

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

Fifth Session — Tenth Legislature

The House met at 3 o' clock.

Wednesday, March 24, 1948

SECOND READINGS

Bill No. 113 — An Act respecting certain Transactions in Grain within Saskatchewan.

Hon. I.C. Nollet (Minister of Agriculture): — Mr. Speaker, the Bill before the House, for second reading, is part of a long drawn-out fight by the farmers of western Canada to obtain a Wheat Board that would include in it the marketing, not only of wheat, but in this particular case, oats and barley, and it is the hope not too much time will elapse before all grains are marketed through the Wheat Board or a like board.

Bill No. 113 is also a reaffirmation of a Resolution passed in this House at this Session of the Legislature in which a similar request was made. This particular Bill, specifically speaking, is enabling legislation suggested by the Dominion Government to complement Bill No. 135 recently passed in the House of Commons at Ottawa. There is some difference of opinion as to whether this particular type of legislation is necessary or not. However, the constitutional validity of Bill No. 135 has been raised and I believe all hon. members will agree that this House, since it has already placed itself on record, should leave no loop-hole open that would provide a convenient escape and thus circumvent the resolution passed by this House in connection with the marketing of coarse grain by the Wheat Board. The farmers of this Province have long sought this type of legislation, and the situation at the moment is such that no further quibbling or no further stalling can be tolerated. Therefore, I believe as members will agree, that this enabling legislation that is before the House at the moment should receive the support of every member of this Legislature, without qualification.

It is quite significant to note that a terrific pressure has been brought to bear by the organized farmers throughout the whole Dominion of Canada for this type of legislation and this is a minimum demand on their part. The organized farm movement would far rather see all grains marketed through a federal wheat marketing agency.

The Liberal and Conservative Government at Ottawa, because of this pressure, has been compelled to face the issue or make some attempt at trying to dodge the issue. Up to the moment, Mr. Speaker, it appears to me it has been mostly dodging particularly on the part of the Government at Ottawa, and as I go along reviewing the various aspects and circumstances in connection with Wheat Boards generally, I believe hon. members will agree that there has been altogether too much stalling

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and dodging in marketing our wheat through a Wheat Board. This Wheat Board legislation has been a convenient football for the past 30 years for the various political parties to bat it about and curry favours, first with the western farmers of Saskatchewan and then on the other hand, by modifying in some form, currying favour with the Winnipeg Grain Exchange — the orthodox system of marketing grain.

Sometimes as I watch this by-play going on between the two old parties, I am reminded of two very skillful hockey teams that have been contesting a game. We could probably call one of them the “Liberal Political Dodgers” and the other the “Tory Grain Trade Hedgers.” These two teams have been passing the puck back and forth but have never yet scored a goal from the point of view of the farmer spectators. The player at the present time — the outstanding player on the “Dodgers” is a team mate called Walter. Walter is getting very little support for his team mates. He has made a few wild passes at the net, but he has been wide of the target. It seems his fellow players have not got their heart in the game and indications are that Walter cannot concentrate on the game either. His mind seems to be too pre-occupied with the “Political” dressing-room in Saskatchewan to really get down and play good hockey from the point of view of his farmer audience.

Now, Mr. Speaker, I am afraid if these tactics continue too long some of these players, at least, are going to get a penalty. This is not the first occasion on which the constitutional issue has been raised in connection with the marketing of grains through a Federal Wheat Board. I just might mention that in 1922 a similar situation developed and I would, therefore, like to review, step by step, the difficult time the farmers have had in endeavouring to get a Wheat Board that would in all reality be a Wheat Board to market all of their grains. I believe it is very pertinent to this Bill and I believe this Bill can be better understood if that is done. Therefore, Mr. Speaker, I would like to take the time of the House, and I will endeavour to make my remarks just as brief as possible, to review the various types of Boards we have had over the years.

First of all we go back to 1917 when there was a Conservative Government in power at Ottawa which brought in a Board of Grain Supervisors, under war-time conditions. The Board of Grain Supervisors took delivery of grain from the producers and acted as an intermediary, dealing between the producers and the allied export marketing agency that was in existence at that time. This particular Board paid a set price for the wheat and it took

delivery of the balance of the 1916, and all the 1917 and 1918, crops. Upon the termination of the above Board's activities another Board was set up by Order in Council — a Board that was somewhat different from the Board of Grain Supervisors in that the new Board paid an initial payment with participation certificates. This Board took the balance of the 1918 and the 1919 crops. This was also a 'monopoly' Board and set up under war-time conditions. However, in the latter part of 1919, I believe, an election took place. At that time it is common knowledge that the Liberal party of the day was opposed to Federal Marketing boards. As a consequence it was generally accepted that if the Liberal Government went into power at Ottawa, the Wheat Board would go out. Well, the Liberal party was elected to power at Ottawa and, quite naturally, the farmers brought terrific pressure for a Wheat Board. Peculiarly enough the Liberals at the first session of 1920 did set up a Wheat Board, but on July 16, 1920, the Liberal Government then announced the Board would not operate for the crop years 1920 and 1921. They were then running true to form as they are still running true to form today — they set up a Board and then announced shortly after that the Board would not function for that particular year. The argument seemed to be then that the Grain Exchange could not be controlled except under emergency conditions.

A terrific pressure was brought to bear again in the face of falling grain prices and the Government at Ottawa then did, in 1922, pass enabling legislation that called for concurrent legislation to be passed in at least two of the Western provinces. As I recall, the province of Alberta and Saskatchewan both passed enabling legislation. A similar situation prevails at the moment in connection with coarse grains. We are told the Federal Government has not the constitutional powers to include coarse grains under the Wheat Board, and enabling legislation is again being asked for on constitutional grounds. I am told the Government of Alberta has signified their intentions to pass such legislation. The Government of Saskatchewan is now considering such legislation; so we have a parallel situation. I am informed, however, that Mr. Garson of Manitoba, is still uncertain — is still on the fence — so at the moment it is two down and one up on the fence. Now, we do not know if all the provinces have to pass enabling legislation or not, personally I am inclined to think it is not necessary. As with the case of the Wheat Board in 1922 we were told the same thing, it was unconstitutional, but in 1935 we got a Wheat Board without any references to the provinces. So, I am wondering as time goes on if the various Governments at Ottawa

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do not gradually recede and weaken in the face of pressure and in the face of economic and political expediency to meet a situation.

We find the Conservative Government in 1935 introduced a Bill that would provide for a complete grain monopoly and had very arbitrary powers but, thanks to the fight put up by the Liberal opposition, that Bill came out of Committee with reduced powers and with added powers to be provided by Order in Council. They quibbled at that time about a complete marketing agency, and they are still quibbling today. We got a voluntary Board out of the 1935 enactment but with the provision that the Board would not be operated unless wheat sells below a certain price. We do know — and records have shown — that when grain did fall below a certain price the Wheat Board got the grain but, if wheat went above that price, the Wheat Board did not get the grain. We find that from 1922 to 1935 a great period of time in which the farmers were subjected to the tender mercies of the Grain Exchange. Of course, the 1922 Board never did function. The two provinces that did pass the enabling legislation found they were unable to set up a Wheat Board under those circumstances. The result was, in that period from 1922 onward to 1935, we saw in 1923 the Pool movement literally sweep these Western prairies. The farmers were bound and determined if they could not get this legislation and get some consideration from governments, they would take the bit in their own teeth and endeavour to market their own grain through their own organization. We all know the history of that and know when 1929 came with the resultant world-wide depression and as a result of what is called the overpayment of wheat delivered to the Pool at that time, the Pool as such was impotent, simply did not have enough power to stand up against serious economic conditions at home and a depression that was world wide. As a necessity, the Government of the day had to come to the support of the Wheat Pool. It was often charged by the Grain Exchange that, because of that, the Wheat Pool system of marketing was wrong in principle. That was not true. It was just a case of letting the farmers down if something was not done about the farmers sustaining the farmers' marketing organization.

Then came the "Hungry 30's" and the serious breaks in prices and, of course, it was necessary for the Government at Ottawa to go into what is known as a stabilization period under Mr. McFarland. As a result of those activities and because of economic conditions, and then too, in the last dying days of a Tory Government, we did get the 1935 Wheat Board. One interesting feature of that Board is, that under Section 14 of the Wheat Board Act of 1935, there was

provision there, by Order in Council, to bring all coarse grains under the jurisdiction of the Board. It is of still greater interest to note that, in 1939, the Liberal Government repealed that particular section of the Wheat Board Act and, after having done that in 1947 — that is the last Session, 1947 — I was quite surprised to note that the government at Ottawa did widen the powers of the Board enormously and provision was made to market all grains to the Wheat Board in 1947. I do not believe all hon. members know that to be true, and these provisions gave the Government tremendously wide powers.

I will just enumerate some of the powers provided under Sections, 1, 2 and 3 of the amendment of 1947. Here are the powers they had, and I want to say that the definition “grain” was extended to include everything: oats, barley, flax and rye, and they had powers to buy, take delivery of, store, transfer, sell, ship or otherwise dispose of grain; to enter into contracts or agreements for the purchase, sale, handling, storage, transportation, disposition or insurance of grain; to enter into commercial banking arrangements; to acquire, hold and dispose of grain and personal property by approval of the Governor in Council; to operate elevators either directly or by means of agents and subject to the provisions of the Canada Grain Act, the payment of such agents’ commissions, storage and other charges; the remuneration or compensation as may be agreed upon with the approval of the Board of grain Commissioners and, generally, to do all such acts and things as may be necessary or incidental to carrying out its operations under this Act.

The definition “grain” as I just mentioned, included wheat, oats, barley, rye and flax. Upon making all these provisions in the Act itself then these provisions were subject to a new section which gave direction to the Board by the Governor in Council as to operations, powers and duties provided.

Sub-section 2 of Section 7 reads as follows: “Except as directed by the Governor in Council, the Board shall not buy grain other than wheat”. No mention was made here about any complementary legislation being passed by the provinces, or the power of the Dominion to expand the whole field of wheat operations. It seem to me that under these 1947 amendments the Governor in Council was given power to place all grains under the Wheat Board but, instead of doing so, as we all know, coarse grains were thrown back to the grain trade. The result was not only a grievous injury to the grain grower, but to the livestock producers as well. The outcry rose to a roar right across the Dominion of Canada. In addition to the problem of reimbursing the grower of coarse grains who had marketed previous to decontrols, commitments were also made that the livestock producer would also be compensated who was injured as a result of the increased price of feed grains.

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The whole question of coarse grains under the Wheat Board was again brought to the front and resolutions were passed by various farm organizations, inclusive of the Canadian Federation of Agriculture and the Saskatchewan Association of Rural Municipalities, requesting that coarse grains be placed under the Board. Then too, there was an election coming in Saskatchewan and the Government at Ottawa was compelled to take some face-saving action and it seems to me that is exactly what they have done, since, first of all, the power was there before but no reference was made to the need of amending Parts 3 and 4 of the Act. As is now suggested, Parts 3 and 4 of the Act could and should have been amended as provided for in sections 1, 2, 3 and 4 of the 1947 amended Act. At least if the power to amend Parts 3 and 4 by the Governor in Council was not authorized in the 1947 amendments, then the sincerity of the Government at that time could be open to serious question. At any rate it is now proposed, under the present Bill passed by the House of Commons, to amend Parts 3 and 4 of the Act which has to do with interprovincial and export marketing of wheat by the Board and the regulation of interprovincial and export trade of wheat. It is now proposed further, that, before Parts 3 and 4 can be effective, complementary provincial legislation is necessary. I doubt if this is so — this is my own personal opinion. If this is so then we should have been told this on May 14, 1947, when the amendment giving the Governor in Council power to handle all coarse grains was written into the Wheat Board Act. In other words, the Federal Government is moving backwards. Since, previously, all grains were included, under Bill No. 135, recently passed by the House of Commons, it provides only for extended application of parts 3 and 4 of the Act to oats or barley or to both oats and barley. On top of it, it is optional whether both oats and barley will be included, one can be included and the other excluded, and it merely provides that the Governor in Council is empowered by regulations to extend to oats and barley only the system now employed in handling grain. It seems to me this is restricting the Governor in Council in amending regulations to apply only to oats and barley whereas in the main body of the amendment provision is made for the marketing of all grains. Therefore, Mr. Speaker, I think Bill No. 135 ought to be entitled a bill to restrict the powers of the Wheat Board rather than to expand the powers of the Wheat Board. Mr. Speaker, to me it appears this is just simply quibbling and running around once more and I want to say that the farmers of this province are not going to endure much longer this manner of marketing our grain through a Federal marketing Board and continue being a political football. It might be all well and good to play politics at some stage of the game, but I want to submit to this House that it is imperative that we have a sound agricultural

policy that will extend from one end of this Dominion to the other, and it cannot be done unless we have some control over the prices of feed grain, and I believe, and agree with the Resolution passed by the Canadian Federation of Agriculture, that the Canadian Wheat Board should have the power to so stabilize the prices of feed grains that they will have a comparative relationship to the price of livestock, dairy and poultry products. If this is done in an economic sense, then we can have a good sound agricultural policy throughout the Dominion, and this Government here in Saskatchewan will have no difficulty in carrying out a policy of greater diversification that is so vital in our Province if we are going to have our land properly utilized and have proper soil conservation practices in reality.

Mr. Speaker, there are many more things I would like to say in respect to this whole matter of orderly marketing of our grain, but I believe all members in the province of Saskatchewan realize the vital importance from the standpoint of stability in our agricultural economy of supporting this particular legislation to the end that it cannot be said this Legislature has not done everything in its power to make it convenient for the Federal Government to, by Order in Council, bring oats and barley under the Wheat Board.

Therefore, Mr. Speaker, I have great pleasure in moving second reading of the Bill, An Act Respecting Certain Transactions in Grain within Saskatchewan.

The Motion for second reading was then agreed to.

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