

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fifth Session - Tenth Legislature

Tuesday, March 2, 1948

The House resumed at 3 o'clock

BUDGET DEBATE

The House resumed, from Monday, March 1, the adjourned debate on the Motion of Hon. C.M. Fines (Provincial Treasurer) that Mr. Speaker do now leave the Chair (the House to go into Committee of Supply).

Mr. P.A. Howe (Kelvington): — In rising to speak in this debate on the Budget, I wish to compliment our Provincial Treasurer, the hon. member for Regina, for the splendid Budget Address and the manner in which it was delivered in this House, last Thursday evening. I think it was one of his most outstanding contributions since this Government took office in 1944, and I am convinced that the hon. member will deliver many more budget addresses in this House through the years that lie ahead.

The Opposition has been quite critical of our Budgets in the past in that we are spending too much money and that taxation should be reduced. I do not think that any member in this House is in favour of spending huge sums of money just for the sake of spending, but having lived up to our election pledges, which is more than previous Governments usually did, I have no apologies to make. I am proud of what has been accomplished in the last two or three years. One thing is certain that a government cannot increase Social Services on the one hand and eliminate revenues on the other. This has always been the criticism and inconsistency of the Opposition.

We have, however, paid up a lot of Liberal debts since we came into office; we have paid off some \$70,000,000 of the net debt of this province in the last three and a half years. In other words we have reduced the debt burden on the people of Saskatchewan equal to \$79 per man, woman and child in the province, which again is not too bad. In addition to that, the Government has increased various Social Services in many ways since we took over.

I want to say here that, during the past three and a half years, the present Government has removed the Education Tax on foodstuffs, second-hand goods, drugs and a few other commodities thus removing the most regressive features of the tax which was put on the Statute Books of the Province by the Liberal Government in 1937. Few if any can be found, who would try to justify a tax on food-stuffs such as the Liberal Government in Ottawa has extracted from the people of Canada in the last seven years. Any tax on food bears most heavily on

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large families, whereas a tax on clothing, automobiles and luxury goods depends largely on ability to pay. Let us take clothing for an example; a low income worker may buy a \$35 suit every second year. I can remember the time when I used to wear the same suit for four or five years, whereas the well paid worker may buy a \$90 suit every six months. In the former case we would collect \$3.60. Clearly this is based on ability to pay. Anyone who can pay \$4,000 for a new Packard or some other high priced automobile can well afford to pay the government the 2 per cent Education Tax which would amount to some \$80, while the person whose income is not so high or high enough to buy a car, it would not require them to pay anything. Nor does the person who buys a second-hand car any longer have to pay this tax. Yes, the regressive features have been removed to a very large extent.

During the past two or three years, Mr. Tucker has spent a lot of time in the Province of Saskatchewan, and during that time I have never heard him protesting the new 25 per cent Excise Tax which has recently been placed on automobiles, electric refrigerators, washing machines, ironing machines and many other items. This is done when already, this year, the surplus of the Dominion government is over \$500,000,000. Nor have I heard his voice raised in Ottawa against the 8 per cent Sales Tax on everything we buy, or against the 25 per cent Luxury Tax which is on many things that can hardly be called luxuries, such as watches and crockery. Nor has he done anything to get the Dominion Government to remove the Amusement Tax which they entered during the War, and which would greatly assist our municipalities if the Dominion Government would withdraw. Nor have we heard him protesting against the heavy Income Tax levied against workers with low incomes, and he has had little or nothing to say about the Decontrol Policy of the Federal government which also resulted in greatly increased living costs for all of us.

Instead, we find this picking on our little 2 per cent Education Tax which yields this government something like four or five million dollars a year. At the same time the people of Saskatchewan, last year in 1947, paid twenty-three and a half million dollars in Income Tax to the Government at Ottawa besides seven and a half million dollars in Corporation Tax. What the people of Saskatchewan have paid in Sales Tax and Excise Tax for the present year is not known, but, in 1945, Saskatchewan residents paid in Sales Tax \$26,069,000 and in Excise Tax \$31,804,000, and I am confident that, for the year 1947, their figures would possibly be 30-percent greater than in the year 1945. I would, therefore, assume that the people of Saskatchewan would pay about \$75,000,000 in Sales Tax, and Excise Tax to the Dominion Government in 1947, or a grand total of \$106,000,000 including Income

Taxes. In addition to this, the people of Saskatchewan have paid enormous amounts for tariffs and customs duties which would ably reach \$30,000,000 in one year. Has anyone heard the Liberal Leader for this Province, Mr. Tucker; or any other prominent Liberal in this Province, ever protest against the people of this Province having to pay the Federal Government over \$136,000,000 in one year's taxation? Mr. Tucker, being an influential member in the House of Commons, if he is sincere, Mr. Speaker, in his desire to lower the burden of taxation on the people of this province, I would suggest that he get busy immediately because he has a wonderful opportunity to get to work on this particular job while he is a member in the House of Commons.

During the last three or four years, so many farmers have been able to say for the first time in their lives, "At least I have the mortgage paid off, and we can at least call this farm our own." Yes, I have heard them say, "it is about time we built a new house, we have lived in this old shack for so long. Our children, who have worked so hard to help us provide what we now have are entitled to a certain amount of comfort or they too may lose interest in farm life which is so important to the Province of Saskatchewan and the welfare of Canada."

My only regret is that it required a major war to make these things possible.

Last summer, in one section of my constituency the farmers and towns people got together and decided to gravel a main market road going into the town. Individual farmers put up one hundred dollars each, and the municipal council put up \$100, and, as a result, these people gravelled some 22 miles of main market roads leading into the town of Kelvington. I mention this because people are willing to pay for those things which add to their needs and happiness, if they are given an opportunity. I also find that people today are building memorial curling and skating rinks to provide recreation and pastime for young people and old. For example, in the town of Kelvington, a huge memorial rink is being built; the committee in charge drove up to Prince Albert this summer, and made a satisfactory deal with the Saskatchewan Timber Board for all the materials required, and I can assure my listeners and all members in this House, that they are very happy about it all.

The Timber Board of Saskatchewan means something to those people, and while there is considerable lumbering in the northern part of my constituency the Saskatchewan Timber Board, like so many other

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undertakings of our Government, is going to assist in electing a C.C.F. Government in the next election.

I have also noticed two new schools in my constituency in isolated areas where there never was a school before or any educational facilities available for those children in the years gone by. Driving past the school several times, last summer, I could not help but feel, when I saw those children playing in the schoolyard, here are some 20 children for the first time who have been given the opportunity to have a qualified teacher to instruct them in what Democracy means and the responsibility of Canadian citizenship. This was made possible under our Larger School Unit of Administration.

Through the equalization of taxation in the Larger School Unit Areas, it has been made possible to provide these services. This is approach to equality of educational opportunity together with many other advantages available, which would otherwise be impossible.

I also see many hospitals being built. In 1944 when this Government took over there were some 3.9 hospital beds per 1,000 people, which is very inadequate. In order to make our health program effective, more hospitals were necessary. For the first time in the history of this province, building grants have been made available for the construction of hospitals and these grants are based on necessity and the ability of any given community to carry the load on its own, and I am happy to say that, as a result of this program, we have at the present time some 6 beds per thousand people in the Province of Saskatchewan.

I would like now, Sir, to address a few remarks to the Chambers of the Opposition and particularly the hon. member from the Mediterranean Area. I want to say to them the people of Saskatchewan are not going to be stampeded into any fears attempted by some members of this House, that the policies and the program of this government are threatening the freedom and liberties of our people. I refer, now, to the hon. and gallant member from the Mediterranean Area and I ask you, Mr. Speaker, for permission to read a letter I received from one of my constituents just the other day:

"I am writing to you as a member of the Legislature for Kelvington in which I reside believing the following may interest you. I have been listening to the radio broadcasts and proceedings in the Legislative Assembly and heard the address made by Mr. Embury a few days ago, Armed Forces' Representative, and never have I heard or read a political speech so lacking in Parliamentary courtesy and so full of sly insinuations and name-calling in his remark asking 'all decent people

in Saskatchewan to oust the CCF Government". I took this as a personal insult, taking the meaning out of it that I, believing in a Government of the People and not a Government of the capital controlled political party, am not a decent citizen.

"The result of his speech has been that today I applied for membership for Mrs. Schiller and myself in the Co-operative Commonwealth Federation.

"If you wish to use this letter you have my permission in that it would give as a great deal of pleasure if Mr. Embury was made aware of the fact that he is instrumental in gaining two new members in the Co-operative Commonwealth Federation and Humanitarian Movement."

Now this sort of criticism helped win the Election in 1944, and it will help again in the next election.

I went to say further to the hon. member and all the members opposite that the CCF has its roots deep in the soil of the Province of Saskatchewan, yes, deep in the hearts of men and women . . .

Mr. Procter: — They are suffering from root rot though.

Mr. P.A. Howe: — . . . who in the last 25 years have given of their sons in two major wars to serve on the battlefields in so many parts of the world to preserve Democracy. Our memories are not so short but we remember the days when the Liberal party had complete control in Saskatchewan and at one time — if I remember correctly — the only opposition was the late Dr. J.T.M. Anderson and the CCF unheard of in Saskatchewan.

Later, in 1933, when wheat went down to 23 cents a bushel, because of a supposed surplus and millions in the world were suffering with hunger and starvation, schools in Saskatchewan were closed because farmers could not pay their taxes; farmers were threatened with insecurity; teachers' salaries were unpaid, with some 600,000 of our Canadian youth unemployed and the refuge for these young people were the soup kitchens, later only to join the army and become the heroes of our nation. What a tragedy, Mr. Speaker!

Those were the days when members opposite were content

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to say nothing about our people losing their rights, privileges and dignity that they had worked so hard to get and had a right to enjoy. I want to say to you, Sir, and members in the Opposition, that freedom of the individual ends where it interferes with the liberties of the many. The kind of propaganda and fear attempted by the members of the Opposition do not lead themselves to strengthen our Democracy; rather the opposite.

Again I want to quote from the December issue of Maclean's entitled "Backstage at Ottawa", by the 'Man with a Notebook':

"Duplessis will call anyone a Communist whom he does not like; any aggressive Labour Union leader, not only in the International Unions but in the Catholic Syndicates, too, is likely to be branded publicly as a Red. Privately, the Communist smear has even been swabbed upon some members of the Catholic Clergy.

This indiscriminate name-calling has had an unexpected result. It has bracketed with the Communists to their undeserved credit, practically everybody in Quebec's Labour movement who is active enough to attract attention. More and more French-Canadian workers are saying, 'If that's what Communism is, then I'm all for it.'"

Mr. A.T. Procter: — Pretty good is it not?

Mr. P.A. Howe: — Mr. Speaker, I know of no other way to forestall my form of dictatorship than to make our Democratic way of life workable at home. This can only be made possible through the People's Movement in which people generally assume responsibility. In our C.C.F. Movement, the people themselves are formulating the policies and program of this government. This is done at constituency and provincial conventions which are held every year and thereby placing responsibility on the people. In other words "Government of the people, by the people and for the people" is the only road to the attainment of a real political and economic Democracy.

Mr. Speaker, I shall support the Motion.

Hon. J.L. Phelps (Minister of Natural Resources): — Mr. Speaker, in rising to take part in this Budget Debate, first I would say that I have not taken part in the two previous Budget debates, nor in the Debate on the Speech from the Throne at this Session. At one time I had thought that, possibly, I could convey to this House information in regard to the Department, and in regard to other expenditures, on other occasions that are afforded in this House.

However, after certain statements were made, yesterday in particular, I felt called upon to say something, and before I do I would like to add my word of appreciation to the Provincial Treasurer who submitted this Budget to the House. I think he had good material to work on but he did it in a splendid manner. He did credit to himself, to the Government of which he is a member as a representative of his constituency and the Province as a whole.

The Budget provides a good deal of scope for the discussion of the various problems and programs of the Province and of the Government; I think it affords one of the best opportunities during the various Sessions to review the work of departments and to discuss a future policy.

Before we go into that I would like to say a few words about the constituency I represent. I want to say that there are many parts of the province this past year which have experienced crop failure. However, so far as Saltcoats is concerned, we have been blessed with a very good crop. Like some other parts of the province we have had almost too such moisture, and in the eastern section there are some areas there that will require some drainage, and I want to say that serious steps have been taken to remedy that condition if it becomes more aggravated. To say that during the past year, as a result of that, some of the road work that was planned was impossible to carry out and discussing the matter with the Minister of Highways, we went down and checked over the situation before those programs had to be abandoned for last year, and it was agreed that this coming year, if the conditions permitted and the water levels had receded to some extent, the program would be resumed and completed this year; and there is part of it that has been arranged for, and I have taken the Minister at his word knowing he will carry it through. I want to say if it is not carried through, he will hear something from Saltcoats.

I had hoped the Leader of the Opposition would be in his place, and I hope he will be able to be back in the House. However, to say something in reference to some of the statements he made, yesterday, I want to say on behalf of the Members on this side of the House that we are anxious at all time to give what information

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is available on the various workings of our departments. There is an opportunity in the estimates when they are going through the House; there was opportunities when the Public Accounts Committee are examining the Public Accounts, and there are various opportunities during any session to present these various matters and I am sure all hon. members will be pleased to avail themselves of the opportunity of acquiring that information. However, in listening to the speech that was delivered yesterday in this House by the Leader of the Opposition, I want to say that, so far as I am concerned — and I think many other members on this side of the House — we had more or less decided to treat the Leader of the Opposition rather kindly up until that point — so far as I am concerned at least. After all, he gave us quite a "swan song" a year ago, and we took him at his word. In the interim either he changed his mind or somebody else changed it for him, so the position to some extent is changed, and I want to say in regard to this changed position it might be that the Liberal party is looking, again for another Leader — and Heaven knows they need one! — maybe they have their eye on the Leader of the Opposition; maybe that is why he still has his hat in the ring.

I want to say that I am sorry the absentee Leader of the Liberal party is not in the House, and am sorry he did not avail himself of the opportunity and the invitation of our Premier to be present, here in the House and answer for some of the irresponsible statements he had made out in the country. He made those statements knowing full well he would not have to be here to answer for them.

Hon. O.W. Valleau: — And never will.

Hon. J.L. Phelps: — And, as my friend says, never will, which is quite possible. I went to say, also, that I have heard many supporters of my hon. friend's party over there make this statement, that Mr. Tucker last fall did just the same thing our hon. friend, Mr. Embury has done just recently, and that it made more supporters and voters for the C.C.F. than he did for any other party due to statements he has made.

I notice that the Leader of the Opposition ordinarily is much more cautious than is the Leader of the Liberal party in the statements he makes, with one notable exception, and that is the speech he made yesterday. I have mentioned before in this House that I have had a great deal of respect and admiration for the Leader of the Opposition on occasions when I used to sit over there and he sat over here, particularly on those occasions when

he presented the Annual Budget to this House. I used to think, considering the material he had to work on, he did a remarkably good job of it. But it seems to me he has not been able to accustom himself to being on that side of the House and to perform his duty as the Leader of an opposition, nor does he seem to be able to adjust himself to that new role. That may be a matter of opinion, but it is my observation. The exhibition we had yesterday did not do a great deal of credit to this House, not that the criticism he levelled was out of place but the speech he delivered — and I think he will be struck with it himself when he sits down and reads it over — it is nothing but a bunch of clap-trap half-truths and most of it pure tripe. I never listened, in this House, to such a bunch of bits and pieces as I did, yesterday, in the speech he delivered on that occasion.

Mr. Procter: — You have never heard yourself.

Hon. J.L. Phelps: — His usual restraint was missing, and as has been said before in this House that the criticism of the Government's policy so far by the Opposition has been picayune — somebody says 'peanuts.' Well, relatively speaking, yesterday it could not have been even peanuts; it could be nothing short of Timothy seed, something you need a magnifying glass to find. If this proves to be the 'swan-song' of my hon. friend, that is his last major effort in replying to the Budget Speech presented to this House, it is regrettable that he chose to go out on such a low note. He is helping neither himself or his party by making a contribution of that kind.

I am going to leave to the leader some further comments I had to make regarding specific statements he made on that occasion. We have waited for his presentation and though we have not had a chance to analyze in detail all the things he said — and it will not be possible until the speech is transcribed — I did note some of the remarks he made. So far as I am concerned, I am proud to be a member of a Government who had the courage and the determination to present to this House the budget of the type and nature that was presented by the Provincial Treasurer a few days ago. In other words, rather than being afraid of bigger and better budgets, I welcome bigger and better, and I hope that next year this Government will be able to bring to this House, and be able to substantiate it, a bigger and better budget than ever. Why do I say that? Because it seems that some people are overlooking something. My friends over there will be the first ones to suggest certain things the Government should undertake. Every one

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of these undertakings invariably needs additional expenditure. Members of this House well know the economic consequences when all governments, all municipal bodies, all public bodies — whether they are municipal, provincial or federal — start to retrench and retract and curtail, not only their expenditures but their development part of their programs. After all, it seems to me the purpose of a government is to govern, to give leadership to its people; and just as soon as a government starts to retrench, it ought to be a signal to everyone else to do the same, and this House well knows the economic results of a program being applied at that time. If we have no depression when it starts, we will certainly have one before it gets very far. There is one thing that will give stability to this province and to the Dominion of Canada and to any other country, and that is the matter of continued confidence and expansion.

I noticed an editorial in the paper here a few days ago, just after the Budget was introduced, cautioning about the matter of curtailing expenditures in provincial programs. I think people would be well advised to examine some of those statements very closely, and that whole approach to this problem. I do not believe that anyone, including the government, can borrow himself out of debt. I am not advocating or suggesting, in fact, I would oppose a program of that kind. On the other hand, if you check this Government's record, you will find that not only are we at the same time working ourselves out of the provincial debt that was mentioned by my hon. friend the member for Kelvington, but this Government has been one of the first to start to pay off the provincial debt. Former governments — the Liberal government of this province — simply added to the debt almost every year, with a few exceptions, but the exceptions were very few. All you have to do is go over the Public Accounts here. You will see their record for yourselves; and so I say that this is the first provincial government that has ever gone about it in a serious manner, paying off some of our provincial debts, not by borrowing new money to pay them, but actually liquidating them and paying them off. At the rate we have gone for the past four years, if we can keep that rate up so far as our debt is concerned, possibly in twenty or twenty-five years it will be possible to have Saskatchewan on a cash basis. And why would that not be a good thing? Get away from paying so much interest, with the heavy drain that it has been, over the past years when my friends in the Opposition were the government. These debts are not our creation — they have been created principally by my friends sitting on the Opposition, when they were over here.

I want to emphasize again, the Leader of the Opposition tried to represent to this House, although I do not believe he even convinced himself, that the taxes had been raised substantially. Now, if he refers to taxes so far as the taxes collected by the Provincial Government are concerned, then I say he is either trying to kid somebody else or trying to kid himself. I am not talking about the taxes that are levied by the local authorities — that is quite a different matter, and is not the matter to which he referred — but it is the taxes that are paid by the people of this province to the Provincial Treasurer of Saskatchewan. I have here, taken

from the Public Accounts of this province, the amounts of moneys that have been paid over the years, the various types of taxes, to the provincial government. We find, for instance, in 1944 — a year quite often referred to as a landmark — the amount of money that was paid by the people of this province in taxes, in licences, and in fees. Those, as my hon. friends know, are the main and principal items to which the people of the province contribute. In 1944 we find that they paid in — in those three categories — \$15,913,934. In 1947 they paid in \$16,185,000 — a total increase in those two years, comparing one year with another — of only \$271,066. That is a very small increase, and no amount of arguing that my friend over there can produce, now or at any time in the future, can refute those statements. That is the sum total of taxation increase by this provincial government, not only in taxes, but he is talking about licences being increased and all the rest of it — but that is the sum total of the whole thing. In addition to that, when we have only raised taxes \$271,000, we have provided several billions of dollars of additional moneys for social services of various kinds.

I repeat again that we have paid off a very substantial amount of the provincial debt of the province of Saskatchewan. We have carried on an expanding program in every department of the Government, and I hope that expansion will continue — not in a mushroom fashion — but in a steady development program for the province. Some governments think that the time of prosperity is the time to economize and save, and I want to repeat again that it is ideas such as these that encourage depressions. I am just 'Scotch' enough, Sir, to want to be assured that money that is voted in is not just spent in the ordinary sense — I am one of those who is most anxious, as other members of this government are, in seeing that this money is invested rather than spent, and that it is invested in such a manner that it will provide a foundation for the future economy of our province that will serve its purpose in expanding economy. The Opposition say 'Reduce.' I noticed, yesterday, the Leader of the Opposition said — 'stupid!' trying to give the people the jitters! — but he did not offer one constructive suggestion as to where or what item of that whole list he would suggest should be reduced. When he or his colleagues rise to speak on this debate, if they get up and say that this budget is too big, it is their responsibility to go over that budget item by item, department by department, and show us where appreciable savings or reductions should be made.

Mr. Procter: — In the Fish Board!

Hon. Mr. Phelps: — My friend says the Fish Board. Have a little patience, you will hear something of that yet. I am not denying that mistakes have been made, but I do not think any of a serious nature have been made. Naturally as long as we have governments that are run by human beings, there will be errors in judgment; but I hope this Government continues to be big enough to admit it, any time there is an error in judgement.

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I want to tell my friends in the Opposition that there is one mistake this Government has not made, and that is, not continuing our expanding program; in other words, this is not a 'do nothing' government, as my hon. friends used to be when they were over here — we get things done, even if we do make the odd mistake — and I would rather be among those who err in getting things done, rather than be like my friends over there, a 'do nothing' group.

I believe the people of the province of Saskatchewan have been getting better value for their tax dollar, in the program of expansion that this government has initiated, than from previous governments in this province. Speaking for my own Department, possibly I or someone else can go over that Department and point out places where money could have been saved — where expenditures were made that, had we been able to foresee them, would not have been made. It is very easy to look back on things and say what should have been done; but I will say that in the main, the people of the province of Saskatchewan are getting good value for the money that has been expended. It is easy enough to criticize. Naturally, that is one of the duties of an Opposition; but I recall when we were over on that side of the House, we operated under two different Leaders during the time I sat over there, and both of those Leaders impressed upon us from time to time that our job was not only to offer criticism, but to offer constructive criticism, and we always undertook to do that. That is one thing that is noticeable by its absence in my friend's group over there.

In answer to my friend's criticism that this Budget is too large, I wonder if he and the members of his group are aware of the fact that there is a small group of companies operating in the province of Saskatchewan that have invested as much in certain years in Saskatchewan — in one year, in their own programs — as we are doing. I would like to think of the people of Saskatchewan as a whole, being bigger than any other group within that society, and I would like, to think of them as having sufficient confidence in their own welfare and their own future to invest substantial sums in the development of our province; and that is the view I take of the government presenting any budget to any provincial legislature. If it is good business for business institutions to invest money in Saskatchewan, then why is it not good business for the Government itself? The C.C.F. Government believe that Saskatchewan is a good place to invest our money, and that is one of the main reasons we are looking forward, year by year, to bigger and better budgets. We believe it will pay good dividends to adopt an attitude of that kind. You can never build up a farm or any other kind of business unless you are prepared to invest some money into it, and invest some hard work. Those are two very necessary ingredients to the development of any business, and it is equally true as applied to the Province of Saskatchewan. If we ever expect this province to get anywhere we must look forward, although our friends over there would like us to keep our eyes on our toes — but the C.C.F. looks forward with confidence to the future development of our province.

My hon. friends talk about the budget they brought down — I think more or less apologetically now, when they look back. In 1944, the last budget they brought down (and I hope it will be the last that they bring down) on a per capita basis amounted to \$35.25. The one this Government introduced a few days ago to this House amounts to \$62.02 per capita.

I know my hon. friend the Leader of the Opposition tries to frighten the people of the province by using big figures, and tries to confuse them by juggling figures sometimes; but when you work it out, on a per capita basis, that \$62.02 per capita for the people of the province of Saskatchewan is not something that will frighten them very much. What they want is development. They do not want to go back into another depression and hard times, as was the case when my hon. friends sat on this side of the House. I am not suggesting for one moment that Saskatchewan will be able to build a fence around our province, if economic conditions in the world start rocking the boat; but I do say this — if all provincial governments take a forward-looking attitude it will be possible, to a large extent, to at least soften the shock, and it will go a long way toward providing their old people with the necessities and some of the good things of life.

The hon. member for Kelvington mentioned that this Government had been responsible for taking care of an amount of interest. That interest payment per capita, when the Leader of the Opposition was the Leader of the Government, was \$8.91 per capita. Today, as a result of lowering interest rates and paying off some of our provincial debts, the interest now per capita is down to \$6.88. I think that is a very substantial reduction in a very short space of time. Many of the predictions made by the Opposition did not come true, as usual. They said, last year, that we would end up at the end of this year in financial difficulties. The financial statement that has been presented to this House is the healthiest one that has been presented to this Legislature to date, and I hope that I have sufficient confidence in the future of Saskatchewan to believe that we can carry through next year in the same way.

There have been some statements made in the House to the effect that the main conflict today is between a new social order and free enterprise. The Opposition say that Socialism is on trial. I am going to submit that Socialism is not on trial, and predict that before very long — my friends of the Opposition have a new word for capitalism now; it is all dressed up as "free enterprise", but they can sugar that pill as much as they like and it is still capitalism with all its evils — it will be capitalism that is on trial, not Socialism.

The Minister of Labour, last night, at Ottawa announced that 200,000 people in the Dominion of Canada are unemployed. If you add to that figure their dependants, you have a very substantial number of people who are out of work today. What is wrong with your capitalistic system? What is wrong with your price set-up today, that the rank and file of the common people are asking for price control, that system that you maintain that does not need any governor, that operates itself by some hocus-pocus means? They are going

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to find out that they are going to have to give some serious attention to this economic machinery that they are defending — and it is going to take some defending. Here is something that one of their own people has stated quite recently. This is not a socialist I am quoting now, but Richard G. Lewis, Editor of 'The Canadian Broadcaster', in a speech made to the Junior Chamber of Commerce at Chatham, Ontario, on January 19th. As I understand it, Mr. Lewis is not a Socialist — he is a believer in the capitalist system, and here he is warning the people to whom he was speaking as to what they are up against. Rather than dealing with abstracts and shadows, he was telling them to deal with realities. Here is what he says:

"The Dominion Government controls finance through its Bank of Canada. It has its tentacles wound around the business of transportation, through its Canadian National Railways, its Trans-Canada Air Lines, and even road transport is affected by the government-owned Polymer Corporation which, long after the war, is still the only concern making synthetic rubber required in the manufacture of tires, and so constitutes another government monopoly in a vital industry. These are the supply lines through which government can control industry without having to go through the motions of nationalizing your business or mine. These controls are implemented by the government-operated Canadian National Express and Telegraphs. Then, of course, as media of propaganda, Ottawa has its Canadian Broadcasting Corporation, regulating private radio with its complete control of all the promoting, and at the same time competing with private stations in the field of radio advertising. It has its National Film Board, with its talons sunk well into this other potent medium of information. So far, thank God, the press has escaped its claws. Other less important fields into which governments, federal and provincial, have trespassed, are insurance, electric power, telephones and even through the Federal War Assets Corporation, the junk business. There is the handwriting on the wall!"

These are some of the things that are maintained by my friends on the other side of the House. They stand up here and criticize Crown Corporations. They centre their attack on this Government on the fact that we have stepped out and carried out our program upon which the people elected us, in organizing Crown Corporations to carry on some of the business of the economy of our province. Still, at the same time — I don't know how they do it; they must do it with tongue in cheek — they support a Federal Government that has (I have here a list of Public Accounts of this year for the Dominion House) over 41 Crown Corporations that are operating and have been operating. Some of them have been disbanded since termination of the war.

There is no use of them playing "Pollyanna" — they must be Rip van Winkles — they must have gone to sleep; but they are going to wake up one of these days, to find that their own Party has gone a long way in socializing certain branches of the economy of the Dominion of Canada. They say they do not like it; why do they not tell their own representatives so? Why are they not consistent? We are simply branching out into new lines — the very things that my hon. friends have supported their Party in doing in the federal field.

Yesterday, the hon. Leader of the Opposition made certain statements about other phases of our provincial economy. It seems to me they are like jackals, repeating — "Socialism and Regimentation vs. Free Enterprise" — and while they are doing that the caravan passes; things are going on. It may not be of much avail, Mr. Speaker, to lecture to this House, trying to get my hon. friends to see the light of day. Someone once said, "There's none so blind as they that won't see"; and so I do not expect to convert them; but I would like to put on the record of this House the fact that, while they stand in their places and criticize this Government for carrying out a forward-looking program, they at the same time support their federal group that is doing exactly the same thing. I shall refer to that further in a few moments.

They say that social ownership will result in dictatorship. I submit, Sir, that we have two choices: either social ownership, in which the people as a whole will play a part and have and maintain control, or it is capitalism that my hon. friends seek to perpetuate that surely will result in dictatorship. We have it rearing its ugly head right here in Canada today.

The government of which my hon. friend was the Leader, did some socializing themselves. He mentioned, yesterday, about them starting the Telephones and he took some credit for having done so. He mentioned the Power Commission, and I am going to refer to that a little later on — and to their record of public ownership. Yes, they made certain starts; with their tongues in their cheeks. I want to say that this is not new in principle; it is something that has been going on for some considerable time. Social ownership is democracy in action. The people must control our own economy, or the economy will control us. That is what has been going on as far as the workers are concerned with the interlocking of directorates of big business which largely controls the business of the Dominion of Canada.

I was rather amused, just a couple of days ago, to hear of a lady in this City who, in speaking to a group in this city, said that she did not want to be classed as a shareholder of these Crow Corporations of the C.C.F. She did not want any part of them.

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Well, Mr. Speaker, she and all the rest like her had better find a Robinson Crusoe island of some kind and buzz off to it pretty quick, because whether she likes it or not, she is a shareholder in something around 41 Crown Corporations that the Federal Government — that she is out supporting — has organized and maintained.

Talking about people like ostriches who 'put their head in the sand'; but, Mr. Speaker, they must have got a lot of sand in their ears too, otherwise they could have read and seen and heard what was going on.

Mr. Speaker, it appears to me that the term free-enterprise is a misnomer, and I think to prove that all that we would need to do is to check up on what is happening, in the investigation that is going on in the United States today, into the combines and the monopolies that we have contended right along exist, and which my hon. friends have all besought to deny. I wonder what position they take, today. I notice that he very cautiously avoided any reference to it yesterday. Yes, he skates around that one pretty quick, Mr. Speaker. It is kind of thin ice; because he knows full well that these investigations are going on at the present time, and they are bringing to the surface a condition that many have known to exist for a long time. Right here in our own Dominion of Canada, the Federal Government, which my hon. friends support, have at last bestirred themselves to the extent that they are now starting an investigation themselves; things have gotten into such a shameful condition.

I want to say, Mr. Speaker, that the profits of these companies during the past immediate few years can be seen by studying the financial statements of them and you will see what is happening to our economy. Again I say, they must be Rip Van Winkles, surely.

And to bring another point to this House, something that has happened. I was asked, a few weeks ago, to speak to the Junior Chamber of Commerce of this city. About ten days or two weeks ago, I was asked to go up to the University at Saskatoon and speak there to the class of engineers, part of which will graduate this year — a group of some five or six hundred in the latter group — and in both of these cases they were all young men, with one or two exceptions. They were young men equipping themselves to start out in the world. The majority of them were Saskatchewan boys; and I asked the Chairman in both cases — I was curious to know one thing — I said to the Chairman of the Junior Chamber of Commerce: "What percentage of these young fellows who are in the business world in this area, expect or can reasonably hope to go into a business for themselves?" He looked over the room backwards and forwards for a few moments, and he turned to me and said, "I would estimate about seven per cent that will go into business for themselves," and he said, "of those seven percent, a very small percentage will own their own store." This man, I think, is not a rabid socialist,

Mr. Speaker, that I was speaking to. I was curious to find out where our business friends are leading us, and some of the conditions that are created by my friends who talk so much about free enterprise. Just how free is this thing, and how enterprising, Mr. Speaker? I did the same with the engineers, and to my surprise, the president of that Student Council, after looking over the whole body up and down the tables — some were apparently new to him; he took a few moments to run over them, and I was surprised to hear him say, when I asked him the same question "How many of these students can expect to go into business for themselves". Do you know what he said? Between eight and ten per cent" was his estimate. So, Mr. Speaker, it brings home to us, those young men that are being trained largely at public expense, we are supplying them with the education that will be paid for out of public funds, and when they have obtained that education, they will go into the service of some of the big Corporation that are seeking to control the economy of this country.

Now, they will faithfully say they will pay good wages; sure they will give them their hay and oats. I am going to say, Mr. Speaker, that some of the best brains of this country will be utilized in making more profit for the shareholders of those gigantic Corporations, and I say that it is too bad for Saskatchewan if we allow this kind of thing to continue, the siphoning off, shall I say, of the best brains of our country. Why can we not provide these boys whom we have trained and made a public investment in, in taking their place in the economy of our province and help to build it up on a social basis.

I ought to say, Mr. Speaker, that these youths will have three choices as I see it. It is a choice of what group they are going to work with. They can go with the group, the Corporations. Very few of them will be able to operate a business individually, so they have the choice of going to work for one of the large Corporations. They will have a choice of working with the Co-operative movement; fitting themselves into that field. Or they will have the choice of going in to serve society as a whole, on a social basis. Those are the three choices they have, and the first choice is narrowing down and getting less and less every year, the opportunities in that field becoming more and more restrictive. You know I sometimes think that my Liberal friends are like frogs. They stand up (the frogs) on their hind legs, and due to the way they are made, there is only way they can see, and that is straight backwards. Well, I hope that they would begin to take a little different attitude, and, if they stand up on their hind legs because they are built that way, that they at least turn around once and see what is going on around them.

Mr. Speaker, I want to say this, the common people are on the march, and they do not have any patience, a large number of them, with the

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viewpoints that are expressed by my hon. friends on the other side of the House. The industrial worker and the farmer are joining hands, not as special groups in all cases, maybe in a few; but there is getting to be a wider and a broader understanding. They are joining hands as citizens of our country, uniting their efforts and expanding and improving our economy, recognizing that they have everything to gain and nothing to lose.

With regard to some of the criticism that has come from the other side of the House, the hon. member from the Mediterranean was criticizing the Co-operative farms and he disclosed to this House that he had never even visited one. He gets a lot of his information, apparently, by reading the newspapers or hearing somebody gossip on the street corners . . .

Mr. Hansen: — The Leader-Post.

Hon. Mr. Phelps: — The Leader-Post, my friend says. That is not always the most reliable source of your information. I want to say this, some of the members on the other side of the House have sought to criticize our program in regard to fish, fur, and timber. While they are criticizing our fur-marketing service, for instance, with the exception of the hon. member for Athabasca who, I am glad to say, went over to visit our fur-marketing service few days ago — I have not heard him say yet what he thinks of it, but I hope he will express to the House what his reaction was — but with that exception, I am just wondering if any member of the Opposition has ever interested himself sufficiently to go over there and find out what goes on. No, they would prefer to stand on the outside and throw stones through the windows, and try to throw sand in the gears rather than doing something constructive to aid the economic development of this province. The people of Saskatchewan have little patience for that kind of thing.

I venture to state that some of our hon. friends over there have been asking a lot of questions, that I am going to refer to in a few moments, about development in the North and operations in the North. They exposed their ignorance of even the geography of that country by some of the questions, which indicates to me that some of them, at least, have never been further north than Waskesiu, maybe not even any further north than Prince Albert. Prince Albert, I want to tell the House, is still in the south half of the province of Saskatchewan. If you want to go north, go north and see what is going on, instead of sitting here and criticizing. I would suggest that you know the place first and then offer your criticism and suggestions. As far as we are concerned on this side of the House, on that basis we would welcome it.

Now, Mr. Speaker, the hon. Leader of the Opposition, yesterday, referred to the need of industrial development in Saskatchewan. Then he started in by telling how few claims — mining claims — had been staked.

He read something out of a newspaper possibly. My hon. friend should be old enough, and in this House long enough, to know that there are two sides to every question. Rather when he hears some bit of information drop he would be well-advised to get all the facts first before he fires the gun. He invited something when he made this crack about the number of claims that have been staked, because I found it necessary to make a few inquiries as to what is going on here, on a comparable basis. He says that there were a small number of claims staked in Saskatchewan. Here is the number of claims staked from 1936 to 1947, taking an average for 1939. When he was sitting on this side of the House and leading the government, there were 190 claims staked that year. In 1939, there were 193; in 1940, there were 40; in 1941, there were 22 claims; in 1942, there were 61; in 1943, there were 46; in 1944, there were 155 claims. Now, look what has happened from that time on! In 1945, there were 294 claims; in 1946, there were 295; in 1947, there were 319.

Now, I wonder what he thinks we are, a bunch of school kids in this House? He comes in here with figures that, I think, he would do well to examine very closely before he presents figures of that kind, realizing that someone else is going to have an opportunity to express some opinion and give the facts.

There is something else; he was bemoaning the fact that a mine was closed down in Saskatchewan. Well, I want to repeat what I said yesterday; that mine was closed down while he was the Leader of this government, and the closing down of a mines is nothing new in the Dominion of Canada. I have here in my hand, a list of the mines that have been closed in the Dominion of Canada — big mines not small ones, major undertakings due to the unsettled condition of mining, particularly in gold mining, there are 37 mines closed down in the Dominion of Canada, today; there are ten in Ontario, eleven in British Columbia, three in Quebec, two in Nova Scotia, the balance scattered over the Dominion of Canada. Sure we have a mine closed down. My hon. friend, instead of offering some constructive suggestions, he should know full well why that mine is closed down. It is not something that is new; but I want to point out to this House what has been the record in Saskatchewan with regard to mineral production here, as compared to the Dominion of Canada. I am anxious to get the whole picture, not just get it in bits and pieces. What have we got here in the Dominion of Canada and the Province of Saskatchewan? Take the year, again, of 1938; that was the year when my hon. friend was the Leader of the Government again. In 1938, the value of the minerals developed in Saskatchewan was a little over eight million dollars. With a few exceptions, it has steadily increased. During the last four years that increase has been doubled and it is four times as great now as it was in 1938.

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Now, compare what the whole Dominion of Canada has done. Their production was \$529,000,000 in the same year, 1938-39. Today, it is \$493,000,000 for the whole of the Dominion of Canada — less today than it was in 1939. If I had the time I would go through the entire list; but I will table these, and my authority is taken from the Journals of this Dominion. When the hon. member stands up in the House and tries to lead the people of this province to believe that mineral production is lagging in Saskatchewan, he is either trying to 'kid' himself, or deliberately mislead the people of the province, one or the other; and I suggest to him that the next time he tries it, he had better get the facts.

He says that industry lags. Again, facts prove that industry and business in Saskatchewan is in a thriving condition, and there have been more businesses organized than in any period of our history, which has been covered before in this House. I ask the hon. members of that side of the House how they performed when they were over here, in regard to industry, and I remind them again that during the time they were here they did not get any industries. Not even in war time were they successful in having war industries established here, although other provinces did so. Certainly there is a reason why some industries do not come here — they are established in other provinces — they do not want industries in the West, and particularly some of them do not want industries under social development plans. I want to also remind the House that when the Opposition were over here they had some industries started . . . yes, they put a half-million dollars — they do a lot of hollering about a few thousand dollars of deficits in some of our Crown Corporations; but when they were on this side of the House they put a half-million dollars into one enterprise, and then they sold it for the magnificent sum of one dollar. But, of course those are some of the things they do not want to be reminded of. Well, it is time someone reminded them of some of these things when they, are criticizing the things that are happening today.

They were critical of the fact that the Imperial Oil had left Saskatchewan, had ceased their development program. Well, I have no apologies to offer. When any corporation in this province starts to pound the table and put the lid down and say, "we'll only develop on such and such a basis, or else!" — if I am going to be Minister of Natural Resources on those terms, it will be "or else" and that's all!

My hon. friend mentioned Leduc. Well, that may be a historical event in the Province of Alberta — that same Leduc; because we find today that the major oil company has got a stranglehold, almost a monopoly, on that particular oil field, and it is not only giving the government concern there, but it is giving the people more concern. If my hon. friend wants that sort of thing to take place in Saskatchewan, Mr. Speaker, it will not be done with my say so.

My hon. friend says, insofar as development is concerned, "no revenue from the big corporations in Provincial Revenue." I want him to know that, during the past year, one of the largest mining companies in the

province of Saskatchewan — I refer to the Hudson Bay Mining and Smelting Company, so that no one need do any guessing — that Company's contribution to the Provincial Treasury will be approximately one and a quarter million dollars. What was it when my hon. friend, the last year he sat over here heading the Government? All he got from that Company was \$186,000. If you go to Public Accounts you will find my statement correct. I have found that Company honourable to deal with, and their dealings above reproach so far as I am concerned. They have co-operated with this Government, and I suggest that they believe in all our policies, or are convinced that they are the right ones to follow. At least they say this: The President of that Company, last year, paid me what I thought the greatest compliment when I met him up there, in discussing this matter — he said, "Phelps, you drive a hard bargain, but we are not kicking, for we have learned one thing; when you say a deal is a deal, that's it. We know where we stand." As far as I am concerned, there can be no better word of praise than what he said in that regard — that my word can be taken. Of that comment I would like to say that while their royalty rates have been increased four or five times, they are now on a sliding scale, and the more money they make, the more we will make; the greater the value of that ore, the more money will come back to the province. Possibly next year, we will get a greater revenue. We had expected even a larger revenue this year; but there are reasons why that did not happen, which I shall explain later on.

You say — "Why, you are bleeding them dry!" Not necessarily; they are not kicking, because if they had not paid that to the provincial government in royalties, they would have had to pay just that much more in federal taxes to the Dominion Government. While they paid a million and a quarter to the provincial government, they possibly paid three or four million to the federal government in excess taxes, income taxes, and corporation tax.

Now, anyone who says to this House — "We are not getting revenue from these sources", is not giving the facts. The revenue to our Department, generally, has been substantially increased. Those who criticize the Budget and the fact that revenues have not been spread over sufficiently wide an area should take some of these things into consideration. A statement was made by the Leader of the Opposition, yesterday, that insufficient revenue was obtained from the Department of Natural Resources. Well, he is certainly sticking his neck out there. He said we went up and down the country before the election, saying that we would get revenue from the development of our Resources to finance our program. Here are the figures — and some of the figures are the result of his own government's work, so I take it that those can be depended upon, even if the more recent ones could not be. If you follow through, what has been the revenue from the Department of Natural Resources? Here it is. In 1939-40, the revenue was \$551,000; in 1940-41, \$582,000; in 1942-43, \$594,000; in the next year, \$526,000; in the next year, \$522,000; in 1943-44 (that was the year my friend wants to watch for), \$515,000; in the next year, \$601,00 (the first year we were in office); in the next year, \$1,688,000; and last year over \$1,500,000. I have a graph here showing that the revenue to

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the Department of Natural Resources for this year, and you will note that this revenue is anticipated to be almost \$3,000,000; in fact, it is possible that before the month is over it may reach that \$3,000,000. I maintain that is rather a healthy growth in a very short space of time. I do not suggest we have reached the top, by any means. I believe that the resources of this province can be looked forward to, to return eventually possibly four or five million dollars. They should do that, with proper management and proper conservation programs; and I predict that this coming year, the Department of Natural Resources, with the revenue from its Crown Corporations that my hon. friend is directly concerned with, can expect \$3,750,000 returns from those particular undertakings. Now, that is not bad — it is, at least, a beginning — and it is a heck of a lot better than my hon. friends over on that side of the House ever could do. Let them trot in something better.

That revenue, this year, is exclusive of revenue from provincial lands. That has been taken out, and it is a very substantial revenue, by the way; but that is now going into the Department of Agriculture, and is going to be quite substantial, as it always was; but the revenue this year is less the land revenue. In spite of that, the figures I have given you are ones that will apply.

Now, my hon. friends criticized me for increasing the Public Service Commission. Well, in passing, I want to say that we have nobody now who initials them free, as they used to do when they were sitting over there. We pay for that service now, Mr. Speaker; they used to get it free; and we do not have anybody to initial their applications.

He also said quite a few things about the Crown Corporations only supplying one percent of revenue in increasing our other funds. For Crown Corporations that have just been organized — infant organizations, shall we say — I think in the main they are doing a splendid job. It is true there have been some losses, which I am going to deal with in a moment.

He also made some statements about the Power Commission. He criticized the including of profits in our general picture of revenue, but I submit that the Power Commission is part of the government-in-business program. My hon. friend can say that it is not a Crown Corporation if he likes, but I repeat that it is definitely part of the program of government-in-business in the province of Saskatchewan, and I am going to have something to say about the Power Commission in a moment.

The Leader of the Opposition criticized the set-up of the Crown Corporations. Again, Mr. Speaker, he certainly stuck his neck out there, because if you examine the Crown Corporation set-up, that operates under the Federal Government, he will find . . . he tried to tell this House that this House has no control over the Crown Corporations that are set up. I submit that the House has control, and they have the Crown Corporations answer to the House and to the Committee on Crown Corporations. The Crown Corporations Act requires that an Order in Council must be passed before they are

set up and moneys appropriated in that way. He suggests that we should come to this House and give all the particulars and lay them before the Legislature. The Dominion Government, Mr. Speaker, have had a great deal of experience in this type of work. Look in the Public Accounts of the Dominion of Canada and you will find that all these Crown Corporations are set up by Order in Council in the federal government. I have a list of some forty of them here — I do not know how many others there are that are not listed — but they are set up, almost without exception, by Order in Council — and not only that, they are set up at the very time the House of Commons is in Session; no Committee, and no reference to anybody. If they want to do it like my hon. friend suggests, why does he not bring pressure to bear on his own group when the House of Commons is in Session? I can understand that, as a matter of expediency, to get things done, you do it by Order in Council, particularly between Sessions; but my hon. friend is supporting a group that does it while the Session is on. I am not questioning their procedure, Mr. Speaker, but I do question some of the things they do.

When we come to the Committee on Crown Corporations, I have a lot of information which I think will be very useful; I have found out how you can turn a deficit into a surplus, and I am going to show this to the Provincial Treasurer — he should be interested in seeing this one. Here we have the Polymer Corporation, and just by waving a magic wand, here is what we do: Sales of imported rubber, \$2,989,000; cost of imported rubber, \$4,408,000; selling expense \$147,000; loss, \$1,566,000. Now that is in the fiscal year ending March 31, 1946. They just lost a cold \$1,566,000; but that is not the last of the story. Now the federal government came along and gives them a subsidy of \$1,593,000 and turns the loss into a profit of \$46,244! Well, Mr. Speaker, we have a lot to learn from the way hon. friends operate their Crown Corporations, and we shall read some of these happenings with interest. We have here a history of the method they have set up in reporting this. My hon. friend, yesterday, gave us a lot criticism. He said we had not set up anything for interest. I want to suggest that the federal Crown Corporations do not set up anything for depreciation either, in many cases.

My friend possibly had not heard that one before, but in case he had not, I will read what the Auditor says here, taken again from the Public Accounts:

"In the case of most of the companies which are subject to the provisions of The Government Companies Operation Act, the Crown holds title to assets the cost of which was charged to parliamentary appropriations, although that statute provides that the Governor in Council may authorize such a company to construct, acquire, extend, expend any of the moneys administered by it. It would be preferable were title to all such assets vested in the companies, with value thereof regulated by accepted accounting practice. Such is already the situation with respect to the assets of Eldorado Mining and Refining Limited. The relative operating statements

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for several of the corporations do not reflect true costs because provision for depreciation has not been included. If the true financial position of Crown corporations is to be accurately determined, it is desirable that accepted corporate accounting practices be followed."

Now, as I have said before, we have provided for depreciation, but my hon. friends, in their Crown Corporations, do not even provide for depreciation. In regard to authority, we are only pikers. Here is what their Act says:

"The Agreements provide in general that the Minister shall, at all times, have the right to exercise such control over the affairs and operations of the companies as he may, in his absolute discretion, think fit."

I do not know what would happen if we were to adopt those tactics here in this House, but they are following them every day, down at Ottawa, and I have not yet heard my hon. friend raise his voice in protest to that kind of thing going on down there. He is always out applauding them for everything they do, so he had better check up.

Some of the answers that have been given in this House have been criticized. We have also been criticized for placing the Power and Telephone Companies' surplus in the Provincial Treasury. While the hon. Leader of the opposition was the Leader of the Government, they never had any surpluses in the Power Commission, so they did not have to worry about what they were going to do with them. I have a statement in my hand, showing the financial results annually, before this Government came into operation, and since the Power Commission was first inaugurated. We find out that, when this Government took over, we had an accumulated surplus of \$231,000; but I want to tell my hon. friend, who was the Provincial Treasurer during much of that time, that there is something else he forgot to tell the people, yesterday, when he was dealing with Crown corporations and criticizing this Government about depreciation and interest and what have you, and that is, that according to this statement, you ever provided anything for depreciation here for the first ten years of operation of the Saskatchewan Power Commission. That is something that is not generally known, but the figures here prove it. When we begin to go over the books of the Saskatchewan power Commission, and the operations in the past, we find that by order in Council they excused the Saskatchewan Power Commission of paying anything for depreciation or sinking fund for that purpose. Had they done so, instead of \$213,000 of accumulated surplus when we came into power, we would have had over half a million dollars of accumulated losses, due to the fact that there had been nothing provided for depreciation. When this Government took office, it immediately set up the proper depreciation accounts, and they are now provided here in our Balance Sheet; and my hon. friend is the last one to stand up in this House and criticize this Government for not providing for depreciation of the Crown corporations. He is the one who set the example — and not too good an example. He should remember some of these things as well as anyone else. If he did not know

it was going on, then I say that as Provincial Treasurer he should have known.

Now, he has criticized our method of answering questions yesterday — he said we were evasive; he said that we did not give the information — well, we gave the information that was asked for, and I am just going to run over some of the questions just to show you what is happening here. Here is one that they asked: "What is the Railhead Price on which prices paid to fishermen at Snake Lake are based?" The answer is, naturally, "any Railhead to which the fish is delivered."

My hon. friend shakes his head, just like the jackal again. Well, Mr. Speaker, I suggest he get a map of the northern part of the province of Saskatchewan and check it over, and he will see that there are three main routes out of Snake Lake. If you follow one route, you go down through Lac la Ronge. You know, Snake Lake has no highway up there, such as my hon. friend is used to going on; you pretty well have to make your own roads there, in the wintertime; but the one main artery will be down through Lac la Ronge. If he goes out the west end of the Lake, he can either go to Big River, or, as Mr. Clarke did, go to Meadow Lake. It just depends on which is your terminal, and where you are operating from. If your base is one place, it will make very little difference in mileage — not a great deal, but it will make some, of course — and it will depend on what portage he should take.

I see a question on the Order Paper today: "How far is it to Railhead?" Well, Mr. Speaker, they had better get a surveyor's chain and go up there and check it over for themselves, because it depends, again, upon which particular portage you take, and you can vary it anywhere from twenty to forty miles to railheads without any exaggeration at all.

I submit, Mr. Speaker, that before some of these people ask what I maintain are foolish questions, they should get some of the facts; and I will tell them how they can do it. If there is any information these members want, if they will come down to the Department of Natural Resources regarding our operations, or come to my office, I am prepared to sit down with them and give them the information they desire.

Mr. H.O. Hansen: — Have they ever been there?

Hon. Mr. Phelps: — No, Mr. Speaker, they have not. They may have been to the office, but not to my office.

Mr. W.J. Patterson: — On a matter of Privilege, it is not necessary for me to go to the Minister's office to get the information I am entitled to as a member of this House!

Hon. Mr. Phelps: — Quite right, Mr. Speaker. I am not saying that he has to come. I say if he wants the information. We answer the questions they put here.

Mr. G.H. Danielson: — No you don't!

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Premier: — He goes to the Deputy Minister's office.

Hon. Mr. Phelps: — He asks again, "What price is charged", and so forth. Well, what price is charged to the fisherman for boxes and whatnot, and what is paid, depends entirely upon the operation. If the fisherman delivers his fish to railhead, our prices are f.o.b prices, and that is the kind of business we want to do; but unfortunately, many of these fishermen have not the means of their own transportation. We hope to encourage them to provide it in the future. If they haven't their own equipment, that is another story. Some of them may have it and some may not. There are so many varying conditions, that almost every one must be treated differently. It is not a matter of our choosing, but a matter of conditions that may prevail.

The question is asked — "what is the length of haul?" Again I want to say, that entirely depends upon which route is used and where they are fishing on the lake. These lakes are quite extensive, and to answer a question of that kind, they would need to know something of their geography, otherwise they would not ask it in this way. Wherever we have been able to do so, we have given the basic information — what our prices for fish are at the railhead, for different varieties and different grades, and whether it is fresh or frozen. They are all filed here for the information of this House. We are quite prepared to give all the information we can, but we are not going to undertake to answer questions which are irrelevant.

Mr. L.M. Marion: — Mr. Speaker, I will give the Minister the name of this party. It is Napoleon Natobagan.

Hon. Mr. Phelps: — Lots of tricks in this trade! One fisherman, presumably, divides up his fish, sends half to the Fish Board; he sends word down with the fish dealer to send the Fish Board representative up, because he has a bunch of fish there to sell. He had given his fresh fish to the fish dealer. The Fish Boards in good faith, sent a 'plane in because it was near break-up and he said he had to get them out right away. The pilot loaded the fish on the 'planes (they were all boxed and ready), assuming that it was in good condition — no reason to believe otherwise. When they got the fish to the Plant — if this is the case my hon. friend is referring to — it was condemned by a representative of the Fisheries Department.

Mr. Marion: — I want to state now: This Napoleon Natobagan is one of our most responsible and respected Metis in that country. He is a gentleman of approximately seventy years of age, and I hope you are not referring to him when you talk like that.

Hon. Mr. Phelps: — I am not referring to any particular individual. I am not referring to the man that my hon. friend has mentioned. The name he has mentioned is not, at the moment, familiar to me. I am talking about one man who made this crack — that he sent one-half to the Fish Board and sold one-half on open-market.

Mr. Speaker, that fish was condemned because it had been caught early in the season and left out on the ice without any protection, freezing and thawing, and the fish had deteriorated to the point where it was unfit for human consumption. We will compare fish prices at any time over the entire season with any fish dealer in the province of Saskatchewan. As my hon. friend knows there is a tremendous variation in prices, and we are not organized on a day-to-day basis — we pay a flat rate over the entire season. I want to say, also, as far as the transportation is concerned, in the case I mentioned, he was billed with the transportation as there was probably other work to be done and, under our new regulations, that man would be liable for trying to peddle fish of that type.

We have also a case where a person sent one half of his catch to the Fur Marketing Service, We have since established, quite definitely,, that that particular individual was engaged in the 'black' marketing of furs, and what he actually did was pick the damaged furs and the kits and ship them to us, and the best was sold on the 'black market'. Then he says he had sent so many hides to us, and sold so many and that is the result. We are not prepared to compare results on that basis, but will compare this shipment for shipment at any time of the day, or any season of the year, and any place in the North.

In setting up this organization we have no doubt made mistakes. It is just like when the Wheat Pool was organized, you cannot do it overnight — it takes time. We need trained personnel and it takes time to train those people in that particular work, and to get the organization set up. The fishermen of the North are solidly behind the organization as is borne out by their letters. The actual fishermen, not the dealers. I want to make a very sharp distinction between fish dealers and fishermen or trappers and fur dealers. We do not expect to satisfy the fur and fish dealers; we did not organize for that purpose. The letters in opposition come from either fish dealers or traders, or people who have been interested in trading: and some of the radio broadcasts that have been made were made by the same type of people; but they have never been made by the actual fishermen and trappers themselves. The majority of them (I will admit there are exceptions) are solidly behind the conservation program. I think my hon. friend over there will be one of the first ones to admit that our fur conservation program in the North is already producing tangible results, and that the native people themselves can see the benefits of it, and that some of his own people are solidly behind the program that is sponsored jointly by the Provincial and Federal Governments.

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As I said before, Mr. Speaker, there is no doubt there have been mistakes made, but so far as the principles of orderly marketing are concerned, they are not only sound, they have been accepted, and they will continue to be an important factor in the development of the economy of the Northern part of the province.

Orderly marketing is an accepted thing, today, with the marketing of wheat. My hon. friends over there, who support the Federal Party, now have had an about-face, and they themselves are suggesting that the same principle be extended to course grains, although a year ago they would have nothing to do with it. The principle of orderly marketing is here to stay. Again, my friends may be 'Rip Van Winkles', but they had better snap out of it. They try to say that it is compulsion, that they are forced to market their timber through the Timber Board; but it is not a matter of compelling them to market their timber through the Timber Board, because it is not their timber to market. We believe that the natural resources belong to the people; we do not believe in selling our timber on the stump as used to be the case — today we are contracting for its harvest, and we are contracting for its production. That contract calls for a certain 'upset' price, and it calls for delivery to certain points. Just the same, I wonder what they would have thought of my hon. friend when he was over here as Minister of Highways has he said, "why the price of gravelling a road is 20 cents per yard, but I will give you 40 cents per yard."

Voice: — That is what he did.

Hon. Mr. Phelps: — My friend says "that is what he did"; but he will not admit it anyway.

A few days after this House opened, after I heard the Leader of the Opposition made a speech in the Debate on the Reply to the Speech from the Throne, he painted such a dreary picture of the North, I left for there early the next morning, as I hadn't been up there for a few weeks and I wanted to see what was going on — I thought something had broken loose for sure. I want to report to this House that I spent that three days visiting the lumber camps, and I never found the morale better, or the attitude of the producers better. The timber producers of the province of Saskatchewan are co-operating with this government, whether they believe in our forestry program or not; and they are doing a jolly good job of it. I want to compliment them on it because, without that co-operation, we could not put the program over; and I want them to know that I appreciate that co-operation.

In regard to the fishing, my hon. friend from Arm River made some remarks about the fishing at Long Lake. His speech was made while I was away and I obtained a transcript on my return, and these statements he will have to answer for to some of his own people in his own constituency.

He is old enough to know that when somebody comes to him with some "cock and bull" story, he would be well advised to get the other side of the picture before he comes bumbling into this House to make a number of statements that he cannot substantiate.

So far as the fishermen of Long Lake are concerned, they tried my hon. friend's system of free enterprise, which he lauded so much, last year. Yes, they tried it! A group of them came to me in the fishing season, after making an appointment, and they said, "Mr. Phelps, for goodness' sake bring your Fish Board in here and take the fish business over for us". I said: "Sorry, Sir, you had your chance, last fall, and it is too late now for us to organize for this year — you will have to muddle through the best you can". They said: "For goodness' sake be prepared to come in next year". Mr. Speaker the result was, last year, there were times when the railroad would not accept the fish because they were not sure they would get enough to pay the express on it down to the market. That is free enterprise! That is competition! My hon. friend seeks to justify it.

My hon. friend wants to support that sort of a system but the fishermen on Long Lake do not want to do it because I went out to a meeting there, last fall, at their invitation; and I explained to them the policy of the Fish Marketing Board. Before the vote was taken as to whether or not the Board would operate there this year, the chairman got up and said, "now look, boys, what is the duration of the contract, if you come in here?" I said, "We won't come in here for less than three years — likely it will be five because we are not going to organize anything different". He said to the fishermen. "You are going to vote on something, not just for this year — remember that — you have to decide you are going to vote yourselves in or out. Now what are you going to do?". Over three-quarters of the fishermen that were at that meeting voted in favour of the Fish Board coming in to market their fish. In spite of all my hon. friend's 'huffing' regarding the operations of the Saskatchewan Fish Board, the fishermen realize that in the Board they have protection, just the same as the farmers realize that they have protection in the Canadian Wheat Board. Although the farmers have been selling wheat below the so-called world price, for the sake of that protection they will forgo that price temporarily for the protection of orderly marketing that the Board gives them. And it is the same thing with the fishermen and the timber operators, Mr. Speaker, and the trappers; they use our marketing service for a similar reason.

These Crown Corporations that have been set up to take care of some of the marketing of our natural products may not be perfect, any more than the Wheat Pool was perfect; but the farmers wouldn't forsake the Wheat Pool because it made a few mistakes when it was beginning. The Wheat Pool did make mistakes; we all admit it, as Wheat Pool members. It is easy enough to look back on these things; but they did it with good intentions.

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Even though the Fish Board makes mistakes and I am not denying it, in fact, I say we have made mistakes, Mr. Speaker; but in spite of those mistakes, the fishermen, in the majority, are behind the principle of orderly marketing; knowing that full well, in the long run, they will win out.

My hon. friend talks a lot about the fish business. It is quite true that we have had a loss in the fish business; it is quite true that there has been a deficit; but, in my opinion, in order to put a solid foundation in the fish industry of Saskatchewan that, shall we say 'subsidy' was necessary. If we had been like the Federal Government we would have given a million dollar subsidy and would have had a healthy surplus. There would have been no depreciation, and we could soon have changed our figures into a surplus, on the same basis on which they calculate.

I believe that the organization of the marketing boards to market some of the primary products of this province will play, in the future of Saskatchewan, the greatest part in safe-guarding the economy of our province. If I had to choose between discontinuing some part of the Department, the marketing boards would be the last things that I would discontinue. When markets start to get into difficulty, as they may do, that is the time when orderly marketing is even more secure.

In regard to the fur in the North; I said I would give you some of the difficulties we are experiencing and I believe it is my duty to report to you not only the good things, but some of the difficulties we have already had; and some of the things we hope to do. There are some things we are very concerned about and one of them is the fur situation in the North. We are now receiving monthly reports on the fur that is being marketed, and the prices being paid, and I want to compare the fur prices in the world with the Fur Marketing Service

I have here the reports for the two months, November and December, we expect January's very soon now, I have part of it but not the complete picture — and we find that there are two types of fur that the private traders have paid a higher price for — two types, one just slightly above, and the other one a little bit more. All the rest of the items in this list of the fur marketing, the Fur Marketing Service have been able to pay a much higher price — some almost double.

In the main, Mr. Speaker; on the fur that was handled in the North accounted for during those two months, on a basis of the prices they received and the prices they would have received had they come to the Fur Marketing Service, less the freight (air express); less the handling charges, that my friends are talking about (the commission), less the royalty; less all the charges; in that two months the people of the North were short-changed

to the extent of \$128,319. These figures were compiled co-operatively between ourselves and the representatives of the Federal Government, and they are a joint compilation.

In the last report of the Fur Committee, of the meeting which they held just two weeks ago, they mention this very thing. They are concerned about the siphoning off of the new wealth of that North country. I want to submit that it is something we will have to give a good deal of consideration to. As I said, the representatives of the Federal Government are very much concerned about it as well. But there are a large number of trappers who are learning the value of the Saskatchewan Fur Marketing Service: and I would invite you down to see the set-up which has operated so successfully on behalf of the trappers and fur ranchers of Saskatchewan. I say again, not that there hasn't been mistakes made, but we feel that something must be done to place a deeper and better foundation under the economy of the North.

I want to read to the House of the points that is giving our Department some concern, coming from the Committee. This is a joint committee between us and the Dominion Government, and I want to have you know what the members of the Committee said: "Your committee was informed that in previous years no individual quotas were set in this area", (referring, particularly to Cumberland House in the North", "nor was there any plan for the distribution of the proceeds to trappers — no crop insurance fund has been set up." Mr. Speaker, that is one thing that must be done in the North, and very soon, to set up a crop insurance fund, because we have discovered that you can have a crop failure in fur like you have in anything else, and they have had it in this area. The Committee says further: "The result has been that in one case a man with \$4,050 income in 14 months was destitute two months afterwards and looking for relief." I know this particular man's name — this may be an extreme case, but the fact remains that a community with an income per trapper in excess of \$2,000 annually is now in a destitute condition due to one crop failure; while other areas under planned management of fur and the cash derived from it, are self-sustaining on less than half that figure. It is reported that gambling and drinking accounts for the greater part of this dissipation of earnings at this settlement. Mr. Speaker, that is one thing that the Government is much concerned about — the fact that this money, revenue derived, should be provided in such a manner that it could play a part in their economic rehabilitation.

In closing, Sir, I would like to say that there are many things in regard to the operation of the Department that I would have liked to report on; but there will be an opportunity in the Public Accounts when the estimates are before the House. There are many Branches in my Department

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that I have barely mentioned — it is a very large Department. If the time were available I would have liked to go into some of those Branches which are all very important, but, in the Government's opinion, the development of the resources of our province is part of the foundation of the province. When our resources become depleted Saskatchewan will be a poor country indeed. The program of this Government is, as far as the resources are concerned, (1) to retain and develop them in the interests of all the people; (2) a program of planned management; (3) a program of conservation. Those are the three main points and the 'kingpins' of the program of the development of the resources of our province.

And so, Mr. Speaker, I submit that the resources of the province are making, in spite of what my friend said yesterday, a contribution to the development of Saskatchewan, and in the future they are going to play an increasingly important part, if that program of management and planning and conservation is proceeded with, which I sincerely hope it will. If it is, then it will continue to return to Saskatchewan ever increasing dividends, and the people who are engaged in the pursuit of those industries will have economic stability, and, as a result, will be a great benefit to the province as a whole.

Mr. Speaker, I certainly intend to support the Motion.

The Debate continued, it was on the motion of Mr. Marion, adjourned.

SEED GRAIN PRICES

Mr. W.J. Patterson (Leader of the Opposition): —Mr. Speaker, in connection with this Motion regarding "contract sale and purchase of seed grain prior to removal of export restrictions", I would suggest, on a point of Order, that the motion contains statements (a) and (b) which should be deleted in accordance with your ruling of Thursday, February 9.

Mr. D.S. Valleau (A.S.V.R.): — I submit, Mr. Speaker, that the Leader of the Opposition hasn't made out any case for the striking out of those two particular clauses. I imagine that he is referring back to your ruling of February 9, 1948; but I would suggest, Sir, that he is misinterpreting the ruling that statements of fact have been made in Motions for quite some time, in this House; and you also stated, in your opinion, that was a practice which should be discouraged — that you did not rule that Motions containing statements of fact should be statements which were not likely to be open to challenge in the House. As I recall it, the Motion under discussion at the time was one that contained a statement of fact which the Provincial Treasurer, on his responsibility, stated was incorrect; and after the Provincial Treasurer had stated that, the question became rather involved, and to simplify matters the hon. member for Arm River agreed to accept the Provincial Treasurer's statement that it was incorrect and withdrew the statement. I have read your ruling very carefully, Sir, and I can find no

place in that ruling where you instructed the hon. member to withdraw that statement. If find, on the contrary, that you had been unable to ascertain, from the examination of records, whether the statement was correct or not correct, I would judge from that that your purpose in suggesting the difficulties that arose because that statement was included, because the Provincial Treasurer denied it was correct; and stated, on his responsibility, that in his Budget Speech he had not made the statement upon which this allegedly incorrect statement was based. The question we are deciding is not whether statements of fact can be included in Motions in this House, it is whether incorrect statements of fact can be included. Even when incorrect statements are included, it is not up to the Speaker to determine whether they are correct or not; but if an hon. member gets up and says "on his responsibility the statements are incorrect"; and particularly when their correctness, or otherwise, has to be judged by the remarks the hon. member made at some previous time, I would suggest, Sir, that he is then speaking not so much on a point of order, but on a point of personal privilege. It is any member's right to deny that he made a statement; and if a member has made a statement in a speech and another member says that that statement is incorrect, the member who made the statement must withdraw it. Similarly, if a statement is included in a written motion, and another hon. member says on his responsibility that he did not make such a statement, then it is as much out of order in a Motion as it would be in a speech. It is on this basis that the two Motions that you ruled on — the basis that the statement of fact in them was either incorrect or was clearly objectionable to members of the House; that the amendment by the hon. member for Arm River, and the Motion by the hon. member for Kinistino, met with some objection; and, in each case, the objection was overcome by the members voluntarily withdrawing portions of their Motions, which other members of the House had found objectionable. In neither case was a ruling from yourself necessary.

I suggest, Sir, in the Motion that we have before us that if the Hon. Leader of the Opposition were to get up and say "on his responsibility, as a member, he knows, of his own knowledge, that the statements of fact in my Motion are incorrect", I might then consider withdrawing them although I still think I would not be able to do that now the motion is the property of the House.

I think, in this particular case, that you, Sir, with all due respect, nor I nor the Leader of the Opposition, can decide as to the correctness or otherwise, of this statement — it is up to the House to decide now.

Mr. Procter (Moosomin): — On the point of order, Mr. Speaker. I understand your ruling the other day, and it was a very clear ruling, and one for which there is ample parliamentary authority, namely: statements of fact which are disputed should not be contained in Motions of this nature.

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Now, Mr. Speakers the hon. member for the Area 1 (Great Britain) is quite correct in his statement that it is only with your permission, Sir, and the permission of the House, that where objection is when the Motion can be proceeded with. That is what was done in both the other Motions. The accuracy of your ruling was accepted by the House and, in consequence thereof, the Motion could not be proceeded with unless the Motion was amended. I suggest to you that the hon. member is now in a position that he must either accept that ruling and amend his Motion in accordance with our findings, with the consent of the House, or permit the Motion to drop.

Mr. Speaker: — I will repeat to the House what I recited on that occasion: "May I take advantage of the case to suggest to the House that Motions presented should be in the form of a proposition upon which the House may, and can, express its opinion by a simple affirmative or negative. I would refer the hon. members in this connection, to Beauchesne's Third Edition, page 131, second paragraph. However, the practice has grown up, over the years, of allowing Motions to appear on the Order Paper containing what purported to be statements of fact in their context. In my opinion, this is not a good practice and should be discouraged as much as possible. But, since it has been followed in recent years, perhaps it might be as well for me to suggest to the hon. numbers that any statements they incorporate in Motions should be statements of fact upon which all are agreed, and the accuracy of such is not open to challenge. May I remind the House, also, that the irregularity of a part may, and can, invalidate the whole, the pertinent citation in this connection being Beauchesne, Third Edition, page 134." I went on to say that if the House agreed the Debate could continue on the Amendment, with the disputed statement deleted.

I am quite prepared to say that the proposition contained in this Motion is directly opposed to what I asked the House to refrain from doing. It is rather a delicate situation because the practice has grown up — I have looked it up and there is no question about it; we can find instances in many cases where Motions have been submitted in this order. I am not in a position to say whether the fact is correct; I think that will be up to the House. I will rule that the Motion may be proceeded with.

Mr. D.S. Valleau (A.S.V.R.): — Thank your Mr. Speaker. To get this discussion underway I will quote a paragraph of the Motion, which the hon. Leader of the Opposition objected to, and since I shall base part of my argument on that particular portion of the Motion, it will give the House an opportunity to judge whether or not that particular portion is accurate. If the members of the Opposition wish to argue that that part of it is not accurate, I will have my argument laid out and they will be in a position to judge whether or not my argument is accurate and will get the inaccuracy, as they see it, of this particular portion of the Motion.

It states, in clause (a) "Prices of seed grains have advanced abruptly due to the removal of export quotas, with the result that farmers who previously have sold seed grain under contract, or otherwise, did not receive the benefit of the increased prices." And (b) "Much seed grain was sold under contract, or otherwise, before the removal of export restrictions, resulting in excessive profits being made by the handling companies." Then it goes on with further statements, which the House has before them, and which I will state later in moving the Motion.

I would argue, Sir, that it is a fact well known to every member of the House that some time last fall, through fiscal policies, and other forces then operating, a condition became apparent — the condition of the pell-mell abandoning of controls and rapid decontrol, following a policy which had been started and apparently was forced to a logical conclusion, regardless of how many 'toes were tromped on', or who was hurt in the process. We have on our desks today, a little pamphlet which says: "Removal of price control and subsidies is leading Canada to an economic recession". In this one particular case — in 'one corner of the woods' under the feed grain policy followed last fall, minor recessions did occur in the pocketbooks of the farmers who were dealing with the private grain trade. The Resolution I am speaking of, I shall admit, deals with one particular corner of the province and with particular interests that my not be of vital concern to all farmers — all farmers do not grow registered seed grain, although, I believe, in general, the future of the registered seed grain industry is something that is of vital interest to all farmers in the province.

I wish to give the House a brief history of the particular situation which developed in the registered seed industry, last fall. For a great many years the grower of registered seed has been a craftsman; the man who grew seed plots of high quality grain, or a man who grew larger fields of registered grain, which he protected very carefully for the purity of variety, had to work his summer fallow carefully; he has to maintain the prescribed isolation spaces; he had to watch his crop rotations carefully; to prevent mixtures of strains and varieties; he received his seed grain in sealed sacks. All the grain was imported in the field for the Canadian Seed Growers Association by the Plants' Products Division of the Dominion Department of Apiculture. The grains when harvested, must be cleaned and sacked, carefully maintaining isolation; and it is then sealed and sacked by the inspectors, who again inspect it for purity. I am quite sure that the farmer members will be aware of all of these details, and I am just reciting them, to give the background for other members who aren't quite so familiar with the change in the industry which occurred, last fall. When all the careful steps of the craftsmen have been taken, the seed is made available to any farmer who wishes to grow registered seed commercially, or to improve the quality of his own seed.

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It has been the desire of the members of the Seed Grain Association to develop high quality seed, and a reputation for high quality seed. By so doing they will naturally increase the confidence of all the farmers of Western Canada in the integrity of their products and will be assured of a continuing market for seed grain at a premium which will repay them for any extra pains they take in growing a high quality product. Just as the farmer who grows wheat for feed purposes has long desired a market of longer term stability at a parity price, so the best interests of the seed grower are served by a long-term market at a parity price, or a parity premium.

Throughout the years of the recent higher prices for farm products there has been a consistent tendency for farmers to grow higher quality seed. This is something obviously in the interest of the farming community as a whole; and the Canadian Seed Growers' Association has received assistance from both Dominion and Provincial Departments of Agriculture.

Early last summer many farmers found that they had large fields of registered grain growing on their farms. Suddenly, about the middle of August, numbers of what I would call 'high pressure' salesmen from the private seed houses began to wander throughout the districts in which much of this seed was being grown. For example, I will deal with a district lying, roughly, from the town of Ethelton to the town of Carrot River, covering a large area in the North-Eastern part of Saskatchewan — this was the area that I knew personally, last fall. Grain in this area still stood in the fields not yet ripe, but the buyers were offering from \$1.85 to \$2 per bushel for the grain — offering to buy it uncut and unthreshed. To many of the farmers who had just begun to grow registered grain, \$2 per bushel for wheat seemed fantastic — \$2 in the bin with elevator dockage. For years farmers had been longing for \$1 wheat — suddenly they had \$2 wheat: the temptation was very great. The companies proposed contracts which would bind the farmer to sell the wheat to them at \$2 per bushel, in the bin, at his farm, with elevator dockage. The companies' representatives used various arguments. Most farmers do not have their own cleaning facilities, and seed grain to be sold is usually required to be cleaned and sealed and sacked, and inspected into the sacks. The companies stated they were lining up grain to be cleaned in their own cleaning plants, and the story (we have probably heard similar stories before) was that they had just room for one more customer. Sometimes the companies would state they were going to sell on the export market; and again the story was that they had a given quote, or were trying to get a quota, and they had just room for one more. A third story was that in the companies' application to the Federal Seed Administrator, who authorized export permits, they would need to have a potentially large supply of farmers' grain behind them, in order to get those export permits; and they appealed to the farmer's humanitarian instincts to help them secure those export quotas, by contracting to sell his grain to them.

Although they were operating in a free enterprise competition, none of the companies went so far as to compete against each other. If one company offered \$2, no other company would dream of offering more than the \$2. The price gradually advanced throughout the fall, but each time it came up by steps, and all of the companies offered the increased prices at almost exactly the same time. I was going to suggest that possibly that procedure would be something for our busy Combines' Investigator to investigate, but as he has so many things to do now, that would just be one more.

Undoubtedly most of the farmers felt satisfied with the prospects, both those who had signed the contract and those who had not. The wheat contract with Britain, at that time, was \$1.55, basis Fort William; this meant that seed grain, purchased at \$2 per bushel when sealed and sacked, would sell to farmers at a price of around \$2.50 — a premium of about \$1.25 over the market price; and most of the growers felt that was a reasonable — in fact, a little more than they should be charging other farmers who would have to be buying the seed to now in Saskatchewan.

From here on, the story reads a little differently — it reads something like a detective novel, and I will leave it to the members to guess 'who dun it', whether it was the cook, the baler or the eccentric millionaire who stabbed the innocent victim. It has been stated by authorities at Ottawa that the intention was export permits would not be issued until normal requirements for good seed had been met. The interpretation of this statement meant quite a bit in the subsequent situation. The first step in the process which followed was the removal of equalization payments on seed grain which was exported to the United States. Formerly, on coarse grains, the difference between the American price and the Canadian price of seed was collected at the border and turned in to a fund, administered by the Canadian Wheat Board, which was used to help make equalization payments on coarse grains. This immediately meant that the effective price to the exporter of seed grain, as across the border, would jump by quite a bit — there is quite a difference between our price for coarse grains and the American price.

The fact that the Wheat Board was no longer worrying about the export of seed grain — that is of coarse grade — and the equalization payments were no longer charged, meant that the export price of seed grain as can be exported under the permits, would jump to at least the current American price, and possibly even higher. This was a clue which all of the companies had, but the farmer growers did not keep track of it as well as they might have. Nevertheless, the farmer who knew about this felt that the export quotas would be strictly limited until domestic demands were satisfied.

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Shortly thereafter, the new British contract of \$2 wheat was announced, basis Fort Williams. It then looked as though the seed grower might even have been further ahead to have sold his wheat commercially, as ordinary commercial grain, to the Wheat Board, and receive participation certificates. It is reasonable to suppose that the private grain companies would have been better able to judge the possibility of the contract with Britain being higher than the farmers who, at that time, were too busy riding combines to ever read the newspapers — they didn't know anything about what was happening, and the negotiations being carried out with Great Britain. But they suddenly found themselves in the position that, if they had sold their grain as ordinary commercial grain, they would have received almost as much as they did by these contracts they had signed with the private seed companies.

Meanwhile, the prices that the seed companies were offering was going up step after step. The Wheat Pool did not step into the picture, so far as I am aware, and they did not start buying wheat standing in the field, or in the bins; they did not use the 'high pressure' salesmanship, and indeed, many farmers who were life-long Pool members did not realize that the Pool was buying registered seed grain. Apparently, the farmers became aware that the Pool was offering \$2.58 per bushel for wheat, sealed and sacked, with participation payments to come if more was realized. So far as I am aware, there is nothing in the contracts of sale with the Pool which says that participation payments must be made, but where the Pool makes a surplus on their offering of seed grain, it is their policy to make these participation payments; and actually, with a company such as the Pool, owned by its customers, there is no place that the surplus made can go.

The directors of the Marketing Association of the Canadian Seed Growers' Association, Saskatchewan Branch, on September 26, set a price which their Marketing Association would be willing to pay. They had to set the price again on October 27, due to the rapidly expanding market. The price was then announced for wheat, registered first generation at \$4 per bushel, and registered at \$3 per bushel. Even this price could not keep up to the demand, and they had to raise it on November 29, wheat, registered, first generation at \$4.85; and registered at \$4.10. The reason behind all this was that in December, the Federal Government suddenly announced that any company which had an export permit could export on that permit unlimited quantities of sacked seed grain. The price now being quoted to farmers in the bin jumped to \$3, and occasionally to \$3.75 — that is for the lucky farmers who hadn't got hooked by the salesmen and signed contracts. Several of the farmers requested the companies to meet the new competitive prices due to the changed situation — that is, some of the farmers who had signed contracts with the companies already. The companies replied that the grain they had purchased at \$2 per bushel had already been sold for future delivery, and that to meet their futures contract they would either have to receive the farmer's grain, or to buy grain at exceedingly high prices. They were, therefore, prepared to sue the farmers for the difference between the contract price and the current

market price. Many of these farmers, whom I know personally, are honest, and they assured me that they had verbal assurances that the companies would meet competitive prices; and had understood this to mean a type of participation payment. However, the farmers have learned, to their sorrow, that the grain trade recognizes no obligations except those to which it is bound on paper; or perhaps by some of these mysterious policy directives we have heard of lately. By 'mysterious policy directives' I mean the mystery of whether companies intend to reimburse farmers who sold such things as seed grains, or coarse grains, and later found that, due to conditions which neither the companies nor the farmers could anticipate, there were suddenly rising prices which meant a gratuitous profit for the companies. If a policy directive such as being issued to the coarse grains companies could also be issued to the companies which have bought seed grain, it might be that gratuitous payments could be made to the seed grain farmers who sold their grain to these companies; and they might be in the position of receiving the same payments that the growers of coarse grains are going to receive, whatever they are.

I hope, Sir, that if this Resolution passes this Assembly, it will be interpreted as a gentle hint to the Federal Minister of Agriculture, and will lead to another of these mysterious policy directives percolating down to the administrative levels of these private marketing organizations, engaged in the business of marketing seed grain.

The farmer was outguessed in this game all the way chiefly because the companies were in a better position to know the facts and the marketing structure. I might even suggest, Sir, that they were able to guess the facts before they occurred, and to guess that decontrol would come in the middle of the marketing season. Meanwhile grain, at many points, had been sacked and sealed and labelled for the export market, via New York, for Switzerland and Italy. I have heard it said that the higher mountain regions of these countries grow spring wheat: the claim has been made that their spring wheat acreage may have been, roughly, 200,000 acres — I rather doubt if it is quite that high. In Canada, we are well aware that only a small percentage of the total spring wheat acreage is sowed to expensive registered seed. We may be sure that the same situation would apply to Switzerland and Italy; but, Sir, even if this entire acreage of 200,000 acres was sowed to registered seed grain, it would not begin to take up the total amount of grain which has been exported.

One cannot help wondering if the regulation allowing the export of sealed, sacked, grain is not allowing a certain percentage of high quality seed grain to travel to Europe for the bread market, or if it is not being used as an indirect method of evading the Canadian Wheat Board — a method which, in this case, is reacting to the benefit of private companies but not that of the grower.

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There is a possibility. that the widespread crop failure which occurred in Europe, last fall, which did untold damage to their fall and winter wheat, has led them to gamble quite a bit on sowing spring wheat, in the hope of getting at least some harvest, next fall, and it is possible that some of this seed is going in that manner. But, I would suggest that if the governments of Europe had been aware that they were going to have to sow spring wheat on land not necessarily suited to spring wheat, in a desperate gamble to assure themselves, at lease, of some bread, that they would have possibly got their seed grain much more reasonably and brought much more reasonable terms to the Canadian seed producer if, through their state marketing agency, they had approached either the Canadian Wheat Board or the Wheat Pools, or some other large-scale organization, through the Canadian Government; and had purchased their seed in that manner, both registered seed for their good areas and ordinary good seed, not registered, for the areas where they were gambling.

The House took recess at six o'clock p.m.

After Recess

The House resumed at eight o'clock.

Mr. Valleau (A.S.V.R.): — I was remarking on the situation which had occurred in the seed grain marketing business last fall, and telling some of the sudden increase in prices that occurred, and the opportunity that presented itself for private seed houses and the private grain trade to make what might be termed, fortuitous profits, out of a situation which arose suddenly, and in which they found themselves in a position to profit, and I would like to make a few more remarks along that line.

The farmers had signed contracts at specific prices to deliver grain to these companies, and the companies subsequently found that, due to actions of the Federal Government, and the sudden policy of decontrol, which no one had anticipated, I hope, they were suddenly making more profit than they would have otherwise. Many of the farmers felt because the companies were making these profits, they should, in all fairness, have a moral right to pay participation certificates, even though they were not legally bound to do so. The companies countered by saying that they had contracted to sell the grain for future delivery at the time they bought it — that is, they had hedged. It now becomes obvious that these contracts must have been export contracts because all their grain has been sold, or most of the grain, on the export market; and a mystery arises.

How could the companies contract for future sales on an export market before they know they were going to have unlimited export permits? They could not sell for future delivery on the Winnipeg Grain Exchange because it was closed, and they must have sold on the American market, if they were selling for future delivery; and they must have sold on specific contracts to deliver grain. Yet, at the time they were making these contracts there were regulations which did not permit them to export that much grain. Therefore, I would argue that they not have known in advance that they were going to be given those permits; they were in a bargaining position which gave them a tremendous advantage over the farmer, who did not know what was going to happen in the decontrol situation.

It was altogether a situation which was entirely one-sided. If we can draw an analogy, I would say that Truman's friends in the White House are not the only ones who have made fortunes in grain speculation at the present time.

Mr. Speaker, I can assure you that the farmers who grow the grain did not wish to exploit their fellow farmers in the drought areas of Saskatchewan, and elsewhere, by charging exorbitant prices; they were quite content with their original contract price as a legitimate return and a legitimate premium on grain to be used as need in Canada. However, the farmers feel quite strongly that it is unfair for a private grain company to make a greater return on the sale of the farmer's grain than the farmer himself made by his entire year's a work.

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I should like here to refer to a rumour that has resulted as a result of these contracts; the farmers approached the companies and argued that they should have some share in these fortuitous profits — I do not know whether that is where the rumour started, or just where it is; but I have met it in a number of places. The story goes that the profits have not been made by the private companies — Oh, no! — they are repeatedly made by mythical characters — the Jews in New York. I think this is the old scapegoat principle appearing again. The booklet "Who Owns Canada", from which I have already quoted it this House, gives a list of the fifty financial 'big shots' to Canada, and it states that not one of these men is of Jewish nationality. I deplore the circulation of rumours such as this, because it is from just such rumours that the seeds of fascism arise.

The sudden export demand for sacked grain is likely to have drastic effects upon the seed grain industry, and the grain industry as a whole in Canada. A statement from Ottawa said it was being left to the individual companies to see that sufficient seed was retained in Canada for domestic purposes. I am certain that such organizations as the Wheat Pool and the Canadian Seed Growers Association, and their marketing agencies, will fulfill their duty in this report, but no one can kid me about the others.

Mr. Speaker, you are a farmer; if you want proof of the shortage of high quality seed grain in Canada already, go out tomorrow and try to buy first generation or registered seed anywhere — just try!

The second ill effect of the policy has been that the export demand was for registered or certified seed, any grade. This has tended to lessen the respect which is due to the various grades and generations of registered seed. In his address to the Annual Meeting of the Saskatchewan Branch of the Seed Growers' Association, Mr. Howard P. Wright of Airdrie, Alberta, President of the National Association, said this:

"A registration certificate under these conditions doesn't mean s thing. The C.F.G.A. is caught in this net. When prices for all grades of seed were the same, there was no regard for the tolerances of purity of various seed grades established by the Association."

He went on to suggest that the name "registered" should be kept out of the export seed business, unless the proper price differentials between grades were paid. To quote again, he said:

"How shall we bell this cat? We must find a way to reintroduce the old professional pride in the Seed Growing Association."

I am here quoting from Mr. Wright's speech as I heard it, refreshing my memory from an article in 'Western Producer' of January 15, 1948. I can agree, Sir, that it will be a different job to bell the cat, because the cat is already out of the bag; however, just as it has been argued that the growers

of coarse grains deserve participation payments — as Mr. Tucker, who flew to Ottawa and came back, said they were going to be made on coarse grains from fortuitous profits (if they can be called such, because the ceiling was suddenly removed in the marketing season) — I would argue that the seed grain situation is almost an exact parallel, and the seed growers deserve a similar type of participation payment because of the sudden changes in the marketing picture that occurred during the middle of the harvest season.

The securing of the contracts which the Seed Companies obtained is not the normal way in which these companies purchase grain. I am inclined to suggest that they had some inkling of sudden changes in the marketing picture which were about to take place when they began to sign up contracts in this unusual manner. Therefore, I think there is a moral responsibility on the federal government. I think they should institute an immediate investigation into the prices paid to the grower, and into the returns which the companies made in selling these grains. If it is found that excessive handling charges were levied, or excessive profits made, steps should be taken to compensate the grower. At this late date it is almost too late to help the consumer. I would suggest also that there might be reason for the Combines' Investigator to take a close look at the whole picture.

That is the situation that existed last fall. It is doubtful if anything except pressure by the federal government upon the private companies can secure any compensation at the present time. It is possible that they cannot even secure that; but if it can be secured for coarse grains, there is an equal case for seed grain. Looking to the future, I think the problem will be largely solved by the growers themselves. The old principle of marketing your own grain through your own organization is always a good one to follow and I am convinced that the majority of the seed growers, in the future, are going to follow that principle. This winter they have taken steps to consolidate and perfect a marketing organization of their own. The Saskatchewan Branch of the Canadian Seed Growers' Association has had a marketing organization for a number of years, but this year they have taken steps to reorganize that marketing organization and they have done this in close consultation with the various elevator companies and also with the Saskatchewan Pool elevators. The new organization is to be called the Saskatchewan Seed Growers' Co-operative Limited, and it is in the organization stage at present. When organized, it will be in a position to use the distributing facilities of all elevator companies, as well as private customers. It is fulfilling the functions of a co-operative so well that the Saskatchewan Pool Elevators have indicated by a Resolution of their Board, that as soon as the new Co-op is ready to do business they will discontinue purchase of seed from growers. The policy of the new organization will be to operate pools in various grains so that equalization of returns to growers will be possible, at the same time insuring ample supplies of quality seeds, at reasonable cost, to Saskatchewan farmers.

I am convinced, Sir, that in the long run the supporting of such an organization as this is the only method by which the farmers of Saskatchewan

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can make sure that we will not be 'gypped' in the future as we were last fall. We must rely on ourselves and not upon directives from Ottawa; and we must turn our backs completely on these private trading organizations and market grains ourselves. However, in the meantime, if the spirit of this Resolution is complied with, I think it will bring quite a bit of satisfaction to the growers of seed grain.

I therefore move, seconded by the hon. member for Canora (Mr. H. Feeley) that in view of the fact that

(a) prices of seed grains have advanced abruptly due to the removal of export quotas, with the result that farmers who previously have sold seed grain under contract or otherwise did not receive the benefit of the increased prices, and

(b) such seed grain was sold under contract or otherwise before the removal of export restrictions, resulting in excessive profits being made by the handling companies,

this Assembly express its keen disappointment that the Dominion Government, did not safeguard the interests of the farmer grower, and representations be made by the Provincial Government urging the Dominion Government:

(1) to institute an immediate investigation into the contract sale and purchase of seed grain under agreements entered into between growers and handling concerns of export restrictions, and

(2) to rectify, by the redistribution of the excessive profits made on his seed grain by the handling concern, the injustice suffered by the grower.

The Motion was agreed to.

HOG PRODUCTION

The House resumed from Tuesday, February 24, the adjourned debate on the proposed motion of Mr. W.J. Boyle (Kinistino) for a long-term policy by the Federal Government on Hog production.

Mr. G.H. (Arm River): — I can assure you I am not going to take up very much of the time of this House. I have a few remarks that I think are to the point, and am going to bring out a few matters that were not touched on, the other day, when this Resolution was under discussion.

We were told, of course, about certain actions that had been taken by the Federal Government in regard to the decontrol of coarse grains, and that the result thereof had brought on certain very serious consequences, so far as the hog-producing industry in Saskatchewan was concerned, and that in view of that fact, the hog industry was practically finished. Well now, Mr. Speaker,

I have been here for the last three years, and for some years prior to that, and this is the third year in succession that I have heard the C.C.F. members on that side of the House make the same statement and the same declaration — that the livestock industry and the production of hogs in Saskatchewan was at an end — but all, of course, for certain reasons. In spite of that, Mr. Speaker, the hog industry of this province continues to flourish. As a matter of fact, I say this without any fear of contradiction: that there is more interest in the breeding of livestock of every kind, and particularly hogs, today than there has been for a long time. What is the result? The result is that the industry today is on a more solid footing, so far as dollars and cents earnings, or profits, are concerned, than it has been at any time. I am not a hog producer; but I have obtained this information from people who do produce hogs, not just a few of them, but up in the hundreds of thousands, people who produce dairy products of every kind.

The other day a gentleman who was staying at the Kitchener Hotel called me up and I went down to see him. He has two sons who are farming right across the road from him, and they are engaged in producing hogs. I asked him: "As a hog producer, what is the situation? Your feed has gone up, the price of hogs has gone up — what is the relationship? Would you say that you get as much profit out of your hogs now as you did before the increase in feed and the increase in hog prices?" He said: "A little bit more, because an average hog brings from \$7.00 to \$8.00 more than it did before."

Hon. Mr. Nollet: — When did you ask that gentleman that question? After January 2nd or after October 21st?

Mr. Danielson: — That was just last Friday night; just last Friday night.

Hon. Mr. Nollet: — Oh, yes! What about October . . .

Mr. Danielson: — We will deal with two of these other things, and maybe we may clear up some of these questions before we get through. We have heard this thing, not just this year, but for years past; and in spite of that, the hog-raising industry in Saskatchewan has not by any means perished. It is a very live industry today, and from a dollar and cents point of view it is on a better business footing than it was before.

One thing the decontrol of coarse grains has done away with — which was an injustice before, and I said so on the floor of this House last year — it has done away with the discrimination against the farmer who produced his own feed grain, as against the men who purchased his feed grain. Now they are all on the same footing.

Hon. Mr. Nollet: — I'll say they are.

Mr. Danielson: — Now, if that gentleman over there will just keep his peace for a little while — he can, of course, ask questions any time he likes; but I shall come to some of the statements he made when he was speaking on this Resolution, in a little while. The Mover of this Resolution, Mr. Speaker, prepared a very good presentation of the subject. I do not agree with everything he said, but he did a very nice job, from a business point of view and the hon. gentleman raised no political issues. I might say this: the gentleman

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from Humboldt (Mr. B Putnam) who followed him, handed this House (and I think very properly so) some very fatherly advice when he asked the members who were going to take part in this Resolution to stay away from politics, and discuss this thing on its merits. It is not a political issue. It touches one of the very great industries in the province of Saskatchewan today, but I want say to him that his advice was wasted entirely on the Minister of Agriculture who did nothing else but get up and deliver a miserable, narrow-minded partisan speech. Yes, that is what he did! He should go back and read up on some of his statements which he made at that very critical time last fall, and he will find they will not correspond with the sentiments he expressed here the other day.

There are certain reasons why the hog industry is perhaps not as high in the province of Saskatchewan today as it was in 1944. One very good reason is this: You and I, as farmers, know that if we are going to produce cattle or hogs we have to have something to feed them. Someone was criticizing the Wheat Acreage Reduction scheme of the Federal Government. That scheme Mr. Speaker, dropped \$86,000,000 into the coffers of the farmers of western Canada — \$86,000,000 cash money! It did this: after one year's operation of that scheme, we had more summer fallow, we produced the greatest crop of wheat that has ever been produced in Canada, and now probably that record will stand for many years to come. Another thing: it induced the farmers to produce more feed grain, and that is the foundation for any livestock industry, whether it is in Canada or anywhere else. That is one of the requisites we must have before we launch out, before we lay a foundation for a livestock herd or a hog-breeding program, we must be assured that we have the feed for these animals. Now, that is what the Wheat Acreage Reduction scheme did. It gave us a dollar an acre for every acre that we turned into coarse grain instead of wheat; and let us not forget, Mr. Speaker, that at that, time there were 600,000,000 bushels of wheat in Canada, and they were flooding every bin on the farms, flooding every elevator annex, and piling a lot of it in the fields. That was the situation; but after all, it laid the foundation for a livestock industry in western Canada, and as a result, we produced the greatest amount of livestock that any nation of an equal area and an equal population has ever produced. That was needed — it was badly needed.

In addition to that we supplied eastern Canada — I have the figures right here — the amount of feed grain that we produced and shipped to eastern Canada in that time was enormous. In addition to that, millions and millions of bushels of grain — wheat, oats and barley — went across the line, to the United States. That was the situation at that time. Now, what has happened? Not only is the livestock industry going down, but the most important reason for that is that the amount of feed grain and the amount of roughage produced on our farms for feeding cattle has, in three years, been used up — three years of small crops, two of which resulted in a complete crop failure over a large part of this province and in other provinces in western Canada. What happened last summer?

Hon. Mr. Nollet: — May I ask a question? He is talking about fodder. Of course, pigs do not eat fodder . . .

Mr. Speaker: — Order. Is the hon. gentleman prepared to permit a question?

Mr. Danielson: — No. I don't think I should. He can talk on this himself. He has already spoken on it.

Hon. Mr. Nollet: — On a point of privilege, then, Mr. Speaker . . .

Mr. Danielson: — All the hon. gentleman has to do is to go back twelve months ago in this House . . .

Hon. Mr. Nollet: — The hon. member has made the statement, or implied in the statement, that there was not sufficient feed for our hog population, and to increase our hog population in Saskatchewan. I would like to put him right. We are exporting enormous amounts of feed from Saskatchewan every year.

Mr. Danielson: — Well, he's making a speech, and the hon. gentleman knows that I did not make that statement at all. He knows absolutely that I did not make the statement that he has credited to me; and I am not even going to take the trouble to explain again what I did say.

The whole thing is this: the hon. gentleman need only go back one year, when we sat in this House. Surely his memory is not so short that he has forgotten the mess that he put the southern part of this province in, a year ago, so far as fodder is concerned.

Hon. Mr. Nollet: — What has that got to do with pigs?

Mr. Danielson: — It has something to do with it — that is what you took exception to! When you don't get fodder for your livestock you don't get grain. I don't know what kind of a farmer the hon. gentleman is, and I don't care; but I know this, after 44 years of farming on these prairies, Mr. Speaker — when I cannot produce anything for fodder I have no coarse grain for feed either. The two go together.

Now that is the situation we are facing, and as I have said, today, after three years of small crops, and two years of failure over a large part of the province of Saskatchewan, we have reached the point where there is nothing else to do except reduce livestock production, including hogs and cattle — that is certain. There was not a bushel of coarse grain raised in that district, and there is nothing there today except what was carried over from 1945 and 1944. As a matter of fact, I had about 3,000 bushels on my own farm that I carried over from 1944. My crop last year did not amount to anything, and I think probably I had a little better crop, even at that, than some of them had there, because I have a low place on my farm which I usually

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seed to oats.

That is one of the main reasons why hog production has declined. There are several others, one of course being that many farmers have reached the stage where they are not as healthy and as strong as they used to be, and they feel that perhaps they do not need to go ahead and feed cattle and hogs and work all winter as they have done in the past. During the war, when national necessity called for such an effort, it was put forth; every man, every woman, families, girls and boys on the farm, were devoting their efforts to try to assist production, but now we haven't the stimulus of a war effort to gear up production at this time.

Here is another reason: there are less farmers in Saskatchewan today than at any time for many, many years. You have to go back a long time to find as few people on the farms as there are today; and you who are familiar with farming know that it is not the larger holdings that produce the hogs, but the small farmer, the man who remains on the farm and makes it a home, who milks maybe four or five or six cows and has a little herd of hogs — that is the man and the woman who devote their labour and their spare time to bring this production about.

Here is the Minister of Education — I am going to mention this; I do not say it is an important factor, but I know it is a factor in the reduction of hog production — I know that in my particular constituency, next to the town of Davidson, five families moved in from the farm. I know they did that — and why? Because the schools were closed, and they had to get their children in to town. Every one of these families milked cows and produced hogs. The hon. Minister smiles over there — well, he does not know much about farming, and I am not blaming him for that — that is not his business, not his life work — but I know that is a contributing factor.

Mr. Speaker: — I would like to draw the attention of the hon. member who is speaking, to the Resolution. I have given you quite a lot of latitude, but it is quite evident you are not speaking to the Resolution.

Mr. Danielson: — Well, Mr. Speaker, I have my notes here that I took down when the other gentlemen spoke on this Resolution, and can assure you that I have not wandered as far astray as they did on this particular topic. I am only replying to what they said, and I hope you will bear with me. I have the right to try to reply to these arguments which they have advanced, which certainly were used by every one of them. I am merely replying to some of the things that they said. I am enumerating some of the reasons why production of livestock, including hogs, has decreased on our farms, and the last reason I mentioned was in regard to closing of schools all over this rural area. I can count, and I know of six of them in my particular constituency, and there are more farther up, and the people in many cases have moved in to the villages and the towns in order to bring their children to school, and their farms are closed up. They have taken their cows with them, so they can get milk and cream; but there are no hogs, and a vacant farm does not produce hogs.

Hon. Mr. Brockelbank: — I would just like to ask, Mr. Speaker: is that the explanation on why the schools were closed?

Mr. Danielson: — I did not hear the hon. gentleman's question.

Hon. Mr. Brockelbank: — Is that the reason the schools are closed?

Mr. Danielson: — I certainly did not say that. The hon. Minister is trying to be funny, but no! He is the joke this time. Now, I know, Mr. Speaker, that they do not like to hear these things; but I tell you that there are a good many farms in our rural areas today in Saskatchewan, that are closed up because the farmers have to move in to town to get their children to school, and a vacant farm does not produce livestock.

Hon. Mr. Lloyd: — Will the hon. member just explain why it is that there are not enough children in the districts so that schools may be opened?

Mr. Danielson: — I know of schools that closed during Christmas holidays and they have not been opened since. There was one school closed, and the children from another district were going to that school during the summer; but it was so far to drive for these children that now they have moved in to town, because the children could not do it in the wintertime. That is the reason, and the Minister knows that.

Hon. Mr. Lloyd: — Would the hon. member tell us what we ought to do about that situation?

Mr. Danielson: — Well I have some ideas on the subject, but I am not going to tell you about them now. Just common, ordinary business sense would clear the matter up, there is no question about that; but the policy, so far as rural education in the province of Saskatchewan today is concerned, is such that it is aggravating the situation, not improving it.

I have a letter here that I would like to read — only a part of it, Mr. Speaker — from one of the great livestock producers in the province of Saskatchewan. He is recognized all over the province, and outside of the province as well. He is one of the outstanding livestock breeders in the province of Saskatchewan.

Mr. P.A. Howe: — What is his name?

Mr. Danielson: — His name is "Frank Richardson" of Semens, Saskatchewan. He has been president of the Swine Breeders Association of the province, and I think he holds office in the national organization. This was written to the 'Western Producer' and reprinted in the 'Letter On Canadian Livestock Products' from 'The Industrial and Development Council of Canadian Meat Packers' and this is what he has to say:

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"The prices we shall receive at country points in Saskatchewan for barley will be about seventy-eight to eighty cents." (This was written after the increases in prices, last spring, but has a bearing on what I am going to say.) "We consider it takes about twenty bushels of barley to produce a 200-pound hog. This fall a hog of that weight should sell for over \$35; about forty-five percent of a hog's selling price should pay his feed bill. Our test stations have proved it takes about four pounds or less of barley to produce one pound of live gain on a hog. The real reason for farmers not raising hogs is the shortage of labour and that wheat growing has been more profitable . . .

"Since writing the above, I have asked our elevator agent the present rise in grain prices. Barley has advanced 12 3/4 cents and oats three cents. On twenty bushels of barley 12 3/4 cents is \$2.55, which would be the extra amount it will take to raise a bacon hog. The raise we received on hogs a short time ago, together with the September raise to come will add \$5 to the price of each market pig. We continually hear farmers say they will not feed ninety-three cent barley to hogs. This is not a fair statement. The cash price of barley at this point is 77 3/4 cents. We complain that the farmer in Eastern Canada has had an unfair advantage over Western farmers in stock farming on account of receiving so much freight assistance. He will surely be at a disadvantage now. There is one thing we must admit, he has produced hogs and helped hold the British market while his Western neighbors have been making easy money out of wheat . . .

"The main failures of Western farmers have been they almost always rush into a short-term policy. The best illustration I know of has been flax growing, when almost every farmer has had lots of flax to sell the year after it has been a good price. Of all the sidelines we have to choose from, hogs are the safest. A granary full of good dry barley is a safe feed bank, being almost imperishable. An owner of such has at least some time to readjust his affairs in years of drought."

Now, there is a gentleman who knows what he is talking about.

Hon. Mr. Fines: — What date was that?

Mr. Danielson: — That was last May, 1947, and last March our friend stood on the floor of the House and told us exactly the same thing. Now, the price of barley has gone up, the price of oats has gone up, the price of a hog has gone up approximately \$8.00 a head, not \$5.00 a head, but \$8.00 a head!

I went home a week ago last Sunday, and . . .

Mr. A.L.S. Brown: — Was that coming down on the train?

Mr. Danielson: — Will the hon. member keep quiet! While I was sitting in the station, waiting for the train for Regina, I was talking to two farmers. One lives fourteen miles from town, the other three miles from town. They were talking about raising hogs and so on, livestock in general — one of them is raising both cattle and hogs in considerable amounts — and I said to them, "I understand you are not making much profit on hogs just now," and one of them said, "Well, there is still a nice thing in hogs. I'll show you something."

He pulled a bill out of his pocket, and there was a scale ticket and everything else. Last fall, he bought at a sale four hogs at \$12.00 apiece. He had just sold them about two weeks ago, and for the two hogs that graded "A" he received \$81.05, with a \$6.00 premium — \$3.00 per hog; for the other two that graded "B" he got \$71.40, making a total of \$152.45. That was his price for those four hogs. He paid \$48.00 for them, and two weeks ago got \$152.45 for them, and he said to me: "This summer I had 34 hogs that I raised on my farm. I bought every pound of feed to put into those 34 hogs in the City of Moose Jaw, and hauled it home in my own truck," (he does some trucking as well), "and I didn't charge anything for hauling the feed home. All I got from my farm, outside of the feed that I hauled in, was the skimmed milk, and I had that on my farm because I ship cream. I sold those 480 hogs about six weeks ago and got \$1,003.00 for them."

A Voice: — Quite a herd!

Mr. Danielson: — Well I will take that man's word for anything.

Mr. Speaker: — The hon. member does not mean that he sold 480 hogs, I am sure

Mr. Danielson: — \$480 was the price of the feed. I am glad you called my attention to that, Mr. Speaker. He said he bought every pound of feed that went into those hogs.

Mr. P.A. Howe: — Will you permit a question? What did the farmer make who sold those four hogs for \$12.00 apiece?

Mr. Danielson: — Well, Mr. Speaker: I think the size of the hogs was a fair size. He got a pretty nice thing out of it, because it was an auction sale, only three miles from town. I know my son-in-law bought some cattle there, two cows, and I know he paid a fancy price for the cows; but I know the farmer did not lose any money on his hogs, besides the work. He wasn't the only one who bid on those hogs.

There is another gentleman, Ernie Smith, who lives two and a half miles south of town. We shipped a carload of livestock through our Co-operative Association about five weeks ago, and one steer — it was a good one — brought \$207. Now who is going to go our and tell the farmers of the province today that they can't raise livestock at the present prices? They would just laugh at you, because it is not true. There is more profit — of course my C.C.F. friends don't believe in profit, the socialist says they don't — but there is more actual profit in livestock today, in hogs and cattle — than ever before.

Hon. Mr. Nollet: — Why don't they raise 'em?

Mr. Danielson: — Well, I do not know where you come from, but I know what the situation is in my district.

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Mr. H.L. Howell: — May I ask the member a question?

Mr. Danielson: — What do you want to find out; how much Pablum you want?

Mr. H.L. Howell: — Would the hon. member tell us how he accounts for farmers in the northern part of the province selling a lot of their breeding stock in hogs this fall, at a time when they had lots of feed and all the schools were open?

Mr. Danielson: — Mr. Speaker: I don't know anything about that myself, but I have lived on this prairie for many years, and you know, after all this farmers as a rule are pretty shrewd fellows, when it comes right down to their own private farm business; and I am going to tell my hon. friend, quite frankly, that I do not believe he knows what he is talking about. I am going to say that I would not believe his under any circumstances when livestock production have sold all their breeding stock. I do not think there is any such thing. Sure, they sell livestock in the thousands. When your strike last fall dammed it up for six or eight weeks, of course, something had to be shipped out. I know that, and you will hear something about that before you get through this Session.

No farmer is going to come and tell me, or any member of this House — I don't care where he comes from — that where the farmer has feed and is not an old, broken-down man so that he has to quit farming — that he is going to quit under conditions as they are now — dispose of all his breeding stock. He will do that, of course, if he goes out of business; but that does not mean that the livestock is going out of the country because somebody else is always starting in, increasing, their herds and so on; so don't try to tell me that because I know for a fact — I have a little clipping here that I picked up yesterday — during the month of January, in all of Canada, 48 percent more hogs were marketed than for the same month, last year. That was just in January, and we are talking about last fall. These hogs must have been very small at that time, because you know it only takes about six months, sometimes more, sometimes less — I know of farmers in my district, with proper feeding methods, marketing hogs in five months, but it takes good care, good feeding and real attention to the business to do that; here is the clipping, from Woodstock, Ontario: "48 percent more hogs were marketed in January than in the same month last year."

Mr. H.O. Hansen: — That's how they go out of business.

Mr. Danielson: — That does not sound as if they are going out of hogs. Oh, no, they are not doing that at all. The hon. Minister of Agriculture made a real, rousing, rabid political speech the other day on this hog Resolution, and he told you many things, but he did not tell you — he did not say one thing, except just the one reference to the 'debacle' that struck the livestock industry last fall through that strike. I am not going to say much about that right now, because I have a few remarks I want to make some other time; but where was the Minister of Agriculture at that

time? He was out whopping it up for the strikers, and said that they were entitled to everything they could get. What did he say about the farmers? I have it right here, dated September 13:

"The halting of livestock shipments to strike-bound packing plants would not seriously affect Saskatchewan farmers and ranchers, as far as cattle were concerned, Agriculture Minister Nollet said. Recent rains had provided pasturage, and cattle would gain weight until shipments were resumed. Mr. Nollet said that prices would remain firm, and there were indications that they might go up, which would work to the advantage of the farmer who had halted cattle shipments."

There you are — not a word of sympathy for the farmers, when he knew millions and millions of dollars' worth of livestock involved.

Hon. Mr. Nollet: — You are not worrying me at all!

Mr. Danielson: — The Canadian Federation of Agriculture has something to say about this thing. They estimated the loss to the farmers, caused by strike action, at \$75,000,000 — \$75,000,000, Mr. Speaker! That was the loss, and debacle so that the farmers of Saskatchewan could reap the benefit of the market, which they were denied at that time; not a word from any of you, not only the Minister of Agriculture but our whole Government was in the same position.

Hon. Mr. Nollet: — . . . and the Packers made nine million.

Mr. Danielson: — That's what you say! I don't know what the packers made, Mr. Speaker, but I want to say one thing, and I am absolutely sure I am right. I do not know anything about it, and I sure the Minister of Agriculture does not know anything more about it. He is just talking through his hat!

Now than, in view of the statement that has been made — in view of the debacle that is supposed to have happened to the hog producers and livestock producers of the province, and in view of the fact that every C.C.F. speaker and everybody else who supports that party is capitalizing and trying to damn the Dominion Government for certain actions in removing the price control on hog grading — I say this, that had to be done sometime, Mr. Speaker; adjustments have to take place when controls are removed. When the price control was taken off, there was more money made by the farmers of Saskatchewan than they lost, and I will tell you why. The Minister of Agriculture probably does not know — but I know — that in the province of Saskatchewan this same man who produces the hogs produces the grain, and I know that there was quite a lot of stuff held back from the farm by the farmer who does not produce hogs — who receives a price for that coarse grain which he had not had before. You have never heard me say in this House or anywhere else, that I agreed with the price that was set by the Wheat Board or by the Government or whoever did it — by Donald Gordon or anyone else

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who was in authority to do it. The price of coarse grains has not been what it should have been, during the last years, to the farmers of this province. It has never at any time borne a fair relationship to the price of wheat. The farmers who produced the coarse grains have had something done to them which the fellows who produced the wheat and flax did not have done to them. If you are going to get coarse grains, there must be a fair relationship to the price of wheat.

Hon. Mr. Nollet: — What about the price of hogs?

Mr. Danielson: — That is another reason, during the last few years, that the acreage in coarse grains has been reduced by millions of acres, not only in this province but in other provinces. That stands to reason. As a matter of fact, an incident took place about ten miles from where I live . . .

Mr. D.S. Valleau: — On a point of order, Mr. Speaker . . .

Mr. Danielson: — Don't you worry about a point of order.

Mr. D.S. Valleau: — My point of order is this, Mr. Speaker: It is quite permissible, in the Resolution under discussion, to refer to the price that the hog producer pays for feed, but I would respectfully suggest that the hon. member, in speaking at length on the subject of coarse grain, is discussing Resolution No. 4 rather than Resolution No. 2.

Mr. Speaker: — The point of order is not well taken.

Mr. Danielson: — I was only proving to you, Mr. Speaker, that there is another reason why the production of hogs and livestock is going down in the province of Saskatchewan; the fact that there has been no encouragement — anybody who raised oats and barley has been under a handicap as compared with the person who has devoted his acreage on the farm to production of wheat. I was told of an incident which took place in my district, by the farmer himself. The C.C.F. nominee up in my district of Arm River was out this last fall — which was all right, everybody has the right to do that, so far anyhow — trying to get some support. He drove up to a place and the gentleman was in the house and was asked — "Now, what kick have you got about the Dominion Government?" "Well," he said, "they took off the ceilings on coarse grain," and he said, "the only thing they did in their lives that did any good to me. I have two granaries of oats out in my yard, and I made up my mind I would not sell them. They would either have to go down or else they would have to come up. That is the only money they ever made for me in the last few years." That is the situation.

You see, after all, the farmer who has raised his hogs . . .

Mr. Speaker: — Order! May I again call your attention to the Resolution. Either speak for or against the resolution; the one clause deals with a policy based on protection against high speculative feed prices, and the other deals with a policy based on protection against excessive profits.

Mr. Danielson: — Yes, Mr. Speaker. I was certainly speaking about the high price of wheat and grain and everything else. I certainly was talking about, the feed prices. I said this, Mr. Speaker — that there has not been a proper relationship between coarse grain and wheat prices and this has the result of reducing the production of feed grains in the province of Saskatchewan. Statistics will prove that conclusively, because the acreage seeded to coarse grains in the last few years has been far, far less — even in the millions of acres less — than it was previous to that time. When wheat was 90 cents a bushel or \$1.25 a bushel, even, it was not so very far removed; but when wheat gets up to \$1.55 with a prospect of reaching probably \$2.00 when all the final payments are in, the difference between the two is absolutely out of line; and as a result we have suffered, and, as I said before, if you are going to produce livestock, you must have the feed to feed them.

The Minister of Agriculture was saying something about the enormous profit of the packing companies. Well, he does not know anything about it, and neither do I — not a thing . . .

Hon. Mr. Nollet: — You mean you don't want to.

Mr. Danielson: — I have "Financial Report and Auditor's Statement" here, of the different packing house companies — I think every one of the members received one — but I am not going to say they are correct, although I should think they would be correct. If they are correct, there are certainly no exorbitant profits shown in the packing-house business; but there is a feeling in the minds of many people in the province of Saskatchewan — and I am sure it must be in the mind of the Minister of Agriculture — that there is some 'nigger in the woodpile,' — that someone is making a tremendous profit out of the stock industry, in the processing end of it. I would say that in order to settle this — this is something that you want to know, I want to know, and everybody else wants to know —

Hon. Mr. Nollet: — Did you ever read the Steven's report?

Mr. Danielson: — In order to settle this thing, we should take certain steps to find out, and then we can inform the Minister of Agriculture. It may be hard for him to accept it, but at the same time he might finally be convinced. I am going to move an Amendment to this Resolution, and my Amendment is this:

Moved by myself, seconded by Mr. Procter, that the following be added to the Resolution: "This Assembly commends the Federal Government for having negotiated long-term contracts with fixed prices for meat and livestock products, and for having adopted a policy of lower prices, and requests that the Government appoint a Royal Commission to make a full and complete investigation of the packing plant industry in Canada."

I think that is what we should have. I think it has been asked by farmers' organizations; and why should we not? Why should we who are in this House not ask the Government to appoint a Royal Commission? Let all the farmers' organizations appear before that Commission — let us go to the bottom and see if they are taking undue profits, if they are robbing the

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farmers or the stock-producers — let us find that out. That is what I want to do. Then, when we meet here again, whether it be next year — of course, I don't think many of those members will be back, Mr. Speaker; but I am sure I will be here. I feel more confident today than I ever did in my life. My amendment is to the effect that the Government of Canada should appoint a Royal Commission to investigate and go into all phases of the industry and find out what is wrong. Then, I think also there should be included there, that they should have the duty of making certain recommendations to the Government of Canada in regard to this matter. With that, I move this amendment, Mr. Speaker, seconded by Mr. Procter.

Mr. Speaker: — Moved by Mr. Danielson, seconded by Mr. Procter — I do not think I can accept a Resolution, seconded by someone who is not here.

Mr. Danielson: — Will you allow me to put another name on there, Mr. Speaker? Mr. Embury?

Mr. Speaker: — Moved by Mr. Danielson, seconded by Mr. Embury: "That this Assembly commends the Federal Government for having negotiated long term contracts with fixed prices for meat and livestock products, and for having adopted a policy of lower prices, and requests that that Government appoint a Royal Commission to make a full and complete investigation of the packing plant industry in Canada." The debate is now on the Amendment.

Mr. W. Burgess (Qu'Appelle-Wolseley): — Mr. Speaker: I have not seen the Amendment, and it is possible that I may get out of order. If I should do so, I know you will call my attention to it. It seems to me the Amendment and the Motion, taken together — and if we pass this Amendment I take it then we would have a Motion amended — that we would have a Motion which would very clearly indicate the condition of the farming industry, because it would be a most confusing Motion.

I enjoyed the speech of my hon. friend from Arm River (Mr. Danielson). It proved to me that he, like myself, is an ordinary farmer — that he, like myself, finds it absolutely impossible to understand the agricultural policies that have been carried on in Canada in the last few years. I am sure the confusion that was in his mind must have been apparent to all the members, and I am satisfied that the confusion that is in my mind in connection with the same policies, will probably be only too apparent before I am finished.

I do not, think we can be blamed, Mr. Speaker, if we do wander away from this 'hog' question, because they are so inter-related to one another — the coarse grain problem and the hog problem and the general livestock problem as a matter of fact, the whole problem of marketing of farm products . . .

A Voice: — I thought you meant the member.

Mr. Burgess: — No. I didn't. If we just let our minds go back a little way, not any further than ten or fifteen years — most of us here are old enough —

we will remember that the people who tried to co-operate with the government, whether provincial or federal, the people who tried to follow the leads which were handed out by the agricultural departments of either government, almost without exception got their fingers burned. We were told, for instance, by the Departments of Agriculture that the thing to do was raise livestock, get a good substantial base on this farming industry. Then we had a crop failure, and were told that whether it was a purebred herd you had founded or a good grade herd, it must be sacrificed at one cent a pound. Then, when war broke out, the first newspaper advertisements put out by the Dominion Government, Department of Agriculture, were to the effect that, a great deal of pork products would be needed overseas. I remember going to a United Farmer Convention at Saskatoon, and we had a series of government speakers, three or four of them. I think the Hon. Minister of Agriculture must have made their speeches up for them, because they were in absolute unanimity. They told us it was our duty to go home and breed more sows and raise more pigs to feed the People of Europe. A great many farmers did that. The following year, in the same newspapers, advertisements from the same government asked the people of Canada to eat more pork and help get rid of the surplus. Those advertisements are on the record — I can't give you the exact dates, but they can certainly be found, and my hon. friend knows so well that it happened that he is not even going to question it.

Mr. Danielson: — I would like him to give us the year, the year those advertisements appeared in the papers.

Mr. Burgess: — I am not really prepared to state the year, I might quote the wrong one, but I am going to say this, that they are a year apart; the first one, I think, would be in 1940, the year I attended the United Farmer convention to which I have referenced. At the time, the Professor of Animal Husbandry at the university and one or two other livestock men from the Department of Agriculture, gave us the line-up on more hogs. If it was in 1940 that that happened, it was the following year, which would be 1941, when we had the advertisements in almost all the papers calling on the city people to be patriotic and eat up some of this pork that could not be shipped overseas.

The hon. member went through a discussion of the various agricultural policies with reference to wheat and coarse grains, and I entirely agree with him that coarse grains, for a number of years — that the people who co-operated with the Hon. Mr. Gardiner in growing coarse grains (he recommended it, he said "the Government would like you to grow more coarse grains"; he advertised in the papers even bribed at \$1.00 an acre to do it — the hon. member is right when he said that the people who did it got stung. They sure did. Too often that has been the case. Now, I think that this Resolution, which we had here, at least offers a groundwork for an improvement in the livestock situation. I do not exactly agree with the exact wording of it. In the first clause it says "protection against high speculative feed prices." Personally, I would rather be protected against low speculative feed prices than high ones. What I would like to be protected against is a speculative market, and I think that the people of Saskatchewan, livestock producers and grain producers, are pretty well convinced that they have nothing to hope for from the speculative market, in any of their products. We have the situation, as pointed out by the hon. member, that today the livestock industry are getting fairly good prices; that is, they have gone up a great deal since last October; but we had a government policy which apparently has no idea, when they start something going, of what the result is going to be.

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The first thing they do, they tell you to grow more coarse grains, then when you grow coarse grains they 'gyp' you on the price; then when you get sick of taking a poor price for your coarse grains, and quit growing them, and the coarse grains begin to get scarce, they say they have to let the lid off a little bit. They don't take the lid off a little, they take it off altogether and let the speculators go crazy for a littler while and the price goes up, possibly 20 cents a bushel more than it ought to. The man with the hogs thinks that is sense because he can't feed hogs at those prices; and there is no use the hon. member saying that people didn't put their hogs on the market because everybody knows they were fighting with one another to get a truck to take their hogs — and it didn't matter whether there was a crop failure or not. It was happening in every district — unless we except Davidson; I will have to take the hon. member's word that they didn't do it at Davidson. Sure, we have 48 per cent more hogs being marketed, I do not want any better proof of the fact that the farmers are unloading their hogs, than for someone to tell me that 48 per cent was the increase in the marketing of hogs over last month because there certainly isn't 8 per cent more pigs in Saskatchewan than there was a year ago.

Mr. Danielson: — Mr. Speaker, I did not quote Saskatchewan, it was the whole of Canada.

Mr. Burgess: — That only goes to prove that they are not only killing the hog industry in Saskatchewan but they are killing it all over Canada.

As a matter of fact, I think, it is two years ago now, in this House, speaking on a somewhat similar resolution, I said I did not know whether the Federal Government were consciously trying to kill the livestock industry in Saskatchewan but the fact remained that it was being killed. At that time I criticized some of the legislation that was in effect in Canada which was giving the pork producer in Ontario, Quebec and other places, a preference over the producer of pork products in Saskatchewan. I will agree with the hon. member for Last Mountain (Mr. J. Benson) that the favouritism has largely been taken away from it now. The pigs are now being unloaded, and I wouldn't be a bit surprised, Mr. Speaker . . .

Mr. Benson: — You're on the wrong side of the lake!

Mr. Burgess: — I beg your pardon, Sir. I didn't want to cause any hard feelings with anybody. The fact remains, that I wouldn't doubt the hon. member is correct when he says that livestock will be profitable in a little while. I wouldn't be at all surprised but that those farmers who struggled through this confusing (I was almost going to say crazy) agricultural policy of the moment: I wouldn't be surprised that they will cash in later on — that has been the history; but there is one group that are bound to cash in. Something happens; people have become dissatisfied with the livestock market, and unload their pigs; the packers buy them and the price goes up. The farmer then starts

buying some feeding stock again and thinks, well there is a big price now and he might as well get in on it. The packers' price on his product now goes up, and he gets another million or two profit, and what the farmer makes one time he loses the other. Personally, I haven't lost anything on pigs for a long time. About 1932, I brought a load of pigs to Regina — nine of them — and I took home \$33.50, which was just 50 cents less than \$4 per pig. The same day I went to the Army and Navy store and bought a pair of rubber boots for \$4.95 — there was a 'dollar day' on at the Army and Navy that day. When I got home, one of the neighbours said, "I suppose there were a lot of bargains in Regina." I said, "I never saw so many bargains in my life". He said, "Was it really good?" I said, "It is really good". He said: "How much did those boots cost you?" "\$.95", I said: "But that wasn't so cheap". "No", I said, "I don't mean those bargains, it was in the stockyards that I saw the bargains. The biggest bargains I ever saw in Regina were those pigs at slightly less than four dollars each." That day I made a solemn declaration to myself that the people who ate pork, in the future could grow and feed it themselves. At the same time I have had a great deal of sympathy with the people who have struggled with Mr. Gardiner's pig policy, over the last ten years.

Mr. Speaker, I do not intend to put a political tinge to anything I have to say. I want to deal with this Resolution, and I think the Resolution offers a constructive suggestion that we in this House do not need a Royal Commission to find out: that is, the time is long since past when a Board of Livestock Commissioners should have been set up in Canada to, at least, exercise some supervision over the livestock industry and the packing industry. I do not think it is necessary to have a Royal Commission, at great expense, to go around and discover whether or not somebody is stealing (as the hon. member suggested). I think it would be a good idea for the Dominion Government to set up the machinery to stop any possibility of stealing, so far as that is possible. I do not think it is necessary, as you might say to "look the door after the horse is stolen". I think we should have — and I think the hon. member, in his day, at many farm meetings has voted in favour of — a Board of Livestock Commissioners. He is far too progressive a farmer not to have got around to that stage, years ago. The Resolution asks for it, and we have been asking for it for years; and we do not need another Royal Commission to point out the necessity for it — we do not need a Royal Commission to point out the necessity of coarse grains being marketed without the speculative market.

I, therefore, am going to vote against the Amendment, not that there is anything terribly bad in it, but in favour of the Motion.

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Mr. D.S. Valleau (A.S.V.R.): — Mr. Speaker, on the Amendment, I find that I doubt that I can support the Amendment, although it has some very good points in it; but chiefly because it was one of these "statements of fact" which we have heard so much about in the last few days, and I, as a member of this House, am going to have judge whether or not the statement of fact is accurate — I rather doubt that it is. I haven't the Amendment before me, and I just took it down quickly and roughly.

The Amendment does seem to me to contradict, to a certain extent, some of the implications of the original Motion; but that is even more drastic; I think the Amendment, if what it says is true, means that the policy that the hon. member wishes to commend is a policy diametrically opposed to the policy which the Federal Government has been following. That is, he wants to commend them for negotiating long-term contracts at fixed prices for meat and livestock production. I would suggest, Sir, that the Federal Government does not have a long-term policy of contracts at fixed prices. The reason I would suggest that is because the one thing, above all others, on which the corner-stone of the Liberal policy has been based in the last five months — in fact, we heard it in the same breath that the 'austerity' program, was announced — on the Geneva Agreement, of which was we have heard so much.

I do not wish to speak on the Geneva Agreement in this Debate except to show why they are contrary to this policy — the basic premise. I would like to quote to you from an article on international trade practices, under the I.T.O. Charter, by a man who at one time helped to advise the United States Treasury on their economic activities. It was partly his advice that led to the establishment of the proposed Charter for an international trade organization, and his name is Mr. Raymond S. Mikesell. He said: "The particular rules and standards of international trade which we, in this country, would like to see made universal, with a few noticeable exceptions, are those consistent with the principles of free international trade, carried on by the unregimented activities of private enterprise."

I would suggest, without elaborating to too large an extent, that these are the principles which are incorporated in the Geneva Agreements, that they are based on the premise that state trading is a bad thing and when it does exist, it should be carried on as if it were free, unregimented private enterprise traders. Obviously we cannot command the Federal Government for establishing long-term contracts which can only be done by state trading, unless we have some reason to believe that those long-term contracts are going to be negotiated for at least one year, or two, three or five years — I would say for ten years. It should be their policy to negotiate them for as long a term as possible.

Under Article 17 of the Geneva Agreements which we have signed, dealing with non-discriminatory treatment on the part of state trading enterprises, it provides that any contract entered into with another

nation must be entered into exactly on the same basis as a private trader would enter; and that all the other nations, signatory to the agreement, must have an equal opportunity to sign such contracts on exactly the same terms.

Similarly, Article 16 deals with subsidies: subsidies cannot be offered to your own home grown industry in order to encourage exports in a particular field (unfair exports). That, I suggest, would prevent long-term price fixing and, guaranteed floor prices. While we all agree that this is a worthy objective, long-term trade agreements and long-term fixed floor prices, to carry it out, would be to carry out a policy diametrically opposed to the policy which the Federal Government has adopted under the Geneva Agreements. It is unfortunate, if true, that Mr. Gardiner is in opposition to all the Federal Cabinet, but in trying to negotiate food agreements with Britain he is, at the moment in opposition to the economic policy which the Government at Ottawa is trying to pursue. We are no longer a nation trying to work out agreements with our best customer Britain; we are today a nation trying to work out a policy that will please the Treasury Department of the United States of America — and that is what is going to make it so tough for the farmers of Western Canada, in the immediate future.

While I would like to commend the Federal Government for this policy, I am afraid that I cannot because I do not think it is their policy. And the second part of the Amendment which suggests setting up a Royal Commission to investigate the packing plant industry — what premise would that Royal Commission start from? It would start from the statement from the Federal Minister of Agriculture, last fall, when the packing-house strike was on, it was the duty of the farmers to organize strike-breaking gangs to break the strike. It would start with the belief that the companies were right from the beginning, and I do not think a commission based on that premise would get very far. It is the premise that the farmers do not agree with and that the people who work in the industry do not agree with, and it is also a premise which contradicts paragraph 2 of this main Motion which we are discussing. Actually what we want is not an investigation but action, and that is what the main Motion calls for. So, on these two grounds the first part of the Amendment contradicts Canada's main trade policy and states that something exists which I have grave reason to doubt does exist; and the second part of it, in a sense, would nullify paragraph 2 of the Main Motion, so I will oppose the Amendment.

Mr. John Wellbelove (Kerrobot-Kindersley): — Mr. Speaker, I believe I will have to oppose the Amendment on pretty much the same grounds, for the simple reason that in the first portion of the Amendment we are commending the Government of Canada for a long-term agreement — I wish we could be certain that it was a long-term agreement. I think the last time the delegation were over from Great Britain negotiating their agreement it was negotiated

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subject to revision and review. So I do not think we would be on safe ground for commending them for a long-term agreement which does not, to all intents and purposes, exist. If the Federal Government had negotiated a definite long-term agreement (a multi-lateral agreement by preference) then the spirit of that, I think, most of us could endorse.

In regard to the second clause of the Resolution, just to draw from that to the Amendment, the second clause of the Resolution — speaking to the Amendment — does definitely call for action. As we think of the number of Royal Commissions and investigations that have been set up which have often been called a "delaying movement", and I think, by and large, that they are delaying movements. If ever there was a need to spur the Federal Government on to an investigation during the last six or eight months, we certainly have passed through a period, if they had any interest at all in the livestock producer, there should have been the incentive to start an investigation. Seeing the muddled policy we had — I do not want to bring politics into this any more than anybody else — emanating from Ottawa, I do not think there is very much sense or reason in asking for a Royal Commission to investigate, when it was very pertinent that there was need for a Royal Commission only a few months ago. I would oppose the Amendment on those grounds, Mr. Speaker.

Hon. I.C. Nollet (Cutknife): — Mr. Speaker, just a few words, and they are going to be non-political also. I have been looking over this Amendment and it seems, to some extent, to be a little at variance with the purpose of the original Motion. The original Motion is asking for a policy that will have a stabilizing effect on the hog industry, not only in the field of production but also some assurance that protection will be guaranteed both to the consumer and producer of hogs. It is very obvious why some consideration was given to the consumer, principally due to the fact that it is quite common knowledge and as a result of the experience that took place last January when prices of processed commodities (hogs) did go to excessive heights — there is no question about that. All one needs to do is look at the inventories which I understand were the highest, I believe, for a long, long period, that the packers had available; and when one consider the tremendous increase, not only in wholesale prices but in retail prices, surely some consideration should be given to the consuming public. Because, for one reason, if for no other, we depend on the ability of the consumer to continue to buy our products.

I know, too, Mr. Speaker, that this type of Resolution has been (the principle behind it) endorsed by the Canadian Federation of Agriculture who, unlike our hon. member for Arm Rivers and the hon. Federal Minister of Agriculture, believe that the price of barley and coarse grains should be related to the price of wheat: on the contrary, the Federation thinks, and

we think, that the price of coarse grains should be related to the price of animal, dairy and poultry products, because that is how food grains are marketed. If you do not keep that price relationship, we are soon going to run out of a market for our feed grains. Either the prices of coarse grains will get too high (feed grains) or the price of animal products could go down. It is mentioned in the Amendment that we have long-term contracts, but other hon. members have pointed out that we haven't got long-term contracts at the present time, particularly for pork products — we are not sure whether it is going to last for three months, we do know we have it for one year, possibly, to March 31st, and it may run to the end of this year. The thing to remember, though, is that the quantity called for in the contract, this year, is far from what it ever has been; in fact it is right back to where it was in 1939, and our whole hog production, our prospective production, our population and marketings, are all back to what they were in 1939.

It is my thought that the Amendment really is at cross-purposes with the original Motion. I would like to read, for the benefit of the House, an extract from a Resolution passed by the Canadian Federation of Agriculture in this regard, particularly with reference to keeping price relationships between meat products and feed grains and thereby implementing a sound overall agricultural policy for the Dominion, so that we will not have, as our hon. member for Qu'Appelle-Wolseley (Mr. Burgess) mentioned, one day in pigs and the next day out of pigs. And you have university people and the Department of Agriculture saying to the farmers — "go into hog raising, go into cattle raising," we know those things are all desirable but the economic factors come in between and because of price manipulations, one way or the other, they are liquidated out of good, sound, agricultural programs. The Canadian Federation of Agriculture has pleaded for that, and I will agree, Mr. Speaker, that at one time during the war we had a good, sound, agricultural program that fit in well towards giving stability to our agriculture by decent price relationships between all phases of production in agriculture. Since the war years we have been moving away from that. I say we are in a precarious position right now. While the price of meats and dairy products are controlled, the price of food grains are uncontrolled; and the hon. member for Arm River cannot tell me what the prices of barley might be next June, neither do the livestock feeders know — that is the enigma. Of course, he, together with the Federal Minister of Agriculture, says that the price of wheat is going to control the price of barley and oats; well, suppose that the price of barley does go up, it didn't control the price of rye, and certainly if things go 'hog wild', as they often do on the Winnipeg Grain Exchange, it certainly isn't going to influence the price of barley and oats. But, assuming that it does hold it down to some extent to the point where the hon. member suggests that people will be beginning to feed wheat to livestock, all I can say then, if barley ever rises to that point, there won't be any livestock left to feed wheat or barley to. So we have to keep a decent price relationship.

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The Canadian Federation of Agriculture says in their Resolution; and they were speaking, specifically, with reference to coarse grains being handled by the Wheat Board, and here is what they say that one of the functions of the Wheat Board should be: "That it be provided always that the Board's domestic operating and selling policy carry out the spirit and intent of a general agricultural policy, that shall effect a proper price relationship between grain and livestock price, as determined by the Federal Department of Agriculture, after consultation with the Canadian Federation of Agriculture".

I think that is a sound Resolution, and the Saskatchewan Association of rural Municipalities has endorsed a like Resolution. I cannot, for the life of me, Mr. Speaker, see that the Amendment adds anything — as a matter of fact, it subtracts from the purpose of this Resolution. The Amendment is merely asking for something that the farmers of the province are sick and tired of: commissions to investigate this and that. We have had the Price Spread Investigation that gave us some indication as to the earnings of packing-house, and all we are asking is not an investigation; we are asking for a Board of Livestock Commissioners to see that the farmer is not unduly exploited, and that the consumer is not unduly exploited; and we are also asking that the prices of coarse grains and animal products bear some fair relationship.

Mr. Speaker, chiefly because of the reasons enumerated, and many more that I would like to enumerate, and a few more things that I would like to say in reply to the hon. member for Arm River, to some of the statements that he made, I am going to forgo that pleasure — I might have an opportunity after he gets through talking on the coarse grain issue — and since I have said I am also going to keep this non-political, Mr. Speaker, I will vote against the Amendment and vote for the original Motion.

Mr. Jacob Benson (Last Mountain): — Since so many have spoken who do not produce hogs, I do not suppose it would do any harm if I had a few words to say, too.

I think that it won't matter very much whether we pass the amendment, or turn it down; whether we pass the Resolution or turn it down — we have been doing this sort of thing for years and years, and I do not think it will make one iota of difference whether it is turned down or whether it is carried; the result will be the same anyway.

I am going to make the suggestion — we have heard enough now, I think, to come to any understanding that there is something wrong with the livestock industry in this province — that the Ministers of Agriculture, including the Dominion Minister of Agriculture, across this country will quit sniping at one another, get together and have a good feed of pork, and then work out an agricultural and livestock policy for the Dominion of Canada.

Mr. Speaker: — Is the House ready for the question?

The vote is on the Amendment which reads: That the following be added to the Motion:

"This Assembly commends the Federal Government for having negotiated long-term contracts at fixed prices for meat and livestock products and for having adopted a policy of floor price; and requests the said Government to appoint a Royal Commission to make a full and complete investigation of the Packing Plant Industry in Canada."

Is the House ready for the question?

It is my duty to inform the House that the Mover of the Motion is about to rise his feet to close the Debate. If anyone desires to speak he should speak now.

Mr. W.S. Boyle (Kinistino): — (Closing the Debate) I demand the privilege of making a reply. I do not want to take up very much time, but there is one thing I would like to say: the member for Arm River endeavoured to point out we were on the same footing all across Canada. We are not. Both the Eastern and the Western feeder is given a free subsidy on our coarse grains. They are endeavouring, by the Dominion policy to make Saskatchewan just a grain-growing province, and that if one thing we object to, because it is leading to what the member for Arm River mentioned, depleting our population, and we will hear, as I have heard on different occasions, speakers endeavouring to tell the public that it is the policy of the C.C.F. that is driving people out of Saskatchewan. It is the policy of the Dominion Government subsidizing both livestock, poultry and dairy producers in both the East and West at the expense of Saskatchewan. That is what has been going on for years — it is not as bad as it was when they had the 25-cent subsidy, but I think this is something that runs into millions of dollars every year, on this coarse grain subsidy, and that is one thing we do object to. We are not objecting to it much as the speakers getting up and pointing out that it is the C.C.F. policy that is driving them out of Saskatchewan when it is the Dominion Government that is doing it.

I do not think I need to add anything further, we agree on quite a lot of things, but my object, as I said when I introduced this, was to try to get some stability in our livestock production. It never has been because we didn't know what the policy was from one day to another, and I am sure that anybody who wants to be fair at all will agree with me when I say that throwing coarse grains on the open market on October 21, was unpredictable and certainly something that nobody could forecast, and a great blow to the hog, poultry and the livestock industry in Saskatchewan: there were thousands of brood sows dumped on the market before the January 2 announcement that the price were going to go up. Mr. Speaker, I believe that is all I have to say.

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Motion (for return) of Mr. Danielson respecting the Outram Agricultural School.

Hon. Woodrow S. Lloyd (Minister of Education): — This Motion still presents some difficulty. I had rather hoped, Mr. Speaker, that the hon. member introducing it would see fit to withdraw it. I take it that what he is interested in is the financial assistance which the Government, through the Department of Education gave to these school areas which were operating the Outram Agricultural School; and there is no reason, of course, why he should not have that information. However, the Motion for Return calls for return of Superintendents' Reports. I would suggest, Mr. Speaker, that Superintendents' Reports, being inter-departmental documents, are privileged documents and as such should not be tabled in the House. I think that the hon. members will see the difficulty and, indeed, the danger of establishing the practice of tabling reports in the House which our Superintendants make on teachers and schools which involve matters which perhaps are not of public interest; and which are not written in such a way that they may be tabled.

With regard to that financial statement, it would be easy to give the financial statement except that it wouldn't mean anything once it were given. The Outram Agricultural School was operated jointly by two larger units: we do receive annual financial statements from each larger unit, but the financial statement is not broken down and has no reference to any one particular school, as such; consequently, if we gave the financial statement of the two units concerned there would be no mention whatever of the Outram Agricultural School in them, and it would be of no value to the hon. member who proposes the Motion. However, I am quite prepared to table such, but I would move an Amendment to the Motion, Mr. Speaker, to the effect that the words "and Superintendents' Reports" be struck out.

Mr. Herman S. Danielson (Arm River): — I have no objection to the elimination of the Superintendents' Reports, Mr. Speaker, but I think I have a right to ask for the balance — that is, the annual financial statement and annual report, and I would like to have that if the hon. Minister sees fit to submit it. I would like to be informed, Mr. Speaker, if this can be amended here, or should I submit a new Motion.

Mr. Speaker: — With the consent of the House I think we can agree to eliminate that portion which the hon. Minister considers privileged documents.

Is that agreed?

Members: — Agreed.

Mr. Speaker: — Then we have an order for the Assembly to issue a Return showing all the annual reports and annual financial statements made in connection with the Outram Agricultural School.

Is it the pleasure of the House to adopt the Motion?

Members: Agreed.

SECOND READING

Bill No. 58 — An Act to amend The Fuel Petroleum Products Act, 1946.

Hon. C.M. Fines (Provincial Treasurer): — Mr. Speaker, this Bill to amend The Fuel Petroleum Products Act might be named a Bill to assist in the development of industry in Saskatchewan. The purpose of this Bill is to grant exemption from payments of the Gasoline Tax to two groups of people, first of all, to those persons who use gasoline, or diesel fuel, in the services of industrial plants in connection with the manufacture of goods. Well, we have very few in Saskatchewan and very few that use gasoline for the manufacturing of goods. I am sorry that the hon. member for Moosomin is not here because there is a plant in his constituency where they do a very nice business of manufacturing oil cans and things of that sort. At the present time this man uses an engine in which he uses diesel fuel for a means of providing fuel. At the present time the larger industries use electricity and, of course, there is no tax on that except the two per cent Education Tax which would be applicable when we grant the exemption. The two per cent Education Tax will apply on the gasoline or diesel fuel when it has been used.

The other is in the operation of well-drilling engines, flour mill engines, or grain elevator engines. There are only a few in Saskatchewan where they use gasoline, or diesel fuel, for the operation of their engines, or flour mills. We have a list of some 12 in the province, altogether. The rest of the larger plants use electricity — consequently are free from any tax.

We feel that this will encourage these small industries scattered around the province, in the smaller places. Flour mills, at the present time have a heavy burden of tax in relation to those who have the more modern electricity for use, and do not pay that tax.

Then, too, in connection with the well-drilling engines; up at Lloydminster we have the anomalous situation, for example, on the Saskatchewan side, where we charge a tax of ten cents per gallon, while on the Alberta side there is no tax. It is to remedy this, and to give the drillers the same opportunities in Saskatchewan as in Alberta. And so, this Bill is to grant exemption from the small industries. The total cost for the flour mills, Mr. Speaker, will be approximately \$12,000 per year, which we will lose. The industrial plants for the manufacture of products will not be more than \$5,000, and the oil-drilling will, of course, depend entirely on the number of operators, but with the number that were in operation, last year, it will be less than \$5,000 — a total of approximately \$20,000 that we will lose in revenue; but I am sure it will do a great deal to assist the development of

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industry in Saskatchewan.

I, therefore, move second reading of this Bill.

At 11 o'clock Mr. Speaker adjourned the Assembly without question put, pursuant to Standing Order 5a until tomorrow at 3 o'clock p.m.