resolution. I shall support the Resolution.

Mr. W. Burgess (Qu'Appelle-Wolseley): — Mr. Speaker, I'm not going to be too late with my amendment this time. I'm going to move:

That the words "less than eight bushels of wheat per acre" be struck out and the following substituted therefore:

A crop valued at less than \$6 per acre.

Have I the right to proceed, Mr. Speaker? Now very briefly it's this. In the amendment as we have it, it would be possible that a crop of eight bushels to the acre with a value of \$1.50 a bushel would give a man a yield of \$12 per acre, which is a fairly considerable amount of money. On the other hand a crop of eight bushels to the acre at 20 cents a bushel, which we have seen in the past, gives you \$1.60 per acre. Now in the case of low prices, and Mr. Speaker, the farmer's problem in the past has been just as much a problem of low prices as it has been a problem of low yield, the benefits proposed by this amendment might easily give a man who had a crop failure a better income than a man who had a yield of 10 bushels to the acre of low-priced wheat.

I don't think it's a good policy at any time for any government to make the returns for unemployment for instance greater than the returns for employment. I don't think that it is a good policy for any g at any time to make the returns for having a crop failure greater than the returns for having a crop and yet this motion could conceivably give exactly that result. If the amendment had been couched in terms that the payments must be made in terms of wheat and the conditions for getting a payment also in terms of wheat it might have been reasonable. But we are suggesting in the amendment as it was first presented that the criterion or the reason for payment must be in terms of bushels but the payment must be in terms of dollars. I think that we should have dollars in both cases. I have no criticism whatever of the idea of making the payments on an individual basis. I don't think that the administration difficulties are insurmountable because in order to make payments at all the Government has to send inspectors around and have to take their turns from all farms. I'm inclined to agree with the Member for Maple Creek that putting it on an individual basis in the long run would have the effect of eliminating farmers who don't farm in the approved methods of farming rather quicker than the present system instead of slower. So I submit that the term of some amount of dollars per acre is preferable to bushels per acre.

Mr. J. Benson (Last Mountain): — Mr. Speaker, the reason that I agree with the Hon. Member on this is, I agree with the principle of an equality of price per year and per acre, but the difficulty that I see is this; that, for instance, if we have an open market, we might start out in the fall with 75 cents per bushel for wheat and by the time that year's business is closed wheat may be up to \$1.50 a bushel and there would be no basis of getting an adjustment. If a municipality or a township or an individual asks for an inspection immediately after he discovered he had a crop

failure and had 8 bushels per acre, it might be worth \$8 per acre at that time. If a payment was made then if you carried on under the dollar basis at the end of the year if he didn't sell his wheat he may get \$16 per acre from the proceeds of his crop. For that reason I can't see that it could be worked out and the payments made when the individual would require the money and that is immediately after or soon after he had experienced a crop failure. He shouldn't have to wait a year or longer to get a settlement.

Mr. I.C. Nollet (Cut Knife): — Mr. Speaker, we are asking the Federal Government to amend the Prairie Farm Assistance Act. The Prairie Farm Assistance Act is based entirely on yield and I think it will remain on that principle. This House has expressed its opinion on many occasions that the price of a bushel of wheat should remain constant and bear some relationship to the cost of production. I hope that we haven't reached the point that we anticipate that we are once again going to have the experience that we had the early '30s of wheat going down to 40 cents a bushel and oats going down to 6 cents a bushel. If that were true this would be far more unjust in that a man with a comparatively high yield of low prices of wheat, oats or barley, would be in a position where he could receive the benefits and at the same time use that product for animal feed. Administratively, it would be impossible to administer, I think.

Then, too there is the matter of varying the freight rates from the different shipping points in western Canada. It would place one producer at a disadvantage as against another producer. I think, Mr. Speaker, that we should consider these Prairie Farm Assistance payments on the basis of yield and on the premises that we are going to have a constant price for the various agricultural commodities, particularly grain in this case and it will have a fair relationship to the cost of production. I think we should take that stand and request the Federal Government to so change the Act to broaden its scope on the basis of yield, to the end that the individual can receive the maximum benefit. I agree then with the Hon. Member for Maple Creek that the farmers in Saskatchewan or in western Canada would be adverse to permitting another 1 per cent, making as 2 per cent contribution on their part. The big criticism we get against the Act today is that it isn't fair to the people in the northern part of Saskatchewan, particularly the northeast, who contribute into the fund and receive no benefits due to the fact that a whole township must qualify before they can receive any benefits. Constantly, Mr. Speaker, I get requests from farmers in the North who have either been hailed out or frozen out and cannot receive any benefits and who point out that over the years they've been contributing to the fund. I think therefore, Mr. Speaker, that I will support the amendment to the original motion in that we've always asked that the benefits be extended and to the individual farmer. I would support the amendment.

Mr. M.H. Feeley (Canora): — Mr. Speaker, in the establishment of the PFAA we considered it was a step in the right direction. We recognized its weaknesses and many things that were unsatisfactory about it, but we did support it because we felt that it was a step, a real step in the right direction. The original motion before us today has been termed as a step, I think that we could scarcely signify that action as being a step. Possibly a ridiculous stumble or something of that kind would be the best that we could

March 27, 1947

say for it because it would go only very slightly further and wouldn't deal at all with what is a serious problem throughout large portions of the province and as the Hon. Minister of Agriculture has just pointed out, that particularly affects one corner of the province. I believe that it is an unsound principle to ask people to pay for insurance that in actual practice over a period of years has pretty well proven they are never able to realize on even though they have a total loss.

Some of the land in my own district, I am not so sure that the farmers should be farming it, but nevertheless they are farming it and we allow them to continue doing so and they have failures maybe one year in three. Very often they are total complete failures. In those years in which they have a crop they pay their share of the cost of this insurance to the last bushel but when they have a failure, as far as I know, there has been scarcely a year or any time when any of them have been able to collect one single cent of insurance. Now we are under the PFAA – we have contributed quite cheerfully and we are contributing to the cost of the 1938 seed grain adjustment. We felt that large sections of the province were unfortunate. We thought the payment should have been originally on the bushel per bushel basis or the repayment. We were fortunate in those years we did have fair crops and we were quite prepared and are quite prepared to make that contribution in a case of that kind because we think it is equitable and just, but we are not prepared to continue year after year paying for insurance that is of no value to us. We pay our 1 per cent, we get nothing for it, so, Sir, I am very pleased to support this Resolution which does ask for an adjustment of that situation that is unfair and unjust.

Mr. G.H. Danielson (Arm River): — The amendment submitted to the original motion simply says this:

Consideration be given to amending the Prairie Farm Assistance Act to provide that, without the necessity of a declaration of the Governor General in Council, every bona fide farmer, farming land which, due to causes beyond his control, yields less than eight bushels of wheat per acre in any year, shall be entitled to assistance up to a maximum of \$5 per acre, not exceeding a total of 200 acres, but, in case of total crop failure, to a sum of not less than \$400.

Mr. Speaker, first of all it means this, that we'll have no such a thing as any particular area in Saskatchewan or in any of the three western provinces and the Peace River area and British Columbia, which the Prairie Farm Assistance Act does cover. We'll have no such a thing as a drought area. It means that for administration purposes every solitary section or quarter section of land must be individually inspected in the three western provinces and the Peace River area and British Columbia every year, that's what it means. I know that this will be a great problem and tremendous expenses involved. We'll realize that its practically, so far as I can see, beyond any possibility that any thing like that could be done. We have in western Canada I think, as I remember correctly about 480,000 farmers all together. It is true that all of these farmers are not raising wheat but nevertheless in Saskatchewan we have 138,000, all but 12,000 of them growing wheat on a large scale. That is one of the things which I don't think the

farmers of Saskatchewan are going to be benefited by the passing of this Resolution. I don't think so, for the reason that we are asking for something that is impracticable. It will never be accepted and there is a grave doubt in the minds, at least of myself and of many farmers here.

We have, in this province, since 1939 benefited to the expense of \$54,558,000, that is shown with the Dominion Treasurer. I want to make an explanation in connection with that. That that is altogether from the Dominion Treasurer up to July 31st, 1946. There is for this year a claim on the Department or on the PFAA, the pay of approximately \$9 million in the Province of Saskatchewan. I mentioned the figure, Mr. Speaker, of \$54,558,000. I just referred to Saskatchewan alone. That is what has been distributed from the Dominion Treasurer in the Province of Saskatchewan since 1939, and that does not interest any payment that was made under the Prairie Farm Income Act in 1941 or Wheat Acreage Reduction Act or any of these other provisions which have been made.

Now, I said that there was one explanation that I wish to make in regard to that statement. In this \$54,558,000 which had been paid out including this year, we are not exact but we know that there is going to be over \$8.5 million paid in Saskatchewan. The 1 per cent levy that is to be collected on the crop of 1947, 1946-47, is included in that, Mr. Speaker, but not the one per cent levy that has been collected from 1939 up until August 1st, 1946, that is not in there, that amount was \$12,895,000. It is safe to say and I'm sure we are working well within the figures if we say there has been \$52 million paid out of the Dominion Treasury under the PFAA provisions, in the Province of Saskatchewan since 1939 included 1946 and 1947 crop year which will end on July 31st, this summer, that is the situation. When we look at it from another angle, we find this, that in the Province of Saskatchewan we have paid in by the one per cent levy on the net sale price of our grain, 28.3 per cent of the total payment made. As I said I haven't added the total payment up but that \$12 million should be added to the \$1,895,000 should be added to \$52 million, and then we will have the total figure including what we paid in.

When we come to the Province of Alberta – in proportion to the amount paid out, 40.8, that means that by their one per cent contribution on the sale of their grain, they haven't paid into the Dominion Treasury, 40.8 per cent of all the money that has been paid back to them. Whereas in Saskatchewan we've paid I think 28.8 per cent. But when we go to the Province of Manitoba, Mr. Speaker, we find that up until August 1st, 1946, that the farmers of the Province of Manitoba had received in payment \$1,730,880. That was the total dispersion within the Province of Manitoba. They had paid in – I want the House to get these figures because they all have a bearing on what we are asking the Dominion Government to do and these are the figures that convince me, Mr. Speaker, that this amendment to the Resolution is absolutely impractical – I said, they have been paid in the Province of Manitoba total disbursement up until August 1st, 1946, \$1,730,880.62. But they had paid in by the one per cent levy or get paid back to the farmers, Mr. Speaker, they paid in 209 per cent; or for every dollar they get they paid in \$2.09 of what they get out. That means they paid more than double what they get out.

March 27, 1947

Now, that is the situation, 40.8 per cent paid in in Alberta, 28.3 per cent in the Province of Saskatchewan, 209.1 per cent in the Province of Manitoba and I know for a fact that every Federal Member in the Dominion House for Manitoba is not feeling a bit enthused about the situation, when we know that they did nothing to amount to anything, at the same time they are paying in more than twice what they got back ever since 1939.

I think, Mr. Speaker, if we could see a map or have the figures applied to the Province of Saskatchewan, I believe you would find pretty near the same situation there. If you draw a line from Yorkton to Saskatoon, I think you will find that 80 per cent of all the money of this \$52,558,000, which will be paid out in Saskatchewan out of the Dominion Treasury by the end of this crop year, I think you would find, Mr. Speaker, that that money has been distributed south of that line, drawing a line from Yorkton to Saskatoon. In central and southern Saskatchewan we have small farms and it is very seldom that a crop in that part of the country falls below 8 bushels per acre. But I know for a fact there are many of the Federal Members from the northern part of the Province of Saskatchewan, that are not altogether agreeable with the arrangement that is at the present time. As I said, first of all there is no such a thing as a crop failure. There is no such a think as a crop failure area in the province, not only in Saskatchewan but in all three western provinces and Peace River. The whole thing is wide open because we amend it, Mr. Speaker.

First of all, there is no provision here for increase in the levy that the farmers should pay. There is no request for that at all. Again, Mr. Speaker, it does away with any particular area; the administrative burden or responsibility of any Government that would accept a proposition of this kind, would be great, Mr. Speaker. I don't think that the people of Canada could be justified in assuming that burden because they would have to check every township and every arm in every township. Now someone might say, we inspect the areas here and there, where there are no crop failures. True, Mr. Speaker, but I being a practical farmer, I should suggest that sometimes there is a slight frost comes through when the blossom is on the head of the wheat and it could vary from one half or one degree of frost and it would kill the pollen on the flower so that the wheat won't fill. Sometimes a hail storm strikes, that crop might come back but it's just twice as thick as when it was seeded. Then you get into a dry spell and that crop gets high and has a small head that probably wouldn't run four or five bushels to the acre and then there would be narrow streaks running through some of the best crop districts in the Province of Saskatchewan.

Every farmer that grows wheat is included in this amendment to the resolution and for that reason, Mr. Speaker, if there was a practical solution, if there was anything that would do us any good and was within the bounds of possibility of putting into effect as a practical scheme, I wouldn't be opposed to it. But I wouldn't accept this thing because it's going to injure our cause because if a proposition like that should ever come before the House of Commons and the thing should be brought into the House for discussion I am afraid that with the sentiment that is existing in Canada today and not in eastern Canada but right in our western provinces in part of Saskatchewan, Alberta and Manitoba that we might be in a position where we would lose the whole Act and for one thing, Mr. Speaker, this Act has been of

great benefit to us. It hasn't been just in every way but we are trying to make it just. That is what the amendment that I was asking for really asked for. It asks simply this, that where we have a bonus area, a basic township that qualifies under the provisions of the Act, with a yield of less than eight bushels to the acre instead of having a block system that you have to have a quarter of a township or nine sections in one rectangular block before you can go into that adjoining township and pay bonus. It simply means this, that where you have a basic township instead of a block the Act should then apply in this way; you could go into the adjoining township and pick out every farmer in that township on an individual basis who is eight bushels to the acre or less and pay them on an individual basis because it has been proven after three years of application that this block system doesn't provide justice, it does the other thing. It is better than the old method when you couldn't even go across the road.

No matter what the condition was, if that whole township couldn't qualify you couldn't go in there and make any payment. It's an improvement of that system which existed up to three years ago but today we find that after trying this block system out it works grave injustices and that is the reason for my amendment. Because every practical man here knows that all we've got to do is to go into the PFRA office and look at the plot of a township on the files there and you will see that these streaks of soil, different types of soil and even the rain runs generally not on the square, but, Mr. Speaker, they run from southeast to northwest. You can trace that over the whole Province of Saskatchewan. Not only the condition and type of soil, better soil and poorer soil but the rain always follows that course and for that reason it is pretty hard to get a block in a township where you can take in all these. They generally run on an angle and for that reason what the amendment asks is that in a township which adjoins a basic township in a bonus area, inspectors would be able to go in there and pick out every farmer who has less than eight bushels to the acre on his farm and pay him on an individual basis. Now that is what it is.

On the other hand, this amendment asked really for a bonus, a blanket bonus of \$5 per acre over all three western provinces and the Peace River area because that is what the PFAA covers. The indemnity, Mr. Speaker, we know is worth more than twice what it is at the present time and it would increase the amount that the Dominion Government would pay up in the hundreds of millions of dollars a year. There is no doubt about that and besides that the administration cost would be so tremendous that the thing is practically impractical from that basis. For that reason, Mr. Speaker, I can't support the amendment. Not because I am not in sympathy with what the farmer should have but I know this that this will do more harm than good, it's an impractical proposition and for that reason I can't support it.

Hon. T.C. Douglas (Premier): — Mr. Speaker, I wonder if I might just say a word with reference to the remarks of the Hon. Member who has just taken his seat. He suggests that the idea of a crop insurance scheme on an individual basis is impractical ...

Mr. Danielson: — Mr. Speaker, Pardon me! but I certainly don't want the Minister to misrepresent what I have said. If this is a crop insurance scheme all that is an entirely different matter.

March 27, 1947

This extends the operation of the PFAA and that certainly is not a crop insurance scheme.

Mr. Douglas: — The party to which my hon. friend belongs has referred to it quite frequently as a crop insurance scheme but if he doesn't want to use that scheme it's alright with me. My hon. friend is suggesting that the PFAA, that the proposition that the PFAA be organized on an individual basis is impracticable. He cited three reasons and I am not going to take very much of the time of the House but I would just like to touch on each of the three reasons very briefly. First of all, he points out that it would be administratively impossible to cover all of western Canada on an individual farm basis. I want to remind the House that when the Wheat Acreage Reduction program was put into effect by the present Government at Ottawa that that was on an individual basis. Every farmer went in the spring to the municipal secretary's office, swore out a statement as to how many acres he had under cultivation, how much of it was to wheat, how much of it was going in coarse grain, how much of it was going in summerfallow and on an individual basis the Government paid out certain amounts of money to farmers to take their land out of wheat and put it into coarse grain for which they got \$2 an acre or put in into summerfallow for which they got \$4 ...

Mr. Danielson: — What I want to ask the Premier is, does the Premier really think that the same way of recording the acreage could be employed in recording the yield per acre as we did under the Wheat Acreage Reduction Plan?

Mr. Douglas: — Yes, I think so. I think it could quite easily be worked out on the same basis and I am quite sure that the administrative machinery would not be unnecessarily burdened and true it will take some period of adjustment. We have moved a long way. The PFAA started out with very large blocks and has worked right down now not only to the township basis but even to taking a group of nine sections and we are moving towards a smaller unit. I am convinced that whatever administration is in Ottawa, that the pressure of public opinion is going to force any Government eventually to get into a proper crop insurance basis on an individual farm unit.

The second objection was the large amount of money this was going to cost. I just want to say this to the House that when the Saskatchewan Government were preparing our brief to take to Ottawa after the first Dominion-Provincial Conference we were trying to point out to the Government at Ottawa that while they were willing to accept responsibility under their original proposals for the employable unemployed that they were leaving to the responsibility of the province all self-employed persons and in our province self-employed persons constituted a very large majority of the population. That if the industrial provinces were going to have their unemployed looked after that some measure of assistance should be given to our self-employed in crop failure years. We had our economists, particularly those at the University and our own men, here do a survey which is available to any person who wants it. We filed it at Ottawa with the Dominion-Provincial Conference showing that over the period of years that the Unemployment Insurance Scheme has been in operation and the PFAA had been in operation that the amount in relation to the number of persons affected, the amount paid

by the Unemployment Insurance, was just about the same as had been paid by the farmers under the PFAA on a per capita basis but the amount taken out by the farmer was just about half what had been taken out by the worker. In other words it was pointed out that if you were going to treat both of these groups alike who were facing certain unfortunate contingencies that you could actually double the bonus which the farmers would receive under PFAA and they would just be getting about the same return in proportion to what they are putting in as would the industrial unemployed if unemployment were carried on as is provided under the Act at the present time.

The third thing is that my hon. friend says there is some dissatisfaction with this scheme particularly in the areas where they don't get so much benefit out of it. He mentioned for instance that some of the MPs in the northern part of the province felt that way. Well, I am sure my hon. friend is not authorized to speak for the MPs for the northern part of the province. As a matter of fact, the MPS for the northern part of the province have supported in the House of Commons a proposal that they should be on an individual basis. There has been considerable pressure by the Saskatchewan Federal Members, even Members whose constituencies like the Melfort constituency who have seldom benefited from the PFAA. But what has been suggested is that, of course, and I think that this would meet some of the objection my hon. friend raises that western Canada could be zoned and that you might take the triangle where the benefits are more likely to be felt and have a higher premium there. Instead of paying one per cent they might pay two per cent or even three per cent in a very badly affected area and a smaller percentage in the areas that haven't been affected by crop failures. There is no reason why it couldn't be zoned if it were left on a flat one per cent I submit that in relation to what is being done for those who come under the benefits of the Unemployment insurance Scheme that the farmers wouldn't be getting any more out of the Dominion Treasury at the time of crop failure in the aggregate than we are already paying by assistance in donations from the Public Treasury into the Unemployment Insurance Fund. I think that the amendment is a very worthwhile suggestion, and I'm absolutely convinced that eventually the pressure of public opinion in western Canada, indeed all over Canada, certainly western Canada will move towards setting up a Crop Insurance Scheme on an individual farm unit basis.

Mr. A.L.S. Brown (Bengough): — The Resolution regarding the PFAZA as presently applied in providing for assistance in case of crop failure, I cannot let this opportunity to go by without expressing some of my feelings towards this particular motion. I agree that the PFAA as presently constituted can never substitute for a true crop insurance. I think that is generally conceded but at least it can be the basis for the formation of a true crop insurance scheme from which we can build.

To have a true crop insurance, we must have three or four general things included in it. First, it must be a national scope that is to say that it cannot only apply to western Canada, it must apply to the whole of Canada; that it must be formulated in such a way, and in such a manner, that it will include all farmers, that no farmer will have the right to be excluded or the right to withdraw from such a scheme. Secondly, it must be of such an adequate size that the individual who suffers the crop

March 27, 1947

failure will have sufficient to carry on his farming operations one more year. That is in the welfare of the agricultural industry, that the agricultural industry will not suffer due to a crop failure in the previous year, and it must be sufficiently adequate that it will supply the individual who suffers crop failure with sufficient to main his cost of living together with that of his family. Fourthly, due to crop failure, that the services ordinarily rendered to the community will not be drastically reduced. I think we all remember what happened in the 1930s, when we had no form of crop insurance whatsoever, when we did not even have the meagre protection provided by the PFAA. The services in those communities which suffered crop failures deteriorated to a large extent.

A national crop insurance must make provisions for all of those traits. It must make provision on somewhat the same basis as the unemployment insurance. Admitting that the unemployment insurance is not entirely perfect and it is certainly inadequate, it does give to the labouring class some sense of security which we in the agricultural industry do not have today even with the PFAA. But I do submit, Mr. Speaker, that by incorporating the amendment as suggested by the Hon. Member for Maple Creek, that we can come a little closer in providing national crop insurance and putting a little bit more security into our agricultural industry. The motion as proposed by the Hon. Member, the original motion does not in any way solve the problem. It does bring a few more under the benefits of the Act but it still makes it impossible for those farmers who suffer from crop failure, due to no fault of their own; it leaves them entirely outside the benefits of the Act. I think in addition to the objections that were answered by the Hon. Premier, he raised one other objection that might be made to the amendment as proposed by the Hon. Member for Maple Creek, and that would be the difficulties of administering an Act, if it was amended in the manner that is proposed in this amendment. I am admitting that there may be some administrative difficulties, I don't think those difficulties are insurmountable. I think that by proper co-ordination between the Provincial and Federal Governments and also with the agricultural committees, that are being set up in the countries, that this administrative difficulty could be overcome.

I wish to draw your attention to the fact that in this amendment, we are following along the lines suggested by organized farmers in practically every phase. It is a recommendation that has been made by the Canadian Federation of Agriculture, through the recommendation that has been made by United Farmers of Canada, and it is even a recommendation made by the Saskatchewan Association of Rural Municipalities of whom I have been told in this House in a speech for the farmers. In 1946 they passed a resolution that the crop failure be increased to \$5 per acre and that the maximum be \$1,000 and the assessment 2 per cent and the agreement be made on an individual basis. I think that unless we are prepared to advocate that as far as possible this be based on an individual basis that we will not be doing the agricultural industry a great deal of justice and certainly not to the individual who may suffer a crop failure. I would not want to create the impression that the Federal Government if they so saw fit should amend the PFAA in a manner that we propose that it would solve our problem. It would certainly be far from doing that. We cannot consider the PFAA as a separate problem. It is part and parcel of our whole agricultural economy, and as such cannot be solved by itself but can only be solved by a socialized system of agricultural

economy in which we have a plan in orderly marketing together with adequate protection for the individual engaged within that industry. If we simply accept the recommendations as proposed in the original motion, we would be leaving out those small pockets of crop failures that occur every year. There has never been a year in the Province of Saskatchewan that has been entirely free from crop failures and it is just as much hardship on an individual if he suffers a crop failure by himself as it is when he suffers along with a 171,000. We are suggesting in this amendment that the best features of the emergency year as defined in the PFAA be combined with the best features of the crop failure year as defined in the PFAA and that it may be operative every year without the necessity of it being declared a crop failure or an emergency year by the Governor-in-Council. Mr. Speaker, I will support the amendment.

The subamendment was negatived.

The amendment was agreed to.

The main motion as amended, was agreed to as follows:

That this Assembly recommends to the Government of Canada that consideration be given to amending the Prairie Farm Assistance Act to provide that, without the necessity of a declaration of the Governor General in Council, every bona fide farmer, farming land which, due to causes beyond his control, yields less than eight bushels of wheat per acre in any year, shall be entitled to assistance up to a maximum of \$5 per acre, not exceeding a total of 200 acres, but, in case of total crop failure, to a sum of not less than \$400.

SECOND READINGS

Hon. J. Brockelbank (Minister of Municipal Affairs) moved second reading of **Bill No. 98 – An Act to amend The Municipal Hail Insurance Act.**

He said: this bill gives power to the Hail Insurance Association to enable them to take insurance on land occupied by returned veterans under certain conditions and secondly it allows the Association to take insurance from individual farmers in municipalities who are not members of the Association. Various details of the provisions with regard to that proposal can all be discussed in Committee. I would move second reading of the Bill.

Motion agreed to and Bill read a second time.

Hon. J. Brockelbank (Minister of Municipal Affairs) moved second reading of **Bill No. 99 – An Act to amend The Rural Municipality Act, 1946.**

He said: This is an Act to amend The Rural Municipality Act, 1946. There is one principle change in that the age at which electors will have the right to, or at the age at which people will become electors is lowered from 21 to 18 years. The cities and towns for a couple of years have had the 18 year age limit, the amendment is in the Bill for this purpose. I think all of the other provisions in this bill are matters of detail as to powers

March 27, 1947

of municipalities and so forth and can be very well discussed in the Committee of the Whole. I would move second reading of this Bill.

Motion agreed to and Bill read a second time.

Hon. J. Brockelbank (Minister of Municipal Affairs) moved second reading of **Bill No. 105 – An Act respecting the Assessment of Railways.**

He said: Mr. Speaker, this Bill is a bill to replace the old Act on the Statute books which goes by the same title. The old Act was passed, I don't know how many years ago and as far as I know has never been used. It has not been used for many years anyway. The result is that there are many provisions in the old Act which are quite out of date and are not necessary. The Bill I do not think contains any new principle from the old Act. I would move second reading of the Bill and I might say one other word that it becomes necessary to make this Act workable because of other things that are taking place with regard to railway taxation as some municipalities in the -province or all the municipalities might want to use it.

Motion agreed to and Bill read a second time.

Hon. W. Lloyd (Minister of Education) moved second reading of **Bill No. 100 – An Act to amend The University Act.**

He said: This Bill makes provision for one or two clarifications in the Act and in addition to that it adds the Minister of Education to the Advisory Committee of the College of Agriculture and extends the scope of that committee too, so that it may have a certain amount of supervision or surveillance over the School of Agriculture or Schools of Agriculture. The other change which is recommended in the Bill has to do with the advisory committee to the College of Medicine, and it is proposed to add to that committee a representative from the urban municipal association and a representative from the rural municipal association, and further clarifies the function and duties of that Committee. I would move, Mr. Speaker, the Bill now be read a second time.

Motion agreed to and Bill read a second time.

Hon. J. Corman (Attorney General) moved second reading of **Bill No. 106 – An Act to amend The Land Titles Act.**

He said: The only word of explanation that might be advisable is the proposed amendment to section 116. In effect it provides that a mortgage company, a mortgagee in making a lease shall not make if for more than three years. And it also provides that a mortgage company cannot lease the land without the consent of the owner or the consent of the Provincial Mediation Board, that it cannot make a lease to anyone but the owner without the consent of one or the other. I would move second reading of the Bill, Mr. Speaker.

Motion agreed to and Bill read a second time.

Hon. J. Corman (Attorney General) moved second reading of **Bill No. 107 – An Act to amend The Homesteads Act.**

He said: Mr. Speaker, this is an amendment putting in a new shift. It's been recommended by the law officers and the people that have to do with the Land Titles office work. I note it can be discussed in Committee.

Motion agreed to and Bill read a second time.

Hon. J. Corman (Attorney General) moved second reading of **Bill No. 109 – An Act to confer Certain Powers upon the Lieutenant Governor in Council.**

He said: Mr. Speaker, this Bill is explained on request on First Reading. It is a Bill which authorizes the Lieutenant Governor in Council to exercise under certain conditions, control over services performed within the province and controlling and regulating the prices at which goods may be sold at retail in the province and the powers of control and regulation of rentals in the province. I should point out, Mr. Speaker, that this power is now vested in the Federal Government, first by reason of the War Measures Act which is based on an anticipated or a pending war, second place, following that by the National Emergency Transitional Powers Act which was passed in December of 1945. It is based on an emergency following a war, an emergency arising out of conditions created by a War. As the House knows at the present time, a Bill is before the House of Commons which is asking to have certain Orders in Council already made, given statutory sanction. I believe that is what is going on in Ottawa now. I might say that the emergency Transitional Powers Act first expired on March 31st of this year. It was then continued by a joint address of the House of Commons and the Senate until May 15th of this year, and it has been suggested to the House of Commons that a further extension may be asked for. But the point there is that when the Bill before the House will take the place of the National Emergency Transitional Powers Act if it is passed by the House of Commons. The purpose of this Bill however, is to give the Lieutenant Governor in Council while this Legislature is not sitting the power to enter these fields if the Dominion Government withdraws from it. I should say this, Mr. Speaker, that at the present time the Lieutenant Governor in Council, that is the Government of Saskatchewan will have no power under this Act to deal with prices or with services. Whether, before we leave here again, the province will be able to act, depends on what is done at Ottawa, but we feel that reference particularly should not be allowed to skyrocket if the Dominion withdraws from the field. I would move second reading of the Bill, Mr. Speaker.

Mr. A. Procter (Moosomin): — Mr. Speaker, to say that I was upset when I read this Bill is to but mildly express my feelings. I think probably there is nothing in the Dominion of Canada that has caused so much disturbance and so much soul searching among the people of Canada of all parties as has the Government by the Order-in-Council that has been taking place in the past. Now, Sir, we all admit that there was one of the gravest national emergencies that have ever affected the Dominion of Canada or the British Empire in effect during the whole time of the war. The only excuse for the powers that were assumed by the Federal Government

March 27, 1947

in connection with those controls and powers exercised by Order-in-Council was the fact that our very national life was at issue and in moments of such extreme danger, the rights of the individual must, of course, be surrendered and even the most extreme of measures must be accepted by a people if it will assist in preventing their extinction and the extinction of the rights and liberties in which they believe. The powers that were granted, Mr. Speaker, were granted for a temporary emergency and for the temporary conditions that would arise after the conclusion of the war. I think, Sir, that all free-minded people were agreed that controls must cease at the earliest possible date when those two conditions which were the sole grounds of our submission had ceased to exist, first that the war had ended and second that the emergency conditions following the war had once again entered upon the normal conditions and we could resume what we had considered to be our normal way of life.

Now, Sir, I think the Attorney General would be one of the first to admit that until such time as those conditions, namely the national emergency and the war emergency had ended, there was no rights in this Legislature to assume the controls which this Bill proposes to assume at the ceasing of the very emergency which granted the right to the senior government to take powers that no freedom loving people would ever otherwise have submitted to. We are asked in this Legislature that when the senior government has decided that the war is over that conditions on which they have to surrender those rights have once more resumed their normal conditions. We should submit, not this Legislature, but to the Lieutenant Governor-in-Council the rights which we had felt would properly be restored to us. It is only necessary to mention a few of the events and things that have been done and have occurred under those powers claimed by the senior government of Canada, which have caused opposition and criticism among the people of all parties. I suppose there have been no better critics of the powers exercised by the Federal Government than the Socialist party, the CCF party by Members in this House, than the criticism of the actions in respect to the Japanese and the actions in respect to the spy clients. Those things have been and the manner in which they were done, could perhaps in some slight measure be justified by the national emergency of war and conditions following the war which occasioned the original passing of the Orders-in-Council under which those things were done. But nevertheless, Mr. Speaker, every party in Canada and the CCF party in particular were at once the most severe critics of the actions taken under those Orders-in-Council. The Attorney General, the other day told us that the Bill of Rights that he had introduced in this House had been smirched. I wonder, Sir, how the Attorney General would consider the introduction of this Bill in relation to the Bill of Rights, whether he would not be prepared to admit that of all the smirching of any Bill of Rights of any people that could possibly be perpetrated, the one in my hand is the worst. May I point out this to you, Sir, that it is to come into effect after those charged with the administration of federal affairs, have decided that the necessity for the extra legislative powers has ceased and we here in this Legislature are now being asked in this Bill to authorize the Executive Council of this province to then take over the powers which other men who have been appointed to high public office, have decided are no longer necessary. It would seem to me that that mere statement would have been sufficient to warrant the opposition to this Bill which I feel myself compelled to express but, Sir, that is not all. It is many hundred years ago, since the Government

of that day, a despotic king introduced what was known as the X Star Chamber. I see in this Bill something so closely again to Star Chamber methods that it is indeed difficult for one reading the Bill to distinguish between those days and these days. It is a sad commentary on the Legislature of the Province of Saskatchewan that on one day we should have our Attorney General introduce what he calls a Bill of Rights, one of the most important documents to come before the Legislature and so forth and then in a few short hours thereafter introduce the Bill that has been introduced by him this afternoon. It is not even a Bill for controlling only prices. Let me quote words of the Bill itself that indicates clearly what this Bill means:

- (a) controlling and regulating services performed within the province or any part or parts of the province by residents of the province or any class or classes of such residents and the prices or remuneration payable for such services.

Is it possible, Mr. Speaker, to grant to the Hon. Members opposite, wider powers over any class or classes of persons than is called for by that section? It is almost inconceivable that men in this day and age could come to a free and independent people and ask their Legislature to grant powers of this kind.

Let us take another principle of the Bill:

- (b) controlling and regulating the prices at which goods, wares, or merchandise, or any class or classes thereof shall be purchased or sold by retail within the province or any part or parts of the province for use in the province.

Is it possible, Mr. Speaker, to grant again to any body of men controlling powers to override the statute law of this province, the rights and liberties of the people of this province, to place themselves in this position of bondsmen to those hon. gentlemen, the Executive Council sitting over there. One might have guessed, Mr. Speaker, the Hon. Minister of Reconstruction has muttered something that I cannot hear, but I can imagine my possessions placed in the hands of the hon. gentleman to say whether I'm to be fined or oppressed. My experience with him has not been happy enough that I would have the least confidence in his judgment. It may be that I shall have to moderate my remarks after this Bill has passed, as I've no doubt it will be passed, but for the few short hours that are left to me, I want to tell him that he can say, whether I'm to go to prison or not or whether I'm to be fined or not. Then, Sir, I tremble for the rights not only for myself but of the people of this province.

Now to go further:

- (c) controlling and regulating rentals of real property and the use and occupation of real property within the province or any part or parts of the province, or any class or classes of such property.

How much wider can these hon. gentlemen over there desire power? They control first of all our personal actions, both as classes and as individuals. Then they control our goods, wares and everything we buy at their own dear sweet will. Then they control the houses in which many of us are compelled to live under rental and then they seem to take control of whatever property

March 27, 1947

we have left. They're a wonderful group of people, Mr. Speaker, as I look them over. After they have taken these controls, then this legislature gives to the hon. gentlemen opposite these rights to provide penalties by way of fine or imprisonment for a term not exceeding 12 months or by way of both fine and imprisonment for any infraction of any of these regulations that they have been prescribed of the Act. Oh, what a body of gentlemen, Mr. Speaker, to decide whether some man in this province whose made the infraction of these rules that he should go to jail for one day, one month or 12 months; whether he should pay a fine of one dollar or a thousand dollars. I look them over, Mr. Speaker, and I fail to see from the President of the Executive Council down, one man who I for one would be willing to give the power to impose any penalty on me or any other citizen of this province for any infraction or an interference with the totalitarian control that they're assuming under this Bill.

Then not content with that, Mr. Speaker, to protect themselves when these things are finally brought before the House, and reported to the House, what do we find:

And if the Legislative Assembly resolves that it be annulled it shall cease to have effect, but without prejudice to its previous operations or anything duly done or suffered thereunder or any offence committed or any penalty or punishment incurred.

Having taken from us practically every right that we have, having taken into their own hands the right to impose fines or imprisonment, then after that has all been done it is the unfortunate being who suffers and is left completely without remedies. Was there ever anywhere anything done like this, Mr. Speaker? I do not know if the people of the Province of Saskatchewan are not going to resent with their utmost strength and with their utmost power the passing of any such thing as this. I say to the hon. gentlemen opposite, it is bad enough when through the elected Members of the Legislature we imposed on them that dictatorial kind of control from which we have suffered since 1944. I say to the hon. gentlemen opposite that they have taken from our local governing bodies the right which you can recognize was theirs for years in the past. But I say to the Members opposite that they have not ceased on any occasion to rise and condemn the powers that were taken under this sort of legislation when we were in an emergency in which our life and our nation was at stake. Then all those things being passed, they come back to this House, they ask us to impose not even in this Legislature but in those gentlemen that sit in those front benches, the power to send us to jail, the power to make what use they will of our property, the power to fix the prices of the things we buy, the prices of the things we sell, the power to interfere with the use of our homes and our property. Mr. Speaker, I will oppose this Bill with all the might and power that I have.

Hon. T.C. Douglas (Premier): — Mr. Speaker, we have listened to the Member for Moosomin. He likes to play the role of Cassandra, he likes to play the tragedian and be a pronouncer of doom and destruction rolling down upon the people. He's been pronouncing it now for three years, it's never arrived but it's always just going to do it. Every act when he gets up to make one of these weepy speeches about, is the Act that's going to end the last shred of liberty in our fair land. Of course it never comes, what he pronounces

never happens, but he loves to pronounce doom and destruction. If the Hon. Member hadn't gone into the legal profession he'd have made a marvellous tragedian playing King Lear.

An Hon. Member: — Wouldn't he have made a good preacher?

Mr. Douglas: — Well, I doubt it because you at least have to promise a damnation that's assured instead of a damnation that never materializes. You never promised a damnation, you've given it. In my own defense, it never materializes. It's one that exists only in his own imagination unfortunately. Let us look at the situation. My hon. friend looks at this legislation and declaims that this is totalitarianism, this is Star Chamber method. My hon. friend has never said a word about the fact that far more extensive powers than this for far different purposes have been exercised by the federal Government for the last seven years. Some 50,000 Orders-in-Council, not even based on a Statute like this but based on one sentence conveyed in War Measures Act, gives far more extensive powers than this. And when I remember, Mr. Speaker, that those powers were used not to protect the people and the public as this is designed to do but were used in many cases, as in the case of the deportation of the Japanese and the case of the spy trials and in the case at one time of sabotaging the Wheat Board, these Orders-in-Council were used to take away from the people liberties. My hon. friend was as dumb as an oyster then, we heard none of them pronounce – doom and destruction that was then falling on the Liberals of the last government.

Mr. Procter: — Mr. Speaker, I was not dumb as an oyster, I have repeatedly said that those powers should not be exercised through Order-in-Council just as I say these powers should not.

Mr. Douglas: — Now my friend made his protest in a very quiet corner where no one heard him. Certainly didn't make it on the floor of this House, certainly didn't make it in the public press. The fact is, Mr. Speaker, that the hon. gentleman says that Ottawa may relinquish some of these powers well, that is true. The stand which the CCF Members in Ottawa have taken is that these powers should be relinquished gradually so that it will not result in any hardship from the great masses of people to whom a sudden increase in the cost of living would be disastrous. Now I think there has been some relaxation on the part of the Federal Government with reference to control. This legislation looked as though it were more necessary three months ago than it may be now. Three months ago there was talk then of taking controls completely off. The Progressive Conservatives at Ottawa have been advocating complete removal of control. The CCF have been suggesting taking them off gradually so as not to have the inflationary effect which a sudden removal might produce and the Government has been hopping from one foot to the other, some day is for taking them off, other days it is for leaving them on. Now we are totally uncertain as to what the actual outcome will be. At the present moment they have prepared some 13 to 14 bills which look as though they will keep on a good measure of the controls. If those controls are kept on this legislation will never be used in this province, there is no desire to use it, we couldn't, no, because the Federal Government of course, would have complete jurisdiction in this

March 27, 1947

field and we have certainly no desire to get into the field of price control but I want to state the other side of the question. Mr. Speaker, it always interests me to notice that my hon. friend gets terribly worried about controls that affect property, never very much concerned about controls that affect human liberties.

Mr. Procter: — On a Point of Privilege, Mr. Speaker, I stated definitely that I was very much concerned about the control of that hon. gentleman that is speaking, the Premier of sending me to jail.

Mr. Douglas: — Now, Mr. Speaker, that is the last place I'd want to send my hon. friend. If the State is going to keep my hon. friend I think it would probably be better in the Senate or on the bench, I think that the public could probably afford to keep him there much better than keeping him in any jail. I have no desire to send my hon. friend to jail and I think he probably knows that, he probably will be sending more people to jail than I will before we are both finished with public life. The point I want to make, Mr. Speaker, is that the Federal Government has certain fields of control with reference to prices, with reference to rentals. If those controls are taken off gradually, we may be able to make the transition from the wartime economy to peace time economy with a minimum of economic dislocation and human suffering. If that's all we are perfectly happy, this legislation will not be necessary in fact this legislation would not be operated because this legislation cannot become effective as long as the Federal Government is in that field ... Yes, yes, certainly, barbers, hotels, those are all services that have controls on them.

Now, we can only judge by what has happened in the United States. In the United States there was a terrific drive and I have no hesitation here in saying that in my opinion what it may be worth, that that drive came from the people who stood to make most out of an inflation. That drive was to destroy the OPA administration, the opposite Price Administration in the United States. Progressive minded people in the United States tried to arouse the rank and file of the American people to the danger of destroying of OPA. There was some public protest but the pressure on the American Congress was so great that OPA was destroyed. There isn't any doubt in my mind that much of the shortages in the United States were artificial shortages, were shortages because certain concerns held back their goods in the hope that when OPA was destroyed they could sell those goods at a very handsome profit. It is suggested its done here, I can't prove that but can certainly prove its been produced in the United States, been produced repeatedly in Congress, to show that goods which a few months before OPA was destroyed were absolutely unobtainable, are now available in huge quantities, and those who held back those goods, and who were responsible for having the controls in the United States destroyed were the people who stood to make these large profits. In last edition of the Time Magazine, there was a report there of American Congress woman, I think they are in the same unfortunate position as we are, they only have one Congress woman in their Congress, I think there ought to be more, but this representative from California walked the other day into the American Congress with a shopping bag, placed it on her desk and she went over the items in her bag that last June would have cost \$10. She picked up each item and ticked it off: butter had gone up from 65 cents to 82

cents; eggs had gone up from 53 cents to 69 cents; two pounds of pork chops had gone up from 76 cents to \$1.46, that basket of commodities which had cost \$10 last June, she ticked off at \$15.02, an increase of 50 per cent in the cost of living. We know that when OPA was destroyed, the increase in rents was so predominant that even the American Congress who had taken the price controls off, very hastily put them back on as far as rents were concerned. Some cases an increase of 1,000 per cent. Now, we're talking in terms of working people, not to people to whom an increase in cost of living simply means using up some of the reserve.

Mr. Danielson: — Is the Premier prepared to use this Bill to prevent the farmer from getting any better prices for their hogs, poultry and dairy products?

Mr. Douglas: — My hon. friend, no, this has nothing to do with the price of marketing farm commodities, he knows that perfectly well if he has read the Bill, because I doubt if he has read the Bill and secondly I doubt if he read the Bill if he could understand it.

Mr. Danielson: — Mr. Speaker, the Premier is talking to ridicule, at any case he won't answer a question.

Mr. Douglas: — I'd be very glad to explain it to my friend some day if we can get quiet moments and when I am in a teaching mood. Now, as I was saying before I was interrupted, Mr. Speaker, there are thousands of people in this province, working people and farmers, farmers whose income is low. May I tell my hon. friends the price of the farmers wheat is not going to be set by this Government or this Legislature, it is fixed by an agreement which Mr. Gardiner signed at Ottawa. The price a farmer gets for his pigs is not going to be set up by this Government, it is going to be set by the agreement which has been signed with Great Britain, United Kingdom. Here is what happened, the price which the farmer gets for his commodities is now fixed, it is fixed over the period of the next five years. But if the price of the commodities which he has to buy is not going to be controlled in any shape or form, very soon what looks like a very fairly reasonable price for his commodities will be totally inadequate for his commodities. The same thing is true of the workers in this province, people who are on a wage, Old Age Pensioners, people who are on superannuation, people who are living on an annuity, for those people what might be a fairly reasonable income today on which they can live and get by, would become totally ...

Mr. Procter: — You deny that under this Bill, you can fix the price of every pound of pork, butter, eggs, cream sold in the city of Regina if you want to?

Mr. Douglas: — That's not a question, Mr. Speaker, that's a statement. I am sure that they are going to interrupt here as often as they can, for the simple reason they haven't got a case. My hon. friend wants to play Cassandra, well now when somebody wants to bring people down to earth my hon. friend wants to

March 27, 1947

pop up every two or three minutes and make a statement.

I'm telling my hon. friend the purpose of this legislation. It is to prevent happening to the people of Saskatchewan what has happened to the people of the United States. If decontrol is brought in too quickly and saying that there are people on fixed incomes and people on small salaries that the great farming population whose income is now fixed by virtue of trade agreement, that any alarming increase in the cost of living can mean for these people only one thing and that is a very material reduction in their standard of living. Now, the Government feels that we have a responsibility, that if the Federal Government should be so unaware of its responsibility that it takes controls off over night, and lets consumers prices find their own level and allows rents to go wherever they please, at a time of a terrific housing shortage we know that there will be real suffering and real hardship among the people of this province. What we are asking is that the Lieutenant Governor in Council be given sufficient power until the Legislature meets again that we can step into the breach if such an unforeseen emergency should arise. My own hope is that it will not. My own hope is that the Federal Government seeing what is happening in the United States, what is happening in some of the European countries like France and Holland and Belgium where inflation has taken a terrific tool, that the Government at Ottawa will exercise sufficient of the control to prevent prices getting completely out of hand. This legislation will have no value and no merit whatsoever, but if the pressure on the Government at Ottawa is such that they take these controls off and take them off suddenly and leave the farmers and the workers and the people of this provincial to the tender mercies of the speculator, then this Government will have no alternative but to step into the picture.

Not to take liberties away from my hon. friend, not to send him to jail or anybody else to jail, the only people who need to fear legislation like this are the people who have tried to speculate out of the misery of a period of inflation in this country. What we are asking for is the power should such an emergency arise to exercise some measure of control upon prices and rentals until some economic stability is returned in this country.

Now, we recognize the tremendous difficulties of a provincial government stepping into this field, the whole question of interprovincial trade, the fact that many of these goods have to be brought in from the outside, this is not a field for the provincial government in the matter of price, retail or prices, of the control of retail prices, control of rentals, yes, more easily administered. The control of certain services such as hotels, meals and so on, yes, but properly this is a field for the Federal Government and if the Federal Government is aware of its responsibility those controls will stay, will be removed so gradually that we will make the transition without any severe economic implication, but this in our opinion is good insurance. Alberta last year anticipating the possibility of a sudden decontrol also passed legislation giving them power to step into the field. It never had to be used. I submit, Mr. Speaker, that I do not think this Legislature can ride and the Members go home knowing that if the Federal Government suddenly terminates its control that our people would be completely at the mercy of rising prices and speculators particularly at a time when there is a shortage both of commodities and of houses.

As a matter of fact if this legislation were not on the Statute Books I for one would be in favor of calling this Legislature back into session. If this happened, even that might be too late to meet the situation, because there isn't any doubt in my mind especially in the towns and cities that the moment decontrol is announced, that rents, because of the terrific scarcity of houses will disappear out of sight. The average working man working for \$100, \$125 or \$150 a month, whenever the rent goes up he's got to pay it. There's no place else to go. This means if he's going to pay more rent he's got to have less food or less clothing or do without some other thing. He's got to lower the standard of living for his family. I am more concerned about rental than I am about any other feature of this although some of the others may be important but rents are a particularly important thing. For the people who own their home it doesn't matter but for the thousands of poor people who live in rooms, who live in suites, who live in small houses and rent them unless there is some protection, if decontrol is brought in suddenly they are placed in an almost hopeless position. I can assure this Legislature, Mr. Speaker, we are not asking for these powers lightly, we are not asking for these powers with any hope that we will have to use them. We hope we won't have to use them but we are asking for them because we do not think that we would be true to our responsibility if we were not empowered to step into an emergency situation. If that emergency situation were suddenly thrust upon us and I think the Members here and I believe the people of this province unlike my hon. friend are prepared to trust the Executive Council. My hon. friend hasn't a very high opinion of them, that's alright but the people of the province, a great majority of them don't agree with my hon. friend. They demonstrated that two and one-half years ago.

An Hon. Member: — They don't see as much of you.

Mr. Douglas: — No, some of them have seen a great deal of me. They see a great deal more of me when I am occupying this position than they saw of my hon. friends when they were occupying this position.

An Hon. Member: — I never occupied it.

Mr. Douglas: — I believe the people of this province and a great majority of the Members of this Legislature are prepared to trust the Government. They are prepared to trust our judgment that we will not use or abuse any power, that we are not asking for this power lightly, that we are not asking for this power to take away from = anything to which they have a right but that we are asking for this power in order that we may protect those who are defenceless, that we may help those who are helpless, that we may come to the aid of those who could very easily become the victims of unscrupulous speculators in a time of economic dislocation and inflation.

Mr. A.W. Embury (Representative for Mediterranean Area): — The Hon. Premier has laid out a very considerable case, I think for this Bill, provided that he was restricting himself to those commodities and those services which are presently subject to control by the Federal Government.

Now, it appears to me that that goes a great deal farther

March 27, 1947

than any existing regulations, wartime emergency or other wise. We, Mr. Speaker, could be left to assume, upon reading the Throne Speech which was introduced into the House at the beginning of this Session, that the Hon. Premier intended to bring in a Bill to exercise certain economic controls until the next Legislature convened. Those are the words in the Throne Speech and those are the words that the hon. Premier has repeated to the House before he sat down. As a matter of fact under this Bill, Mr. Speaker, the controls which are being introduced by this Bill are not until the next Legislature opens. They don't terminate at that time, they go on unless the next Legislature takes the initiative of stopping them and that is a very different thing. Some Hon. Member has got to take the responsibility or the Government has to take the responsibility for putting an end to this thing. Now that puts an entirely different complexion on it. The thought which has occurred to me, and I have no doubt, occurred to my hon. friend from Moosomin is this, that these wide powers, these extensive powers are being taken into the hands of people who say that they will not rest until capitalism has been eradicated from Saskatchewan. I take it that that is what the House intends to do. These people with those intentions, Mr. Speaker, are seizing these large powers under the pretension that an emergency will exist. Although at Ottawa where so wonderful a job of control has been maintained up to now and I think all over Canada the efforts of the Government to maintain price control are generally applauded by the public at heart and this comes from a person who is accused of being a Tory. Although a Liberal Government did it, I think to be fair to them, fairer perhaps than anybody on that side of the House that their efforts for price control throughout this whole war and the emergency afterwards have been most effective and most excellent and in the public interest. Now then, these are the people, as the Hon. Premier says, he is afraid are going to lay down on the job. Well, they have not done it yet and he is not entitled to assume that they are going to.

Now, Mr. Speaker, I suggest that this is what the true intention of the Government is. These totalitarian planners have decided that on the intents of taking advantage of the sequel to a wartime emergency to take the wide powers in their hands which the provisions of this Act set forth. That is a matter in which I would like to associate myself with the hon. friend for Moosomin in what he said: The matter is one of the greatest concern to the public of this province when a totalitarian government reaches out to threaten every walk of life, every type of service, every type of commodity in use to which all our real estate can be put. Mr. Speaker, there can be no question in anybody's mind, it seems to me that this Government could under this Bill dictate the prices for any services whether they are presently controlled by the Wartime Prices and Trades Board or not. The Minister introducing this Bill has said that he doesn't think they intend going further than the present controls are bound to go at the moment. It occurred to me, Mr. Speaker, that not long ago we were arguing, it was a matter of public argument about whether or not the Government should take control of the prices for professional services and there was a great hue and cry about it and talk about breaches of privilege and all the rest of it. Now this Bill goes a very great deal further than that. This not only gives the Government the power to regulate professional services, it gives the power for the Government to regulate for garage services and every other known kind of service whether they are professional or whether they are not professional. It doesn't matter whether it's a bootblack or what it is, this Government

is reaching out and taking those controls far away beyond any controls which were introduced in time of war or any other emergency subsequent to the War. Now I am going to suggest that a very suitable re-assurance could be given to the public in the light of the general aims and objects of this socialist Government to eradicate capitalism from Saskatchewan. If they would at least restrict this Bill, there is good faith in this matter and mean what they say, to restrict this Bill at least to such emergency restrictions as have existed up to this time and in time of War and the emergency subsequent to the War. The Hon. Minister of Reconstruction and Rehabilitation muttered something which the Hon. Member for Moosomin could not hear and what he said was we had been bondsmen to Ottawa for long enough during the War under these existing restrictions and I couldn't agree with the Hon. Minister more. We have been bondsmen long enough and the free people of this country are not willing to carry on as bondsmen to Ottawa or to this Government either and when the Hon. Minister ...

Mr. Sturdy: — I refuse to have the Hon. Member put words in my mouth. Evidently I couldn't have been muttering, otherwise he wouldn't have heard it. He is certain that the people of the province would become bondsmen should this Act pass and the statement which I made was this; did the hon. gentleman object to being in bondage by Ottawa over a term of years?

Mr. Embury: — The point is this, Sir, when the Hon. Minister of Reconstruction projected this remark across the House I thought it was very pertinent, that we did not want to be bondsmen to Ottawa that we had been bondsmen to Ottawa long enough. The same principle would apply precisely when this Government assumes the control which it is giving to itself by virtue of this Bill. To do it by Order-in-Council alone without presenting these vital things to the House is an added hazard to the puzzle. I will not support the Bill.

Mr. J. Gibson (Morse): — I was not going to say anything on this Bill. I did not think the Bill would receive so much opposition but since it has and since I am particularly interested in at least one part of this bill, I am particularly interested in that section which regulates the prices at which goods, wares and merchandise shall be sold. I am interested in this section because as most of you may remember before the War it was a practice of the chain stores in this province to sell farm produce below current prices. This was a practice which was very injurious not only to the agriculturist but it passed back that same injury to the consumer.

During the thirties like many other farmers I was compelled to go into the butter making industry. I was fortunate indeed in having for a better-half an excellent butter maker and because of this I had no difficulty in finding a market for the butter that I made. With the result that I had one party in the city of Moose Jaw who guaranteed to take all the butter that I could produce at the market price and I found on many, many occasions when I went in with my butter, I usually took it on Saturday, this gentleman was a very fair and honest man he used to show me the market wholesale price of that butter. He couldn't get all the butter that he could see from me so he was obliged to sell through the wholesale channels and he would place upon the counter the wholesale sheet for that day showing me the price of

March 27, 1947

butter. At the same time if I picked up the daily newspaper in the city of Moose Jaw I could see where the chain stores were selling butter at less than the market price. Now we know how they did it. We know they did it to catch the trade and we know they were able to do so by overcharging on the other goods they sold. This had a very serious effect, not only on the price that the farmer received on the price that butter was selling for in the city of Moose Jaw on that date but as most of us know that previous to the War the many hundreds of retail stores throughout this province independent of the chain stores used more or less as a price list the advertisements taken from the weekly papers of the larger towns. In other words the small storekeeper picked up the Moose Jaw Times and the Leader-Post and what have you and he saw in it where the chain stores were selling butter at so much per pound. Naturally he was very much influenced by this with the result that the price of butter went down throughout the province just merely because the chain stores decided that it would take some of its profits from business to reduce the price of butter throughout the province. So, Mr. Speaker, I am not going to take too much time on this but for this one particular reason alone I would most certainly support this Bill. I would like to say that I can see many other reasons why I should support it but I think that this in itself is a very important reason why the common people of this province should have such a Bill.

Motion agreed to and Bill read a second time on the following recorded division:

YEAS – 39

Wellbelove	Boyle	Lazorko
Benson	Daniels	Lee
Valleau (Melfort)	Darling	Putnam
Fines	Stone	Howell
Corman	Heming	Brown
Feeley	Harris	Wooff
Trew (Mrs.)	Gibbs	Van Eaton
Hansen	Howe	Connon
Nollet	Willis	Arthurs
Douglas	Aitken	Dewhurst
Lloyd	Malcolm	Gibson
Sturdy	Thair	Valleau (ASVR)
Williams	Murray	Dobie

NAYS – 6

Burgess	Procter	Hooge
Patterson	Danielson	Embury

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