

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
First Session – Eleventh Legislature

Tuesday, March 1, 1949

The Assembly met at 3:00 o'clock p.m.

RESOLUTION RE MARGARINE

Mr. Gibson — moved:

That this Assembly urge upon the Dominion Government the immediate necessity of calling a conference of all Provincial Governments and representatives of the dairy industry with a view to drafting uniform federal legislation and regulations governing the importation, manufacture and sale of margarine, or other butter substitutes, in Canada; and, if necessary, that joint agreement be reached with the Provincial Governments on any complementary legislation that may be required by the Provinces.

He said: Mr. Speaker, the resolution before us is:

That this assembly urge upon the Dominion Government the immediate necessity of calling a conference of all Provincial Governments and representatives of the dairy industry with a view to drafting uniform federal legislation and regulations governing the importation, manufacture and sale of margarine, or other butter substitutes, in Canada; and, if necessary, that joint agreement be reached with the Provincial Governments on any complementary legislation that may be required by the Provinces.

This is a question that is creating considerable interest in the minds of most thinking Canadians today, but I hadn't the faintest idea that it would create sufficient interest that we would have so many honoured guests and visitors here today. I think, possibly, that we have as many here today as we had when the Premier himself was billed to speak, and I am afraid if that is why they are here they will be somewhat disappointed.

As I said, Mr. Speaker, this question is creating considerable interest in the minds of all of our people. I have before me several clippings. I am not going to weary you with a lot of quotations; I merely wish to point out the interest that has been taken in recent weeks in some parts of the country. All of these clippings were taken from the Leader Post. This first one is a clipping of a resolution passed at the Alberta dairymen's annual convention. There were 300 delegates in attendance, and this resolution reads as follows: "To prohibit the manufacture, transportation, handling, sale and the serving to the public of margarine coloured in imitation of butter." It goes on: "It further requires that it be subject to regulations pertaining to the use of preservatives, labelling of packages, advertising, grading and composition.: There is some more to it, but I think, for the moment, that is all we are interested in.

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I have another one here. It is a Bill brought into the House of Commons by George Cruikshank, the Liberal member for Fraser Valley, and it this Bill Mr. Cruikshank has explained that he would like to see that, under the measure, no person be permitted to colour margarine or any butter substitute to make it resemble butter, and that the Bill would provide that no person sell margarine or other butter substitutes unless clearly labelled as such. It goes on to ask that a fine of \$500 be imposed on summary conviction and a prison term not to exceed six months, or both. I have here another resolution brought up in the Manitoba legislature. This one was by Mr. Edmond Prefontaine, who is the Liberal Progressive member for Carillon, and his resolution would regulate the sale of margarine in Manitoba and prohibit its colouring to resemble butter, in order to protect the public from possible fraud and deception. It has a few more regulations in it, but I think, possibly, that too is sufficient for the moment.

I have here an editorial from the Leader Post, making some comment o this resolution of Mr. Prefontaine's, and I will quote some of this editorial comment. It starts off:

It is to be hoped that the debate on margarine in the Manitoba legislature is not a preview of the coming discussion in the Saskatchewan House. The Manitoba resolution requested the government to enact legislation to regulate the sale of margarine in this province, and, in particular, that it shall not be so coloured as to have the appearance of butter. Explaining what he had in mind, the mover, Mr. Edmond Prefontaine, remarked: 'I want the government to act immediately to keep the customers from getting used to the stuff.' The clear implication of this astounding proposition is that the consumer exists to serve the producer, and that it should be the function of the government to act in a nursemaid capacity to ensure that his likes and dislikes and preferences accord with those of ruling authority. However, we still live in an economy which rests on the idea of consumer sovereignty. If the consumer's preference for butter is strong enough to induce him to pay out the extra 20-odd cents involved, he is entitled to have butter. If his preference is not of that order, or if he has no preference, he is entitled to have margarine. In the absence of any evidence that health factors are involved, it is simply unwanted arrogance to deny him the right to get used to anything he chooses.

Mr. Speaker, I want to say that up to this point, I am agreement with the Leader Post as far as this editorial goes. The next paragraph goes on to say "The consumers' right should also extend to colour. If it is proper for the government to dictate to citizens that they must buy green, pink or indigo margarine, then it is equally proper for the government to specify what sort of clothes they shall wear; what type of furniture they shall buy, and what hues shall be permissible for the spectacle rims which adorn their noses." Now, I do take issue with that paragraph. I submit that if the standard of quality of clothing was determined by colour, that the government would be perfectly in order to protect the consumer to the extend of having a regulation which would provide that no clothing of this determined colour should be that colour unless it lived up to standards provided for that colour.

I am going to leave out a little bit of this editorial to save time, and the last paragraph says: "The resolution pending in the Saskatchewan House is fortunately of a different order. It urges the federal government to call a

dominion-provincial conference to draft uniform legislation governing the importation, manufacture, and sale of margarine. Uniformity is a good thing. Let us see, however, that no absurdities are penetrated in its name." I agree once again with this part of this editorial. I do not think that any absurdities should be penetrated in the name of uniformity.

The manufacture and sale of margarine is now legal in Canada, and considerable quantities have already been sold in some seven of our nine provinces. It is being offered for sale, and is a new commodity as far as most Canadians are concerned, and many of us have not yet had an opportunity to sample it. Some of those who have, say that it has a distinctive favour of its own, and they are not particularly impressed with that flavour, and that, insofar as they are concerned, it will never replace butter on their dinner table. Other, on the other hand, say that they have difficulty distinguishing between the taste of margarine and the taste of butter. I think however, on the whole it is generally agreed that it has a distinct taste, apart from butter.

Its makers claim that it has a nutritional value similar to butter, but dairymen, on the other hand, have this to say about it, and I quote:

It is contended that oleo-margarine becomes as good as butter when certain chemicals are added to introduce some of the vitamins that are found in their natural form in butter. Scientific experiments have proved that certain unidentified elements still exist in butter which science has been unable to isolate and reproduce chemically. Experiments with rats prove that oleo-margarine does not provide the elements for health, growth and reproduction that are found in butter. It is admitted, however, that certain chemicals can provide synthetically some of the vitamins found in butter, but not all."

That is what the dairy industry have to say about it. It has been said, too, that the introduction of margarine would have little or no economic effect on the farmer, more particularly the western farmer, whom it is said will be able to make just as much out of the production of oil seeds as he had previously been able to make out of the production of butter fats. But that statement is not quite in accordance with facts because, apart from the ability of the Canadian farmer to compete with foreign oils which, before the war, were selling on the Canadian market for about half of the price of the domestic product; even our farmer friends to the south, in the United States, who are able to grow wider variety of oil seeds than we are, admit that they are, in normal times, unable to compete with the cheaper tropical nut oil. Aside from all of this, we find that for every dollar spent on dairy products some 80 cents is returned to the farmer. On the other hand, for every dollar spent on the products of oil seeds, less than 35 cents is returned to the farmer. So it can readily be seen, therefore, that the introduction of margarine may well have serious economic repercussions on the dairy industry.

For example, Saskatchewan's butter exports run around 20 to 34 million pounds per year. Some foreign people say that for identification purposes margarine should be served in its natural colour, which is brown, or, failing that, that it should be at least dyed in some distinctly non-butter colour. Over this same matter we find, in the United States, there is considerable disagreement, and in regulations governing the manufacture and sale of margarine

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considerable confusion exists. For example, some of the states do not allow the sale of butter-coloured margarine; other states do allow it. Those states that do allow the sale of butter-coloured margarine impose a tax on it. This tax ranges all the way from 5 cents to 15 cents per pound, depending on the state in which the tax was levied, and, in addition to the tax, they also licence all retailers, and those licence fees range all the way from \$1 to \$1,000, again depending on the states in which they are levied. In spite of those high taxes and high licence fees, we find that the number of licences in 1941 and 1942 in the United States issued were 32 up to that time. During the next five years, that is up to the end of 1947, we find that there were over 5,000 licences issued, and the number of states allowing the sale of butter-coloured margarine in that same period had increased from eight to 32. One would naturally suppose that those high taxes and exorbitant licence fees would tend to lessen the demand for butter-coloured margarine in comparison to margarine sold in its natural colour, but the figures I have quoted would prove the opposite to be the case. I believe that the demand for butter-coloured margarine has been largely brought about by the efforts of the trade to educate the public into the belief that margarine served in butter colour is more palatable than it is in any other colour. I don't for a moment believe that the trade believes it this themselves, but I think perhaps they are very anxious to see margarine in butter colour because in that colour it is more adaptable to trade names and practices, and that perhaps in that colour they will be able, through the radio and the press, to credit it with qualities which it need not necessarily possess, and which it very likely does not possess. I think the sooner we have regulations set up governing the uniformity of standards of composition, quality, purity, etc., of this important product, the sooner we will be able to stop the costs of this needless and extravagant advertising being added to its cost. Make no mistake about it. It is the consumer, and the consumer only, who pays for all of this type of advertising.

As I remember, the principle argument used for the introduction of margarine as a substitute to butter was that it could be produced cheaper and sold cheaper than butter. If that is a good argument, and I submit that it is, Sir, then lets carry it to its logical conclusion. Let's sell it in its natural form. Why add the cost of putting it through a bleaching process first to turn it white, and then a dying process to turn it yellow. Here again the dairy industry – this time the dairy industry of the United States – have something to say about coloured margarine. This is the Dairy Industry Committee at a meeting or a convention held on January 17, 1949, and I quote:

Whereas the deceptive substitution of yellow oleo-margarine for butter constitutes a serious threat to the American consumer, and encouragement of such substitution by legislation or other means would tend toward the replacement of butter fat by vegetable oils in the other dairy products, and

Whereas such deceptive substitution would also result in serious damage to American agriculture and consequently to our entire economy by impairing the ability of the dairy industry to play its part as a cheap contributor to soil conservation, sound farming practices and cash farm income, and

Whereas butter serves as the balance-wheel in the dairy industry absorbing temporary surpluses and supplying deficiencies and

Whereas Congress and the Legislatures in several States, in public interest, should protect consumers and should promote sound agriculture,

Now, Therefore, Be It Resolved that the Dairy Industry Committee urge Congress and the several State Legislatures within their respective constitutional sphere to prohibit manufacture and transportation and sale of yellow oleo-margarine, and after such prohibition has been enacted into law, to repeal all Federal and State oleo-margarine taxes and licence fees.

Now, as to the palatability of it after having been dyed butter colour, Mr. Speaker, I want to say that when anyone tells me that by merely dyeing a food product butter-coloured, you make it more palatable, I cannot think of a better answer than to say that it is all poppycock.

Many of the foods that we eat today and find palatable are not butter-coloured. In fact, on the contrary few of them are. For example, I am very fond of peanut butter. We all know that peanut butter is usually served in its natural colour. The same natural colour as margarine – brown. Most of the bread that we bread that we eat today is white bread, but for a good peanut butter sandwich I prefer brown bread. Not because the bread is brown but because brown bread contains certain ingredients which white bread lacks and which seems to go better with peanut butter than white bread does. Am I to suppose that if someone passes me a piece of bread which has been nicely spread with margarine that the only way that I can enjoy that piece of bread is to keep my eyes open and be sure that I notice that it has been yellow-tinted, and that if I close my eyes the piece of bread will immediately become unpalatable. I think all of the hon. Members will agree with me that that is utter nonsense.

The Canadian dairymen have this to say about butter-coloured margarine:

It is all too easy to sell margarine for butter at butter prices, and the temptation of huge profit is ever present owing to the fact that you can buy margarine for about half of the price of butter, and, therefore, fraudulent substitution in retail stores and eating establishments is comparatively easy.

I am not saying that we should dye margarine a marble colour or any other hideous colour, or that we need to dye it at all. My concern is that regulations be provided for its grade, content, and that it be easily identified as such in all retail stores and catering establishments. I submit, there are a number of ways in which they can be done and I am satisfied that if a first conference is set up, as is asked for in this resolution, they will have no difficulty finding a suitable one. There are many thousands of our workers today, more especially those workers with the large families, who find it difficult, if not impossible, to stretch their pay cheques enough to include all the necessities of life. Many of them have had to cut down on their butter ration at the risk of endangering their health and the health of their families. This has not been brought about because of the increase of butter

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prices. If we go back to 1925 we will find that it took 85 percent of the average hourly wage to buy a pound of butter, and today it only takes 61 percent of the average hourly wage. I am not giving credit to the dairy industry for having held this price down. We have a ceiling price on butter. Perhaps that had a great deal to do with it, in fact I think it had all to do with it. But, on the other hand, all of the other necessities of life, on a great majority of them the ceiling prices have been removed and as a consequence they have sky-rocketed. Most of these workers believe that they should have the right to a substitute for butter if such a substitute can be provided cheaper than butter, and I don't think any of the hon. Members in this House would care to see them denied that right. In fairness to themselves and to the consumers, I think that margarine should, as I have previously stated, be regulated as to standards of content, quality, purity, etc., and that it should be readily identified in all retail stores and catering establishments. We find, today, that butter is the subject, as I said, to ceiling prices, and also to rigid federal government regulations. On the other hand, up to this date, margarine is subject to no regulations whatsoever, and surely it is time to put an end to such an incredible situation.

As I pointed out a short time ago, our friends in the United States are having great difficulty in trying to regulate this industry. Most of the trouble has been brought about, I believe, from trying to regulate this inter-state trade from state level, and I am sure that if we tried to do it here from provincial levels that we would run into the same difficulties; that we would have the same chaotic conditions exist in Saskatchewan as are existing in the United States at the moment. For example, let us suppose that the federal government did nothing about this, and I am only supposing that for the sake of argument, for I do believe they will do something about it. It seems to me the only sensible thing to do, but let us suppose that they didn't, and that the province of Saskatchewan during this session of the Legislature should bring in an Act regulating this product, and in that Act should call for certain standards of quality in content. On the other hand, if the province of Alberta brought in a similar Act, only that the standards called for in Alberta were not quite so high as they were in Saskatchewan, and then perhaps, for the sake of argument, the province of Manitoba did not bring an Act in at all. Well, it could very well mean this. It could mean that the product in Alberta, not requiring to have the same standards as the product in Saskatchewan, would be sold cheaper, and that the product in Manitoba, which was left to the discretion of the manufacturers to put into it just whatever they saw fit, would be cheaper still, with the result that the residents of Saskatchewan might feel justified to send to either of those provinces for their margarine. Now, it might be said that this province could pass an Act that would tax these imports, but I find that the state of South Dakota had such an Act and they had a high standard of quality of the margarine that was to be sold in their state. They had this Act set up and thought they were quite safe behind it, so they put a tax on all imports of margarine into the state, but it wasn't long until someone questioned the Act and the Supreme Court of the state of South Dakota found that the Act was unconstitutional. I am satisfied, Mr. Speaker, that should we attempt to do this on provincial levels here, we would run into the same difficulty and we would have an inter-lapping of regulations and it would be a case of adding chaos to confusion.

In conclusion, Mr. Speaker, I submit that as margarine is an inter-provincial trade matter, and as such it can be regulated properly only by a federal Act and administration similar to the Dairy Industries Act, which is a federal Act and which is administered by the dominion Department of Agriculture.

Mr. Speaker, I therefore move, seconded by Mr. Thair:

That this Assembly urge upon the Dominion Government the immediate necessity of calling a conference of all Provincial Governments and representatives of the dairy industry with a view to drafting uniform Federal legislation and regulations governing the importation, manufacture and sale of margarine, or other butter substitutes, in Canada; and, if necessary, that joint agreement be reached with the Provincial Governments on any complementary legislation that may be required by the Provinces.

Mr. W.S. Thair (Lumsden): — Mr. Speaker, in seconding the resolution moved by the hon. Member for Morse (Mr. Gibson), I would like to review, briefly, some of the background and some of the facts connected with the sale and the manufacture of margarine in Canada, or on this North American continent. The question of margarine has occupied the attention and a very prominent position in the public mind in the last few months and also in the newspapers and magazines across the whole dominion.

I am in rather the embarrassing position of following the mover, and as the minds of great men always follow the same channels, he has practically repeated my address. We should have got together before. However, I have some that will bear repeating, Sir, and I propose to do that.

At the outset, I would like to state that I am not opposed to the sale of margarine in Saskatchewan if properly regulated and controlled. It might be an idea that the stand I take is the stand of a farmer. I believe that there should be some uniformity in our laws both to protect the cream producers as well as the consumer. I also believe that the consuming public, who desire to cut the cost of living or the family budget, and the thousands of farmers in the mixed-farming areas of this province, as well as the producers of fluid milk, are all entitled to consideration in the discussion of this question of the sale of margarine.

I believe it was set out in the motion that the dominion government call together representative officials from all provinces to draft legislation and uniform regulations for the manufacture and sale of margarine similarly as they have, for many years, regulated the manufacture and sale of butter throughout Canada under the Dairy Industry Act, a copy of which the member for Morse has shown you. For over 60 years, the manufacture or importation of margarine has been prohibited in Canada. Only recently the Supreme Court of Canada has declared that the control of manufacturer lies not within the dominion but within each province. At the present time there seems to be a difference of opinion between some of the provinces and the public at large, as to whether margarine be allowed the same colouring as butter, and I am sure this has been gone into fully by the mover of the resolution. Personally, I am not biased in my opinion as I am not in the cream shipping business, but one

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one of those notorious wheat farmers in the Regina plains. I do know something of my constituency where there are hundreds and, perhaps, thousands of men and women engaged in mixed farming, and who depend on the can of cream, especially when times are bad. Throughout Canada even, there is a considerable difference of opinion regarding the manufacture and regulations of margarine, and since I feel my opinion is not sufficient, I am going to take the liberty of giving you a few quotations from the farm and dairy organizations, as well as some from some common men across Canada, some of them who may have changed their minds just recently.

Some weeks ago, the Minister of Agriculture, Hon. Frank Putnam, of British Columbia, stated plainly that he would do what he could to help the Act which prohibits the sale and manufacture of margarine to be enforced; but since that time, I understand, a private member's resolution has been introduced in the House of Commons by a good Liberal, Mr. George Cruikshank, which has been mentioned by the former speaker. I have his statement here but I am only going to quote a few words, as it has already been quoted by the former speaker. He winds up with saying: "That no person be permitted to colour margarine to resemble butter." Since that time dairy organizations all across Canada have also made statements, and I would like to refer to one that has not been referred to. The Okanogan Dairy Co-operative Association says: "That legislation should be passed to prevent margarine or butter substitutes from usurping the merits of dairy products, and butter substitutes should not imitate butter in colour or appearance." If there are similar opinions in this province, there are likewise opinions in all of the provinces across Canada.

The Manitoba dairy also made recommendations at their convention, as were read by the hon. Member for Morse.

As yellow is the recognized colour of butter, the colour should not be imitated. That seems to be one of the main points, and I am going to deal with it later. First I would like to deal with a statement made in Quebec by Premier Duplessis. He sounded a warning to manufacturers some weeks ago, advising them not to rush into production in case they found themselves on the wrong side of the law, and they very often do. Since that time a Bill has been introduced and distributed among the members of the Legislative Assembly of Quebec, to protect the dairy industry and provided direct fines or prison terms for the manufacture, sale or possession of butter substitutes. Down in Quebec, they are not going to have it in any shape or form – black, white, green, or yellow. Premier Kennedy of Ontario made another statement, not similar but in keeping with what we might expect from Ontario and Quebec; very similar with the way they deal with the dominion-provincial tax agreements. Premier Kennedy, according to the Canadian Press Association, has hopefully washed his hands of it all in this statement, implying that his government has no power in this field, and up to the present time I haven't any further information. Maybe he has changed his mind to ban it entirely, or to take some other action. In fact Newfoundland is the only province in which there is a sure supply of margarine at the present time.

Mr. Speaker, I would also like to quote from McLean's Magazine. While I may be giving a lot of quotations, perhaps it will help in forming an opinion on this matter of margarine. It may even help the opposition, especially as I am quoting some really good Liberals across Canada. As editorial

in the February edition of McLean's Magazine, entitled "Watch the Butter Lobbying" has come out with a form of accusation against some of the provinces. It does not state which ones are lobbying in order to keep margarine unpalatable, and would like to slap heavy taxes on it. This is, to my knowledge, not, in the main, in keeping with the true facts.

The opinions of all these farm organizations and the various important resolutions show you what a complicated problem the regulation and the sale of margarine is going to be. Again I repeat, I believe it is most important if at all possible to have uniformity of regulations across Canada; even though Quebec does not choose to come in we will still have nine provinces provided Mr. Kennedy comes in. Most of the western dairy organizations, I believe, are agreed in the statement, fortunately or unfortunately, that no yellow colouring should be used in margarine.

This is in keeping with the resolution adopted by the provincial dairy convention in Regina some weeks ago, which I attended as a visitor, and I will just quote a word from it, and I quote:

That dominion-wide regulations be put into effect to ensure that margarine, if sold in Canada, will be subject to regulations of similar type applied to creamery butter; and that it be of such colour as not to be mistaken for the natural colour of creamery butter.

But the best example of utter confusion regarding margarine regulations, perhaps, is to be found in the many states in the great republic to the south of us, and some of them are very interesting. You would be interested to know that in the state of Michigan only recently they repealed an old law and are allowing the coloured margarine to be sold. This was a repeal of a 1901 law; that is, it took them 48 years before they actually got around to coloured margarine. Practically every state has different regulations. Some states have it coloured like butter; others give it a small package of colouring. Some of them have taxes or licence fees; other not. But the actual difference in the cost of manufacture between the coloured and the uncoloured margarine is less than one-half cent a pound, and yet, generally speaking, the coloured margarine sells from 15 to 20 cents a pound more. Uncoloured margarine in —s would be a great saving to the consumer who would be getting the actual margarine, with all its food value, for a lower price of from 15 to 20 cents a pound. There can be not question then as to the need of such regulations. The butter business is strictly and completely regulated as to fat content and moisture which that product must contain. The conditions under which it shall be manufactured, and the way it shall be printed, are all in the Dairy Industry Act, and I believe that the same regulations should apply to margarine to give adequate protection to the consumer.

Again, I would like to give the members of this House an illustration. Very recently a delegation representing the dairy interests of British Columbia visited the Ministers of the coalition government at Victoria. On the way over, in Vancouver, they purchased a pound of margarine which had been presented to the public as a product which is just as good as butter, at 18 cents per pound cheaper — it sold in Vancouver at 55 cents per pound. An analysis was made of this product and a moisture test revealed that the sample

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contained nearly 38 percent water. Butter contains from 15 to 20 percent moisture. When this was computed with the price paid per pound, compared with butter, it was found that the consumer was actually paying 89 cents per pound for the solids in the margarine, and 85 cents per pound for the solid in butter. But it was pointed out by this delegation that there was very definite need for careful controls to be drafted before margarine is allowed on the market at all. This is what we are asking for in this resolution.

We are told that there is some doubt as to the authority of the dominion to make regulations for margarine, but there are dominion regulations for butter and they are very strictly adhered to, and if dominion regulations for margarine were made they could, in any case, be put into effect in their individual provinces by proclamation or complementary legislation by each province. I might say that dairying is a major industry in Canada today; a half-billion dollar industry. Saskatchewan runs it up into millions, as was pointed out by a former speaker. We are exporters of butter to the extent of 15 to 20 million pounds, and most of it goes into Ontario and some of it to British Columbia. The farmers of Saskatchewan, in my constituency as in the constituencies of most of the members in the House except the city members, ship thousands of cans of cream every year, from the mixed farming areas particularly. In fact, the butter business is big business in Saskatchewan, and most of the production, that is the amount that enters into the cost of your pound of butter, goes back to the farmer within each constituency or each province.

As a farmer myself, and like many others on both sides of this House, I believe that if the manufacture and sale of margarine is not regulated, the dairy business might possibly be adversely affected to a point where the farmers' market price for cream becomes unattractive, and thereby the whole programme of diversified farming, in this province, might easily suffer as a result of it. I think considerations should be given to this by not only the cream producers and all other citizens, and particularly the consumers, because if the farmers' income drops in this province drastically, the income of everyone in the towns and cities will do likewise. It has been proven before. We have read statements to the effect also that Canadian farmers might possibly change over from dairy production to the growth of oil-bearing seeds, and thus maintain their farm income. So far, according to the Dairy Commissioner here in the Department of Agriculture, Canadian-produced oils have not been found suitable for the manufacture of margarine. This is particularly true of the oil from rape seed and sunflower seed, which is one crop of this kind that has been grown rather extensively in the northern part of this province in the last few years. Just recently the controls on oils and fats have been lifted and a great deal of oils are coming into Canada, and probably into Saskatchewan, to be used, I presume, in the manufacture of margarine. The big packing companies, Canada Packers and many others, are going into it in a big way, and it is quite possible, according to an article I have here, a statement from a chain federation of agriculture, it would be possible for packing companies to manufacture and sell in Saskatchewan half of the amount of butter used, even in the whole of Canada; they could manufacture 120 million pounds of margarine, and by the best kind of propaganda, which they know well, they would be able to push it across to the people and make enormous profits. Doing so, they might drive the dairy industry into ruin. I am giving you both sides of the question for the consideration of the producer and the consumer.

I would just say in closing, Mr. Speaker, what I said in the beginning. I believe that a conference should be called representing all provincial government representatives of the dairy industry to draft this uniform legislation and regulations. I believe it is necessary to protect not only the consumer of margarine but, at the same time, having in view that protection as far as reasonably possible of the cream shippers not only in Saskatchewan but throughout all the mixed farming areas of Canada.

Mr. Speaker, I second the motion.

RESOLUTION RE INCOME TAX

Mr. Dewhurst: — moved:

That in view of the great increase in the cost of living which is working considerable hardship upon all citizens, this Legislature request the Dominion Government to increase the exemptions from income tax to \$1,250.00 per annum for single persons and to \$2,500.00 per annum for married persons.

He said: Mr. Speaker, in moving this motion, which I shall read, as follows:

That in view of the great increase in the cost of living which is working considerable hardship upon all citizens, this Legislature request the Dominion Government to increase the exemptions from income tax to \$1,250.00 per annum for single persons and to \$2,500.00 per annum for married persons.

I do so with the knowledge that it will affect the income of the federal government. I do not believe that any member in this House, or any other House of Parliament, has the right to suggest a reduction in the income of any government unless, at the same time, they are prepared to point out ways and means which, in their opinion, that government may receive additional income to make up for the loss of reduction suggested, or else, on the other hand, that they suggest other ways of saving their money by reducing some type of social services.

In a democracy we have certain rights and privileges. We also have certain obligations or responsibilities. Therefore, it is necessary that all the citizens of a democratic country help to pay to the provincial and federal governments taxes to help to provide social services which they are called upon to do.

In asking that the federal government should increase the exemptions from income tax, I first want to make a few proposals without going into the details of them as to how they could get revenue from other sources. As an example, we have seen this last few years the removal of the excess profits tax. That is one place where the federal government could have got considerable additional revenue and would not really have hurt anybody, because it was excess

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profit that should rightly have gone to the federal government. If excess profits tax were going to be charged, then the nation as a whole should have benefited. We saw at the start of the war, when contracts were offered on a cost plus five percent basis, contracts were not accepted. The sky had to be the limit. There was what might have been termed a sit down strike on the part of the big manufacturers. They would not agree to work it 'cost less five percent'. There was a place where it cost the people of this nation a lot of extra money. We also saw the federal government giving the accelerated depreciation clauses in their contract, which cost the people of this dominion, as a whole, considerable money. Now, on the other hand, we have seen several instances where it has affected the average working man and woman of this country, whether they live on a farm, town, city or a hamlet. It affected every table in this country. Some of those removals, for example, was the removal of the subsidy on milk. That subsidy enabled the working people of this nation to have cheaper milk – one of the best foods of all, and yet through pressure being brought on, that subsidy was removed. Also, there was the removal of the price controls which allowed other commodities to sky rocket, which caused considerable increase in the cost of living all along the line.

Realizing, as I do, that the higher exemptions will reduce the federal income, the question might be asked: "How will it help the individual?" I would like to quote a few figures which are taken from the Canada Taxation Year Book of 1946, dealing with income tax. These figures are not as complete as I would like to have had, but they do give a general picture of the argument I want to put forth. I find from analyzing returns made, the total income of those 332,000 people was little over \$269 million, or an average of \$835.78 per return. In the bracket from \$1,000 to \$2,000, there were roughly one and one-quarter million returns filed and the total income of that group was \$1,879 million, or an average income of \$1,510.94. Taking it up to the \$2,500 bracket, there was another 371,000 returns made, or a total income of \$824 million, that group had an average income of \$2,216.43. You find from those figures that when you total up the number of returns and the gross amount of income of all those people, the average return was \$1,533.80. The amount that was paid in taxes by that group, in 1946, was \$237 million; that is a lot of money but it only averages \$122.50 per person, and those figures, as you will notice, are based on the assumption that the exemptions were going to be raised to \$2,500 for everybody, regardless of whether they were married or single.

In this taxation book which I have before me, it does not give the breakdown of which of those returns were made by single people and which were made on a married status, so I think I would be fair in assuming that about half of this amount, when you consider that this would be based on a \$2,500 reduction, when we take the single people paying income tax on over \$1,250, that the average for that group would come down to around \$65 or \$70 at the most. You will see, while it seems like a lot of money when it is all together, per individual it is not so great, but it will help to make up for a little bit of the extra cost of living.

The cost of living has gone up far greater than what the reduction which they would receive on these higher exemptions. Mr. Speaker, I would like to submit that while these people would have an extra few dollars of spending money in their pockets, a lot of the money would go back to the federal government in taxes, because the money would be spent to help make trade and

commerce move more rapidly within our borders. And every time a dollar is spent on consumer goods, there is always a federal tax. I would just like to quote one example which applies quite commonly in our economy today. We will take, for instance, a watch valued at \$37.50 is imported from Switzerland. There is an ad valorem duty of about 33 1/3 percent on this watch; that would make the duty \$12.50 as paid by the importer. This watch is then sold to the jeweller at a profit of approximately 20 percent, bringing the cost to \$60. The Jeweller pays a sales tax of eight percent, adding another \$4.80 for sales tax, and sells the watch at a mark-up of 20 to 25 percent, bringing the watch up to \$80.00. Then the dominion puts on another tax of 45 percent, makes an extra mark-up of another \$20, so we find that on a watch selling for \$100, \$42.30 is paid in taxes to the federal government.

Therefore, I would submit that while you would be giving the lower income bracket people relief on the income tax, in return there will be from one-third to one-half of that increased exemption that will find its way back into the federal treasury through other forms of taxation. Unless the majority of the people in this country have enough purchasing power to buy the necessities of life we are headed faster for a depression. I believe that it is not the amount of exemptions or the amount of taxes that one pays that counts; it is the amount they have left over after paying that tax. As this bracket shows out of the figures I have quoted those under \$2,500 on the average do not have much money to start with before they have paid their taxes.

There is a lot more that could be said on this motion, and I have no doubt that there will be several more members of this Assembly who will wish to make comments on it so I will not labour the House by continuing with a bunch of statistics because statistics are always very dry reading and very dry listening to. I would just like to close by saying that I believe this would be a popular move on the part of the federal government to make increased exemption whereby the working man or woman has a chance to buy back some of the products that they helped to create, so, therefore, I move, seconded by Mr. Willis:

That in view of the great increase in the cost of living which is working considerable hardship upon all citizens, this Legislature request the Dominion Government to increase the exemptions from income tax to \$1,250 per annum for single persons, and to \$2,500 per annum for married persons.

Mr. M. J. Willis (Elrose): – Mr. Speaker, as this is the first time that I have taken part in proceedings in the House, may I convey to you my personal congratulations in the choice that the House has made in your selection as Speaker. I also welcome to the House the new Leader of the Opposition, and also the Premier, because for a time I thought that both were going to be north for some time in the city of Prince Albert, and it has a record of keeping people longer than they wish to stay on certain occasions.

In seconding this motion this afternoon, I think all parties will agree the province of Saskatchewan up to 1939 came through a period of exceptional circumstances in which nature was very unkind. We saw the income of

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our basic industry in this province – agriculture, get to a low ebb, and consequently the people of all walks of life suffered as a result due to the crop failures, drought and conditions over which the farmers had not control. So, in 1939, when nature changed for the better, to a large proportion of this province we saw the income of the farmers become greater; then we saw the war years and during the war years finally the enemy was defeated and we saw a great number of young men return to our province to set up homes once again. But while they were away they found that the purchasing power of the dollar had lowered. From 1939 – taking the cost index from 1935 to 1939 as a hundred, based upon the Department of Trade and Commerce publication from the Dominion Bureau of Statistics, we find this: food, in 1939 had an index of 100.6; by December 1, 1938, it had increased to 202. We found rent had an index of 103.8 and had risen in 1948 – not as much as foods because there were controls on it – to 121.7. We found that in fuel and lighting, an index of 101.2 had risen to 129.1. We found, on the other hand, that clothing which had been indexed at 100.7 had risen to 181.5 during that period from 1939 to 1948. We found that the home furnishings, with an index of 101.4 had risen to 166.2, and miscellaneous articles from 101.4 to 124.6 or the total index had risen from 101.5 in 1939 to 158.9 on December 1, 1948. So, consequently, we see as a result the income tax that even though our basic industry in this province had not the chance or provision had not been made to lift the burden off the farmer because the income tax had been raised so heavily during that period.

The second group that I am speaking for are those young men that came back to this province and endeavoured to set up homes; they found the dollar really has only purchasing power of about 63 cents. So I think that the basic industry in this province, which is agriculture, and I have always contended that if agriculture is given a fair chance, under normal conditions the farmers of this province by nature are honest and will endeavour to pay their lawful debts.

We find that in 1943 the total amount of income tax collected from the farmers of Canada, according to Hansard, page 592, this year, was \$11.62 million. Of that, the Saskatchewan farmers paid in income tax \$3.778 million, or in percentage basis 32.5 percent of all the income tax paid by the farmers of Canada. In 1944, of a total amount of \$20,481,000, \$9,246,000 was paid by the farmers of Saskatchewan, or in percentage, 45.1 percent. In 1945, of a total amount of \$12,720,000 collected from the farmers of Canada, the Saskatchewan farmers paid \$4,769,000 or 37.5 percent. In 1946 - the last figures available – of a total of \$9,843,000, the farmers of Saskatchewan paid \$3,299,000 or in percentage 33.5 percent. In summing up, of a total of \$54,671,000 paid by the farmers in the years 1943 to 1946, Saskatchewan farmers paid \$21,092,000, or 38.6 percent of all the income tax paid by the farmers of Canada. I say that is a good record, but I say further these farmers in this province of Saskatchewan, who suffered several crop failures over the whole province – unfortunately there are certain districts in this province that have had seven and eight crop failures – should have exemptions for those in the income tax so they would have had a chance to get on level keel, because with the uncertainty of the international situation with regard to markets we may see a modified recession take place as to the price of farm products.

In closing, I would simply say this, to make a very simple comparison. A man with two dependants who earned \$2,500 in 1938 and had this amount free of income tax, and allowance made for the cost of living, today when the income taxes are deducted and allowances made for the increased cost of living, in 1947 the income of that man - \$2,500, would be \$1,692. So you see that \$1,692 in 1938 is of the same value as \$2,500 to the man with two dependants. I say it is high time that the Dominion Government should raise exemptions for the single men and the married people to take in the added cost of living by their de-control methods they have used, as I shoed this afternoon, has increased in many cases, particularly in the city of Saskatoon. I won't burden you with any further figures, bit in the city of Saskatoon, the cost of certain lines has gone up from 100 to 104 over this period.

Mr. Speaker, I take great pleasure in seconding the motion move by the member from Wadena (Mr. Dewhurst).

VISIT OF MRS. ELEANOR ROOSEVELT

Premier Douglas: – I would like to move, seconded by Mr. Tucker, the hon. Leader of the Opposition, that proceedings be now suspended in order that the Assembly may have the honour and privilege of welcoming and hear Mrs. Eleanor Roosevelt, not only in her own right as a good neighbour and great world citizen, but also as the wife and helpmate, during long difficult years, of the late President of the United States, the revered and beloved Franklin Delano Roosevelt.

Mr. Speaker: – On behalf of this Legislature, and the people of Saskatchewan as a whole, I bid you a hearty welcome.

Premier Douglas: – Mr. Speaker, there is no need for me to make any extended remarks in introducing to the members of the Legislature Assembly our distinguished guest. The name of Mrs. Eleanor Roosevelt is known throughout the world, no only as the wife of one of the greatest Presidents of the United States, but as a woman who, in her own right, has become one of the foremost citizens of the world. As the Chairman of the Commission on Human Rights for the United Nations Organization, she has won for herself a place in the hearts of free people the world over, and today I should like, on behalf of this Assembly and the government and the people of Saskatchewan, to extend our hearty welcome to her as a good neighbour and as a great citizen of the world.

Mrs. Eleanor Roosevelt: – Mr. Speaker, and members, I am very happy to come to you today, and very deeply touched that you should have asked me to come here. My husband and I have always had a very great interest in Canada and we know the eastern part of the country and always have known that part of the country very well because we have had a house upon an island called Campobello, which is in New Brunswick. We have grown to love the scenery and the country very much. Now, for the first time, I am having an opportunity to come into this great western part of Canada. It looks very much like some parts of my own country. As I was flying across it today, I was thinking it must be very beautiful when your wheat fields ripen.

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I know that you are a great wheat-growing country and I think it must be very beautiful then; just as I have always loved our own fields when they were just at the ripening point.

I have been asking what the chief things are that you have in this part of Canada, and as I look at it I feel you must, all of you, care tremendously for the farming areas because it seems to be a great many people must be farmers in this area. I have a great interest in farming; my husband always had, and I also have, in farming and in forestry. As we came into Winnipeg the other morning I looked out and saw the farms with the trees around them, and noticed there were not many evergreen trees, and I wondered why, because I thought evergreen trees were the best windbreak that I knew of at home, and I was told very firmly that the soil is too good for evergreen trees. I know ours is very bad in spots so I thought that probably was true.

But I am very glad to have this opportunity and glad to come to talk to you about the work which has been done in the United Nations.

I went to the first General Assembly of the United Nations at the request of President Truman, and I think, at first, the rest of the delegation felt a little doubtful about having a woman on the delegation. But we got through the first session in London and when I left they were very kind to me, because I had had to make an argument against Mr. Vishinsky on a subject that had been in my committee, and nobody else knew enough about it to do the argument, so with fear and trembling they said: "You will have to make this argument." I was terrified. I thought I was certainly going to lose this argument. He is a very great lawyer and I am not a lawyer. Fortunately, the majority of the people present were on the side of the displaced people whom we were arguing about and so, as a result, in spite of all the tactics he used, we won the argument, and that meant that from then on they felt a little less afraid of having a woman as one of the delegates and I have been on ever since. I have come to feel that while no organization of itself can accomplish anything, still you must have machinery in order to work for the ends that you desire.

I have met many of your representatives from Canada in the various meetings, and we have worked together on many occasions. In my committee, No. 3, where I work in the General Assembly, I have often talked with your representatives and discussed the points that have come in, and while I know, as you undoubtedly know, that the organization is not complete, has not got the force, and there are many things still to be done, still I happen to have seen London in the autumn of 1942, I happen to have seen the islands in the Pacific on which our men were fighting in the summer of 1943, I also saw Germany right after the first meeting of the United Nations in the winter of 1946; since then I have seen Holland, Belgium, France, and I am quite sure that we who have to work to make this organization work, must do so with all the strength that we have because we have learned so well to destroy in the period between World War I and World War II. The amount of damage we can do without the atom bomb is something which takes my breath away. I had seen the front with my husband within six weeks of the Armistice after World War I. Seeing Germany, where your men and our men and the British had done a really good job of destruction, made me feel that it was time that we faced the fact that we have learned so much about destroying, that perhaps we had better turn our minds to how we could prevent destruction.

Though I know many of you here probably wonder whether the United Nations will ever be anything but a debating society - I have been told that very often – still I want you to feel that even a debating society may be good as a preliminary. The United Nations is a great educational institution. In Committee No. 3 we sit alphabetically around the table. We are 58 representatives of 58 nations, and four seats away from me, in this last meeting, there sat a wonderful looking gentleman. He wore a long black robe and a very broad sash, a turban and a shawl that he pulled around himself when it was cold, and a great dagger that crossed his entire front. At first he sat and he never even put his ear phones on, because we have a simultaneous translation; but he did not know any of the five official languages so it was not any use putting his ear phones on. He came from a place which I had to look up – I am almost ashamed of myself when I fall down on my geography because my husband was very good on geography and I am quite sure that he would be very much ashamed of me; but I had no idea where Yemen was, and I had to look to find out. He was one of the 30 to 40 brothers of the King of Yemen, and behind him sat a little man who scribbled little notes to him all the time. After we have gone through about four weeks of discussion, suddenly this gentleman who had never voted on anything began to vote, and I discovered that the little notes seemed to have brought him an understanding of the questions which we were discussing. Finally, this educational process that has to go on in varying degrees for all of us was really bearing fruit.

For me, of course, the greatest educational value has been the realization that I really was thinking in Anglo-Saxon ways, and that I needed to broaden out and try to understand the thinking of our Latin-American neighbours, of peoples that came from the desert of Arabia, from India and Asia, and various European countries, and I have come gradually to find that I do function better than I used to. I won't say that I do it very well yet, but I do really find myself able to take a subject and look at it from the point of view of the various people that I know will be sitting around the table with me when we finally come to bringing it before the whole body. It is one thing to do a thing in your own nation, in your own state, where people talk the same language, where your interests are more or less the same, where your thinking is formed by circumstances which are similar. I know that you have a population drawn from many different groups; so have we in the United States; but the interesting thing is that we grow into people who are Canadians or citizens of the United States very quickly. When you sit down with 58 other nations, you very soon find that it requires a broadening of your whole outlook before you can find ways of coming to agreement.

The declaration on human rights was for me the beginning of the most intensive education because I learned, first of all, how words can get in your way. We might agree on thoughts, but words – to find the right words which everyone can accept, even though they may read into those words beliefs of their own, but still, to find words that everyone can accept, is one of the most difficult jobs in the world. Now, the Declaration of Human Rights, as you know, is only the first part of the universal Bill of Human Rights, and we hope to write a covenant which will have the weight of a treaty. You in Canada have jurists working on this whole conception, and they are working with people in the United States. I hope it is going to be extremely helpful, but I hope that they are not going to think only from the point of view of Canada and the United States, because I had one terrible lesson. I had been

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thinking that we had done, in two and one-half years, pretty good on the Declaration that we were presenting, which had of course no legal binding value, but, if it was accepted, would have moral value, when one day a member of our Commission, who was also on our committee in the General Assembly, from Chile came up to me and said: "Mrs. Roosevelt, you must not mind the arguments made by the delegates from Uruguay because, of course, you know it has taken me two and one-half years to get accustomed to this document because, you know, it is an Anglo-American document and it shocks us from the Latin-American countries." Well, I had not thought of it as an Anglo-American document. I thought we had done a pretty good job of getting the thoughts of 18 representatives of different nations into that document. But there you were: here was the representative from Chile, who worked on it with us, who was telling me not to mind, it would take time for the gentleman from Uruguay to get accustomed to it because it had taken him two years and one-half to accept it.

That was a real lesson for me, and all along the line I think the thing that we are now doing in the United Nations, conscious as I am of many things that we cannot yet do, is to learn. I think there is no one who does not learn. All of you must know too that in your work here in their province you also, by coming together, learn something of each other feelings, thinking, interests and ideas. You will, perhaps, understand when I say that, though this is not the period when we can feel that political questions can be settled, I still think this is a valuable period because we are learning to get on together. We are learning, through the representatives that have to meet and talk to each other, how to work together. We do not get on quite so well with some of our fellow-delegates, but even with those, I think, in time there will grow to be some measure of understanding. It is not quick work. It is slow work. It takes great patience; but there is no doubt in my mind, and I do not think there is in yours, that if we can win through to a chance of making this organizations what it was intended to be – an organization that will help us to maintain peace after we make it – if we can do that, we will feel that the time we have spent is well spent.

Now, I want to thank you once again for receiving and welcoming me today. I want to say that I was very pleased to be given the key to the city but I have not found I needed it. Everything has been opened to me without using a key. I am happy to be in –Saskatchewan, happy to be here, and I thank you for your kindness to me.

Premier Douglas: – I am sure I will be speaking for all members of the Assembly and all the people who are here, and for the people of Saskatchewan privileged to hear Mrs. Roosevelt's words, when I express to her our deep thanks for coming here and speaking to us today. She has brought with her something of the optimism and the hope that has been so characteristic of her throughout her public life, as it was of her husband, the late President of the United States.

I am sure that we would want not only to thank Mrs. Roosevelt for coming today. She has a very busy tour and it makes exacting demands; yet she did not hesitate for a moment to agree to come and speak to the members of this Legislature, and we appreciate it very much. I am sure the members would want, also, for me to tell her that the people of Saskatchewan and the people of Canada are very proud of the great role which her country, the United States of

America, is playing in world affairs. The United States today has taken a position of world leadership which is a very responsible position. She is discharging that responsibility admirably. One of the things that impressed me most in meeting the American leaders in Berlin and various parts of Germany a few months ago was the high calibre of men who were there, and the feeling of optimism – which is very similar to the words spoken by Mrs. Roosevelt today; the feeling that if we could continue to make some progress we might eventually win through to establishing peace in our time.

I am sure, Mr. Speaker, the members of the House and the people of this province would ask me to say to Mrs. Roosevelt how pleased we are, as Canadians, to have visitors from our great neighbour to the south. Our relationship has always been friendly. We always welcome Americans here; and we, in turn, always feel very much at home in the United States.

As the members of the Legislature know, three years ago I wrote to the Head of the Public Health Department at Washington, telling him that we were looking for someone to hear our health programme, and saying that we would like to get the services of Dr. Mott who was an employee of the American Public Health Department. Without a moment's hesitation, General Parent made it possible for Dr. Mott to get leave of absence to come here. We, as a province, are very grateful for the work which he has done; we are most grateful to the government of the United States for making it possible for him to come here and do the excellent work which he has done.

Therefore, Mr. Speaker, on behalf of those assembled here, and those who were privileged to listen, I should ask you to convey to Mrs. Roosevelt our deep-felt thanks and gratitude.

Mr. Tucker: – I would like to join with the Premier in the words he has spoken of welcome to our distinguished visitor this afternoon, and particularly of welcome to her, not only in her own right, but as representing not only the late President of the United States who was very much beloved in this country, but representing our great neighbour, the United States, which has taken such a great part in the fight for human liberty every since it was established as a nation, and is today carrying on the great traditions of the great leaders of that great country.

The name of Franklin D. Roosevelt, I think is associated in the minds of Canadians, first of all, with that wonderful policy, the good neighbour policy. Then another thought that is associated with his name is the speech he made during the dark days of the war when some of us were afraid that human liberty was going to be snuffed out. That great leader said: "The United States would not stand idly by and see Canada conquered by a foreign nation." Those words were appreciated in Canada more, I am sure, than could ever be imagined even by the great President himself. The, his name will be associated always with his great leadership of his great country at a time when human liberty was endangered as it never was before. He led that great people into the struggle for human liberty and gave it such outstanding and able leadership that, as a result, human liberty was again preserved. Then, still looking into the future and carrying out the vision of the man who he admired so much and who tried to lay the foundation for a similar organization to preserve world peace, Woodrow Wilson, he laid the foundations for the United Nations which it was hoped would ultimately make world peace possible – a just and enduring peace.

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You, Mrs. Roosevelt, are welcomed here because during those difficult years you stood by his side. You were such a loyal wife and help-mate to that great man, and we welcome you here as having played a great part in those great struggles for human liberty. We welcome you for your part in the humanitarian work in your own country for the poor and oppressed, of which we know something. We welcome you also for your work for the poor and oppressed of all nations. You have a special place in the hearts of many people who come to us from western Europe, who saw their relatives threatened with being sent back behind the iron curtain against their will, where they felt they perhaps faced certain death. You stood up in the United Nations and spoke and worked against that. You will always be help in grateful remembrance by many of our Canadian people for saving some of their loved ones at that time, by your work for the displaced persons and refugees, and your work in the International Refugee Organization, and now in the work you are carrying on for international understanding and goodwill towards all nations, based upon solid understanding of the realities of the world situation today that those two must be combined together, and for your great leadership in those two regards culminating as a lifetime of humanitarian work for freedom and liberty.

We feel ourselves most fortunate in having the chance to welcome you here today in your own right, as the widow of one of the greatest Presidents the United States has ever had, one of the greatest leaders for human liberty that mankind has ever had, and for the great contribution you today are making to the cause of human liberty and human welfare. We welcome you here, and the people of Saskatchewan wish and pray that you may be long spared to carry on the great work you are now doing.

Mrs. Roosevelt: – Thank you so much.

Premier Douglas: – Mr. Speaker, I would move that the House do now adjourn.

The Assembly adjourned at 5:10 o'clock p.m.