

# LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

## Fifth Session — Tenth Legislature

Tuesday, March 16, 1948

The House met at 3 o'clock p.m.

### OLD AGE PENSIONS

#### (Motion urges \$50. Pension)

**Mr. A.P. Swallow (Yorkton):** — I would ask permission of the House to delete the last clause of the motion as it appears on the Order Paper.

**Mr. Speaker:** — Is the leave of the House granted to delete all the words after “1945” in the fourth line, namely: “and, further, that this Assembly recommend that the Provincial Government give consideration to entering into an agreement with the Federal Government on the above basis.”

Leave granted.

**Mr. Swallow:** — I am sure all the hon. members of the House will support this Resolution, asking the Federal Government to immediately raise the Old Age Pension to \$50 a month. This Resolution does not mention any change in age, but I am sure we all agree that seventy years is too old when we consider that the average expectancy of life in Canada is less than sixty-three. I think we all hope that in the near future something will be done as regards reduction of the age.

I think that this group of Old Age Pensioners are thankful that they find themselves living in Saskatchewan at this time. For one reason, they live about three years longer in Saskatchewan than they do in some other parts of Canada. The second reason is (and I am sure the members of the Opposition will agree with this) that we have a C.C.F. government in Saskatchewan which was the first government to give this group complete health services. Another thing I am sure they appreciate is that we have a Premier such as we have in Saskatchewan — a man who has proven himself to be a friend of those who are unfortunate — and I think they very fittingly honoured him not long ago, to show their appreciation. Another thing I am sure they are thankful for is that we have a Social Welfare Department to deal with these people — doing more for them than ever before; that we have a Minister at the head of that Department who understands them. I have been told by many people who deal with this Department that they now are being treated as human beings, and they also appreciate that.

We still owe these people a debt, however. Some of them, as we know, were those who opened this country, maybe fifty or sixty years ago; some of them were the homesteaders of that day, and went through

March 16, 1948

hardships and privations of the time. Many of our farmers to-day are living on good, productive farms because of the struggles and the efforts of those people. We also know that some of them fought for this country in the First Great War. They were told, as our boys were told, that they would return to a new way of life. Some of them, I believe, purchased land under the Veterans Land Act after the war, they went through the depression, and they were among those who lose their land. Others sacrificed their own future security to give their children the chance that they did not have — to give them better education — and through that, they were not able to accumulate sufficient to keep them in their old age.

There are nearly 15,000 in this group, and we know that the maximum pension they could receive, up to the present time, has been \$30 a month. We know the Federal Government pays seventy-five percent of that, and the Provincial Government pays twenty-five percent. It has been mentioned that some provinces — for instance, Alberta — pass ten percent of that back to the municipalities. In this province, the full twenty-five percent is paid by the province. The highest pension that anyone can receive at the present time is \$360 a year. They are allowed a personal income of \$240, making a total of \$600. That is the maximum they can receive. It would not be so bad if all these people were receiving the maximum, but I understand that about half of them have nothing to live on except the \$30 pension which they have been receiving.

We are told the cost of living has increased fifty percent in the last few years. In other words, it takes \$1.50 to purchase what \$1.00 would purchase a short time ago; and still we expect these people to provide food, clothing and shelter on \$30 a month.

We have been accused of “passing the buck” on to the Federal Government — asking them to do things that we were not willing to ourselves. That is not the case this time, Mr. Speaker. When the \$5.00 that was indicated in the Budget Speech, is paid to the Old Age pensioners on May 1, that will bring the amount that we pay up to twenty-five percent of a \$50 pension; so we are now, through this Resolution, asking the Federal Government to come through with their part of a \$50 pension.

I think it says somewhere in the Bible that we should honour our fathers and our mothers. I believe that means to honour all old people. I do not think we have been doing that in the past, and this is our opportunity to do so.

I therefore move, seconded by the hon. member for Morse (Mr. J. Gibson): That this Assembly urge the Federal Government to amend the Old Age Pension Act to provide for a pension of \$50.00 per month, pending the implementation of the proposals of the Dominion to the Dominion-Provincial Conference of 1945.

**Mr. J. Gibson (Morse):** — I am glad of the opportunity to support this Motion, to which the hon. member for Yorkton (Mr. A.P. Swallow) has made such a splendid contribution.

I heard him say that we were fortunate in one respect in Saskatchewan, in that we were likely to live three years longer in this province than in some of the other provinces in this country. I wondered if perhaps it was not a case of seeming to live longer, in view of the climatic conditions, and other conditions under which some of our poor people have to live.

Over the years, I have taken a keen interest in, and given considerable thought to, the question of Old Age pensions, and I have discussed the matter with many of our citizens — citizens from practically every walk of life in this province. I find that they are generally agreed that the need for an adequate pension for our senior citizens is long overdue. I have found that there are few — a very few — people of that school of thought who do not believe that there is a need for Old Age pensions. There are a lot of things they do not believe in. One of the things they seem to believe most in, is the need in this world for more strong backs and weak minds. They are the type of individual who seem to stick out their chests and say, “If all the people would work hard and be thrifty and use their brains as I have done, there would be no need for Old Age pensions.”

For my part, I do not think that any individual or group of individuals has a monopoly on the brains of this world, and I would suggest to those people who have been more fortunate in accumulating this world’s goods than some of their more unfortunate neighbours, that perhaps all of their success was not due, entirely, to their ability, and that perhaps a major portion of it could be charged to the benevolence of Lady Luck.

I believe it was an Irishman who said that in this world we are better to have bad luck than no luck at all. Like many Irish sayings, it is very contradictory, but usually we can find a moral in these sayings, and I think that we can find one here. I heard a story recently about Sir Stafford Cripps, that famous member of the British Labour Government. As most people know, Sir Stafford is a comparatively rich man, yet he lives a very simple life. He is a vegetarian and a total abstainer, and he believes in and practises that Christian doctrine — “Do unto others as you would have them do unto you.” He has, without question, dedicated his life to the betterment of his fellow men. It might be that some people resent Sir Stafford’s strict code of ethics, for it is said that one day when Winston Churchill was talking to a friend, Sir Stafford happened to pass, and Mr. Churchill, nodding toward Sir Stafford, said to his friend, “There, but for the grace of God, goes God!”

March 16, 1948

It seems to me that those people, as I have said before, who think that their success in life has been entirely due to their own ability, might do well if they would look upon their unfortunate neighbours and say, "There, but for the grace of God, go I."

Some of the people with whom I have discussed this question of Old Age pensions, are of the opinion that the most satisfactory arrangement would be a contributory pension scheme, administered by the Federal Government, and I am inclined to agree with them. They believe that if we had such a scheme, whereby all employed persons would contribute to this plan, by so doing we would be able to provide an adequate pension for all of our citizens, and that it would remove for all time all tinge of charity from the Old Age Pension scheme. As I have said before, it would be self sustaining, and it would not be a charge on the government, and that it might help to prevent further duplication of the many pension schemes that we have in Canada to-day. We have a lot of them — I don't know just how many; but I know that we have our Municipal Secretaries', our Wheat Pool employees', our Civil Servants', our railway employees' and many, many, many other pension plans in Canada to-day — and I think you will find that, for the most part, either the provincial government, the federal government, or the public generally, assume some financial responsibility in practically all of those schemes. Those schemes are not perfect, by any means. Many of them do not provide the pensioner with sufficient income to provide him with a reasonable standard of living, and they do, at the same time, prevent him from being able to qualify for the Old Age pension, owing to the means test.

In the social and economic life of any nation, the question of health ranks highest in importance. In talking this matter over with some of our more unfortunate friends, I find that they have this ever-present fear of want in their declining years, uppermost in their minds. This is not confined entirely to the poorer classes. I find that rich and poor, alike, are obsessed with this ever-present fear; and I think it is generally agreed that worry can and does have a most injurious effect upon our health. If the major part of our people are going to be troubled by this fear, it goes without saying that the loss to the nation, in health and efficiency, must be great. I do not know that we could measure it in dollars and cents — it would be difficult to do that — but I think it would be safe to assume that it would pay a large part, if not the entire cost, of an adequate pension scheme.

Some time ago, one of the richest men in the world died. This man had provided himself with several palatial homes, and fitted them out with the most comfortable furnishings he could think of; and to add further to that comfort he had installed every type of mechanical and scientific device for his comfort. In addition to this, he had almost unlimited wealth at his disposal. One would naturally think that this man had made every

provision for his declining years, yet, on his death-bed, Henry Ford found that all of these well-laid plans had failed him, almost completely. He died in a room without sufficient heat or lighting for his needs. I know it seems a bit far-fetched to compare the financial position of one of the richest men in the world with that of our common, everyday citizens, but the point I wish to establish, Sir, is that many of our citizens — and no doubt many of us in this House — believe that we have our plans well laid and that we shall be able to care for our future; but, like the plans of the late Henry Ford, they might not be so well-laid as we imagine them to be.

Robbie Burns, the Scottish poet, said, in one of his poems, “The best laid plans of mice and men gang aft agley,” and they do — our best-laid plans sometimes go astray. I often wonder how many of us can be sure of our security in this world of ever-changing commodity, currency, and security values. It is difficult to imagine one’s self secure at any time, because we know of people who have retired in the early ‘thirties, who had had their securities converted into liquid assets, government bonds and ‘what have you’, and who had quite sufficient for their needs; but then came this inflationary period whereby the purchasing power of the dollar has diminished to the extent that their income is no longer sufficient for their needs. For these, and many other reasons, I think we should substitute individual planning for government planning for this purpose.

In 1931, the Conservative Government at Ottawa, under the Rt. Hon. R.B. Bennett, agreed with the provinces that the federal government should assume seventy-five percent of the cost of Old Age pensions, with the provinces assuming the remaining twenty-five percent, and with the federal government stating the maximum amount to which they would contribute. This agreement is still in effect.

In supporting this Motion, I feel that the members in this House are on very strong ground. One of the principal planks in the 1944 election platform of this Government called for an increase in Old Age pensions, and one of the first acts of this Government was to increase pensions by \$3.00 a month, increasing the amount to \$28 a month. Had the Federal Government at this time cared to assume their proper share — their seventy-five percent share of this pension, it would have meant that instead of \$28 a month, the pension would have amounted to \$37 a month. During the last Session of the House, this Government again saw fit to increase pensions by a further sum of \$2.00 a month, thus raising the pension to \$30 a month. Had the federal government at this time paid their share, it would have increased the pension to \$40 a month.

And now the Provincial Treasurer, in his Budget Address, tells us that this government is prepared — not only are they prepared, but they are going to once again lead the way for the federal government, and commencing

March 16, 1948

on the first of next month, the first payment will be raised to the point where we will be contributing our full share of a \$50 pension.

I was quoting Robert Burns a moment ago. I would like to quote him once again. In another of his poems he says, "Then Age and Want, Oh ill-matched pair, show Man was made to mourn." Now, the question is, do we believe that age and want should be matched? If we do not believe that, what are we doing about it? I suggest that this is a good time to substitute government planning for individual planning, and we could make a good start by supporting this Motion.

In talking the matter over with some of our citizens, I have often asked — "Just how much money do you think you would have to save in order to have security in your declining years?" First of all, I find that few, if any of them, are ready to answer the question. I get a variety of answers from those who are prepared to answer the question.

Take the question of farmers. Very few farmers would dare, now, to leave the farm — to rent it — and to move away and expect the rent to provide them with sufficient security. Too well they remember what happened to those farmers who retired from their farms prior to the 'thirties, expecting that their rents would provide that security. Instead of that, they found they were compelled to accept government relief in order to exist; and many of them, as we know, lost their town homes because they could not keep up their taxes and they were forced to return to their farms, although they were long past the retirement age.

As for selling the farms — experience has shown, over the years, that anyone with sufficient money to buy a farm is not much inclined to risk that money in buying a farm. If you sell it on terms, here, again you are dependent on the weather and the prices, just as you are with rentals; and no matter how honest or industrious a purchaser may be, the seller may soon find that neither honesty nor industry will provide that security. Assuming that the farmer is fortunate enough to turn all of his capital into cash, and has it invested — let us say — in government bonds which are perhaps the safest and best investment in Canada to-day, a fair rate of interest for government bonds would be three percent; and in order to get \$50 per month at three percent he would have to have \$20,000 in bonds. On top of that, he would have to have from \$3,000 to \$6,000 to establish himself in a home in the city; or approximately \$25,000 to provide him with a home to live in and an income of \$50 a month.

I think it is generally agreed that it would be very difficult for a couple to move into town and live, at present, on \$50 a month; and that they would have to have at least \$100 a month, for a married couple to retire on at the present time — which would require a further investment of another \$20,000, or a total of 45,000.

I want to conclude my remarks by saying that I believe the number of farmers, or small businessmen, or professional men, or politicians (if you like) who expect to have \$45,000 in cash saved up for their retirement, are few and far between. I support the motion.

The Motion was agreed to unanimously.

## **CRUDE PETROLEUM SUBSIDY**

### **(Motion seeking restoration of Subsidies and Price Controls)**

**Mr. W.S. Thair (Lumsden):** — Some three weeks ago, on the motion proposed by the member for Watrous (Mr. J.A. Darling), I referred to the question of subsidies and price controls in (a) and (b) on farm fuels and gasoline, and also the urgent need of keeping at all times a proper relationship between the price at which the farmer has to buy his commodities and the price at which he sells.

I would like at this time to deal more particularly, and almost entirely, with clause (c) of this Resolution. The objective of this clause is to bring to the attention of Saskatchewan farmers the urgency of the farm fuel and gasoline situation. At the present time the recent rapid rise in prices is likely to continue throughout the year, and consequently there is most urgent need of federal assistance in exploratory and development work in the search for crude oil in western Canada.

In five or six weeks time the farmers of Saskatchewan, with upwards of 80,000 tractors, will move out to seed approximately 25,000,000 acres of crop lands in Saskatchewan alone, and they will probably use up 2,000,000 gallons of gas and farm fuels, or more, per day. Thousands of farmers in this province view with alarm the increasing prices of farm fuels and gasoline, not to mention farm machinery and fertilizer.

I ask this Assembly what happens when farm fuel prices are at such an unreasonably high level and will go to higher levels, and farm products again drop to low prices in future years! We know full well that the high oil prices will likely remain unless some action is taken. The purple standard gasoline used in tractors has gone up from thirteen cents per gallon in 1935 to twenty-five or twenty-seven cents to-day. There is every reason to believe that it will go up still more this year, and to new high levels in the next two years, unless some action is taken by the federal government, in co-operation with or assisting the provincial government and the co-operatives, even, to solve this problem.

March 16, 1948

We in the C.C.F. group in this Legislature, along with thousands of farmers across the province, do not believe that the great increase in the price of crude oil is justified, despite the many recent statements of the various oil companies and the Western Canadian Petroleum Association, whose head office is at Calgary.

I could not begin to quote from more than 217 Western Canadian Petroleum Associations (January, 1948) but one of them says that “on a comparative basis the oil and gasoline prices are still too low.” Again, on page 4, they sum up their statement with: “United States and Canada, where the law of supply and demand is justly allowed to operate, the tendency of prices is and always will be toward equalization. The price of crude and of gasoline will have to go still higher if we obtain equality with the price of other basic commodities essential to the national welfare.”

Now, that is the simple statement of the oil companies, to justify the tremendous increase in oil prices. Mr. Speaker, I believe the great monopolistic control of Standard Oil, and its subsidiary, Imperial Oil in Canada, and other major oil companies, must accept full responsibility for the tremendous increase in price of farm fuels, and there seems to be plenty of proof that the increases in crude oil, as I stated before, are not justified, when we take a look at the prevailing evidence.

What are some of the facts? I’m going to quote most of this from “World Oil” and from a chart which I have here, taken from “The Financial Post” of January, and November, 1947. Fact No. 1:

“During the war, the price of crude oil of forty percent gravity rose from \$1.15 to \$1.70 per barrel in Canada. Since the war, and the lifting of controls, the price of crude oil has now reached nearly \$3.70 per barrel.” That is taken from “The Financial Post.”

According to the figures published by The American Petroleum Institute, which is the mouthpiece of the United States’ petroleum industry, and which owns and controls the Canadian oil industry, the profit at \$1.15 per barrel was thirty cents per barrel in 1939, when crude was selling at \$1.15. At the present time, according to the chart given in “The Financial Post”, the oil companies are now making a clear profit of \$2.10 per barrel, at the present price of \$3.70 per barrel for crude oil, and allowing for increased wages and transportation costs of forty cents per barrel.

Since 1940 the price of oil has increased 320 percent — that is, crude oil. Before 1940 they considered they were making adequate profits. Present prices can only be explained in one word, and that word is “profiteering.” It is useless for the big oil companies, who own practically all the refineries and the transporting agencies, to protest that the prices are justified by the increased price of crude. In 99 cases out of 100, they themselves are the producers of crude oil, through a monopoly controlled organization which extends from top to bottom throughout the entire oil business.



I would like to quote again from "World Oil" of February, 1948, which said that in the United States the crude oil prices for 1947 start at \$1.67 (this would be of different specific gravity) and advanced to \$2.61 per barrel. The Imperial Oil Company, through Royalite, in control of Turner Valley, and down in Leduc field, were able to do considerably better, as I pointed out before, at a price of \$3.70 per barrel. At the new level, the prices in the United States were the highest since 1920. In Canada they represented the greatest, rake-off in history.

Quoting again from "World Oil", which seems to be an authority, on page 91 they make a further statement which is not good news for the farmers of western Canada:

"With every barrel of oil which can be possibly produced and transported in 1948 to satisfy a great demand for oil products, the outlook is for further price increases, and certainly no reduction from the present high market."

I would like to say to this Legislature, and to the farmers of this province, that I believe we will be faced with further price increases in farm fuels and gasoline, in view of this statement. Some farm organizations, even in western Canada, have urged the establishment of a Petroleum Board, similar to B.C. In my opinion, it is doubtful if such a Board would have any effect in enforcing lower prices of gasoline at this time, or even to bring in greater supplies of crude oil to our Co-Operative Refinery.

I would like to quote, again, just what they said about B.C. at the time of gasoline rationing, in "The Financial Post". This is from a high-ranking official of the Shell Oil Company which operates at the Coast.

"Unless adequate price adjustments are made, and at an early date, it seems that our Company, in order to curtail losses, will have no alternative but to reduce quality and quantity of gasoline products supplied to our retail outlets in B.C."

That was because they were asking a seven-cent increase and they would only grant them three, and I understand since that time they stepped them up, but they really had rationed gasoline to one gallon a day at one time. The British American Oil Company officials stated at that time: "We just can't continue with things the way they are at present in B.C. We are suffering a daily loss in our gasoline operations in that province."

The Saskatchewan Government, like the B.C. Government, have no real bargaining powers as regards crude oil. At the present time, in any effort to force down prices, unless they are backed up by an alternative source of supply of crude oil, we cannot do much about it. I believe that

March 16, 1948

most of the people are of the opinion that the Federal Government has the power to control these great industrial giants like the oil corporations. Time after time, Progressive-Conservative and Liberal members of the House of Commons have chided the C.C.F. members for saying that a large portion of the Canadian economy was controlled by monopolies. The stock answer always was, "If any evidence of monopolies exists, why don't you make charges under the Combines Investigation Act?"

I am amazed to learn there is actually no law outlawing monopolies in Canada at the present time. At a recent meeting of the prices committee in the House of Commons, Mr. F.A. MacGregor, Commissioner of the Combines Investigation Act, stated in a reply to a question asked by Mr. Irvine and his Committee:

"I take it from the statement you made in your brief that there is no legislation in Canada, outlawing monopolies." The answer, from Mr. MacGregor, was "No."

Up to the present time, even the United States has apparently been unable to control Standard Oil, or Shell Oil, or any other oil company, although they claim they have the power to do so; but at least they are really alarmed at the present oil situation, and are preparing to take some action, which is more than the federal government is doing at Ottawa, so far as I know.

Mr. MacGregor also stated to that Committee that where monopolies existed, there was no way of knowing whether the prices charged by the monopolies were too high. That seems to be a rather far-fetched statement. In the crude oil and refining business, especially, there seems to be abundant proof which I have quoted, that the present ridiculous prices of crude oil are not justified.

"Within the very near future, the Co-Op Refinery at Regina may be forced to get its crude oil from small, independent producers as far south as Texas, at greatly enhanced prices. With the long transportation haul, it would be very difficult indeed for the Co-Operative to meet competition from Leduc fields and Turner Valley, now controlled by Imperial Oil."

Looking ahead, Mr. Speaker, I would say that this might limit drastically the output of our Co-Op Refinery at Regina, the only one of its kind in the whole of Canada. Only the Federal Government has the financial power to do the exploratory and development work in the production of crude oil. It is beyond the financial means of the Provincial Government, or even the Co-Operatives, to take any effective action without the assistance of the Federal Government. If this exploratory work is done entirely by the big oil interests, as has been done in the past, naturally the dividends from their operations in all the years ahead will go, entirely, to these

corporations; hence we urge a policy of provincial and federal exploratory and development work in the search for crude oil in western Canada.

Under the Dominion-Provincial Tax agreements of 1945, certain terms were offered, and regarding this I would like to quote from a pamphlet contained in the recent budget speech by the hon. Provincial Treasurer, page 17, clauses (9) and (11). I quote:

“(9) The planning grants for provinces to enable them to plan public investment programs immediately.

(11) Assistance in development of natural resources and conservation projects.”

I would like to quote, also, from the City Council at Prince Albert:

“Whereas the Government of Canada made a proposal for a payment of money for social security program, and for public investments, conditional upon the province executing tax agreements, therefore be it resolved that the Government of Canada be requested forthwith to implement the proposals for a social security program and public investment, insofar as it affects and relates to those provinces having executed tax agreements.”

Up to the present time, the Dominion Government have failed to take any action with regard to any of these suggested proposals in the Dominion-Provincial Tax Agreement.

The Financial Post survey of Canadian Oil, recently published by the Maclean Publishing Company, makes the following statement:

“With Canada importing ninety percent of its oil requirements from the United States dollar areas, the Dominion Government is expected this year to encourage oil production in Canada in every way possible.”

I ask you: Does the Federal Government intend to assist the Provincial Governments, or the Co-Operatives, or does it intend to assist, again, the big oil companies in their exploratory development work?

In closing, I would like to quote a portion of a press release offered to a Western Canada daily newspaper some six weeks ago. Up to the present time I believe it has not been released, and I am going to take the opportunity to quote this press release, and am prepared to accept full responsibility for it:

“\$200,000,000 annually is being paid out by Canada for oil produced abroad. From a comparison of recent price rises for crude, with the relative insignificant advance in wages, it can be calculated that more than half of that amount is clear profit. Some equivalent to the annual profits on oil imports into Canada, if diverted to oil exploration

within Canada, would make us self-sufficient within two or three years. It took millions of dollars to find Leduc, but with the field of search ever narrowing, what could we not do with just half that amount — \$100,000,000? The initiative is up to the Dominion Government, through whose hands pass the bulk of public funds. An approved portion of their budget over the next five years, supported by provincial funds, and even our co-operatives, should be devoted to oil exploration for and on behalf of the Canadian people, if the unwarranted profits of producing oil and selling it to all Canadians at highly inflated prices are not to put us further behind in the matter of dollar exchange.”

The pressure of public opinion has forced cabinet ministers, and federal governments, many times to change their minds. It is a common occurrence — to change their policies and reverse former decisions. Witness the recent decision with regard to coarse grains. Of course, the outcome of that is rather uncertain at the present time, I am sorry to say; but in view of the federal election in 1948 or 1949, they might even decide, as I quoted to you from the survey of Canadian Oils in the Financial Post, to make available data, or do exploratory work or give financial assistance under the Dominion-Provincial Tax Agreements, which they are bound to, to assist the provincial government or to assist the co-operatives in the problem of securing an adequate supply of crude oil at fair and just prices within Saskatchewan for use in western mechanized agriculture.

In closing, I repeat that the only way we in Saskatchewan can regulate the price of crude oil is through an assured alternative source of supply. We cannot be dependent upon monopolistic corporations like Standard Oil and the Shell Oil Company. We can only attain this objective with the co-operation and the financial assistance of the federal government, and a plan of action such as outlined in clause (c) of this Resolution, which I intend to read.

Moved by myself, seconded by Mr. Lee:

“That this Assembly regrets the removal of subsidies on crude petroleum, and subsequent decontrol measures which resulted in ever-increasing prices of gasoline, domestic fuels, and particularly farm fuels, all of which measures have tremendously increased farm production costs, thereby dislocating farm production in relation to long-term contract prices, and since due to the geographical position of Saskatchewan, agriculture is most adversely handicapped, therefore, the Assembly urges upon the Federal Government that:

- (a) Subsidies on crude petroleum be immediately reinstituted in the interest on price uniformity throughout Canada, with particular reference to placing Saskatchewan agriculture on a fair basis with other provinces where fuels are lower in price; and that
- (b) All price controls on these essential products be reimposed, and

(c) That a Dominion-wide technical plan of action by the Federal Government be immediately initiated in order to explore the petroleum potential of the west, and assure its development for the benefit of the whole Canadian people, and not for absentee ownership groups in control of world oil prices.”

**Mr. L.W. Lee (Cumberland):** — In dealing with this Resolution, which has been pretty well dealt with by the Mover, I intend to refer particularly to the last clause of that Resolution.

We have had considerable federal aid in the exploration — or, I should say, the surveying and prospecting of our mineral resources in the north. We have had quite a number of federal geologists and prospecting parties going over those mineral areas, and writing the results of their findings, which have been very profitable to the mining companies who are interested in the development of these minerals.

As far as oil goes, I do not think we have ever had any federal assistance in Saskatchewan, in prospecting or discovering our oil resources. Now, we may have, but I have never heard of any such surveys. We all know what oil means to agriculture in this province to-day. If our oil supply should be suddenly cut off, it would practically mean that we would have to go without a crop of grain. It would also affect our livestock, because livestock is dependent upon the grain that is grown. We also know that we have very few horses in Saskatchewan to-day. Our whole agricultural economy is based upon gasoline or oil power, so that it would be a calamity if our oil supply should be suddenly shut off.

We hear quite a bit about the great gamble — drilling holes or prospecting for oil — and the millions that are spent; and that the oil companies who are doing this work are risking their money. I might just refer to an article in the Leader-Post of to-day. On the editorial page it says: “Search for oil a gamble”, and I might just quote a few lines.

“The Imperial Oil spent nearly \$3,500,000 exploring for oil in Saskatchewan up to the end of 1945, for which it received no monetary return.”

That sounds as if these companies are just coming in here and throwing their money away, in other words, doing something for Saskatchewan — taking a gamble on it. I would just like to ask the Leader-Post where all these profits that the farmers, the motorists, the people of Saskatchewan, have given to Imperial Oil throughout the years on their gasoline and oil purchases have gone. I might say that those profits would amount to many times, probably hundreds of times, the amount that they have spent on the small amount of prospecting that they have done in Saskatchewan; so that, in other words, it is not the Imperial Oil’s money they are spending in Saskatchewan when they drill a few holes and do a little prospecting, but it represents the profits that have been taken out of the people of Saskatchewan,

March 16, 1948

on the sales of this oil to them. If we had the figures, I know these sales would amount to many, many millions of dollars.

I think the Dominion Government subsidized oil to the extent of about \$11,000,000 during the war; that is, in assisting the people to get a product that was reasonable in price. Now, Mr. Speaker, I mentioned the financial assistance the federal government had given our mining men in the mineral areas in the north. If this \$11,000,000 had been spent throughout the prairie provinces, or throughout Canada, on prospecting for oil a few years ago, I do not think that we would be dependent on the United States for oil to-day. I think we would have our own oil resources. We might even be in a position to export oil to the United States.

These oil companies are not in the same position that we farmers are, in regard to profits. The farmer is continually gambling. He puts his crop in, goes to a lot of work, spends a lot of money; but he has no assurance that he will get a crop; and I might say right here that the farmers of Saskatchewan have lost hundreds of millions of dollars on the gamble of trying to grow a crop — a crop that did not come through. Comparing that with what these oil companies are doing to-day, I do not think they are taking very much of a gamble, considering what they have already taken out of the people of this province over the past number of years.

The farmer has nothing to say about the price of his product. We have a Wheat Board now, so perhaps that statement is not quite correct — maybe we have had a little to say, during the past few years, because we have got some of the things for which we have been asking, and to-day we have a Wheat Board which stabilizes the price of our wheat, at least. On the other hand, if an oil company finds that it will not have sufficient funds to pay its dividends, and enough to carry on a program of prospecting for the next year, all they have to do is just raise the price of their products one, two or three cents — anything they please. We have certainly seen that taking place during the last couple of years. In the case of British Columbia, even the government apparently has nothing to say about the prices that they charge; or, if they do say anything, the company can retaliate by refusing to deliver the goods. So that the oil companies have the whole thing in their own hands, including the setting of prices. We have heard a lot in this House from the Opposition, about this Government taking on dictatorial powers and dictating to the people, and all that it. It seems odd to me that we never hear them mention anything about these monopolies, who have absolutely dictatorial powers. Even governments do not seem to be able to have anything to say about what they do.

With oil, as the Mover has already said, the importance of it to the whole of Canada, you would think the press and our Federal Government would become alarmed at the situation, with the United States running low on supplies and with their oil resources diminishing. You would think that they would advocate government exploring of these resources, instead of

criticizing governments for mentioning, or advocating, that they might go into the exploratory field.

Referring again to this editorial in the Leader-Post, this \$3,500,000 that has been spent in drilling of holes, which they claim was not profitable, I would just like to ask the House — are we sure that this \$3,500,000 expenditure was not profitable? I do not think this government knows very much about what was at the bottom of those holes. I know that these companies have to make a daily chart of their drilling operations and give it to the government, but we cannot have a man at every hole that is drilled; we cannot watch every foot of earth or rock or mud that comes up out of that hole. I think the only way we will find that out is to get into the field ourselves, get geologists who know and understand prospecting, and get our own oil rigs into the field and drill where prospects are most favourable. Then we will know what lies under this limestone formation, or even above the limestone formation, as the Lloydminster field is.

It might just be that these oil companies are not prepared to have oil resources opened up in these prairie provinces as yet. It might be that their profits have been large enough that they are quite satisfied to keep supplying us with resources from the United States. I know it has been said that some of this oil that is coming in to Saskatchewan has transportation charges of as such as \$2.00 per barrel on the crude. Well, it might be that some of the shareholders of the oil companies are also shareholders in transportation companies, so that to them it would not matter whether they were getting their profits out of oil or out of transportation.

Just recently we have read articles in the newspapers which show that certain groups of financiers are interested in building pipe lines from Alberta, across Saskatchewan, to Winnipeg, and on. It looks to me as though maybe these oil companies know a little more about the underground formation in Alberta and Saskatchewan, and the oil possibilities of these provinces than we do. It might just be that now, when the oil resources in the United States are getting low, they are going to start developing our oil resources, and ship our resources back to the United States, reversing the procedure that has been going on in the past years.

I may have repeated some of the things that the Mover has already mentioned, and if so, I wish to apologize to him. It is said that since 1944, oil prices have risen 120 percent, and that there is 33 percent profit on these operations. Also, all indications point to the fact that they are still not at their highest level. Rumour has it that we might see still another advance in oil prices in the near future.

Mr. Speaker, I take pleasure in seconding this Motion.

**Hon. J.L. Phelps (Minister of Natural Resources):** — Mr. Speaker, I should like to speak on this Debate for a few moments, and add a few words in support of the Resolution before the House.

I need not spend a great deal of time in bringing to the attention of this House the need of assuring adequate supplies of petroleum products, not only to Saskatchewan and Western Canada, but to the whole of the Dominion and other countries. The importance of this to our economy cannot be over-emphasized at this time, due to the fact that serious shortages are developing. Some people say that it is only a matter of time until atomic energy is going to replace oils but that may be in our time and again it may not. What we are particularly interested in is to assure a continued supply. In this modern machine age, as other speakers have mentioned, if we are out of oil or fuel to-day, it means the whole economy of this country becomes paralyzed almost overnight.

It is not possible, any more, for many people to go out to the pasture or the range and round up some horses, break them in and put them to work if they haven't the machinery, even if they had the equipment; therefore, we have to assume that not only in transportation, not only in industry, but in farming itself, is fuel becoming more and more important.

The government has undertaken some work in this regard; however, I would draw to the attention of this House again the difficulty in the province of Saskatchewan. From a government point of view, we are sadly lacking in the geological information that should be available to us. In the past we have found that many of these companies have operated in the province of Saskatchewan, and formerly were not required to place all that information at the disposal of the Department. Under the amendments to the regulations, passed some time ago, they are now required to supply that essential information, but it is going to take time, Mr. Speaker. Saskatchewan is a big place, and has a great deal of backlog to catch up on. We have taken steps, by re-organizing our Mines Branch. We have for some considerable time, been looking for a suitable man to head that Branch, to spearhead this particular type of work; a man who has had the background and the training and the knowledge of practical experience in those lines, and I am very happy to report to the House that we have secured such a man in the person of Mr. W.J. Bichan. He was formerly a Professor of Geology in one of the eastern universities, and comes to us very, very highly recommended, and is certainly making an impression on that particular Branch and its re-organization.

We are now getting the technical staff to help him in carrying out that work; but, Mr. Speaker, that is not staff that you can obtain just by the snap of a finger. It takes some considerable time to build up such a technical staff, because we are in competition in securing their services from some of these larger companies which are able to pay them quite substantial salaries.



Under the new regulations now, not only are the companies required to supply us with “at the core” samples, and with various other information on the wells, but we have our own men stationed at many of the main centers and in some cases we have our own men right at the seat of operations, to check and see that we are getting all the information it is possible to get as a result of drilling any specific well. After all, a certain amount of information can be obtained from the surface geology of this country, but owing to its peculiar formation that is very definitely limited, and the acid test in every case is a matter of drilling.

The increase in oil prices has been mentioned. Particularly does that apply insofar as crude and diesel fuels are concerned. Just to give you an idea of what that means, the cost of diesel fuel to the Power Commission has increased almost fifty percent in the last short space of time. It has meant that during the last few months the cost of generating a unit of electricity has risen very sharply in our diesel generating units. In fact, it is getting to the point where the generating of electricity by the use of diesel fuel and internal combustion engines of that type is becoming almost prohibitive, from the Commission’s point of view, as far as price is concerned. That is one of the reasons we are hastening to get our transmission lines extended and generate our power at central points — the cost of diesel fuel is becoming a real factor in the development of our power supplies.

The development at Lloydminster has not been mentioned. I think, Mr. Speaker, that at this point something should be said about it, and we should recognize the quite substantial developments taking place there. This, as you know, is a heavy crude. The production, this last year, has increased quite substantially. I think the House is well aware of the fact that, being a heavy crude, it has additional problems — the problem of refining it, of cracking it, and the distillation processes — all of which necessitates a different process than the ordinary. While it has additional problems, it also has possibilities. Naturally, that type of crude is low in the lighter fuels — gas and diesel fuels — it is heavy, and is, in a large percentage, to the so-called ‘heavy’ ends, and that means that the majority of it, under the present process, will require it to be used in heavy furnace-type fuel or in asphalt. There are processes being developed which hold out a good deal of promise. The House will be interested to know that during the past year we, ourselves, have conducted some experiments through an experimental plant which we constructed. From that we were able to come to certain conclusions regarding certain processes, but the processes that are known at the moment would require even a much larger volume of production than we have at the present time, and would require a very substantial investment of public funds for a plant that would handle it. It is not something for which you can build a small plant and do it economically, on the type of development that must take place to process that particular run; but the government is studying the possibility of this development further, and we are also studying the possibility of

developing actually in the field itself, apart from getting the technical information, building up the technical staff and doing research work in the processing. That is all very well up to a point; but the government has been giving some consideration to the actual developing program. No decision has been arrived at, as the matter is still under study. If and when the government decides to enter that field, we shall do so on our own responsibility. I think there is a general demand to-day, on behalf of the public, seeing that oil is so important to our economy, that a definite start should be made at the earliest opportunity, as soon as sufficient information can be obtained; but when that start is made, Mr. Speaker, I think it only fair to inform this House that we should be prepared, in such undertaking, for a certain percentage of dry holes. That can be expected, naturally. You can't get an oil well or a 'gusher' every time.

The position that we find ourselves in as a province, having to import such a large percentage of our oil — apart from it being vital to our economy — is aggravating our dollar position, so far as the United States is concerned, and it would certainly assist us materially to-day if we were in the position to supply a larger percentage of our own needs.

I think the point brought out in the Resolution, Mr. Speaker, also, as it refers to the price differentials over the Dominion of Canada in different areas, is something that cannot be stressed too often — the need of an over-all Board or some agency to regulate the prices of petroleum products, seeing that they are actually the lifeblood of the economy of this and every other country.

Therefore, Mr. Speaker, it seems to me that part of the Resolution certainly merits consideration and the support of this House.

I would suggest one other thing: that we might, at some time in the not too distant future, consider asking the federal government to subsidize the exploration and development of our own Canadian production. I think that possibly some additional assistance might eventually have to be given in the discovery and the exploration for these new oil reservoirs which we have every reason to believe, and hope, are existing in the province of Saskatchewan. So far as this Government is concerned, we shall continue as we have been doing, in pressing forward for further development along this line, looking to the time when we shall be able to utilize the information we have gathered in order that we may be able to take a positive stand in this point of development.

In the meantime, Mr. Speaker, I think the Resolution before us will at least serve the purpose in paving the way. I shall support the Resolution.

The Motion was agreed to unanimously.

## CONSUMER PRICE CONTROLS

The House resumed, from Friday, February 27, 1948, the adjourned debate on the proposed motion of Mr. J.A. Darling (Watrous) urging restoration of price controls and subsidies on certain commodities entering into farm production costs.

**Mr. G.H. Danielson (Arm River):** — Mr. Speaker, I do not intend to take up very much of the time of this House, but there are just a few things I would like to point out, and give the reasons why I am going to vote against this motion.

The motion, of course, calls for the re-imposition of price controls and subsidies, not only on farm products but on everything else, so far as I can make out. As a farmer, and looking back over the record of the farm organization's stand on this particular question of subsidies, the farm organization, ever since the beginning of this period during which certain controls became necessary during the war, have never declared themselves in favour of subsidies. That is one thing on which all organized farm organizations in Canada are absolutely clear. They accepted subsidies, Mr. Speaker, for the general welfare and for the good of the whole; but as an organization, representing the primary producers of Canada, they have never, in any occasion, gone on record as being in favour of subsidies.

It has been said here that 76 percent of the people of Canada voted in favour of controls. Well, that is correct — if we stop there, and do not go any further; but I want to go a little further with this subject, and while 76 percent of those opposed said “yes” and 24 percent replied “no” the survey did not leave it there. It went further. Those who favoured re-imposition of price controls were also asked, “Would you favour this, even if it meant that you would have to pay increased taxes in order to make up any losses to the producer?” In reply, only 44 percent continued to favour re-imposition of price controls. Now, that is an altogether different picture. Anyone is in favour of price controls, perhaps, if he feels and thinks that by imposition of these restrictions and these regulations, some benefit may accrue to the particular individual. On the other hand, if he is plainly told and made to realize that he, himself, as a taxpayer, is going to pay these very same subsidies which will, of necessity, follow price control, then he is not so keen on the subject, Mr. Speaker. He realizes after all (which is true in every economic sphere) that every individual who benefits pays the shot — pays the price — and that, of course, is true when we talk about price control and subsidies on farm products.

Now, I have said that the farmer organization in Canada has never gone on record as being in favour of subsidies. That is correct. During the war, in return for certain stabilizing regulations and controls which also protected them against price increases, they did accept, for the

March 16, 1948

good of the general welfare of the country, these regulations and these controls; but it is idle for us to think, even for a moment (and I do not think there is a member in this House, Mr. Speaker, who will not agree with me, when he has studied the matter over for himself) that there is a possibility in Canada of continuing to impose price control and pay subsidies without going further than that; and we know what the government did from the very beginning, when they imposed price control and subsidies. They also put a ceiling on wages and salaries. Now, no one wants that. I do not advocate it myself. But it was a necessity — an absolute necessity — in order to make that system of control work and function as it should.

In many cases, of course, it worked injustices, but any rules and regulations that are imposed for certain purposes are bound to hit someone very, very hard; and there is no doubt that it hit certain classes of labour, certain classes of wage earners. I believe that the salaried persons were harder hit than any others in the Dominion of Canada through that type of policy. For that reason, to-day, if we were to take a poll of the wage earners and salaried people in Canada, I doubt if there would be one percent that would support price ceilings and subsidies if they also knew that their own income — wage levels and salary levels — would also have to be controlled in order to make that particular control work. That is absolutely certain.

We know what happened when the War was over. There was a concerted drive on the part of organized labour to break the wage scale. I am not blaming them at all — I just mention the fact — and when the wage and salary control was lifted there was nothing to your price ceiling at all. It was bound to go the way it is going. It couldn't do anything else, and that is the thing we should recognize in asking what we are asking in this Resolution.

Many things have been said in the debate that has taken place on this Resolution. As a matter of fact, the preamble of the Resolution is very wide — you can discuss almost anything — and there are one or two things that I would like to mention, because I feel it is my duty to point out a few things that have been said which are not exactly according to the facts. I would point out this: If price control is such a good thing, and if it can be worked out without going all the way and imposing control of wages and salaries, why has not this Government in the Province of Saskatchewan taken action under the legislation which they placed on the Statute Books, last year, to impose these controls on these commodities, at least on commodities which are produced and sold in the province of Saskatchewan? There has been no attempt on the part of this Government to do so, and I think wisely so, Mr. Speaker. But if they are convinced, and yet they think the Dominion Government should do all these things, why did they not try to put that into effect in their own sphere of activities and where their legislation is supreme? That is a question that might very well be asked.

In the preamble to this Resolution, reference is made to the price of wheat and all that sort of thing. Now, I just want to correct some of the things that were said when this Resolution was spoken to in the House on a previous occasion.

The statement was made that Mr. Gardiner had said that fifty-cent wheat was a profitable operation in this province of Saskatchewan. Mr. Speaker, Mr. Gardiner never made any such statement. The statement that he made in the House of Commons on April 5, 1939, Pages 2831 and 2834 of Hansard, has been used over and over again, for certain particular purposes, and absolutely in every case, so far as I ever heard, to make it mean something else than it was when he said it.

What Mr. Gardiner said was this:

“It has been proven over and over again that twenty bushels to the acre of wheat can be produced at a cost from thirty to forty cents a bushel. We have had a great deal of discussion about the cost of producing wheat. It costs a certain amount to work an acre of land whether he reaps any wheat off it or not. It costs a certain amount to harvest it, if you do get any wheat off it. It has been proven over and over again, I say, that twenty bushels to the acre of wheat can be produced at a cost of from thirty to forty cents a bushel. For every bushel a man gets over twenty bushels, his cost per bushel decreases. When he has a crop of twenty bushels or more per acre, his other crops are usually good in proportion.”

That was his statement, Mr. Speaker. If a person gets twenty bushels of wheat to the acre, at thirty cents per bushel, he gets \$6.00 an acre; if he gets twenty bushels to the acre, at thirty-five cents per bushel, he gets \$7.00 per acre; if he gets twenty bushels to the acre, at forty cents per bushel he gets \$8.00 an acre. I want to point out to the hon. gentlemen in this House that this statement was made in 1939, when the price of producing wheat was not anything like it is to-day.

We have heard a good deal here, during the last hour or two, about the price of gasoline, oil, machinery, the price of everything that enters into the cost of production, and I do not think anything has been exaggerated here to-day. I think it is true; but after all, that was what he said: it costs so much per acre to work the land, whether you get one bushel of wheat off it or not. If you have any crop whatever, it is just as cheap with a combine to-day to harvest an acre of wheat, if it runs thirty or forty bushels to the acre, as if it runs five or six bushels to the acre. it does not make any difference. You have to cover the ground. The only difference might be a few cents a gallon for gasoline in order to haul the grain from the farm to the marketplace.

But, if Mr. Gardiner made this statement back in 1939, which can never be construed as telling anybody that he can raise wheat at fifty cents a bushel and make a living out of it, then I hold in my hand here probably a better authority (at least I hope it is) than Mr. Gardiner, and that is the publication of a report on the farmer-labour teacher institute at the Chalet, Manitou Beach, Saskatchewan, held from June 28 to July 1, 1947.

At that gathering we had the farm leaders of Saskatchewan, representatives of practically every labour union in Saskatchewan, and outside Saskatchewan; we even had a representative from Vancouver; also David Smith, Regina, Adult Education Division; Gilbert Eams of Saskatoon and so on; and we had the famous Norman Riches, or whatever his name is, from Moose Jaw, or wherever he lives, who was so prominent in the packer's strike, last summer.

In the discussion that took place at this particular gathering on Sunday morning, June 29 (I am not going to read very much of this, just enough to establish the point which I wish to make), Thomas Bogar, who has had a great deal to do with our Wheat Pool organization and who is a good farmer, said, "I do not think it is possible for any one faction to secure control of Saskatchewan Farmer organizations." Howard Mitchell of Sturgis said, "At Sturgis, in west-central Saskatchewan, four or five farmers have set up a community co-operative farm, and it is successful. Careful records are kept and indicate that wheat can be produced at fifty to sixty cents a bushel, to show a profit."

Now, that is his statement, from one of the co-operative farmers of Saskatchewan. So we have a first-class authority now, not from a politician, but from a man who actually is operating his own co-operative farm; at least that is where they have established this record. Well, I say, 'Good luck to them!' I think perhaps they will find that they will not be able to produce wheat at fifty to sixty cents a bushel and show a profit over a number of years. You might do it in one year, no doubt, if you get a large crop. I know we farmers in the province of Saskatchewan, during 1942 to 1944, showed a very nice profit on our operation at sixty cents a bushel. But in any case, I want to show to the House that Mr. Gardiner has never made the statement that he was accredited with having made.

There was another statement made, Mr. Speaker, and that was in regard to certain action by the Federal Government. Well, they were criticized for practically all the troubles of the western farmers, when this Resolution was under discussion, and one or two speakers on this Resolution brought up the point that the Federal Government had sacrificed or given away the fertilizer plants to the 'big interests' of this country without having given any thought or consideration to the fact that these might have been turned over to the co-operatives. As a matter of fact, one of the speakers said the co-operatives never had a chance to buy these plants.

The other thing mentioned was that the price that the big corporation that operates it to-day paid for it was \$4,000,000. I don't know what they paid for it, so I am not going to question that statement at all. The fact that I am going to question is this — and I do not think any member in this House is apt to know it — that these fertilizer plants were offered to the Co-Operative organization, and the sale of these plants was held up for a long time in order to give them the opportunity to buy. Here is the statement:

“OTTAWA, June 14, 1947: Agriculture Minister Gardiner said in the House of Commons, Friday, the Federal Government had decided it did not want to go into the business of producing fertilizer in western Canada. Mr. Gardiner said he had asked Reconstruction Minister Howe to hold on to war plants capable of producing fertilizer, until farm organizations or provincial governments had had a chance to bid. The plants were sold to private interests after farm organizations said they did not want to buy. He was replying to E.M. McCullough (C.C.F. Assiniboia), who said the government should have operated the plants or at least subsidized purchase of fertilizer. Mr. Gardiner said the C.C.F. Government could have purchased one of the plants but had not done so; instead, the Saskatchewan Government had purchased box and brick factories which had given employment to very few.”

Another matter is this: the plants were offered to the Co-operatives, and he points out in this statement here, that one Co-operative had had at least a \$7,000,000 profit on their operations a year or two before. Everyone knows, perhaps, which one that was. But it is no good, Mr. Speaker, coming on the floor of this House or any place else and accusing the Federal Government of not having given the opportunity to the Co-operative organization or farmer's organization in this country, and to this Government.

Well, I am rather surprised. This Government is going into activities of various kinds; the Minister of Agriculture, who is so concerned about the welfare of farmers, and the Minister of Natural Resources, who is (shall I say) the controlling voice in most of these Crown corporations — there was an opportunity where the C.C.F. Government of this province should have come forward with a few million dollars, and I am sure they would have got them on just the same terms as the other fellows got them, as far as payment was concerned. I do not suppose it would have had to be all cash, even. There was a chance for this Government to step out and purchase one of these plants and operate it; and what would be more in line with the Socialistic policy, because after all, there is so much concern about the welfare of the farmers in the province.

What would have been more natural, what would have been more logical, Mr. Speaker, than to see this Government step out and take over this fertilizer plant and operate it for the benefit of the farmers of Saskatchewan? I am sure if they had had any more than they needed, as far as production from these plants was concerned, they would have been able to dispose of it in Manitoba, Alberta, and in other provinces throughout Canada.

They failed, and failed miserably in that opportunity. It was there; it was offered to them, and they did not take advantage of it. Instead, our C.C.F. friends are going to the floor of this House, and out in the country and accusing the Federal Government of never giving them the opportunity to take control of these plants and use them for the needs of the province of Saskatchewan. That is the situation, and I am not going to miss pointing it out to my friends, because they like to make a statement and then forget about it, and then, the next time it fits their purpose, they go out and make the same statement again.

Now, of course, there are reasons why my friends opposite are trying and asking the Federal Government to go back to price control and subsidies and everything that goes with it. The Minister of Agriculture, speaking in the City Hall in Regina, on Sunday, February 8, made this very significant statement:

“Price control is not the whole answer, but the reimposition would mean a breathing spell on the road to planned economy.”

Oh, yes, Mr. Speaker, “a breathing spell on the road to planned economy.” Of course! Mr. Coldwell is asking for price control. He is asking for regimentation of the people of the province of Saskatchewan and the Dominion of Canada, because after all, that means Socialism. Planned economy means Socialism! That is the purpose behind the whole thing. But have you ever heard Mr. Coldwell come forward and say this: “We will want to have control of the salaries and wages too?” Oh, no! I am not saying that he should do it, but the two must go together. It is just a sham, just political eyewash, to come out and preach to the people of the province that they will have price control and subsidies to pay to the producers without also controlling the levels of wages and salaries. There is no question about that.

**Hon. J.H. Brockelbank:** — May I ask a question?

**Mr. Danielson:** — Certainly.

**Mr. Brockelbank:** — Does the hon. member mean to tell us that he is opposed to price controls?

**Mr. Danielson:** — I certainly am, unless we go back and put the whole system into effect that we had before the war, and I am not advocating that either; but I am not going to be foolish enough to stand and vote for price control and the reimposition of subsidies, which go with it, without also controlling the wages and salaries, because it is an impossibility.

A few days ago we had a coal strike in Alberta. What happened? Well, I know that I got a bill for some coal that was put in my house when I was home during the weekend, and the price was \$1.45 a ton higher on account of that strike. I am not blaming the strikers, I am just pointing out this to you.



The other day we had the ‘boss’ of the packinghouse workers in the city of Regina, speaking, and he gave us fair warning that again next fall, when the time comes to market the farmers’ livestock, another strike will be called in order to disorganize, to stifle, as far as possible, and at a time when it will hurt the most, and when the loss and disorganization of the industry will be the greatest. That is the time they choose in order to get the demands for which they ask.

Now, I am not blaming the workers. They are fighting for more money, and everybody knows that. Last year, in one city in Saskatchewan, the carpenters got \$1.20 an hour. They have served notice now that the price, this coming season, will be \$1.45 an hour — and then you talk about price control! What are you going to do about the farmers? They seem to be the only ones under the yoke.

You heard all about the prices of gasoline and oil, this afternoon, being more than what it was two or three years ago. Well, what are you going to do with us — the farmers? There is no control over our labour costs, or anything else. The whole thing is a myth, Mr. Speaker, when you demand price control and subsidies without control over wages and salaries, in this country. But the very fellows who are now demanding price control and regimentation of the people of Saskatchewan and the people of Canada are the ones who have done everything in their power to puncture the wage ceiling and price control regulations which were still in effect at the close of the war. Certainly they are! It is obvious that it would be fine for them if they could go ahead from time to time . . . Look at what happened in the United States — another steel strike — and then you talk about price controls! The thing is absolutely ridiculous.

Surely, anyone who studies this situation, and who can think the thing through, must admit that it is all just political eyewash, that is all, to demand these things; and I, as a farmer, along with thousands of others who think practically unanimously, am sick of price control. We never asked for it in the first place; we accepted it as a part of a plan to control and enable Canada at a critical time to forward the greatest effort, in order to win the war. I repeat, show me any farm organization in Canada that has openly demanded price control and subsidies for their province. Not the farmers, because they are the ones who have taken the short end of the stick during that period; and there is not a farmer sitting in this House, this afternoon, who does not know that what I say is true.

Therefore, Mr. Speaker, I am not going to support this Resolution, because it is not commonsense to do so. If Mr. Coldwell will come out, and the C.C.F. will come out (who are so strong for price control and subsidies), if they will come out and say, “Here, we want these things put back, but to complete the plan, we suggest the control of wages and salaries,” that would at least be common sense, something that would bear some semblance of justice and equity; but as it is, it does not, Mr. Speaker, and for that reason I am going to oppose this Resolution.

**Mr. J.A. Darling (Watrous):** — I hardly find it necessary to say a great deal in reply, in winding up this debate. After all, I believe that those who spoke in favour of this Motion made a very good case, but on this occasion I cannot congratulate the hon. member for Arm River (Mr. Danielson) for his speech in which he expresses opposition to this Motion.

I have attempted to follow him, but I am unfortunate in that, from this position, I do not hear everything clearly. As the Mover of the Resolution, it is immaterial to me whether Mr. Gardiner said wheat could be produced at fifty cents or not. I did not make that statement . . .

**Mr. Danielson:** — No, Mr. Speaker, I did not say the hon. member made the statement.

**Mr. Darling:** — Further, it is not a logical deduction that because farm organizations have in the past been opposed to subsidies, if that be true, that they would be opposed to subsidies for the purpose of overcoming the inflation which threatens our economic structure in Canada to-day. I think it is more or less immaterial that the Co-operatives were offered the opportunity to purchase those fertilizer plants and declined to make the investment. That has very little to do with the substance of the Resolution.

In speaking to the Resolution, I believe that I did say the Federal Government might have retained those plants. They did not have to purchase them; they were theirs and were under their control. They could have operated them for the benefit, not of Saskatchewan alone, but of agriculture all across Canada. I can conceive of the opposition which would be aroused in this province if the Government of Saskatchewan had gone out to Trail, B.C., and purchased a fertilizer plant, or had gone to either of the other plants . . .

**Mr. Danielson:** — It would be far more sensible than some things they have done!

**Mr. Darling:** — The hon. member for Arm River has made quite a point of the difficulty of imposing price controls without imposing a control upon wages and salaries. I said something about that in opening the debate, and I do not propose to say a great deal more; but, if this Resolution were suggesting the institution of a permanently planned economy in Canada, which it does not, then I think there would be point in the argument of the hon. member for Arm River. But we in Canada submitted to price control because we remember very well the Minister of Finance, Mr. Ilsley at that time, saying that it was essential, if we were to avoid the deflation which has always followed war, and the inflation which accompanies war, as a general rule, that we submit to rigid price control, and we would find the transition into a peacetime economy much more painless and more easily accomplished. We submitted to that price control, and in my opinion (and I think in the opinion of most people) many of those salaries and wages were set at unreasonable levels, because they were frozen as they happened

to be at the end of the period when many industries had not recovered from the depression. Those wage levels were, in some cases of course, adjusted upwards, but they were not planned in proper relationship to the prices of other articles. Men were suffering under real hardships in some industries. They were just taken as they were, and frozen there, and then in some instances, there were adjustments upwards.

This Resolution does not suggest the establishment, as I say, of a planned economy — a permanent planned economy — in Canada. We know better than to expect the government we have in Ottawa at the present time to do any such thing. This Resolution simply asks that the present upward spiral be arrested, and where those prices have risen unnecessarily, that they be brought down; and where price control is beyond the competence of the government, that subsidies be substituted wherever possible, for price reduction, as in the case of oil, for example. We have heard a good deal of that this afternoon.

I do not see that the Federal Government may be able to control oil prices in Canada, but I can conceive that oil companies might simply reduce shipments of oil to Canada if they could find an alternative market elsewhere, and could not get the price here they could get elsewhere. I suggest, then, that a subsidy would be the solution in such a case.

Now, Mr. Speaker, I want to read just a paragraph here, entitled “The Farmer’s Side of the Consumer Price Situation:”

“Many months ago the Canadian Federation of Agriculture warned the Government of Canada what would happen if and when they removed ceilings and subsidies on food grains, a very important item, of course, in the production of milk, butter, meats, and eggs.” The farmer organizations have been active in attempting to persuade the federal government, before it was too late, to take steps that would prevent the very situation which faces us to-day; and this Resolution asks that they do what may be done to prevent further increases, and where profiteering can be shown, to reduce present prices in protection of the farmer and of all people in low income groups.

Mr. Speaker, I think that is all that was raised by the hon. member for Arm River, and I have nothing more to add.

The Motion was agreed to, on division, by 37 votes against 3.

## SECOND READING

### **Bill No. 78 — An Act to amend The Larger School Unit Act, 1944**

**Hon. W.S. Lloyd (Minister of Education):** — I think this Act may be satisfactorily discussed in Committee, and I move second reading of the Bill.

Motion for Second Reading was agreed to.

**Bill No. 86 — An Act to amend The Vehicles Act, 1945.**

**Hon. C.M. Fines (Provincial Treasurer):** — This is an Act to amend The Vehicles Act, to provide for definition of a “dealer”. I move second reading of this Bill.

The Motion for Second Reading was agreed to.

**Bill No. 87 — An Act to amend The Tax Enforcement Act, 1946.**

**Hon. J.H. Brockelbank (Minister of Municipal Affairs):** — This Bill to amend The Tax Enforcement Act becomes necessary because of certain amendments which have been passed in regard to The Mineral Taxation Act. It is a short Bill and deals with the urban areas. I think the matter can well be discussed in committee, and I move second reading of this Bill.

The Motion for Second Reading was agreed to.

**Bill No. 88 — An Act to amend The Arrears of Taxes Act.**

**Hon. Mr. Brockelbank:** — The same remarks I made in connection with Bill No. 87 might also apply to Bill No. 88, The Arrears of Taxes Act being the old procedure in regard to tax enforcement. I move second reading of this Bill.

The Motion for Second Reading was agreed to.

**Bill No. 89 — An Act respecting the Saskatchewan Assessment Commission.**

**Hon. Mr. Brockelbank:** — The previous set-up with regard to the Assessment Commission was that the Assessment Commission was charged with the work of carrying on the valuation in the rural and urban municipalities in the province; then the same body sat and heard the appeals, actually, against their own work. This Bill sets up the Assessment Commission as an appeal body to hear appeals in regard to valuations and in regard to equalized assessments. I do not believe there is any change in the principle, except that the other work, which formerly was the responsibility of the Commission is taken away from the Commission. For the information of the House, the Commission is composed of a Chairman and two members. They will now be an appeal body for that purpose alone. I move second reading of this Bill.

The Motion for Second Reading was agreed to.

**Bill No. 90 — An Act to amend The Private Ditches Act.**

**Hon. J.T. Douglas (Minister of Highways):** — We are simply transferring this Act from the Department of Highways to the Department of Agriculture. I move second reading of this Bill.

The Motion for Second Reading was agreed to.

**Bill No. 91 — An Act to amend The Drainage Act.**

**Hon. Mr. Douglas:** — The same remarks I made in connection with Bill No. 90 also apply to this Bill, and I move second reading.

The Motion for Second Reading was agreed to.

**Bill No. 92 — An Act to amend The Reclamation Act.**

**Hon. Mr. Douglas:** — I move second reading of this Bill; the same remarks applying as in the case of Bill No. 90 and No. 91.

The Motion for Second Reading was agreed to.

**Bill No. 23 — An Act to amend The Child Welfare Act, 1946.**

**Hon. O.W. Valleau (Minister of Social Welfare):** — This Bill, in the first place, contains a number of minor amendments which can be dealt with in Committee. It contains also one new principle, proposing to write into The Child Welfare Act a Part (5) under the heading of immigrant children. In view of the possibility, and the probability, that there will be a number of displaced children coming in to the province from Europe, it is thought advisable that some action should be taken by The Child Welfare Branch, in order that we might keep track of these children. I took the opportunity of reading the immigrant children provisions in some of the other provinces, and I feel that most of those go much farther than actually the legal power of the province entitles them to go. In this Act, we are simply requiring persons or organizations who bring immigrant children in to the province, to register with the Department of Child Welfare, and we are requiring people who take immigrant children into their homes to report to us who these children are, their ages, sex, medical qualifications and so on. It is done simply for the purpose of allowing the Child Welfare Branch to know when the immigrant children come in to the province, who they are, and where they have been placed. I move second reading of the Bill.

The Motion for Second Reading was agreed to.

**Bill No. 4 — An Act to amend The Industrial School Act.**

**Hon. Mr. Valleau:** — This is the technical Bill necessary to transfer the Industrial School from The Child Welfare Branch within the Department, to the Corrections Branch within the department. I move second reading of the Bill.

The Motion for Second Reading was agreed to.

The House adjourned, without question put, at eleven o'clock p.m.