

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fifth Session - Tenth Legislature

Friday, February 27, 1948

The House met at 3 o'clock.

PRICE CONTROL

Mr. Speaker: — Before going on with Motion No. 2, there is a statement I would like to make to the House. In connection with this Motion as it appears on the Order Papers the objection may be raised, as it was raised on the Motion of Mr. Boyle, on Tuesday last, and on the Motion of Mr. Brown, yesterday, that it contains in its Preamble a statement the accuracy of which is open to challenge.

I would direct to the attention of the hon. members that the Speaker's function is not to interpret statements of fact, nor can he say whether or not an implied opinion is the opinion of the Assembly, until the Assembly has indicated its opinion on the matter to him. The Speaker's function is to rule on Points of Order; upon the interpretation of the Rules of the Assembly. He can declare whether or not a motion is in proper form; but he should not be asked to determine questions of facts, or of alleged fact; or of opinion, though he may undertake to rule on the accuracy of stated facts if he has access to unimpeachable sources of information thereon.

The statements or quasi-statements contained in Preambles to Motions are actually arguments, and though precedents sanction the practice, in my opinion, it is not a good practice, as I previously have said. More particularly is this the case now that we have a Hansard in which the arguments will appear in due course.

To avoid dispute over the admissibility of the statement in the Preamble to Motion No. 2 on the Order Paper, may I submit to the House a simple alteration in the form of the Motion, which would make it acceptable as the basis of debate forthwith. If the House consents, the Motion could be proposed in the following form:

"That this Assembly:

(1) recognizes that the policy of the Federal Government with respect to price decontrol and the removal of subsidies has materially increased farm production costs in respect of, for example: (a) Farm Tractor and engine fuels; (b) Farm machinery; (c) Repair parts; (d) Binder twine; (e) Commercial fertilizer; and (f) Living costs, thereby rendering impotent, as stabilizing factors, the otherwise desirable policy of long-term contracts with importing countries for farm products including wheat, at assured prices, and also contributing to the present alarming inflationary trend, to the dismay of all low income groups, and

February 27, 1948

(2) urges that, in the interest of a balanced domestic economy and optimum production of foodstuffs for a hungry world, the Federal Government re-impose consumer price controls and institute subsidies where necessary to guarantee to the farmer his just share of the national income, and at the same time protect the consuming public against excessive prices for food.

For the information of the members, and to justify my intervention, may I refer them to the May 14th Edition, page 379, "Parliamentary Practice", where it says: "A notice of motion or of a question to be put to a Member, containing unbecoming expressions, infringing its rules, or otherwise irregular, may, under the Speaker's authority, be corrected by the Clerks at the table. These alterations, if it be necessary, are submitted to the Speaker, or to the members who gave the notice". And then later on, "when a notice, publicly given, is obviously irregular or unbecoming, the Speaker has interposed."

Now, if the consent of the House is given, I would submit the Motion in the form in which I have amended it.

Mr. Patterson: — May I ask you to repeat the changes that you propose? Is it 'recognizes' instead of 'recognizing'?

Mr. Speaker: — 'Recognizes'.

Mr. Patterson: — Is it the fourteenth edition that you quoted from?

Mr. Speaker: — Yes, the fourteenth edition, on page 379.

I would ask the hon. members when they are formulating Motions to, more or less, keep to this procedure and avoid argument as to the admissibility. Is the House agreed?

Members: — Agreed.

Mr. Patterson: — The Motion on which this same question arose, yesterday; it hasn't been disposed of, or was it? Do you consider making a similar change in it before it is finally presented to the House?

Mr. Speaker: — Yes, if the House will consent. Is it agreed that we deal with the Motion under dispute yesterday in the same way?

Mr. Fines: — It is No. 4 on the Adjourned Debate, that this Assembly "Records its", instead of "being of" the opinion. But I can't see that there would be any objection to that, Mr. Speaker, if it is agreeable to the Mover.

Mr. Speaker: — Change it to "records its opinion".

Mr. Embury: — Instead of "accepting it"?

Mr. Speaker: — Is it agreed that the Motion No. 4 be changed?

Members: — Agreed.

PRICE DECONTROL

Motion urging Federal Government to restore Consumer Price Controls.

Mr. James A. Darling (Watrous): — Mr. Speaker, in order to understand the point of view of the farmer in relation to the substance of this Motion, it is necessary, in my opinion, to recall recent economic history, as it affects him.

Those who lived through the 1930's, as active farmers, have had their attitude conditioned by their experiences at that time. Those heart-breaking years have made a lasting impression upon them, and they live in dread of a recurrence of the conditions which overwhelmed them at that time; and they see in the present inflationary trend the same forces operating, which brought about the great depression. One of the members of the British Food Mission which recently visited Canada is reported to have said that \$3 wheat is the shortest road to 30-cent wheat. Now, it would appear that, even before this member of the British Food Mission made that remark, that the farmers of Saskatchewan had been convinced of its truth; because they have accepted controlled prices for a long time with surprisingly good grace. Some farmers, of course, encouraged, no doubt, by the propaganda of the grain trade believe that the world price of wheat should be paid for every bushel of wheat, and other grains, and for every pound of farm produce whatever its nature.

This point of view will inevitably gain momentum, until it becomes irresistible, unless adequate measures are taken to keep within bounds the cost of production, and to prevent profiteering in those things which enter into the cost of living.

Now, Mr. Speaker, already it is evident that farmers and farm organizations, who have accepted the principle of price control, price limitations, with a view to the avoidance of the evils which, apparently, inevitably follow inflated prices, are losing patience; and since the removal of controls there is ready evidence of a growing sense of the injustice of the farmer operating under the controlled prices and purchasing his necessities in a free and uncontrolled market.

One example of that, which I noticed in a recent press dispatch in the Leader Post the other day, was the statement that at the convention of the Association of Rural Municipalities (which is at present in progress in the city of Saskatoon), one of the Motions to be presented to that Association for its consideration asked for just that; for the payment of the world price for all wheat, or that the Federal Government asks up the difference between the British contract price and the world price for all wheat marketed to Great Britain, and, if I am not mistaken, for the same thing with respect to the wheat which is consumed in Canada.

Another meeting of farm organizations, held on February 4, passed a Resolution asking that the initial payment be raised to \$1.80 per bushel. Both of those are evidence that the farmers have come to feel that they cannot, alone, sustain the whole weight of any partial effort which is made to avoid inflation.

February 27, 1948

Now, the farmers of Saskatchewan come through the depression under an intolerable burden of debt — I do not propose to name the figures here, they might be contentious; but everyone knows that the burden of debt was great. They came through the depression with buildings that were shabby and out of repair; with machinery which was obsolete and worn out. The municipalities were in a desperate situation because of the heavy relief payment responsibilities which they had to fill, and because they were unable to collect taxes. School Districts were in a similar position.

It is perfectly true that some areas have made a substantial recovery from these conditions during, and since, the war. Other areas have been less fortunate at a glance of the map of Saskatchewan, showing those areas which qualified for payments under P.F.A.A. this year, will show that with the exception of a few isolated areas, comparatively small areas, all that part of Saskatchewan lying east of the third meridian qualified for those P.F.A.A. payments.

Mr. Patterson: — West of the third meridian.

Mr. Darling: — West of the third meridian and, as well, some areas lying east of that line. That means that all the areas — if anyone wishes to be impressed, I suggest they call down at the P.F.A.A. office — it surprised me to see the extent of the area of Saskatchewan affected by the crop failure and partial crop failure which occurred this year. A good crop, under present conditions, can give a farmer a fairly substantial living, economically; but failures or partial failure, such as was experienced by so many farmers, this year, is a correspondingly heavy blow because of the inflated prices of those things which go into the production of the crop to follow. The payments under P.F.A.A., of course, while helpful, are relatively insignificant, so high have become the production costs.

Those who conspire to exaggerate the prosperity of Saskatchewan farmers overlook this fact, and the number of those who have suffered poor crops for several years, during the period of remunerative prices, is sufficiently great to be kept in mind when appraising the general situation.

Now, wheat, of course, is the basis of our farm economy. Those of us who are farmers do not require that I should spend such time in talking about the price of wheat — we know what those prices have been; but unfortunately, not everyone sees the implication of those prices as does the farmer; when we are not directly concerned we are inclined to forget, and to overlook, facts of that nature. The price of wheat at the beginning of this war in 1939 was 54 cents per bushel on the farm, or 70 cents, basis Fort William — a price which, I contend, was too low at any time within my memory at least, in relation to the general level of the prices on manufactured goods, to give the farmer a fair share of the national income. That statement may be challenged by those whose experience is of larger farms, large mechanized units, operating on the best lands in the province of Saskatchewan. Of them I do not know at what price they can produce wheat, but certainly the very large percentage of Saskatchewan agricultural producers cannot produce wheat on that basis.

In the years 1941-42-43, the Western farmer was encouraged to produce less wheat. The slogan at that time — I think some of the members have mentioned that slogan already in the House this Session — was "grow less wheat and help win the war". Under the wheat acreage reduction policy, payment of a bonus was made to encourage additional summer-fallow, and this had the effect, of course, of the reductions and restrictions in the acreage of wheat which it was possible and profitable to sow, resulting in the increase of the acreage sown to coarse grains. This had, at least, one beneficial effect; it made possible the phenomenal increase in the production of livestock, which was of such immeasurable value in the war years. That increase of livestock, though it was valuable at that time, has regrettably declined, owing to the unprofitable price relationships and the discriminatory regulations.

It will be recalled that, during those years, we had a wheat surplus of about 600,000,000 bushels — that is just a rough estimate, probably it varied from year to year, and from time to time — and you and I will remember that we regarded that surplus as a millstone round our necks; we would almost have been willing to have seen it dumped into the ocean, just to get it out of the way. And yet, that surplus did save the lives of millions of people from starvation, when the time came that it could be made use of and shipped over to devastated Europe. At that time, we sold wheat under permit — that is to say, we were permitted to sell wheat on a quota system. Quotas were set from time to time, there might be a marketable quota of five bushels to the acre and raised to seven, ten or 12, as storage became available or as the market absorbed the wheat which was being marketed. And we didn't get that quota based on all the acreage we cared to sow to wheat, but upon what was called "a basic acreage" calculated at 60 per cent of the acreage sown on any particular farm, in the basic year 1940.

It will be recalled that, in spite of war conditions, the price of wheat was held at 70 cents Fort William, or 54 cents on the farm, until the 1942-43 crop year when, following the historic delegation to Ottawa which, among other things, asked for initial payment of \$1 on wheat, the price was raised and the Wheat Board paid 90 cents a bushel for wheat in the 1942-43 crop year. That price was still substantially below what was necessary in order to put the farmers in a position of economic comfort. The following year the price was raised to \$1.23, basis Fort William, or \$1.02 on the farm; and the year following that it was further increased to \$1.25 per bushel. It is true, when we are looking over those prices, that from the year 1940 onward, small payments were made on the participation certificates. Those payments were quite low — I cannot recall exactly what they did amount to — but I believe that something like 11 or 13 cents a bushel was about the highest payment for any of those years until 1944.

The farmers were unable to make any headway under those conditions, during those years. They were faced with the necessity of restoring their farm buildings; of restoring their homes; of renewing their machinery and equipment, and only substantial cancellation of debt, and cancellation

February 27, 1948

of relief payments incurred during the 'thirties, made it possible for many of them to survive.

The years since 1945 have shown an improvement, but the financial resources of the farmers in the drought-stricken half of Saskatchewan this year are, on the average, not high. And it has been borne in upon all of us, I am sure, that unless the payments which appear to be in prospect on the participation certificates for the years 1945-46-47, are forthcoming, that assistance will be needed in many cases to procure seed.

Now, Mr. Speaker, this is a very brief and sketchy story of the economic picture as it relates to our basic industry. There are, of course, many features that I haven't taken time to refer to — there is the absurd price, for instance, of rye: that price has made it possible for a few isolated farmers to 'cash-in' on the high price of rye; but the farmers, as a class, have recognized that to have taken advantage of that speculative price, or to have attempted to take advantage of that price, on any wholesale scale would have been to 'prick the bubble', and it would have probably resulted in a loss.

I have omitted, as I say, some of the financial features of the economic position of the farmer; but, taking it all through, it is a story of humiliation and frustration in the midst of plenty and scarcity alike. It is not my purpose, at this time, to apportion the blame for those conditions — we had two of the historic parties in power at Ottawa during the period reviewed — our hardships, we were told, were the result of world conditions, over which we, in Canada, had no control; and that could open up a whole field for debate in itself, but it certainly cannot be dismissed too lightly. But if the student is looking for regimentation, he will find it there; and if he is looking for economic planning he will find it there, but planning, not for welfare, but for the merest subsistence of the farm population; and to plan for abundance would have been to depart from the economic philosophy of the parties in power.

In case anyone should think that I have drawn an unreasonably gloomy picture of the farmers' position, past and present, let me quote from a speech delivered by the Rt. Hon. J.G. Gardiner, at a Kiwanis Club luncheon in Saskatoon last May. I must say that when I read this I was amazed that our Federal Minister of Agriculture should make the statements that he does, especially to this Kiwanis Club luncheon. I am going to read plenty of it (it won't be very long) in order to avoid the charge that I sit picking out excerpts that I intend to give special emphasis — I quote from Mr. Gardiner's speech: "The fact that 21 per cent of farm mortgages in Saskatchewan were paid off in 1946, was not, in itself, an indication that farmers had made a lot of money. A better check could be found in the income tax returns", he stated, and gave figures showing that only a small proportion of the 732,000 farmers in Canada had earned enough to keep the farmer in the taxable brackets. He continued: "The job of the farmer, the farm organizations and

the Government should be to increase the farmers' earnings, where he would be subject to income tax. The average family farm never did, does not now, and likely never would, reach that position." I would like to interject, Mr. Speaker, if I may, that it is very depressing to believe that we have a Federal Minister of Agriculture who has such a defeatist attitude toward the problem of providing the farmer with a decent standard of living, because no one can say that anyone who does not come within the income tax bracket, at the present time, is having a standard of living which we should recognize as a Canadian standard.

I proceed to quote again from Mr. Gardiner's speech: "Most men did not farm merely to make money, but because it was a way of life, a method of living and an opportunity of self-development, when properly conducted and operated free from orders and directions from someone else."

Now, Mr. Speaker, that is very flattering to the farmer — we are not, apparently, farming merely to make money. Well, I will agree that no matter whether one is a farmer or not there are some things which we should hesitate to do simply to make money; and those of us who do not make some form of self-development part of our objective in life, it would appear to me, are missing one of the main purposes of life altogether. I am gratified, as a farmer, that Mr. Gardiner has such a high opinion of us on the land, but I am not prepared to permit others who are not farmers freedom to ignore the matter of self-development, or to do anything they like in order to make money.

The day when the farmer could continue to produce indefinitely at unprofitable price levels is past. The mechanized farm is here to stay; it is more comparable to a factory than it is to the old horse-farm. We know quite well that the horse farm, where a man could keep up his supply of power simply by raising horses, made it possible for a farmer to live, more or less, as a peasant, and to carry on with very little money in his pockets or very little opportunity of handling much money — it wasn't pleasant, but it was possible. But, today, as I have said, the mechanized farm is more comparable to a factory than it is to that type of a farm. Outlays in cash must be compensated for by income in cash, which leaves a decent balance left over, after the payment of cost of production, sufficient to provide a living standard which is acceptable. That, of course, includes adequate educational opportunities, adequate health services, adequate recreational opportunities.

Against the anything but happy economic background which I have attempted to outline, and in view of the controlled prices presently operating in respect to most of its products, it is surely undeniable that the farmer is in a strong position to demand that he be given adequate protection against uncontrolled increases in the cost of those things which enter into his cost of production.

February 27, 1948

Now, Mr. Speaker, some of the matters are named in the Resolution; I propose to state a few facts in connection with each of those — the extent of research and the difficulty of securing information sufficiently recent to be truly representative of conditions at the present moment are beyond my power. For example, it is difficult to get increases which have occurred since last Fall; and any statistics that seem to be available do not take into account the substantial increases which have made it very necessary, which have been the last straw, for the re-imposition of controls.

The first named in the Resolution is "Farm Tractor and Engine Fuels": this represents one of the heaviest charges on most mechanized farms — and when I say mechanized farms, it is hardly necessary to use that term, because the great majority of farms are mechanized at the present time. I do not know how I could illustrate the effect of that increase — I want to bring it home to those of us who are farmers — the nearest I have been able to get to it is this: that farm tractor gas — standard, purple — has increased from seven to eight cents a gallon since the removal of controls and subsidy. Now, when I was thinking this over I thought just what would be the best way to present this to the House, in order that they might realize how substantial that increase is in farm costs; and I thought of a farm which I know very well, where I know the consumption of this product in the production of last year's crop — in fact I know a good deal about that farm. The consumption was 1,700 gallons of tractor gas in 1947; an increase of seven cents per gallon on that consumption will mean an increase of \$119 in the cost of operation. People are perhaps more tax conscious than they are of other increases that have occurred, and it suggested itself to me that I would reduce this \$119 in terms of a mill-rate on that farm. I find that the assessed value of this farm is \$11,300 and the \$119 represents, as you will see, more than 10 mills on the assessed value of that farm — that is for one item alone, in the matter of farm production costs. I suggest, Mr. Speaker, that the Federal Government owes it to the farmer to re-impose a subsidy upon the farm fuels, in order to reduce that item, in the production costs of the farms of Saskatchewan.

The next thing mentioned on the Resolution is "Farm Machinery". Now expenditure on farm machinery in Western Canada is greater than ever before and the conditions which I outlined earlier have made it necessary for Saskatchewan farmers to be heavy purchasers of farm machinery. The Saskatchewan farmers bought about half of the Canadian total of heavy harvesting machinery in 1947; and they also purchased, I think, about one third of the tractors. Saskatchewan bought 8,967 of all types of tractors; Ontario wasn't far behind with 8,582, so that Saskatchewan farmers bought more farm tractors than any other province in Canada, last year. I am going to suggest, Mr. Speaker, that in most statistical tables the index figures for the increase in price of farm machinery is not applicable to Saskatchewan's — those index figures, as they are compiled, take into consideration all the different types of farm machinery — that is to say, they go over the whole field from a cream separator right up to a combine. The increase in many of those articles has not been great; a cream separator, for example, has only increased about four and one-half to five percent, which is not substantial, since the removal of controls. But here in Saskatchewan we are concentrating our purchases on the

larger machinery; on tractors, combines and on one-way discs, and so forth. If only those were taken into consideration, in compiling the statistics in showing the percentage of increase, it would show a material difference in the index figures which would be arrived at.

The first increase, of course, occurred after the Wartime Prices and Trade Board permitted an increase of 12 per cent in farm machinery. In the Preamble of a Resolution passed at a meeting of representatives of farm organizations of the prairie provinces, in Saskatoon, on February 4, the approximate increase in the price of farm machinery is stated as 27 1/2 per cent. It would seem to me that that is fairly accurate. Since the meeting, and that figure was named on February 4, I assume that the increases which have occurred in 1948 are taken care of within that 27 1/2 per cent increase; but I went to the trouble to secure the prices of one line of farm machinery, F.O.B. the city of Saskatoon — the increase which has occurred between the 1947 price and the 1948 price and I found this: an eight-foot combine, the price of which, in 1947, was \$1,301.65, F.O.B. Saskatoon, in 1948 will cost the farmer \$1,452.50 — an increase of about 11 1/2 per cent since 1947. A ten-foot combine of the same make in 1947 was \$1,520, and the 1948 price \$1,703. A self-propelled fourteen-foot combine of the same make, \$3,379.55 in 1947, was \$3,791.90 in 1948. A common medium-sized tractor was \$1,784.75 in 1947, and \$1,992.75 in 1948. A one-way disc with a seeder attachment — the machine which is practically revolutionizing the farm practice, in Saskatchewan during recent years — in 1947 the price was \$545.15 but in 1946 the farmer will have to pay \$658.45 for the same machine — an increase of 20.8 per cent.

Mr. Speaker, I submit to the House that those price increases will make a tremendous drain upon the resources of the farmer under the controlled prices such as we have under the British contract today, for wheat.

'Repair costs': anyone who has been purchasing farm repairs, last year, knows how great the increases have been on each small item, and repair costs are a substantial part of farm operations. Our machines today move faster, wear out quicker, require more repairing than did the old type of horse-machinery; and yet, in spite of the increases which occurred in repairs last year, there is a 15 per cent flat increase in repair prices scheduled for 1948.

'Binder twine' has gone up very greatly indeed. In August of 1946, during controls, the index figure for binder-twine, according to the Saskatchewan Statistical Year Book, was 126.4 with, I believe, the period from 1935 to 1939 as the hundred — and in 1947 the index figure had risen from 126 to 226. Now binder twine isn't used so greatly as it used to be, but in certain types of farming it is still a substantial item of cost.

I see, Mr. Speaker, that my time is going very fast — I do not want to spend any more time than necessary on this part of it.

February 27, 1948

'Fertilizer' is something which hasn't gone up so greatly, but, nevertheless, has increased. I submit, Sir, that commercial fertilizer as an item which should be made available to Western farmers at cost. The Federal Government was in control of at least three plants capable of producing commercial fertilizer during the war; it is regrettable that those plants were turned over to private enterprise instead of being utilized to provide fertiliser for Canadian farmers at the lowest possible cost.

I might say, Sir, that a policy of that kind would not constitute a complete drain on the Federal treasury because I am satisfied that had commercial fertilizer been used on all well prepared land in Saskatchewan this year, the difference might certainly have relieved the Federal Government from substantial payments under the P.F.A.A.

The last item on the Resolution is the cost of living. Now, Mr. Speaker, there has been so much written, and so much spoken on this question, as far as living costs are concerned, that it would seem that I might as well let it go at that, but it is a mistake to imagine that living costs do not affect the farmer. The farmer knows that a lot of the things that make life worth living are not produced on the farm, and the farmer has to purchase them just the same as anyone else. The higher cost of clothing, the higher cost of furnishings, the higher cost of a great many things apart from the food which he produces himself affect the farmer and affect his budget. It would be perhaps, that we would feel more at peace in the matter if there was any prospect that prices had ceased to advance, but it seems to me that the end of the period of inflation of the spiral has not yet been reached. I have here a copy of the 'Canadian Finance', the issue of January 21, 1948. There is an item here which is headed 'Cost of Living Index, 200'; then the article says: "No, it isn't there yet, but a few days ago one of the top economists in the Government service expressed a private opinion that if the Marshall Plan is approved, for any substantial amount, and the United States start making purchases in Canada for food and clothes for the European people, who are not yet Communists, he would not be the least surprised to see the Canadian cost of living index at 200 within a very few months." It is sheerest wishful-thinking to imagine that great quantities of scarce commodities can be sent out of Canada without creating a tremendous scarcity and a demand for them, and pushing up the prices.

Now, Mr. Speaker, this Resolution asks for the re-imposition of price controls. There are those who say that that would be virtually impossible; but I have no doubt that it will involve some difficulty to re-impose price controls overall; nevertheless it seems to me that unless those difficulties are met and overcome that we can look forward with absolute confidence to the return of unemployment, destitution and poverty prices for farm products.

But I would like to examine, for just a moment or two the statements of Mr. Abbott, made in the House of Commons on December 6, 1947, with respect to the imposition of price controls. With respect to the decontrol policy, Mr. Abbott reported in Hansard of that date: "In continuing its policy of orderly decontrol, the Government was carrying out its pledges to the electorate. May I say that whatever stand may be taken by some parties in the House, at least the Liberal party is consistent in that, if it promises something when it goes to the country, it carries out those promises."

Now, I am tempted to wonder when the farmers of Saskatchewan or the farmers of Canada, ceased to be numbered among the electorate of Canada. If the promise was made to the electorate, it was made to the farmers, and yet we have not, and never have, been outside the influence of price controls. It is true that the price controls were removed from butter and meats, and so forth and re-imposed; but we have not been outside the policy of price control.

To proceed: in the same address Mr. Abbott said: "While we welcome the commendation we have received with respect to our Wartime Price Control policy, I suggest that it would be a serious mistake for anyone to believe that a policy which was appropriate under wartime conditions, could unnecessarily be carried into effect successfully under peacetime conditions."

I suggest, Sir, that that word "unnecessarily" indicates that if it is necessary to impose price controls, that it can be done. Mr. Abbott has not yet, in the speech, indicated that it is not possible to re-impose price controls.

Further on in the same speech: "In the first place my belief is that overall price control cannot be put into effect unless there is real and effective control over salaries and wages. I am convinced that that is the case — I do not believe that those who favour the re-imposition of price control would advocate such a policy."

Now, Mr. Speaker, it seems to me that an effort has never been made to arrive at an undertaking with labour on wages, in relation to price control. The attitude of the employer towards the employee has generally been that the profits, or loss, of the company were no concern of the employee; and, in treating with the employee, the employer has, as a general rule, taken the position that the employee was necessarily subservient to the employer. And it is hardly likely that labour would be content to submit to controls to a wage scale that was arrived at by that basis of reasoning. I was told by a railwayman (I do not know a great deal about railways) but I was told by this railwayman that the Railway Unions are in possession of statistics with respect to the financial position of the railroad, which are just as accurate and just as complete as those statistics which are the property of the railroad company themselves.

February 27, 1948

There are railroad men in the Chamber, they will have an opportunity to correct me if I am wrong in making that statement. But there is one thing that is noticeable, the same railwayman told me this: "Railroad unions do not make demands on railroad management without the full knowledge that it is within the competence of management to grant those demands". So far, I am speaking purely from hearsay, but I would like to point out the fine record of the railways in Canada, with respect to strikes. I have made enquiry and the last major railroad strike which I have been able to learn of was in the year 1919 — almost 30 years ago. That is a long period, Mr. Speaker, in which an industry with a relationship between management and labour has got along without any major interruption. And I suggest, Sir, that if price controls are re-imposed, as I feel that they must be to avoid any serious consequences, that the challenge will be there to both labour and capital to get together: capital, on the one hand, will have to disclose enough of the financial position of the industry, to give labour an opportunity to satisfy itself that the wage scale is consistent with the position of that industry. And I suggest, Sir, that if this were done, our friends across the floor here are great believers in the virtues of roundtable discussion, and I believe if we were to meet that situation in that spirit, as between employer and employee, that the objection of Mr. Abbott to control of wages and salaries as undesirable, would not be accepted, and I am sure it could be overcome.

There was more I wanted to say on this subject but I have spoken too long. I think I have attempted to show that the farmers' position with respect to the effect on the farmer of the continually high costs of productions, is that he is asking nothing from others that he has not been prepared to accept in regard to his own industry.

I therefore, Move, seconded by Mr. Aitken, this Motion urging the re-imposition of price controls.

Mr. James S. Aitken (Hanley): — I expected that the hon. member for Watrous would deal with this Resolution in his usual effective way, but when he was through with it there wouldn't be a great deal left for the rest of us to say: my expectations have been fully realized. But yet it is a big subject — it covers a large field and it is just possible there are a few loose ends still to be gathered up.

As I looked at the Resolution it seemed to me that it brought up a question which has been in my mind for a long time, and that is the whole position of the farmer in our economy. That inequitable position which affects all producers of primary products over against the favourable position occupied by producers of secondary products.

Now, that situation has been apparent for a long time and yet practically nothing has been done about it. The farmer — this independent, freedom-loving, individual — is supposed to go out single-handed in this world of competition, free enterprise, and compete with secondary industries. He competes in a market that is governed, to some extent, or was, at least, by the law of supply and demand and he competes with products of the secondary industries, which are governed by the manufacturers and by agreements and tariffs, and all the rest. And then again we scarcely realize just how much this old world of ours has changed. Some of us believed that when the war was over, we would just go back to things as they were and that we could pick up where we left off. But today that is not true — no matter where you look it seems that the old order is not completely gone, at least a lot of it is gone; and here I want to quote from an editorial from the 'Western Producer' of last week. The writer says "We are experiencing no merely passing mal-adjustment; no minor dislocation in a basically sound economic system. The widespread nature of the trouble is sufficient proof of that. Various countries with varying forms of government are all affected, no matter how much or how little controls, or what the policies may be in regard to subsidies, taxation, trade, or check of profiteering — they are all so many and varied: all alike are suffering from, or are in fear of, inflation, and the unsettling consequences of an unstable form of domestic exchange."

So we think this old world of ours — the old economic system — has been pretty badly shaken up. There is a parable in the New Testament which tells the story of two men, one who was foolish and one who was wise. And the foolish man built his house on the sand; and it goes on to tell how the rains descended and floods came, and the winds blew and beat upon the house, and it fell, and great was the fall thereof. That seems to me to be a fairly accurate picture of our pre-war world. These six years of war have wrecked it so badly that we will have to find a new foundation on which to build a new world. And there are two groups, in the main, at the present time, who are discussing and arguing just on what foundation the new world should be built, and those who favour the old order are saying "now here was the law of supply and demand, free competition, free enterprise, every man for himself, and so on — that foundation was all right let's build on it". The other group do not believe in it.

Just how far did this law of supply and demand meet the situation of the farmers? We were under it, almost completely, at some times in the pre-war years — we all remember it. We saw the surpluses under which the demand almost disappeared; and some of us challenged the orthodox economists of that time to justify a world of that kind, and they tried to. They claimed that the price over a period of years — the average price — is bound in the long-run to be the cost of production, and if you do not get that, the industry goes out of business.

February 27, 1948

Well, we all realize that Western agriculture, especially grain growing in the province of Saskatchewan, was so nearly out of business that it isn't pleasant to think about; and we do not want that to happen again, as the hon. member for Watrous made abundantly clear. But what was the position of the farmer in those days? It is known to everyone, we see it, but we do not realize just how much it meant. Take, for instance, the simple illustration of a farmer and his wife who go to town with some of their produce to market; the farmer probably has a truck-load of wheat, and his wife has some butter and eggs and chickens, and they go to town. He leaves his wife at the general store and she walks in and asks the storekeeper the price of butter, and he tells her; and she asks the price of eggs, and he tells her; and she asks the price of chickens, and he tells her; and he weighs the butter and chickens and gives her what is coming to her. And then she presents her list of what she wants — sugar and prunes, matches and all the rest of it, and he weighs all these things out, and he tells her what the price is — he adds up the bill and says it is so much. In the meantime, the farmer has gone to the elevator with his load of wheat, drives in there, and the agent takes a sample of it and tells him what grade it is; and then he runs it over a screen and tells him what dockage there is; and then he weighs it and tells him what the weight is; and then he writes out the ticket, and tells him what the price is. And yet, you say that the farmer can compete on equal terms in this economic set-up of ours! Mr. Speaker, it is entirely ridiculous, it cannot be done.

Let us follow the farmer a little further; he comes down the street and is interested in some implement; it may be a tractor or it might be only a section of harness. There are four or five implement agents in that town and he goes from one to the other and he finds out that the price is practically the same for whatever he wants to buy, whether it is a tractor or anything else: there may be a few dollars difference, but not very much. That machinery may have come from Chicago, or Hamilton, or Toronto, but when it lands in this little town in Saskatchewan it is all the same price. Now, it might not be fair to charge these men with 'combines', but if they are not, I would say that they are the best guessers in the world, because they all know just what price that particular machine is landed at that particular town.

Perhaps then he goes to the filling station — it doesn't matter which filling station he goes to buy gasoline, it is pretty much the same, and it is all the same price. Again you cannot charge the oil companies with being a combine, but it is strange how the prices are equal at every filling station.

Here I want to quote from a pamphlet by Thurman Arnold, who was Assistant Attorney General of the United States and I think he ought to know what he is writing about: "on my desk, as I write, is a beautiful

brochure, issued by one of our large oil companies; the name of the company doesn't matter, nearly all of the large companies are issuing similar literature — it is entitled, 'America's Fifth Freedom is Free Enterprise'. And then, a few pages over, he tells you a little about this particular oil company. He says: "The oil company that printed that pamphlet was one of 123 refiners who accepted an illegal licensing agreement with the Ethyl Corporation. Thus the price of 85 per cent of all the high-grade motor fuel was fixed. Jobbers who had a tendency to reduce prices were refused licenses to sell. On the Pacific coast an artificial differential of three cents between high and low test gasolines was maintained; elsewhere it was two cents, but neither differential bore any relationship whatever to the difference in cost of the value of these two products." This was the company, you see, who had issued this pamphlet on America's "Fifth Freedom", free enterprise.

You may say that is American and not Canadian, but I do not think it matters much — oil companies on this side of the line are much the same as those on the other. Mr. Arnold said there that it was illegal licensing agreements. Now I wouldn't charge our Canadian oil companies with illegal — I have no evidence that there is, and I would be very much surprised if there was anything illegal about their operations, because we know quite well that their good friends, the Liberal and Conservative parties, would soon bring in an amendment to legalize anything that they wanted to do.

We have something to say in the Resolution about the high cost of living — I do not know whether tobacco would come under that or not; it probably does. A great many members of this House enjoy the fragrant weed, and I hope I won't spoil their appetite if I tell them what happens in the tobacco cartels. Thurman Arnold says: "The tobacco cartel, after paying heavy government taxes, made more net profits in certain years than the entire gross price which the farmers of the nation received for their tobacco crop". There is just another instance of the tremendous advantage that manufacturers and producers of secondary industry have over the producer of the primary product. I hope that example of the tobacco group is an extreme one — I would be sorry if it wasn't.

There it is: we, the Saskatchewan farmers, are being asked to go back to the old 'free enterprise' system, to compete in the markets of the world without any agreements, without any security of future prices. The 'siren song' of the Winnipeg Grain Exchange is being broadcast everywhere, and I believe some farmers are falling for it, but it is a pity that they are; because I am of the opinion, Mr. Speaker, that the only security the farmer has at the present time are those agreements which the Dominion Government has made with the British Labour Government in the matter of agricultural products. If we do not hang on to that I do not know what is going to happen to us; we will be back to the old law of supply and demand and competition which isn't competition at all, because the position of the

February 27, 1948

farmer is so weak on the one side, and secondary industry so strong on the other, that you just might as well put two boxers in the ring and ask them to put up a fight and tie one man's hand behind his back — it is as unequal as that to ask the farmer to keep on producing in this post-war world without some effective guarantee of the things which he produces.

I have much pleasure in Seconding the Motion.

Mr. W.M.S. Thair (Lumsden): — In rising to take part in this Debate, I would like to deal briefly with some of the price controls and subsidies, and also with the problem of the cost of farm fuels and fertilizer and farm machinery. Uppermost in the minds of the people, at the present time, is the question of price controls and subsidies, and I believe something should be done about this mounting spiral of costs and prices across Canada.

I would like to emphasize some of the points in a recent control program which has the support of C.C.F. members in the House of Commons, and the present C.C.F. Government, as well as some of the Liberal members in the House of Commons. These points were outlined by Mr. M.J. Coldwell in a national broadcast on January 8, 1948, and which, I believe, had the support of 75 per cent of the people. I am going to read these three points: "the restoration of price controls on all the basic necessities of life, such as food, clothing, fuel, etc., and second the renewal of subsidies on milk, bread, butter and other commodities and, I would add, even oil. And third the revival of the Excess Profits Tax, with such modification as experience has shown to be in the public interest.

In the House of Commons, at the present time, Mr. Speaker, there is considerable support for price control and subsidies, even among the liberal members of the House of Commons. I am going to quote from the Leader-Post of February 6, which I have no doubt was taken from Hansard; the Hon. David Croll, member for Toronto-Spadina, said: "a return to price controls and subsidies was the way to reduce current living costs." He also advocated the re-imposition of excess profits tax to curb profiteering."

I would also like to quote from another Liberal member of the House of Commons, Mr. George Cruickshank, member for the Fraser Valley, when he declared: "A mistake has been made by Finance Minister Abbott by not re-imposing controls at the time the austerity dollar saving program was announced in November. I believe more controls will have to be put on." Then he added, "in my opinion it is going to be necessary to resume certain subsidies; the cost of living having gone up so much, this is the only solution."

I consider this an endorsement of the policy outlined by Mr. Coldwell and our C.C.F. members at Ottawa, and supported by the Provincial Government, and by 75 per cent of the people across Canada.

Now, for the last fiscal year, Mr. Speaker, the Excess Profits Tax, as urged by Mr. David Croll, the liberal member, was almost \$500,000,000, which is far in excess of the amount required to have paid all the subsidies on food, clothing, farm fuels, and other commodities, required by the farmers and workers in Canada.

Just about a year ago in this House, Mr. Speaker, I gave a quotation in the Speech from the Throne Debate, on subsidies to milk producers at that time, and I am going to take the liberty of quoting it again: "Any government which can pay subsidies to the steel companies of Canada, The Aluminium Corporation, Canadian Pacific Railways, and other corporations, can surely afford to subsidize the producers and consumers of milk" — he was speaking of milk at that time — "on which largely depends the health of the children of Canada". I say that this principle applies to all the other commodities as well — it enters into the production costs of the farmer.

I would also, in this regard, like to emphasise the statement made by the Premier of Saskatchewan at a recent Debate on the Speech from the Throne where he said: "subsidies are a form of distribution of wealth." A year or two ago Mr. Ilsley told the House of Commons that the cost of subsidies to the Dominion Government was \$200,000,000 per year, but that they saved the consumer \$2,500,000,000 per year, or in other words, for every dollar spent by the treasury, twelve and one-half dollars were being saved to the consumer.

During the past two years we have witnessed the lifting of controls from the commodities that are used in the production of farm produce. I say this has indeed been a cruel blow to the farmers across this province, and across the whole of Western Canada. We always maintain, on this side of the House, there should be a proper relationship between the prices of farm products and the cost of farm fuels, machinery, fertilizer, and everything else that enters into the cost of production. At the present time, the farm produce has reached a fair price level, we all admit, but the farmers of Saskatchewan, and Western Canada are not forgetting, as has been said by the hon. member for Watrous — the farmers are not forgetting 50-cent wheat of 1939. At that time, the Farm Management Branch of the University of Saskatchewan made a statement to the effect that wheat could not be produced under a cost price of at least \$1.05 per bushel, just before that time. But the hon. Mr. Gardiner said that wheat could be produced at a profit with a price of 50 cents a bushel. I repeat again that the farmers are not forgetting these low prices.

February 27, 1948

Mr. Danielson: — Will the hon. gentleman tell us where and when Mr. Gardiner made that statement that wheat could be produced at a profit at 50 cents?

Mr. Thair: — There is absolutely no doubt, Sir, that that statement was made.

Mr. Danielson: — No, that is absolutely untrue.

Mr. Thair: — I will be glad to give you the date later.

I would like to quote from an actual copy to show that the farmers are not forgetting that grain prices on December 16, 1932 . . .

Mr. Danielson: — Will he please answer the question?

Voice: — You'll get an answer.

Mr. Danielson: — Now is the time to answer it.

Mr. Thair: — . . . I would like to quote from an actual copy of the grain prices on December 6, 1932 (with a 20 cent freight rate), wheat was quoted at 22 1/2 cents a bushel; with the 25 cent freight rate — 19 1/2 and on the same date the net price of oats was from 4 1/2 to 6 cents; and barley from 11 to 13 cents. Those are the prices in the good old days.

The question has been asked, why should the consumer pay, say 90 cents for bacon, or 80, that has been produced from grade "C" hogs sold by the farmers at 19 1/2 cents per pound, dressed weight. You will have to ask the Canada Packers that question. Why does the consumer pay 56 cents per dozen for grade "A" eggs, with the producers receiving back in the country 33 cents?

Should the prices of grain drop, as they are likely to do in a year or two, the farmers are certain to find it very difficult, if not utterly impossible, to obtain any reduction in the greatly increased cost of farm fuels, farm machinery, and fertilizer and other commodities. In this regard, I would again like to quote, if I may, a statement from Mr. H.H. Hannam, president of the Canadian Federation of Agriculture, at the recent convention in Brockville, on January 26: "Controlled prices for farm products, without control of all those item which contribute to the cost of farm production, was pure discrimination against farmers." He further declared, and I quote: "Any government, in a free democracy, which permits itself to be 'pressured' into the adoption of such a policy will, and should, lose the confidence of the farm people of the nation."

Hon. Nollet: — They sure will, too.

Mr. Thair: — I could quote, also, from the Leader-Post, of February 4, an amendment to an earlier amendment by Mr. John Bracken, just to show the stand of the C.C.F. on this question: An amendment proposed by Stanley

Knowles, which endorses the stand taken by Mr. Hannam, when he said to the House Committee which had been set up to investigate: "prices should include the measures to control the price of commodities entering into the cost of production, in view of the fact that controls are now maintained on the prices of all farm products."

Mr. Speaker, the removal of subsidies on crude petroleum and the lifting of controls by the Federal Government a year ago, has resulted in ever-increasing prices of farm fuels and gasoline — we are all aware of that. The price to the farmer, right here at the Co-operative Refinery, back in 1935, for purple standard gasoline, was 13 cents per gallon, while in 1939 it was 14 to 15 cents per gallon. When the controls and subsidies were removed the price reached 22 cents and later on 25 cents; and the price at the refinery is slated to go up a cent or two before the end of the year. In view of the fact that there is a Resolution on the Order Paper under my name, I believe, dealing with the price of fuels and what we are going to do about it, I am not going to say anything further on the question of farm fuels, with the exception of this: I do not believe that the high prices of fuel oils are justified, and I could quote from the Financial Post of November 29, 1947, that back in 1939 the price of crude oil was only \$1.15 per barrel. It was controlled for a number of years, and then it began to crawl up in 1946 to \$2.10, to \$2.70, \$3.20, \$3.70. It is reported — I cannot verify this — even our Co-operative Refinery had to pay nearly \$4.00 for crude. A ridiculous price! And yet they asked for higher and higher prices because of costs of labour and transportation. The actual cost of labour and transportation is around 40 or 50 cents a barrel, which means, added to the \$1.15 of 1939, it was \$1.65 or \$1.70, and now it is \$3.70 — I think it dropped back to \$3.55 the other day, but it will be \$4 by the end of the year likely.

I would just like to say a word about fertilizer. I have been using fertilizer myself for 14 years. The University of Saskatchewan have done considerable investigation work, and they have proved very beneficial in wheat growing — it increases the yields on the summer-fallow, controls weeds, particularly mustard, and is the only means of overcoming root-rot which is so prevalent, particularly on the heavy lands of the Regina plain. Commercial fertilizers, and particularly the 11/48 ammonia phosphate has always been at a high price; but I found, this fall, when I got my supply, it was up five or six dollars ton. I understand that fertilizer, even in Eastern Canada, had gone up as high as \$20 per ton increase. Is there any reason for it? I believe there were three Government plants, but I am speaking of the one at Trail, particularly. It was built by the Government at Ottawa, during the war at a cost of \$19,000,000, although the Federal Government made an agreement, mind you, with the Canadian Federation of Agriculture

February 27, 1948

that they would turn over these plants, or give them an opportunity to be used for the farmers of this country. They were finally sold to The Consolidated Mining and Smelting for \$4,000,000 — a \$19,000,000 plant! This company happens to be a subsidiary of the C.P.R., and I would like to say that, in looking up the profits of this company, in 1945 the shares were \$3.52 — the profits per share, in 1946 they had risen to \$7.12.

It is interesting to note, Mr. Speaker, in looking over the Financial Post's corporation service, that one of the directors of this great corporation of the C.P.R. is the hon. C.A. Dunning, former Liberal Premier of Saskatchewan, and, that not only is he a director, but he is also one of the members of the executive of five. It is possible that Mr. Dunning could have been a big factor in making the decision as to whether they would boost the price of fertilizer \$1 or \$5 or \$6 — I leave that to you.

I was going to say in this regard, without any reflection whatever, on anyone, that this is surely a far cry from the young man (speaking of Mr. Dunning) who fought for justice for the prairie farmer, in the old Saskatchewan Grain Growers' movement, more than 30 years ago.

Regarding fertilizer, I wonder if it would not be good business for the Federal Government to have subsidized the fertilizers for the farmers, or to have retained ownership of this great nitrate plant, as promised, and sell fertilizer to the farmer at a much lower price than at present; or to have turned it over to the co-operatives of Canada, even if they had to give them a long-extended period of credit in order that they should do so, rather than pass it over into the hands of the Consolidated Mining and Smelting.

Now, just a word about machinery prices. In 1936-37 a special parliamentary committee was set up in the House of Commons to investigate farm prices in this province and they found out then (I am speaking of a small thing like a cream separator) that the farmer paid as much as \$44.50 for a small cream separator, and the actual cost, upon investigation, including the profit of the manufacturer, was \$13.05. And the special parliamentary committee after an extensive investigation reported the committee was of the opinion that cash and credit purchasers were paying far too much for implements and farm machinery.

In 1939 a special committee of the Saskatchewan Legislature under the late Liberal government was set up and found, first, that the retail prices of farm implements, repair parts and cream separators, were too high and, secondly, that the industry — that is the manufacturers of

machinery — cannot, or will not, suggest a remedy. I believe that at the present time that spare parts are carrying a mark-up of 75 and even up to 100 per cent.

In 1939 — I do not want to worry this House — but in 1939 the Saskatchewan special committee also found that half the total net profit of one very large company was coming from the sale of spare parts; and it also found that two companies, at that time, sold more than half of all the farm machinery in Canada. Since that time, the trend toward monopoly has been clear-cut, and is more evident today than then. The combined sales of these two large companies — having swallowed up a lot of smaller companies — is much greater than it was in 1939. There is no competition between the leading companies; the only competition is in the sales, between the various sales agencies. Left in private hands the farm implement industry will continue to exploit the farmer for profits: if it was placed under co-operative ownership, or some form of government control, the industry would be able to serve the farmer, and the Canadian people, with the only concern of the best service to Canadian agriculture.

Just a word about the prices — I cannot say very much as it has been gone into by Mr. Darling, the hon. member for Watrous, but I would like to quote from Hansard page 1013, on February 9, when Mr. McCullough. showed that a Cockshutt tractor 22-58 was stepped up from \$1,703 to \$2,258, and some of the larger combines today, with a pick-up, actually costs more than \$4,000 of the farmers' money. Mr. Zaplitny, the member for Dauphin, speaking in the House of Commons said that in 1920 it took 99 bushels of wheat, No. 1, to buy a double-disc drill and, according to the Dominion Bureau of Statistics, it now took 239 bushels of wheat to buy the same drill. Mr. T.J. Bentley, on the same day, in the House of Commons, when this Debate was before the members, made this statement: "In 1945 the Massey Harris made a profit of close to \$1,600,000 and in 1946 they made a profit of \$2,125,000, or an increase of 34 per cent, or more then \$500,000". And Mr. Bentley went on to say, and I quote: "We are told; if they had not received that increase they might have gone in the hole. There is every reason to believe these machine companies have increased their profits again in 1947".

In closing I would just like to make a few more remarks about the machinery, as quoted last night by the Provincial Treasurer: "there were more tractors, combines, swathers and pick-ups purchased in Saskatchewan than in any province in the whole of Canada, last year. In fact, Saskatchewan bought half of all the heavy machinery sold in the whole of Canada". This gives the hon. members of this House some idea of the machinery cost to the Saskatchewan farmers, and that the recent increases in prices area heavy charge on agricultural production costs.

February 27, 1948

I have spoken of one of the largest machine companies which now operates in Canada and the United States, Argentina, Brazil, England, Denmark, France and Australia — The Massey Harris Company; and along with two major companies, on this continent, dominate and set the price to the farmer for all his machinery; there is no competition between them. Great monopolies! We have monopoly control in the manufacture of farm machinery.

It is interesting to note that Mr. E.P. Taylor, one of Canada's leading industrialists, along with a certain Colonel Phillips, last year, has now control of this great company under Argus. Under Argus he stepped into the picture of farm machinery and now has the controlling interest, along with many other lines of business. I cannot enumerate them all; perhaps I should some of them: Canadian Breweries, Massey Harris Company, Dominion Stores, Canadian Food Products, Standard Chemical, Orange Crush, and British Columbia Forest Products, along with H.R. MacMillan, I expect. But he moves so fast that I can't keep track; and since this list was printed, I believe, he has moved into Atlantic Sugar, Tip Top Tailors, The St. Lawrence Corporation, and three subsidiaries; and in connection with newsprint, The Globe and Mail, since Mr. McCullough is getting tired of it, and getting worried because, apparently he is not getting any handouts from his Conservatives; hotels, chemical combines and more.

I am just going to close with this: in the meantime price controls and subsidies are urgently needed to assist farm production costs. Great combinations of finance, of oil companies, farm implements, fertilizer companies, and railways, by means of inter-locking directorates control the very destiny of our whole Western farm people and Western Agriculture. This is, to my mind, the real dictatorship in Canada today. Only an enlightened public and the pressure of public opinion, through Government action, can ever control these great industrial giants.

I shall support the Motion.

CANADIAN APPEAL FOR CHILDREN

Motion urging Donation by Provincial Government

Mrs. Beatrice Trew (Maple Creek): — Mr. Speaker, I do not think it is necessary to do much long and persuasive talking on the subject "Canadian Appeal for Children". I intend just to make clear to the members why I am proposing to this House that we ask our Provincial Government to consider doing something, on behalf of the people of Saskatchewan, for these needy children.

I believe we all recognize that the need is there. True, it is hard for many of us, from our fortunate position of safety, and comparative plenty, to envisage the total extent of devastation and hardship in other parts of the world. We get word-pictures from those who have been there; we see movie newsreels of devastated areas, but does it really sink in? Can we feel in our own heart the despair, and the hopelessness and pain? Most of us here in this Assembly lived in Saskatchewan through the 'thirties and had our hearts wrung by some of the scenes of deprivation and want in our province at that time, but, at least, our children did not have to see their parents, brothers and sisters killed; they did not have to suffer the torture to their nerves of incessant gunfire and bombing, and the constant fear of physical violence.

Because of our location in the world, not because of any virtue on our part, we have, as yet, never suffered the full terrors of war. But cannot we all think how terrible it would be if our children were to have to go through what so many in the world are right now. Often I have heard it said at many a dinner table, "I never eat a meal without thinking of those poor children in Europe". And this is not just since the recent drive began; so that I am confident that the generous heart of the people of Saskatchewan would want our Government to give tangible expression of our sympathy if it could.

We have many blessings — it is true we are always trying to improve conditions, but all of us know we are blessed. We have food in abundance, warm clothes, medical care, comfortable homes and, in some material ways, we have, as a people, profited from the war. All the more reason why we should, as a people, be very generous to the children who suffered the brunt of its horrors.

The International Children's Emergency Fund was set up by the General Assembly of the United Nations in 1945, and really got going in June of last year. It is interesting to read its purposes and the provisions to ensure that funds and supplies made available to it would be used where needed, and to the best advantage.

February 27, 1948

Here are some of the things to be taken into consideration in deciding where supplies are to be distributed. First, the proportion of undernourished children in each country; second, the number of homeless and orphan children in each country in need of care; third, the capacity of a country to meet its own needs out of the currently available resources; fourth, the extent and duration of deprivation of the children of each country, experienced during the war; fifth, the extent of wartime destruction of children in situations in each country; and sixth, the extent to which other international relief supplies are available for the same, or similar, purposes.

'UNESCO', United Nations Educational Scientific and Cultural Organization, as its title would indicate, was set up for this purpose: "to contribute to peace and security, by promoting collaboration among the nations through education, science and culture, in order to further universal respect or justice, for the rule of law and for the human race in fundamental freedoms which are affirmed for the peoples of the world, without distinction of race, sect, language or religion". That is the Charter of the United Nations.

It soon became clear that many of the long-range enterprises of UNESCO were impossible of operation except for the immediate need in devastated under-privileged areas of the world being met. In other words, that before the children of the world could go on to mutual understanding and a truer and more perfect knowledge of each others lives, some very fundamental, simple things must be done. They must be provided with classrooms and with such simple things as pencils, erasers, notebooks, etc. Then, too, in order to continue their training, universities, medical colleges, laboratories, must be rebuilt and re-equipped.

Mr. Speaker, I am always glad when men bring their theories down to earth, and give them practical expression. Today, I am asking about our Province, which believes, I know, in the great principles of the United Nations, in setting the International Children's Emergency Fund, and of UNESCO when it strives to promote world understanding and, in its striving, undertakes to do the first necessary things, shall likewise be down-to-earth practical, and give of our abundance. I am told that, of the donations collected, 70 per cent will go as food, milk, medicine shoes and clothes; and 30 per cent for education and school supplies. I think it would be fitting for our Government to make available to the Canadian Appeal for Children some of our native products, which we grow or produce; many of the things that are needed are grown or produced in the province. But, I do not wish to tell the Government what it should do. We are proud to proclaim, to all and sundry that we have in this province a Government pledged to a program humanity first, and subscribing to the belief that all men are brothers, the world over.

This appeal is the first great step in international brotherhood. In responding to this appeal we are marching along together with all the peoples of the world. There have been many disagreements in the United Nations, but on this vital project all the countries are in complete agreement. There is a world-wide consciousness of its necessity; governments, trade unions, churches, service clubs, school children are all backing up the appeal.

The three major trade unions of Canada, representing 98 per cent of the country's organized workers, have officially requested their membership of approximately one million to set a world-wide precedent by giving one day's pay to help underfed children. Workers in Norway are taking similar action, and the Inter-American Federation of Labour, representing some 14 million workers is actively supporting the appeal.

Children are the worst sufferers from war and their suffering does not stop when war ends. Now, three years after the last shot has been fired, two hundred million children throughout the world lack food, shelter and medicine. When I first heard that statement, Mr. Speaker, I could hardly believe that it was true, but later I had it confirmed by a newspaper that I read, and there are two hundred million of them throughout the world.

Of this appalling number, 90 million of them, starved and diseased, vagabonds and orphans, are in the direst need. The remainder, only somewhat better off, need help on the road to health. In the youth of all nations lies our hope for the future, and because of the extent and enormity of the offenses against them by our generation, and because of the immensity of the need, I introduce this Motion, seconded by Mr. Feeley.

Hon. J.H. Sturdy (Minister of Reconstruction and Rehabilitation): — Mr. Speaker, the hon. member for Maple Creek has presented this Resolution and presented the plea, also, in a manner that leaves little to be said. I would like to add a few remarks, however. The organization of the Canadian Appeal for Children is a very sound organization, co-ordinating the two organizations that have been set up, one by 'Unesco' and the other by the General Assembly of the United Nations; so that the foundations of the organization for the Canadian Appeal for Children are indeed very sound, and it has the backing of all the nations belonging to the United Nations. Indeed, there are 27 nations participating in this appeal.

The objective of the Canadian Appeal for Children in the Dominion is a very moderate one, merely \$10,000,000, and in view of the tremendous amount of work to be done, and the need that exists overseas, this indeed is a very moderate objective. We realize the money is to be used for food and clothing, educational and medical supplies, and the moneys collected are to be expended, as the hon. member for Maple Creek has pointed out, here in Canada for the purchase of these supplies; and I am informed further that they will be expended in the provinces in which they are collected.

The distribution has been well taken care of, too. It will be looked after, overseas, by the International Children's Emergency Fund, which was also set up by the General Assembly of the United Nations. Canada is represented on this Committee overseas, and indeed the 1949 Chairman of this Committee, the International Children's Emergency Fund Committee, is a Canadian, so that you may be assured that a very careful check will be made as to the needs, and the supplies will be given where they are most required.

The guiding principle in making allocations of this assistance which will be sent overseas, was laid down by the General Assembly of the United Nations at the time this International Children's Emergency fund was created, and this is the general principle:

"Distribution will be on the basis of need, without discrimination because of race, creed, national status or political belief. It is true that the highest priority will be given to the children of those countries which have been the victims of Fascist aggression. There is no gainsaying the importance of this Appeal. What the children of all devastated countries of the world experience today will leave its indelible mark on the shape of things to come."

That possibly is the most serious consideration. If we have a frustrated, starved, disillusioned, cynical, illiterate generation of children of Europe, there is no question about it that we are building up for future trouble. There can be no guarantee for future peace unless this generation of European children are clothed, fed, and educated. Also, the future of international co-operation, and indeed, of world security, depends among other things, on the development of leaders today, who will take their place

February 27, 1948

with the children of our country tomorrow, in the development of a strong international co-operative society. Today, starving in their minds and bodies, children and young people of all devastated countries cannot be expected to rise to meet the challenge of the future — the future which our children of this hemisphere are to share with the children of Europe and Asia.

I would point out also, Mr. Speaker, that great thinkers have sprung from those countries now bounded only by despair. To name a few of them, Einstein, Pasteur, Marconi, Jan Masaryk, the Curies, are a few that spring to one's mind. These are only recent examples of the contributions made by these war-devastated countries to our common heritage. We of the New World owe much of our civilization, our culture and our customs, to the Old World — our pasts, educationalists, thinkers, scientists, sculptors, architects. Indeed, this very building, its beauty, is due to the architectural and building genius of people of those old lands.

The training given to the children of all devastated countries today will make it possible for future intellectual leaders, such as those I have mentioned, to rise from the ashes of their old civilization into a new feeling of comradeship with us of Canada and of this province, who have helped them. The world will be greatly impoverished, indeed, if we do not provide the relief that will be necessary to enable these children of Europe to develop as they have developed in past generations.

One more thought in this connection — this country alone expended an estimated \$18,000,000,000 on the prosecution of the war just ended. What the Canadian Appeal for Children is asking is merely one dollar for construction, for the cause of peace, for every \$1,800 we have expended on destruction in the war just ended. Unless we are prepared to contribute to the cause of peace and sacrifice for peace, then we shall be faced with a still more devastating war. We of this country and of this hemisphere rose to great heights of co-operation and sacrifice in the period of crisis — war — and to my mind the uncertain peace today is a continuing period of crisis, demanding the same degree of co-operation and sacrifice that war has demanded.

Let us put it another way. Every dollar we expend in the cause of peace today will save us, even on the basis of the cost of the last war, \$1,800 in probably the very near future, besides saving us from the appalling destruction of property which is always dependent on war, the loss of lives, and the possibility, if a third war comes, of the destruction of civilization as we know it.

Now, there is a disposition on the part of many people, and indeed of our friends in the Opposition, to make the (to me) appallingly stupid mistake of believing, or persuading themselves, that all those opposed to communism are the friends of democracy. Many, very many indeed, opposed to

communism, are not the friends of democracy. I refer to those who, against democracy, financed, fomented and fought the most devastating war in the history of mankind — a war in which these children whom we seek to help today were the victims. I refer to the Fascists who perpetrated the most inhuman, sadistic and unchristian acts against humankind that the world holds on record; and fascism is not dead in the world. It will breed again — in fact, it is breeding again — and its breeding-ground is fear, suspicion, hatred, lies and ignorance. Only by alleviating human suffering and insecurity, only by establishing justice and equity, only by bringing into being a world co-operative commonwealth, based on the tenets of Christianity, can we destroy the enemies of democracy.

Now, the children of devastated countries of the world, the youth of these countries, if they are neglected, if they are permitted to grow up in illiteracy, undernourished, and in insecurity, will turn either to fascism or to communism; and believe me, the responsibility will be ours. No child or children can be held individually or collectively responsible for their choice. If we believe in democracy, then we should work for it, sacrifice for it, and see to it that it is possible to function in countries less fortunate than our own. God knows the youth who fought and sacrificed in World War I and in World War II were not responsible for those appalling cataclysms; and the war of the future will not be the responsibility of the children of the day. That responsibility will be of the citizens of the generation to which you and I belong — we will be directly responsible. It is our inescapable responsibility to do what we can, and all we can, to safeguard democracy and the peace.

Believe me, the bread which we give today to feed the hungry children of the world will be bread cast upon the waters. It will return to us a thousand fold. To neglect these children is to shirk our responsibility, to invite future disaster and, in my opinion, to set the stage for another world war.

Mr. Speaker, I support the Motion.

Mr. D.S. Valleau (A.S.V.R.): — Mr. Speaker, in rising to speak on this Motion, the thought occurs to me — why an appeal for children specifically? Why have we separated children from adults, and why should they be considered in a particular class by themselves? Why are we concerning ourselves with these appeals at all?

I can think of a number of answers. One reason that I am concerned with an appeal for children is because I do not want to see another war, and as the two preceding speakers have pointed out quite clearly, the rising generation in Europe are the seeds that may cause another war, if they fall prey to either fascist or communist dictatorships. The question

February 27, 1948

of whether we want another war or not is something that we have to face quite seriously. I am afraid that, in the world today, there are groups of people who do want another war, groups of people who, consciously or unconsciously, might be sabotaging such a movement as the Canadian Appeal for Children. When considering something like this, we must ask ourselves the question, coldly and realistically — are we prepared now to do everything we can to prevent another war or do we think that another war is inevitable and we should be doing all we can to see that our side wins? Looking at it cold bloodedly, we must believe that we must do all we can to prevent another war, and this is one of the methods we can use to accomplish that.

Why should this Appeal be restricted to children? Why is it that, in trying to rehabilitate Europe, to prevent another war, we concentrate on the children particularly? There are a number of reasons, but chiefly, I think, those of us who oppose another war have to concentrate on support of children in order to gain the reluctant support of the people who want another war. The guilt complex or the guilt theory has been explained many times since the war was concluded — the theory that the German people were the people who had caused the war and should therefore be forever guilty and forever punished. To a certain extent we have got away from that. Today some people are suggesting that the Russian people are the ones who are forever guilty and should be forever punished; but no one can say that the children of any race or of any nation are at all guilty of causing the wars that have befallen humanity in the last few years. That is why it is easier to gain the alliance even of people who believe in war, in supporting an appeal for children, because they cannot by any type of logic whatever, argue that children are responsible for any of the conditions prevailing in the world today. In the moral aspect, it is easy to argue that these children are innocent.

The thought occurs to me, every time I see the pictures in the newsreels, showing the horrible conditions of Europe, and particularly of the children there, the thought occurs to me when I realize that I am wearing a Veteran's badge, to ask myself — am I responsible for these conditions? am I guilty? and I wonder. I think that probably the Veterans, as a class, are no more guilty of conditions in Europe than are civilians, as a class. The past came upon us, and we solved the situation in the best way we know. Unfortunately, humanity does not know very good ways of solving such situations; but unless we, as a community do something new to share the problems that have been caused, then we will be guilty. We will be guilty of the "sins of omission" as well as of the "sins of commission."

The question could be asked — would not the Marshall Plan look after this particular problem? The question could also be asked — by those who live in Eastern Europe — would not Russia's unilateral policy of trade and aid for eastern European countries look after the problem? My answer to that would be "no". Both of these policies are without a spiritual

drive behind them. The Marshall Plan, if I can paraphrase a statement used by Mr. Churchill a number of years ago, when he was referring to Russia — to me the Marshall Plan is still "a dilemma shrouded in a mystery inside of an enigma." The Marshall Plan started out as something with a spiritual drive behind it, something designed to save Europe and possibly to save the world; but somewhere along the way of interminable debate that spirit seems to have been lost. It does not today have the tremendous spiritual drive that was behind it when George Marshall first started it. I hope it can regain that drive; but I believe that a worldwide appeal, based on the idea of helping the children, people who are definitely innocent of whatever conditions exist, an appeal which will gain the support of everyone — not to stop communism, not to stop American Imperialism — but simply to promote Christianity and brotherly love and a world of peace — such an appeal as that will have far-reaching implications that will gain us many things. I am speaking very cold-bloodedly, not speaking idealistically as did the mover of the Resolution. I am not condemning charity, but at this moment I am not speaking in terms of charity. I am speaking, simply in terms of the prevention of the future atomic war — the end of us all.

Mr. W.J. Patterson (Leader of Opposition): — Mr. Speaker, it is not my purpose to prolong the debate, I merely wish to make two observations — one, I would like to compliment the Mover of the Resolution, the hon. member for Maple Creek, for having brought this Motion before the House, and for the, generally, very excellent address in which she presented it to us, notwithstanding the fact that in moving the Motion she could not resist the temptation to give the Government of Saskatchewan a bit of a boost, as the hon. member did on the occasion of extending thanks to Mr. Fisher when he spoke to us the other day, and notwithstanding the fact that the Secunder of the Resolution, the Hon. Minister of Reconstruction, found opportunity to criticize the Opposition.

I wish merely to say, Sir, that we in this group are entirely and thoroughly and wholeheartedly in sympathy with the sentiments expressed in this Resolution.

Resolution carried unanimously.

The Assembly then adjourned at 5:55 o'clock p.m.