

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
First Session – Eleventh Legislature

Thursday, March 3, 1949

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

RESOLUTION RE MARKETING OF COARSE GRAINS

Mr. Brown moved:

That this Assembly:

- (1) go on record as strongly urging action by the Government of Canada to prevent the speculative trading in grain futures by closing the Winnipeg Grain Exchange.
- (2) endorse the principle of marketing through a Canadian Wheat Board; and
- (3) recommend that, to achieve a more stable method of marketing their produce than through the medium of speculative trading, the scope of the said Board extended to include the marketing of oats, barley, rye and other grains.

He said: Mr. Speaker, the resolution which I am about to introduce at this time is one that has been introduced on several occasions in this Legislature, and has received considerable discussion; but I make no apology for re-introducing it at this particular session, in spite of the fact that the opposition has on several occasions levied criticism on it to the effect that we are loading the order paper with resolutions asking the federal government to do this and to do that.

I suggest, Mr. Speaker, that the resolution we are introducing at this time is one of paramount importance, and affects the welfare not only of the farming population, but affects the welfare of every citizen in the dominion of Canada. The resolution asks for three things. It asks first that the Winnipeg Grain Exchange be closed, and closed permanently; secondly, that, through the medium of this resolution, we are endorsing the principle of marketing grain through boards such as the Wheat Board; thirdly, we suggest that the scope of the said board, that is the Wheat Board, or a board of similar nature, be extended so that it can incorporate in it the handling of grain such as oats, barley, rye and other grains.

A grain exchange, under western Canadian economy, is not a new thing. Two years ago the Winnipeg Grain Exchange celebrated its 60th anniversary, and the theory and practice of future trading is a practice which was established some 100 years ago. During this 100 years of its existence, that is a far as the principle of future trading is concerned, and through the 60 years of existence of the Winnipeg Grain Exchange, it has failed, and failed miserably, to find a solution to our marketing problems, and the story and the history of the struggles of the farmers of western Canada in particular to establish some other more equitable means of marketing their grain is a story in which

the whole romance of the development of western Canada is incorporated. We can go back to the early days in western Canada to the struggle of the farmers at that time conducted against the railways in an attempt to find a more equitable method of marketing their grain and not be entirely at the mercy of the railways.

In the early days of western Canada, the farmers formed themselves into a protective society. That in itself answered a temporary problem, but it was far from the solution which they had set out to get. The people had in the back of their minds that the most sensible way to market our products was through marketing boards. In the year 1917 there was formed the idea of a Wheat Board, and in 1919 the first Wheat Board in Canada came into operations under The War Emergency Act of that day. However, that particular board had a short life, and the feelings of the farmers were pretty well expressed in an editorial in the Grain Growers Guide of that day, in which they stated: "Following the advent of the Liberal party into power, it may be assumed that the Wheat Board idea is dead." And the farmers of that day did assume that the Wheat Board was dead, and they formed themselves into the Wheat Pool and set out to establish a marketing system in which they had complete control and through their own organizations attempted to put their products on the markets of the world. That in itself did work successfully, and very successfully, for a few years. We all recall the crash which occurred in 1929 and the early thirties, to the extent that our whole economic structure in western Canada was jeopardized, and indeed it was only through the steadfast courage of those people in the Wheat Pool that that great organization was able to win through that particular depression.

Once again the farmers of western Canada realized that they needed something better, or of greater significance than their own organization to market their grain and, once again, there was an agitation on the part of the farmers to have established in Canada the principle of marketing their products through boards. In 1935 the late R.B. Bennett introduced into the House of Commons in Ottawa a Bill which purported to set up a Canadian Wheat Board, a Bill which in its initial stages had the power to market coarse grains. During its travel through the House of Commons that particular provision was removed from the Bill. However, in the fall of 1935 the Canadian Wheat Board went into operation. While, in 1935, there was also an election, and, as in 1920, the Liberal party were once again returned to power, and while at this time they did not attempt to scuttle the Wheat Board in its entirety, they did at least temporarily put in dry dock to the extent that no grain was marketed through the Wheat Board unless the price of grain at Winnipeg or Fort William dropped below 90 cents. So once again we were not given the freedom of choice as to where we could market our grain; we were given the right to market our grain through the Wheat Board only if the price dropped below 90 cents.

Since that time the Wheat board ideas has been, to a large extent, incorporated into our economy in Canada, and it is working more or less successfully. Even today there is a concentrated attempt on the part of the Winnipeg Grain Exchange and their colleagues to deprive the farmers of western Canada of even that which we have at the present time. We are not assured that marketing of wheat will be continued under the Wheat Board, to say nothing of being assured that coarse grains and other grains will be incorporated by a board such as the Wheat Board.

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At the present time, the grain exchange is once again attempting to throw its weight around. The hon. members will recall, from reading the story of the struggle of the farmers of western Canada, that in the early days the Grain Exchange threw its weight around, and had expelled from its midst members of the Grain Exchange who were splitting commissions with their patrons. At that time it was a practice which was not approved of by the Exchange, and, as such, was expelled.

The Grain Exchange, it has been suggested by the president, is a voluntary non-incorporated association, a self-governing institution. It has taken on to itself the power of being prosecutor, judge and jury. As last as last fall, in November, as reported in the Western Producer of November 25, 1948, they once again indicate very clearly that if they are too hard-pressed they are prepared to throw their weight around.

At a meeting held some time in August, the Board of the Winnipeg Grain Exchange passed a resolution in which they attempted to show their authority and their power. I do not propose to read all of this resolution, but part of it would no doubt be of interest to the hon. members. It states, in part:

No member shall do any act or thing to make any public statement or remarks which, in the opinion of the Board, is contrary to the spirit which has governed the members of the exchange, or is detrimental to the exchange, or to its interests or welfare, or which reflects upon the Exchange or its marketing method, working, trading or markets, or which stands to lessen or impair confidence and stability in the Exchange or its marketing methods, working, trading or markets. Such member shall be liable of fine, censor, suspension, or expelled from the association.

In my mind, Mr. Speaker, there is no question against whom that was elaborated. It was, in my opinion, placed on the records of the Winnipeg Grain Exchange for the sole purpose of attempting to deny the great farmers' organization, the Wheat Pool, of using that facility. There is no suggestion that the Wheat Pool wishes to use the facilities of the Grain Exchange, but, so far, our society has failed to create any other agency which a farmers' organization may use in the marketing of its products.

Through the long struggle which has existed on the part of the farmers to obtain their just share of the national income, a struggle in the attempt to find orderly, organized marketing systems, while there may have been doubts as to the wisdom of certain actions the farmers may have taken at certain times, there is one thing that stands out very clearly: on one side you have the farmers and their organization, and on the other side you have the vested interests – vested interests which are represented by such organizations as the Canadian Chamber of Commerce, the Line Elevators Association, and, indeed, individual companies of the line elevators. Even, at times, political parties of Canada have attempted to take sides in this issue, and at times they have taken the side of the vested interests. We can refer to the action of the Liberal party in 1920, and again in 1935, in which they did not place themselves solely and strongly on the side of the farmers. Even today the Conservative party, if we can consider it to be a national party, has indicated clearly on which side it proposes to stand. John Bracken, when

he was Leader of the Conservative party, made a strong bid for the support of the Grain Exchange when he suggested that the farmers should have the right to market their grains, if they so saw fit, through the Grain Exchange. As late as August, 1947, at a Conservative nomination convention held at Tisdale, they passed a resolution asking that the Winnipeg Grain Exchange be opened. Sometimes we wonder, since the opposition has taken into its fold the Conservative party, whether they also took into the fold that particular plan of the Conservative party.

Mr. Tucker: — Rest assured we did not. You can set your mind at rest entirely, right now.

Mr. Brown: — He suggests that he has not. The Leader of the Opposition has not incorporated that particular plan into his platform. If he has not included it in his platform, then I suggest that he spent a good many years at Ottawa in which he could have had the principle of the marketing of coarse grains incorporated into the Wheat Board.

Mr. Tucker: — I supported it just as sincerely as your people did.

Mr. Brown: — Mr. Speaker, The Winnipeg Grain Exchange has put a strong argument in favour of their particular type of marketing of grain. They suggest that it is only through a medium such as this that you can satisfy the law of supply and demand. They suggest that through the medium of an exchange you obtain the highest price for the producer. I suggest, whether they proved that or not, they have provide that it is possible to get the lowest price for the producer, when back in 1932 the best wheat grown anywhere in the world was sold for as low as 25 cents a bushel. They suggest, because the Pool and other farm organizations as have had seats and the facilities of the Grain Exchange, that it has become and institution which is necessary for the marketing of our grain in western Canada, and, as such, is of benefit to our whole economy.

The tactics of the Grain Exchange have changed during the past few years. It is not so long ago, Mr. Speaker, and I am certain all hon. members will recall, when the Grain Exchange put forth the argument that the farmers had no right to have an interest in the marketing of their grain. It was the duty of the farmer to produce the grain and allow someone else to market their product. They suggested, at that time, if the farmer knew his job and worked hard enough, he could produce wheat for as low as 40 cents a bushel. Today they come out as the great friend of the farmer and suggest that it is only through their medium that we can obtain a price for our product which is in line with the cost of production.

There can be no question as to the importance of a resolution such as we are introducing into this House at the present time. There is a philosophy and idea behind this resolution which, on two occasions, inaugurated and started the march of the farmers on Ottawa. Even as late as 1942 the farmers of western Canada, and of Saskatchewan in particular, banded themselves together and sent a delegation to Ottawa, asking that the Winnipeg Grain Exchange be abolished. The Wheat Pool organization, which is at times referred to as the

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“Farmers’ Parliament”, has never missed a meeting in which they have not suggested that the Winnipeg Grain Exchange should be closed. Year after year we in this House have sent a resolution to the Ottawa government. The farmers in a portion of western Canada have regarded the closing of the Winnipeg Grain Exchange of such great importance that they were prepared to call a non-delivery strike of grain if the exchange was allowed to operate and continue to market our grain through that channel.

The Grain Exchange has lately been using an argument which is of a similar nature to the argument the opposition have used against this government, and it is possible that they may get their arguments from exactly the same source. I refer to a statement made by Mr. Jones, who is president of the Winnipeg Grain Exchange, and a great exponent of that particular method of marketing. In reference to a statement he made, he pointed out that the government has gradually encroached into the grain trade until now there is complete elimination of the competitive urge. Under a state monopoly, the government inroads into the grain trade, the producer has lost his freedom of action. I wonder, Mr. Speaker, where we have heard that term before: “the producer has lost his freedom of action”? I am afraid we have heard that echoed and re-echoed from the opposition when we attempted to introduce similar schemes into our economy here in Saskatchewan, as we suggest should be put into our economy in Canada as a whole.

I might also suggest that we here in western Canada stand in a very precarious position. We have seen before where political parties have stood up, possibly – and I say possibly – for political expediency, have stood up in favour of one type of marketing, and when in a position to do something about it, produced exactly a different result. I can refer to our Natural Products Marketing Act which was passed by the Conservative government in the thirties, and when we attempted, here in Saskatchewan, to put into effect that particular act, when we tried to put into effect The Natural Products Marketing Act, we received opposition from people whom my hon. friends are today very closely associated with.

Mr. Danielson: — May I ask the hon. gentleman a question: with reference to The Marketing Act, did you refer to The Marketing Act which is on the Statute Books of the province of Saskatchewan today?

Mr. Brown: — No, I was referring to The Natural Products Marketing Act. I thought I stated I was referring to The Natural Products Marketing Act which was placed upon the Statute Books by the Conservative government at Ottawa, under the leadership of R.B. Bennett.

Mr. Danielson: — May I ask another question? I would like to ask the hon. gentleman: when was the attempt made to put that particular Act into operation insofar as Saskatchewan is concerned?

Mr. Brown: — I cannot give the hon. gentlemen the date. I have not the date with me, but I do very well recall, and I am satisfied that the hon. gentleman himself recalls the attempt that was made to place under The Natural Products Marketing Act the

poultry products and, as such, a vote was taken on it here in the province of Saskatchewan.

Mr. Danielson: — The Natural Products Marketing Act is on the Statute Books today.

Mr. Speaker: — The hon. member will have the opportunity of replying.

Mr. Danielson: — We'll do it.

Mr. Brown: — We are today, as I suggested a moment ago, Mr. Speaker . . .

Mr. Tucker: — If the hon. Gentleman will permit a question?

Mr. Speaker: — The hon. gentleman wishes to continue.

Mr. Brown: — As I stated, Mr. Speaker, I referred a few moments ago to the danger that we are in of losing even that which we have. I suggested, at that time, there was being made an attempt to destroy the faith that we have placed in a form of orderly and organized marketing such as the Wheat Board. The Grain Exchange has been very busy in organizing what I consider to be phony farm organizations, and this is particularly true within Manitoba. Phony farm organizations which have no grass roots in any particular farming area, but are organized by the Grain Exchange for the sole purpose of bringing to light what the Grain Exchange wishes to be brought out under discussion.

I suggest that they are also attempting to scare the farmers of western Canada into a camp in which the farmers do not want themselves to be found in. I can refer to a paid advertisement put into the papers by the Winnipeg Grain Exchange, and in this paid advertisement on the part of the Winnipeg Grain Exchange they suggest, in referring to the Wheat Board: "The open market would disappear in favour of a state monopoly. There are differences of views about the open market, but nobody of consequence is advocating a state monopoly as the alternative. Over and above all other objections, we oppose such changes in national policy as wheat agreement implies. The government has no mandate from the people to embark upon a programme of state socialism." I would refer that to my hon. friends, to point out to them the danger that we stand in at the present time. They have stated time and time again, the government in Ottawa is not embarking upon a programme of state socialism, and yet it is suggested that in inaugurating the principles which are incorporated in the Wheat Board, we are embarking upon a programme of state socialism. If the government sees fit to draw back from its programme of embarkation on state socialism, we will indeed lose that which we have at the present time.

The second part of this resolution, Mr. Speaker, we are endorsing the principle of the Wheat Board. While we do not agree entirely, and I do not expect that we ever will agree entirely, the operation of the Wheat Board has always been at all times in the best interests of the farmer, and it has given

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us stability and an assurance of some security in our farming practice. It has made possible bilateral trade, bilateral to the extent that we here in Canada agree to deliver to another country certain specified amounts of wheat at a certain set sum. We have also agreed to a principle which is sound and which has produced results favourable not only to the producer but favourable to the consumer, not only in Canada but in other parts of the world as well.

Now, Mr. Speaker, I come to the last part of a resolution which asks that this Board be extended to include coarse grains. You will note that the resolution suggests the marketing of oats, barley, rye and other grains. At this particular moment, I know of no other grains which would be incorporated under the Wheat Board except flax. The majority of our other grains are of small quantity, and the majority of which are marketed either by contract or through co-operative organizations. I do not suggest, Mr. Speaker, that the Wheat Board should set up elaborate machinery to handle these grains which are today handled in small quantities, but I do suggest that if these grains ever become in a position where they require marketing on a national scale, or that the marketing cannot be continued through contract or co-operative, that they also be incorporated under the Wheat Board.

Legislation, it is true, has been placed upon the Statute Books at Ottawa, which would make it possible for that Board to handle coarse grains. A year ago they put up the argument that they could not put it into effect until the provinces of western Canada had passed complementary legislation. Manitoba has not yet seen fit to pass such legislation. There may be reasons for that. One possibly is that Manitoba is at peace with the Grain Exchange, and the second reason may be that they have a government composed of people with the same philosophy and ideology as sit in with the opposition ranks in this House. Mr. Garson suggested, at that time, that it was not necessary for such legislation to be passed by the provinces, and now Mr. Garson, who was at that time Premier of Manitoba, today sits in the federal government; I suggest that he is in a very good position to convince the federal government that it is not necessary for Manitoba to have this legislation and to put into effect a policy which will incorporate the coarse grains. But I suggest that this Board must be a feature of the federal government and, as such, to be responsible to that government. They also used the argument that the farm organizations were not unanimous in their opinion as to whether or not they wish their grains marketed through that Board. We are no longer in that position today, Mr. Speaker, for the Canadian Federation of Agriculture, which speaks for a good many farmers in Canada and in the whole of Canada, has unanimously endorsed the principles of marketing through the Board, and it advocated that the coarse grains be incorporated under the Wheat Board.

In closing, Mr. Speaker, I do not suggest that if the federal government sees fit to adopt what we suggest in this resolution, that we will create here in western Canada a Utopia and a western paradise. There will be other problems that will be required to be solved but, at least it will create a medium of orderly marketing on an organized scale, and will bring a greater measure of stability to our western agriculture, and, indeed, to the whole agriculture industry in Canada. It will eliminate from our economy entirely the speculative marketing of grain. It will make possible bilateral trades in other commodities than wheat, and even will make possible a multilateral trade. It will make possible an international wheat agreement which will work

in the interests of the producing nations, and of this consuming nations. Once again I say this will not solve our problems but will go a long way towards that respect. Therefore, Mr. Speaker, I move, seconded by Mr. Wellbelove:

That this Assembly:

- (1) go on record as strongly urging action by the Government of Canada to prevent the speculative trading in grain futures by closing the Winnipeg Grain Exchange.
- (2) endorse the principle of marketing through a Canadian Wheat Board; and
- (3) recommend that, to achieve a more stable method of marketing their produce than through the medium of speculative trading, the scope of the said Board be extended to include the marketing of oats, barley, rye and other grains.

Mr. J. Wellbelove (Kerrobert-Kindersley): — Mr. Speaker, it gives me great pleasure to rise in support of this motion, it being my pleasure for three or four years to say a few words in support of similar resolution. I think it is necessary this year to stress our views and our impressions more strongly than we have ever done before.

The Grain Exchange evidently, by the amount of literature that they are distributing, are right down for a fight to the finish. Anything we can do in this main grain growing province of the Dominion of Canada to strengthen the arms and stiffen the backs of the administration at Ottawa, I think we should do. This closing of the Winnipeg Grain Exchange is not a new question at all. There has been about 12 or 13 enquiries and commissions have been set up since farmers started growing grain in any quantity in western Canada. That alone would be evidence that the farmers are not satisfied with the speculative system of marketing their grain. All commissions have agreed on one point. I do not think there is a commission that has given the farmers' viewpoint 50 percent of their support when they brought down their findings, and yet they have all agreed on one point, and that is that the speculative market, to enable it to function satisfactorily, needs a tremendous lot of speculative support. Now, just what is that speculative support? If you go into the office of any grain broker, you will notice a bunch of people there and several of them are just mere 'scalpers'; that is, they will watch the markings on the board and they will put up the margin for a few thousand bushels of grain, and when there is a fractional increase they will sell and get the price of a meal ticket out of it. As far as having any hand in growing the grain, they make no contribution at all and yet they get something of a livelihood out of it. Then, there is the person who invests considerable amounts in a margin on a large bushelage of grain' all that he handles in paper' he never intends to make or take delivery of one bushel of wheat, and yet they come in between us, as producers, and the consumer, and every dollar that is diverted into those particular channels is either taken away from the producer of grain for the proper price that he should get from the consumer, or it adds to the consumers' price in the way of bread or feed grains as the case may be, compared with what the farmer gets.

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Then you will notice that the Winnipeg Grain Exchange is dwelling on another fallacy, and that is, it is very, very necessary for the miller to have the speculative market. They tell us that if a miller takes a contract for delivery of a large quantity of grain, whether it be overseas market or home market, it is necessary for him to hedge his purchases. On the surface, Mr. Speaker, that does appear to be correct. That is, if a miller accepts an old country bid for a large quantity of flour, it is necessary for him before he closes that deal to be able to know that on the delivery months in which he is going to mill that wheat, it will be necessary for him to have that wheat available to fulfil his contract. Well, now we have proved through the setting of a Wheat Board that that particular posting of a margin can be absolutely dispensed with for the simple reason that we have a definitely set price for the marketing of our grain; the miller can today go and cable his acceptance of an overseas bid for any quantity of flour with the definite assurance that he can procure that wheat, not paper from the speculator, but actual wheat from the Wheat Board the day on which he is desirous of cleaning out his margin and filling his contract.

They say sometimes that the farmer gains advantage by the speculative market. We would possibly believe that if the Grain Exchange had not a record. It is like a good many other things, it has a very damaging record. If you go back to 1919, as has been mentioned by the mover of the resolution, the first Canadian Wheat Board functioned in that year. The initial payment on wheat No. 1, Fort William, was \$2.15, and we had a participation certificate of 48 cents, making No 1 Northern, Fort William, \$2.63. The Grain Exchange put up exactly the same howl in 1919 as they are putting up today. They said: "You give the farmer freedom of choice of marketing his wheat, and we can guarantee to increase his returns." The government of the day, as has been said, listened to that argument and the Wheat Board folded up before the 1920 crop, and the average price for all grades – I quoted to you before that No 1 Northern was \$2.63 – in 1919, under a Wheat Board was \$2.37. Then we have the open market in 1920. The average price for all grades was \$1.62. We were down 75 cents the first year that we had the open market. In 1921, we had the open market again, and it dropped again 81 cents from the previous figure. So, in two years, Mr. Speaker, from \$2.63 we went down a loss of \$1.56 a bushel on the average price of our grain – in two years under and open market. That, in itself would not justify any government – it does not matter what the open market supporters and people have – in listening to their demands. But that is not all. We had the open market in 1930 and the average price was 49 cents a bushel. We had the open market in 1932 – average price was 35 cents a bushel; and in 1932, at one time, threshed wheat was 38 cents. That netted the farmer 20 cents a bushel back on his farm. Those are the conditions that we had under the free enterprise system of marketing our grain. Then the Grain Exchange continued to howl that we would get a better show.

At the time of that great march on Ottawa for \$1 wheat on February 2, 1952, it is rather interesting to note the Winnipeg Grain Exchange at that time said: "Well, now, if you have the open market again, we can get you a wonderful price." They tell us today that the federal government is denying us, I forget how many hundreds of millions of dollars – I will come to one aspect of that presently – that we have been defrauded of through marketing through a Wheat Board. It is rather interesting to note that, at the time we were marching on Ottawa on February 2, 1942, Chicago No. 1 Northern was quoted at \$1.29½.

Winnipeg Grain Exchange was 78½ cents a bushel. You have there a spread of 51 cents between those two agencies, and yet today, Mr. Speaker, they have the audacity to say that if you open the Winnipeg Grain Exchange and give the farmers an opportunity to use the speculative market, independent of the Wheat Board, that there we will even up prices with the Chicago price. Yet we have the definite record that when we were marching on Ottawa in 1942 there was a spread of 51 cents between the Winnipeg Grain Exchange and the Chicago market.

Now, to deal very briefly with the Canadian Wheat Agreement, the guarantee, of course, was 16 million bushels for the first two years of contract, at the guaranteed price of \$1.55 a bushel. The third year, the 1948-49, the year through which we are functioning now, the guaranteed price was \$1.25, the 1949-50 crop, a guaranteed minimum price of \$1.00. This contract evidently presupposed a drastic drop in wheat prices. That has not, of course, materialized, but it has left quite a lot of dispute with regard to the clause, and unless the market drops very drastically in the next two marketing years, there will be a wide margin there to make up with what should have been the average price. We will receive the second 20 cents which will give us quite a bit more in return. I am arguing for the Wheat Board, but I realize the arguments and some of them give a fair or a medium basic of logic, but we can never estimate what effect that 160 million bushels of wheat would have had if it had been thrown on the open markets of the world where, instead of being guaranteed delivery through our government Wheat Board, if that 160 million bushels had been floated around in the open market and the interchange of prices as between Chicago and Winnipeg, we do not know what effect that would have had on bringing down the Chicago price. So when Mr. Jones and his associates – they circulate us very often and very persistently – draw our attention to the prevailing Chicago price, they should also draw out attention to what they would estimate 160 million bushels of free wheat floating about on the speculative market and what depressing effect that would have had on the Chicago market. I would maintain, Mr. Speaker, that had that been free wheat, just floating around on the world's market, there would have been a considerable mark-down in what we sometimes call world prices.

In 1946 and 1947, Canada supplied to Great Britain 169 million bushels of wheat – 9 million bushels over the stipulated amount. She sold outside to other buyers 71 million bushels of wheat at an average price of \$2.41 – that is outside of the guaranteed Canadian Wheat Agreement. In 1947 she supplied 170 million bushels to Great Britain at a stipulated price of \$1.55, and about 18 million outside at \$2.77. Canadians take a lot of credit for that. They say Canada has supplied Great Britain with cheap wheat. We are proud to do it; we are pleased to do it, but at the same time if Canada is going to take all the credit for that, Canada should assume something of the financial responsibility that has been undertaken in that Agreement. What I mean to say is this: I bear in mind my point before, that 160 million bushels would have depressed world markets, yet I think we can take it that there would have been a far better price than the \$1.95 that we will get now, and \$2.00 guaranteed for the next year, and I think the federal government should give some consideration for the margin in between that, possibly, if the people of Canada are going to take all of the credit for supplying cheap wheat to Britain, and the farmers should not have to pay the shot. Canada should be prepared to come in with a total payment to show their appreciation of some of the financial sacrifice that the farmers have been called upon to make in stabilizing the consumption of food

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matters for the people in Great Britain. I believe that the winning of the peace is just as essential as was the winning of the war. Those people who had it within their power to provide our men who were prepared to go out and sacrifice their lives, had it within their power to provide them the necessities for carrying on a combatted, destructive war, I often regret to think that it is written in the annals of our federal parliament, before those people would undertake to supply the munitions of war, we had to lift the cost of production plus five percent profit, before we could get any bids or they would undertake to supply the munitions of war. If the people who carried on a destructive occupation, or at least they carried on the means for producing the weapons of destruction, had to be recognized and the ceiling was their level, I think we, as farmers, being in the occupation of providing the necessities to carry on a war for the preservation of peace, I think we have a right to be recognized.

In regard to the matter of the future for the farmers, I think we are facing into a rather uncertain market as far as world markets are concerned. I would like to see us be unanimous on a resolution in this House, to go down to the federal government and let them realize that we can speak with one voice on this matter. It matters not what our politics are as far as the preservation, maintenance and the assistance to our major industry in western Canada is concerned. We speak with an undivided voice.

It has been said that there is a possibility of wheat being declared surplus. The United States has had two bumper crops and the possibility that she will get another one. If wheat should be declared surplus, as we understand at the present time, there will be no Marshall dollars available to Great Britain to purchase wheat in Canada. If that should definitely transpire, it might be disastrous as far as Canada's purchasing power is concerned, unless our dominion government is able to adjust its finances – it is beyond my reasoning as to how they would be able to do it – but we are faced with that possibility. In the Monthly Review of the Wheat Situation, December, 1948, sent out from the Dominion Bureau of Statistics at Ottawa, there was this rather disconcerting statement:

The largest addition to the world wheat supplies in 1949 may again come from the United States. On December 20, the Crop Reporting Board of the United States Department of Agriculture reported that the acreage of winter wheat seeded for all purposes is estimated at 61,370,000 acres – more than five percent larger than last year's record of 58,161,000. The estimated acreage is one-quarter greater than the ten-year average on the basis of December 1 conditions. The 1949 winter wheat crop is forecast at 965 million bushels. Should such a crop be realized, and an average United States wheat crop also be harvested, a total of 1949 wheat production in the United States would, for the third year in succession, exceed 1¼ billion bushels.

That gives us something serious to think about. I think we should strain every nerve and effort in bringing whatever force we can to bear upon the dominion government to strengthen their efforts with regard to overcoming the resistance from the Winnipeg Grain Exchange, to assure that, as far as it is humanly possible, the farmers of western Canada can be assured of a stabilized market over a long-term period of delivery.

In connection with the coarse grains, if you take the argument that I have advanced that it is necessary in the interests of the wheat grower that wheat be stabilized, no logical argument can be advanced that oats, barley, rye and flax should be thrown to the mercy of the speculator in the field. My work takes me down every fall to the board room in the Winnipeg Grain Exchange. I wish every member could see the crazy method of selling our grain. When you think of the quietness that is surrounding, to a great deal, the raising of our crops back here on the prairies, and then see the crazy antics of those people in the pit, and the hectic time they have, especially at the time they had a few millions of rye to shovel around there, it was something alarming to see that we should ever have to resort to such crazy method of marketing our grain.

I want to support the resolution, Mr. Speaker, because I think a sane, orderly method of marketing is essential for the farming population. There is no other body of people, either professional or working classes, that would allow their income to be tied to the vagaries of a speculative market, and yet that is just exactly where the farmer is today. He does not know whether his wheat crop, under speculative market, will drop off 60 cents, 80 cents or 90 cents a bushel. I maintain, Mr. Speaker, that no other class in the world would allow their income to be tied to such a speculative, hectic foolish system of sending in returns for labour.

I will support the motion.

Mr. L.W. Larsen (Shellbrook): — Mr. Speaker, I was glad of the privilege to say a few words on behalf of this motion, and I do not think there will be a more important motion passed in this House during this session than that very one, because, after all, agriculture is the backbone of this country. I hope sincerely that this motion is not turned into being a political issue. I think every member, on both sides of this House, will agree with it, and I would support that motion regardless of what side of the House it is coming from.

I would like to say a few words and express some of the viewpoints my people have up in the Shellbrook constituency on this question. There is no question about it that it is every farmer's wish to take the speculations off that commodity, where the Grain Exchange is playing a little poker game and the farmers have the chips. If they want to play poker with their own money, we have no objections around Shellbrook. But it is a fact that with several questions coming up, and the war is over, and if I can remember my history correctly, during the 40 years I have been here we saw very low prices most of the time outside of the war years, and thereby I am afraid that if this control of the prices on our grain is turned over to the Grain Exchange, that history will repeat itself. I remember, just like it was yesterday, when people brought oats into our town and the elevator man said: "what did you bring that stuff in for, there is no price on it?" "Well, he said, I haven't had a smoke for a few days and I would like to have a can of tobacco." After the elevator man looked through his list and raised the grades three times, up to a 3CW, he was able to provide him with 1 1/2 cents per bushel, and he got this can of tobacco. And this same farmer told the elevator agent that he paid seven cents for threshing that same grain that year. So it is no wonder that farmers in my constituency are practically 100 percent for this commodity to be marketed through the Wheat Board.

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There is a lot more at stake than just the prices. We have a question before us today, for instance, the margarine question, and quite a few political parties like to take a very strong stand on it, but I do know what is going to happen to the hundreds of little quarter section or half section farmers in my constituency, if they have to get out of hog production and milk cows. These farmers will, I imagine, go into big grain farms and there will be a surplus of wheat. There will be no livestock. All we need to do is to go back, roughly speaking, about 17 months when we were buying our commodities in the line of barley to finish our hogs which were picked out by the Bacon Board at \$21.10 f.o.b. Prince Albert for an "A" grade hog dressed. The barley price under the Wheat Board at that time was between 48 and 53 cents a bushel. Now, almost overnight, some authorities – I am not going to blame anyone particular; I know, maybe, where it is, but I want this motion to be carried by both sides of this House, so I am not trying to raise any political issues out of it ..

Hon. Mr. Nollet: — Don't worry, they'll support it.

Mr. Larsen: — ... but this barley within a few days was raised up to \$1.30 out of the elevator to furnish our livestock. I know the results up in our country. You can hardly find a hog in the country anymore. The train crews on the railroad trains told me it was a pitiful sight when they got into Prince Albert and they had to shovel the breeding stock and little pigs into the boxcars. Some were stuck and others were squashed to death. That ruined the industry of hog raising in this country, due to the account that some people's ears were a little closer to certain interests than they were to the farming community. I can see the great danger if we get rid of these half or quarter section farmers in the province. We must preserve them, other wise they will have to go into urban centres and we will just have a great big grain factors out in the country. We do not want that to happen either. I cannot see that there is anything that could do more harm than if these regulators set the standard of living for the thousands of people out on these small farms, which is the case if we leave the coarse grains to the speculators. I know there is no government, regardless of what party they are, that would ever date to put oats down to a cent and one-half a bushel on our Grain Board in this country.

Since a lot our breeding stock has gone down – because coarse grains and breeding of livestock goes together – it is very likely that we will have a surplus of wheat in the very near future. You see rumours in the daily press that wheat might be declared as surplus grain any old time – there will be no market for it. Again I say there is not a reason why we shouldn't get the Wheat Board to handle our coarse grains. There are other reasons. It is going to take the importing nations a longer time to get into the raising of livestock than it does to get them into grain production. Again, I say, let us not put all our eggs into one basket. Let's have a little diversion in farming, but with a speculative market you cannot have it. I think if I remember correctly, one of the great Liberal leaders of this country said one time something about the horseless and cowless and sowless farms. I am telling you, Mr. Speaker, unless we have some long term policy for these coarse grains, this is exactly what is going to happen in the very near future.

One of our biggest markets for coarse grains is Ontario, for instance, and they do not want particularly cheap barley or high barley, but they want a

guaranteed supply at reasonable prices. They were caught something like ourselves a year ago last fall to furnish our livestock we were paying three times the price; when our finished product was set onto the Bacon Board, and we were not justified to go out and pay \$1.30 per bushel for barley to finish our livestock instead of 50 cents which had been the price for a number of years. We shipped the stuff – of course, we were always promised to have that market open to the States but of course, like a lot of other times these things are not opened until the election year for the federal government. I am sorry to say that a lot of farmers, including myself, had to get rid of our livestock because our livestock market was picked and controlled and our supply of feed was uncontrolled. These things simply do not work. That has also ruined a good many livestock producers in this country because they listen to the speculators in Winnipeg and the demand to get the coarse grain thrown open to the world. That was very detrimental in a suggestive measure, and I am sure that every farmer or every member of this House must feel something like ourselves since agriculture is the backbone of this country; whether you are a labourer or a business man we want to see prosperity amongst our farmers, and if there is prosperity amongst our farmers we have practically solved all our difficulties as far as the prosperity for this province is concerned. That is why it gives me a great deal of pleasure to say a few words on this motion, and I am sure that every member in this House would like to say a few good words on this motion. That is why I agree with the mover of this motion 100 percent, and I am sure that a large majority of the farmers in the Shellbrook constituency would be glad to say a few good words for that motion. I am also sure, Mr. Speaker, that if the farmers had a broadcasting station and we had a receiver down here, if they could express their viewpoints on this very question, there would be so much noise here saying: “Yes, put it through,” that we would not be able to hear ourselves speaking in here. Since they haven’t that privilege, I am glad to have the privilege of speaking on their behalf in supporting this motion because I saw too much abuse for a good many years on a driveway of an elevator; people coming in there in rags; their grain was seized; they had nothing to eat – if they had anything to eat they had to sell it just to get a few dollars for groceries; and I am there fore sure that every member in this House would support this motion 100 percent, and that is all I would ask for because I think it is a good one for the prosperity of the agriculture of this province.

Mr. W.S. Thair (Lumsden): — Mr. Speaker, I had not intended to say anything on this resolution, but I would just like to read a statement to do with clause 3 in this resolution that was moved by Mr. Brown, and that is a statement from the Regina Leader-Post, to the effect that the government at Ottawa has reversed its decision on the coarse grain stand. I quote:

Ottawa, Staff, March 3, 1949.

The passage of a new Federal Marketing Act is expected to be recommended to Parliament this session by the Minister of Agriculture, Hon. J. G. Gardiner, as a result of explosive coarse grains issues between the provinces and the Dominion Government.

Such a movement would be a complete reversal of the stand taken by the government last year and would toss the issue back into the laps of the provinces.

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Hon. Mr. Nollet: — Passing the buck.

Mr. Thair: — This new Act or promise of legislation would enable the provinces to make their own plans for marketing and pricing of coarse grains. I do not intend to continue this argument any more than to say what the effect would have, in this statement. One province could act along, or in association with others, where it would set up as a result a most favourable vote would be either named by the provincial government or a restrictive producer-controlled board. One of the big questions to be answered is: who would be the central sales agency for one or more provincial boards in inter-provincial trade:

RESOLUTION RE MARGARINE

The Assembly resumed the adjourned debate on the proposed motion of Mr. Gibson.

Mr. G.H. Danielson (Arm River): — Mr. Speaker, I must apologize for not being present when this resolution was called. I did not expect it would be before six o'clock.

I am not going to take up a great deal of time of the House on this resolution. However, there are a few things in connection with it which I think should be pointed out. I question very much if there is any resolution that has come before this House in the last two or three sessions that deals with a problem so great and of such grave concern to the dairy farmers of the province of Saskatchewan, and the Dominion of Canada as a whole, as does this resolution.

The history back of this is well-known to everyone. Ever since Sir John A. Macdonald, there has been a law prohibiting the manufacture, distribution and sale of margarine in Canada. During the last few years there has been a good deal of debate on the advisability of continuing such prohibition, and the result was that on December 15 last, after having had the question referred to the Supreme Court of Canada, a decision was handed down which advised the dominion government. To my mind, it was not really a judgment, it was an advisory opinion passed on to the government of Canada that they did not have the power in their constitution to enforce the particular rules and regulations governing this product. We also know, when this decision was handed down, it was not by any means unanimous. As a matter of fact, the court was divided two to three, and the Chief Justice and another judge were in the minority. That indicates to me at least that it is not a decision. There is a grave doubt in Canada today as to where they are at. We are in sort of a flux, or a confused state of mind in regard to the actual legalities of this question.

We have another court in Great Britain, the Privy Council, where we can send questions we are not able to agree on, or are not satisfied with; regardless of the Supreme Court, it is taken to the Privy Council to decide. After some hesitation on the part of the government and the farmers' organizations concerned, a decision has now been reached, and this question is now being taken to the Privy Council for their decision. Our good friend, Mr. Milliken, who has been engaged in legal work for the farmers; organizations for many years, has been engaged for that purpose.

The mover of the resolution very properly pointed out certain questions that are very pertinent to this problem. Of course he was the mover of the resolution, and he was very careful not to go too far along the path of pointing out the consequences of the problem if it is left in the state it is in at the present time. What would be the result to the 370,000 dairy farmers in Canada? I think there are approximately 60,000 in the province of Saskatchewan.

A few moments ago, when the member for Shellbrook (Mr. Larsen) spoke, he touched on that very problem, and I could not help but think that he has a sense of the importance of that very thin, although he was not speaking on this resolution at all.

I wish, with the consent of the House, to go into a few of the things, in my opinion at least and in the opinion of better men than I am, of what the consequences will be, if this decision is left in the place it is now: whereby the manufacture, importation, distribution and sale of margarine is wide open in Canada, or operating as it is at the present time.

The milk production, throughout the Dominion of Canada, two or three years ago was 15 billion pounds; today it is over 17 billion pounds. We know that during the war years there was no industry that was more regulated and hedged about by control than was the dairy industry. We know, also, that this particular branch of the agricultural industry was willing to accept these regulations, but I think now, after all these years, it is still under regulation and control. Other parts of our productive economy has the opportunity and privilege of selling their products and to charge anything they like. The dairy industry is still under regulation and control by the government of Canada. I think it is a very poor return for work and service, performed in the interest of the national economy, to have this particular industry left to the mercies of conditions we find in Canada today.

There is no doubt in my mind that at the present time the people in the towns and villages – the workers – probably have a hard time, in some instances, to get by, and look upon the privilege of buying margarine as a very welcome assistance to the cost of living. There is no question about that, and I do not blame them for doing so; but don't forget that this is not a permanent condition. The price of dairy products in Canada today is only a temporary phase of the matter. No one thinks for one minute that this is going to be a permanent condition just as we know that the present price of wheat, beef, pork, clothing and everything else we buy is not permanent, and will not stay at the price it is at the present time. I would like the members of this House to try to visualize what the condition will be in the dairy industry in Saskatchewan and in Canada as a whole when the price of good dairy butter will be down to 30, 40 or 45 cents a pound. We have been fortunate in one respect that we have the only industry in the agricultural bracket today that is not dependent on the export market for the sale of their products. We do not export any butter from Canada. By the way, Mr. Speaker, the province of Saskatchewan is the only one in all the nine provinces in Canada that is producing more butter than we use in our own province. We are the only province in Canada which exports butter to the other provinces of Canada. We have been able, through that position to provide ourselves with a stable market for our butter, or a fairly stable market. Let me point out that there is no country in the world where it costs more to produce dairy products than it does in Canada. We are in the extreme northern part of the continent. We can talk about New Zealand, Denmark, and all these

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other places, and let me assure you I know something about some of them, and there is no comparison whatever. In Denmark, what do we find? It is really a tropical country in one sense of the word because the Gulf Stream skirts the whole islands which constitute the Kingdom of Denmark. They have a much warmer and more temperate climate than they have in Scotland and England during the winter months. Everyone knows that. Another thing is that they have an export market to Great Britain, and Denmark's export of butter has been encouraged and pushed along. It has been encouraged to a great extent by the government. The consumption of margarine in itself is encouraged and fostered by the government and the very people in Denmark who produce the butter for export. Why is that done? Because they are in the same position as Great Britain is in today. They have to export something in order to keep their exchange in proper balance with other countries, and that is one of the chief exports of that little country.

We have the United States to the south of us. I have here a set of figures which I will give to the House on the consumption of butter and other edible fats as compared between the two countries, Canada and the United States. The butter consumption in the United States is 10.5 per capita. In Canada it is 28.6 pound per capita. Margarine consumption in the United States is 4.2; in Canada it is nothing. Lard, 11.9; in Canada 4.7. Other fats, 6.2 in the United States; 1.4 in Canada. The result in total fats is 42.7 in the United States, 42.6 in Canada. It is practically the same. The human body requires a certain amount of fat, and we see how even they are on the whole American continent. Some will say that the little difference between the two would not be very important in Canada. Well, if we eat as much margarine for the population of Canada, and margarine should supplant butter to the extent of the difference between 10.5 pounds and 28.6 pounds in Canada, we will have a least 25 to 30 million pounds of butter for export. That in itself has been proven in the years gone by when we did export butter, and it depressed the price of butter in Canada from 28 to 35 percent. That is history in Canada today. If you check back you will find my figures are absolutely correct. If the Canadian dairy industry is going to be placed in the position where they have to export the amount of butter, we are going to be regulated by that exportable surplus insofar as our own price is concerned.

In eastern Canada, particularly, there are thousands of people on small farms, and there are thousands of people in Western Canada on small farms of 100 to 300 acres, and the balance of the farms are pasture and wood lots. The member for Shellbrook (Mr. Larsen) touched on that situation and it can be applied right here. He said that if something was not done to stabilize the price of coarse grains, these farms would go out of business because in the northern part of the province they produce more coarse grains than they do wheat. Those coarse grains are produced and fed on the farms. Well, one of the most important parts of livestock production is the dairy industry; we know that, and one I tied in with the other. If we are going to put these farmers in the position where they have to go out of dairy production, then we are going to find that these farms – now on the basis of individual farms of 200 to 300 acres, or even 100 acres – will all be combined and there will be grain farming with one farmer, perhaps, where you have from three to seven today. That is going to be the situation all over the province, if a fellow takes a car and goes all over the province of Saskatchewan – I have done it the last few years a little bit, and I was astounded to find that you can leave Regina, go clean over to Manitoba in the northern part of the province, and the whole territory is nothing but a mixed farming area. The real prairie section of Saskatchewan with grain

growing exclusively is not so very large, and there is a tremendous part of that, Mr. Speaker, as you well know – you live in that part of the country – that is subject to drought and you know what happened a few years ago. Well, I say that the cream can was the mainstay of thousands and thousands of grain farmers – not the mixed dairy farmer, but the grain farmer. You can go into any station in my district and see 75 to 100 cream cans stacked up against the side of the station. Today you would not find that proportion, you might find 40 or 50, but you let the price of grain go down until you get \$1 or 85 cents a bushel at Fort William – we are going to see those days again – and you will find you will have to resort to the same type of farming you had previous to these high grain prices.

It is estimated that 17 percent of Canada's population – not Saskatchewan alone, it is more than that in Saskatchewan, but taking every province in Canada – owes its living to the dairy industry. Now these figures astound me, but it is a fact. These figures are authentic, and I have them here. For seven consecutive years in the thirties Canada's annual milk production brought in more than the whole wheat crop of Canada. That goes to reinforce the statement I have made of the tremendous importance, and of the tremendous risk we are facing. To countenance anything that is going to put that part of the agricultural industry into a position where there is confusion and they don't know where they are at. There has been a lot of criticism, sometimes from the federal government, on account of the open market, taking the ceiling off coarse grains, and so on, and there probably was some confusion for a short time; but don't forget that there is over \$500 million invested in the dairy industry of Canada today. I would say there is over \$100 million invested in the province of Saskatchewan in that industry. Two-thirds of the population of this province in the rural area will be affected by removing the ban on the sale, production and importation of margarine in Saskatchewan.

In the United States, where they have all the ingredients necessary for the manufacture of margarine, they imported millions and millions of pounds of certain types of seed. They produced edible oil from this seed at 4 1/2 a pound. That market is opening up again for the United States right now. I would like to put this thing to any farmer who knows anything about farming; how are the farmers in the Dominion of Canada going to be when we can run tankers up to the seaboard, and to the packing plants and have big tankers of edible oil at a price we probably never dream of today; but that is coming. You could probably sell the margarine for 20 to 25 cents a pound. I am sure you could because they sell it now for 43 cents. What else is going to happen? There is one difference between the United States and us; the United States have lost out in the fight between the dairy industry and margarine and I have the figures to show you that. But they have another means of taking care of themselves by the tremendous demand of that 155 million population for fluid milk, and the dairy industry that used to produce the better in the United States is now selling their supply for fluid consumption. They can do that. The United States is densely populated, with large centres in every state and community. They have the finest transportation system by way of highway and truck transportation, which can take the milk from the farmers every day in the year and transport it into these centres for cold storage and pasteurization. That is done just as quickly as you could dispose of it right on the farm when you separate the milk. We have not got that situation in Saskatchewan and many parts of Canada. The farms of Saskatchewan are isolated, with poor roads and, in some cases, no roads – in spite of the government that has done so much. All they can do is put their

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own facilities in, as far as possible. Some of them have an ice-well on their farms, a very good system of protecting their dairy products; some of them have a frig. operated by oil or electricity, but they separate that milk and it is only the cream that they preserve and market. They have it picked up once or twice a week, and in the meantime they are able to take care of it themselves. If we should force our farmer into the position they are in in the United States, to depend on the fluid milk demand to take off their dairy production, they are out of business. It is not here, and it will not be here. As I said, the very location and nature of our country, and the climatic conditions prevent anything like that taking place. In the United States we find that the dairy cow population is rapidly dropping in the butter-producing states. In Minnesota it has dropped 8.4 percent in the number of dairy cows. In Iowa it has dropped 11.1 percent; 16 percent in Idaho; 18.6 percent in Nebraska. Butter is taking a terrible trimming from margarine in the United States.

We have exactly the same position in Canada, but it is going to be far more aggravated if margarine is going to be manufactured, sold and distributed in competition with our butter.

It has been said, as I pointed out a little while ago, that it is lawful in Canada to do this thing. I am not so sure about that. I am not a lawyer, by any means, and I don't intend to express my opinion, but I question very much, when a law has been operating in the country for so many years – 60 years – it is by an opinion of the Supreme Court negative or non-constitutional. Is it lawful for any packing company, or anybody else, to immediately rush into the manufacture and sale of margarine, which has been prohibited, until that judgement has been verified by a higher court, and settled on once and for all? That is not commonsense to me. We know what happened in other cases. If there is a decision in the District Court of King's Bench, the thing remains in status quo until a final decision is reached, and I think they should have done that in this case.

I have here a little extract from a letter written by a gentlemen of the name of G.R. Love of Edmonton in an open letter to the members of parliament last December, this session, and he says: "Butter, in Canada, comes from 370,000 farms whose operators get 85 percent of the retail price of their product." There is another think, Mr. Speaker. Mr. Turnbull, one of the leading lights in the creamery business in this business in this province, a man who has been engaged in it practically all his life, said: "Conversion of Canada's entire output would yield 78 million pounds of margarine, a value of \$33 million at today's price." Mr. Turnbull said that of this only \$10 million would be returned to the producer. Of an equivalent amount of butter, out of \$51 million, \$41 million would go to the producer. That shows that we are not only going to ruin our industry, but we are going to cut down the occupation of thousands who are engaged in that industry. I wonder what some of our Labour men would think if about 20,000 farmers, young and old, left the farms in a year or two and flooded the cities to compete for work. They would take anything they could get. That is going to be the exact situation, there is no question about it in my mind at all. You cannot expect the farmers, when they cannot make a living on the farm, to stay there. Statistics show, in this industry, if you go into it, the reduction of 20 percent in the income of the dairy farmer of Saskatchewan would put them out of business. That is going to come, and therefore you would probably have 15,000 or 20,000 men, all from the farms of the province – dairy farms cover about two-thirds of the province – and where are they going to go? Some of them would probably go to British Columbia and be on the labour market there.

Many of them with families growing up are going to come into the cities and try to get work there. I just want to point out that these men – and I am not blaming them – by buying all the margarine they can buy at 40 cents a pound at the present time, and probably as low as 22 cents a pound two years from now, might have a temporary advantage, but it will be mighty dear butter in the long run, if you are going to put these men off the farms, which includes 60,000 farms in Saskatchewan today.

Mr. Turnbull said something else. “Eighty-five percent of the rated price goes to the farmer when he produces butter. The labour force would be a fraction of that now employed in the manufacture of butter which would be displaced. The control of industry would pass into the hands of relatively few men who control the world’s trade. A shift from butter would bring profit to relatively few Canadians and take work from many. The dairy business is the main reliance of the farmers on marginal lands. The farmers in the remote districts operate small under-capitalized farms, and the standard of living on these farms is, on the whole, no better than that of the urban poor on whose behalf the admission of oleo was urged.”

I do not want to take up much time, but I just want to turn to another phase of this thing. Under the present situation, according to the decision or ruling of the Supreme Court, and according to legal men in the province, as Mr. Milliken said: “Special legislation would have to be passed by the provincial governments if the manufacture and sale of margarine is to be prohibited in Saskatchewan, R.H. Milliken of Regina said Tuesday. Mr. Milliken, Counsel for the Canadian Federation of Agriculture, made that observation following the handing down of the judgment by the Supreme Court of Canada, which, in effect declared that the federal government did not have the power to regulate the sale and manufacture of margarine. There is no provincial legislation at present to prohibit the sale and manufacture of the butter substitute, he said.” Now then, that has put it in the position that it is up to the individual provinces, evidently, in the confused state in which this matter rests at the present time, to do what they think should be done. I realize, as well as anybody, that the provinces would have quite a difficult time regulating the sale, and so on, but the province of Quebec is doing that very thing. They have come out with a definite statement by the Premier and others in the government that no margarine will be manufactured and sold to the people of Quebec. Well, if it is good in one province, it should be good in another.

I intend, before I sit down, Mr. Speaker, to move an amendment to this resolution, and I am leading up to that now. I was more than interested to check over some of the opinions of these men who are very much interested in this industry and who have not only been associated with it as producers but also as processors. I have here the report of the National Dairy Council of Canada, August 10, 1948, and I would like to mention to you that these men are not actually dairy farmers. They said: “There are three things that should be done: one, that the government of Canada take immediate steps to import a sufficient quantity of butter (as a matter of fact that was before the judgment of the Supreme Court was brought down) to satisfy the minimum requirements of the consumers of Canada. (That is number one.) Two, in the event the government finds it impossible to import a sufficient quantity of butter to satisfy the minimum requirements of the consumers of Canada, provision be made for the re-introduction of consumer’s rationing. Three, in the event the government cannot implement the recommendations set forth in paragraphs one and two, the sale of

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the quantity of a suitable substitute product should be authorized until such time as the butter supply is sufficient to meet the demand, or that, in the event the supply of butter is augmented as recommended, the maximum price order be revoked and thereby enable the industry to assume a normal and orderly distribution.” I take that to mean, Mr. Speaker, that they should be permitted to export butter to the United States or any other places that they wish, and get the worlds’ price or the best price they can for the product.

I find, however, that they are not all agreed on these things. At least I was rather surprised to check back on some of the expressions of some of the members of this government, and compare them with the resolution that is now on the Order Paper. To my mind, this resolution on the Order Papers is a sort of, should I say indication, or tacit admission that we agree with this, that the butter substitute of oleo-margarine should be sold in Saskatchewan. We say we want to make a rule that the privilege is not going to be abused. I don’t agree to that, Mr. Speaker. It is impossible for me to agree with it because I have already endeavoured to set out some of the reasons why I don’t think that is to the best interests of Saskatchewan, and surely not in the best interests of 60,000 dairy farmers in this province, and I am not going to be any party to anything that will force us to accept it. I don’t think the members on this side of the House are ready to accept the accomplished fact yet. We think that this is in a flux, and a turmoil, and these manufacturers, big shots, are taking advantage, and a rapid advantage, of this thing, to manufacture and flood the country with this cheap margarine. That is what we think, W think that until this thing is definitely decided once and for all, and the Privy Council has placed the responsibility for control, no matter what the control may be, I am not going to say what the dominion or the provinces should do, that is not question here at all. We say that if it is decided it is the dominion government’s responsibility to legislate to regulate this product in Canada, well then it should belong there and let them do it. I am going to be one to tell them to do it. On the other hand, if they say it is the responsibility of the provinces, then we know definitely that is so, and it will be the responsibility of this government and every other provincial government to take the responsibility on themselves that this thing is going to be sold and manufactured. The responsibility will be squarely on the dominion government or on the provincial governments. That is my position in the matter.

If we had that opinion today we could then probably get down to something more definite in this resolution, but we have not got it and we will have to wait until the time comes. In the meantime, Mr. Speaker, I think it is the duty of this government and this legislature – I don’t think we can escape this great responsibility – to do what we can to see that the dairy industry, in the meantime, between now and the time the final decision is rendered by the Privy Council, is not further jeopardized, and that turmoil and insecurity does not destroy that industry. I think it will be months before we get that decision. I think, also, that much harm can be done in the meantime if an unlimited amount of this margarine is going to be permitted to be sold and distributed in the province of Saskatchewan. I realize that is going to be profit to somebody, and going to have a lot of income from advertising and things like that. There is not question about that, but I am not concerned about that at all. I think we have a duty to the dairy industry in the province and we should say to them that we are willing to step out and protect these men who have their homes and

occupations at stake in the meantime, until they know where they are at. Then we cannot escape the responsibility. I say, then, if it falls on the dominion government, then let them take it, and if it remains where it is hinted at the present time, on the provinces, let the provinces take it. That is my position and I think I also speak for the members on this side of the House.

Let me go back to what has been happening during the past few months. I listened to a broadcast by the hon. Minister of Agriculture, December 9, 1948. I am not going to burden you with the whole thing because he covered just about the whole world. He cleaned up the Alberta government on their Natural Products Marketing Act, and the Social Credit party, and all that sort of thing. Then that coarse grain problem kept recurring, that story of the fall of 1947. He wound up by saying: "It looks like we are going to have margarine in Canada." That is the only thing he did not take issue with. He quit right there, whether his time was up or not, I don't know, but that was the last he said. He also made a speech on November 25 – that is the date of the report – to the United Farmers convention at Saskatoon. I took this from the Western Producer, Mr. Speaker, and this convention took place on November 15 to 20. He said, after dealing with many things which I agreed with on agriculture, which I don't criticize, but he also said this: "The question of oleo-margarine is now being considered, and an adverse decision would be the financial ruin of 60,000 dairy farmers." That was what the Minister of Agriculture, the Hon. I C. Nollet, said.

I am just quoting this to show that a Minister of this government realizes and admits that this will be the ruin of the industry in the province of Saskatchewan. I can read you another one. Mr. Speaker, a week ago last Tuesday morning I had a telephone call from Saskatoon, from a man who is very intimately connected with the dairy industry in this province, and the first thing I asked him was: "I have been checking over your dairy convention's report, and the Canadian Council of Agriculture in Saskatoon, and every other Farmers' meeting that has taken place in the last three or four months, and I have been trying to find one place where you come straight out and put your cards on the table and condemn this thing, or take a stand on it. Why is it?" He said: "It is because we don't know where we are at. We are all up in the air and we don't know whether we are coming or going." That is the situation in the dairy industry.

The Minister of Agriculture says it will be the financial ruin of the 60,000 dairy farmers. I think he is telling the truth, but I cannot reconcile his statement at that time with some other statement's he has made. I am going to give another indication that he realizes the danger of this thing. Talking to a livestock meeting some place, January 6, 1949, he said: "If the ban on margarine is lifted, it is hoped the ban on the export of butter to the United States would also be removed. This, he said, would perhaps minimize to some degree the effect of margarine on the dairy industry." Well, that is the best he hopes for, that if the restrictions on the export of dairy products was removed, that it would only minimize to some degree the danger and the harm it was going to do to the dairy industry. He is right in that, too. That is one time I agree with the hon. Gentleman. But when I read this resolution, and check over some of the records of the political party represented opposite, I cannot help but note the decided difference of tactics and the contradictory views expressed by the party organization and some of the Ministers of this government. I have here a report that at the Winnipeg convention the C.C.F. party endorsed

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the manufacture and sale of oleo-margarine in Canada – we are part of Canada. It was discussed there and some of them charged that the farmers had a monopoly in the dairy industry. The British Columbia delegate was very impatient of the tactics of some of the other delegates, and he wanted action immediately, and the immediate removal of all restrictions on the sale of margarine. This brought Tom Bentley of Swift Current to his feet to deny the monopoly charge – he is another good C.C.F. member in public life who realizes it – and he painted a horrible picture of barefoot boys and girls of Saskatchewan going out in the early dawn to chase the cows out of the bushes, and the whole family milking the cows so the city dwellers could get their butter. The country had a law against using child labour in industry, he said, but not for the farmer. The farmers were the least organized in the country. There was a man there from Ontario, and he said: “We hope we will not hand over to monopolies the power to destroy the dairy industry in Canada.”

I could stand here and talk for an hour on this, Mr. Speaker. I have lots of ammunition here, but I am not going to do that because I don't need to. What I have said, I think places the party opposite on record as riding two horses at the same time, and there is going to be no Trojan horse performance in this, as far as I am concerned. The Minister of Agriculture says that it will be the financial ruin of the dairy industry in Saskatchewan – 60,000 farmers. He and other fellows of his kind go down to the national convention and endorse a plank in the next four-year platform of the C.C.F. party that would permit the introduction into Canada of the manufacture, sale and distribution of margarine.

Premier Douglas: – On what basis?

Mr. Danielson: — Well, I can give you that all right. That was on August 23, 1948.

Premier Douglas: – May I ask my hon. Friend on what basis? He ought to finish the sentence to be fair. It was on the basis of public ownership.

Mr. Danielson: — No, here is what you do. You recommend – I am not going to hide anything here, Mr. Speaker – that this butter substitute be handled by a Crown Corporation. Now, how in the name of common sense are they going to have some kind of a machine that they can just supplement here and there with a few pounds of margarine if there is a little scarcity of butter. The thing is ridiculous. They can call it anything they like. I was going to say a box factory, as they might need boxes for the oleo-margarine. The Minister is running a salt factory to make salt.

That is the situation, and there is no excuse. There are no alleviating circumstances as far as this thing being handled by a Crown Corporation is concerned. Oleo-margarine is a butter substitute whether it is made by a C.C.F. Crown Corporation or whether it is made by the packing houses. It is the same thing, and I am danged sure, Mr. Speaker, so far as the record goes they would not make as good a margarine as the other fellows would; that is a cinch. At least I wouldn't buy it if I could buy it from the Canada Packers.

I want to say, don't let us ride two horses on this thing, and I am going to move . . . if anyone wants to ask a question, I will be only too glad to answer it . . .

Mr. Tucker: — That is different from them, of course.

Mr. Speaker: — Order!

Mr. Danielson: — I am going to move, Mr. Speaker, seconded by Mr. Horsman, that the resolution be amended as follows:

That all the words after the word "that" in the first line be deleted and the following substituted therefore:

Until the Privy Council decision is received, in the appeal taken by the Canadian Federation of Agriculture, in the opinion of this Assembly, the Government of Saskatchewan, should assume its responsibilities, as determined by the advisory judgment of the Supreme Court of Canada and prohibit the manufacture, sale and distribution of margarine, or other butter substitutes, within the province, and thus prevent the irreparable dislocation of the dairy industry, pending final settlement of the law.

RESOLUTION RE INCOME TAX

The Assembly resumed the adjourned debate on the proposed motion of Mr. Dewhurst.

Mr. W.A Tucker (Rosthern): — Mr. Speaker, I do not intend to detain the House very long on this particular resolution because we on this side are in accord with the idea that the exemption that might have been adequate five or six years ago, to have the same adequacy today would have to be increased in amount. That is quite obvious. If a dollar is worth only 60 cents today, as compared with seven or eight years ago, then naturally to give the ratepayer who pays the taxes the same amount of protection in the way of income tax exemption you should raise the amount of it in dollars.

Our suggestion, however, Mr. Speaker, if we are going to deal with this matter at all, is to deal with it a little bit more adequately. I would hate to have this resolution go to the dominion government indication that if they just did what is set out in this resolution and raised the exemption from income tax to \$1,250 for a single person and \$2,500 for a married person, that is all that we wanted in that regard, and presumably, if they pass this resolution it indicates that that is all we do want. So I think there are one or two considerations which should be borne in mind by the Assembly, and I intend to move an amendment to this resolution to deal with what we consider a couple of the most important features of it.

One of the difficulties about a blanket increase in exemptions is this: the higher the amount of the income, the higher the rate of taxation, and the more relief you give to the people in the higher income bracket. That is one of the difficulties and, of course, as a very large share of the income tax is paid by those in the higher income brackets, it means that a resolution

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like this would mean that you are giving much more relief in the higher brackets than you are giving the lower brackets. Now, for example, in the case of a single taxpayer, the present tax on \$1,000 is \$29, and if this amendment were accepted by the dominion government, the amount of reduction would be \$29. If his income were \$1,500 the present tax would be \$120; and under this exemption the new tax would be \$29, and the reduction \$91.

Now we will take the case of a person with an income of \$3,000 – a single person. The present tax on that income is \$420. Under the proposed amendment, the reduction in his taxation would be \$100. Then we come up to the person with an income of \$10,000. His present tax is \$2,253, and the tax if this resolution were accepted would be \$2,078 – a reduction in his taxation of \$175. If you go to a person who has an income of \$100,000 – there may not be many of those in Saskatchewan, but we are asking for this to be applied in all of Canada – the reduction in his income tax would be \$325.

Insofar as I am concerned, and those associated with me, we feel that the relief should come to those in the lower income brackets, and that those in the upper brackets are not in need of relief because they are left with a great deal of income after they pay their taxation. We feel that to say to a man with an income of \$1,000: “We will give you a reduction of \$29”, and to the man with an income of \$100,000: “We will give you a resolution of \$325”, it is not necessary to give him that reduction in the first place, and in the second place it means that if you reduce the income of those in the upper brackets you have to make it up some other way. That is the position that the opposition take in regard to that matter.

I could give somewhat similar figures in regard to a married man with no dependants, and in receipt of \$2,500. His tax at the present time is \$170. If he is in receipt of a \$5,000 income, his present tax is \$670. Then in the case of a man in receipt of an income of \$2,500, you take \$170 off his tax, but in the case of the man with an income of \$5,000 you take \$470 off him. If you get up in the bracket of a \$100,000 income, instead of taking off \$170 as you do with the person with \$2,500, you take \$650 off. If you relieve those upper income people of large amounts of taxation, then you are going to have to put it onto somebody else. That is one branch of this thing, and I do not want to labour it because I feel that we have good representatives in the federal House, all parties down there, to speak on behalf of the people of Saskatchewan who were elected to deal with federal matters and who represent our people with regard to federal matters. It is extremely doubtful that we are justified in taking off too much time from dealing with our own constitutional obligations for which we are elected to deal with and deal too much with federal matters. I agree that it is quite all right for us to express opinions, but I do not think that we should take too much time in regard to matters that are entirely within the jurisdiction of the federal government. I do not find any fault with any debates that have taken place on these resolutions so far because this afternoon, for example, I thought they were all very much to the point, and I think we are acting quite properly in doing that, but I do not want to take up too much time on things as this which are purely a matter of federal jurisdiction.

There is another feature of this matter that I think we are justified as an Assembly in making representation on for two different reasons, and that

is the case of the wife, particularly on the farm who makes a real contribution to the income of the farm. Far more, than in any other line of work, the farmer's wife who helps look after the cattle, poultry and all the rest of it makes a very real contribution to the farmer's income, and all that is allowed today as an exemption in that regard is \$250. We do not think that is enough and we would like to suggest to the federal government that they give consideration to raising that exemption. This advantage today, Mr. Speaker, in the need of the world is more and more production, and particularly the production of more and more food. If you give some recognition to extra work done, as it is done by the farmer's wife in regard to the production of dairy products, poultry products and other farm products, by giving some recognition in the way of an exemption from income tax, you are going to stimulate the production of food and perhaps help alleviate the situation we are in in that respect. The same is true in other branches. One of the main difficulties today, I think we are all familiar with it, is the necessity of having enough nurses to carry on the work that has to be done in our province. It has been suggested to fully-trained nurses, who have no dependants at home and can spare some time away from home, that they go out and do some nursing. The moment that they earn over \$250 a year their husbands are put on the same basis as if they were single men. We think that there should be some more . . .

Hon. Mr. Sturdy: — Prior to the federal election, 1945, Mr. Gardiner suggested at a meeting in the province that he would advocate an exemption to farmer's wives of \$650 . . .

Mr. Tucker: — Mr. Speaker, I took my seat to be asked a question, not to listen to a speech.

Hon. Mr. Sturdy: — I would just like to ask the hon. gentleman if anything had been done in this regard by Liberal members in the House of Commons at Ottawa.

Mr. Tucker: — I did not hear your question. You made such a long speech. I am sorry, Mr. Speaker, all I heard was a speech from the hon. member. I did not hear any question. If he wants to ask a question I will try to answer it.

Hon. Mr. Sturdy: — Members of your party have been advocating exemption for farmers' wives for over \$600 as far back as 1945 . . .

Mr. Tucker: — Is that the question? It is just another speech.

Mr. Sturdy: — . . . What members of parliament, including the hon. gentleman, have raised or advocated this in the House of Commons at Ottawa?

Mr. Speaker: — Order! Order!

Mr. Tucker: — Mr. Speaker, as the hon. members very well know, there are many things advocated in the place where they can do the most good that do not always find themselves

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official government policy. I can assure the hon. member that I have advocated what I am going to move, very consistently. I can assure him that the thing I am going to put forward today is something that I am just bringing forward at this particular time. I regret to find that that seems to be a bit the stock in trade of some of the members opposite, to suggest when they bring something forward they are very sincere about it, but if we bring things forward then we are playing politics. Nobody can do so many halos and pretend that they are so righteous and at the same time attack other people quite so much as some of the members opposite. The answer is, of course, that I have advocated it. I know there is a great deal of the ideas that the only thing that counts is to get up in the House of Commons and make a speech etc., and that is a very good thing sometimes. But sometimes, as the hon. members opposite know, they can fight more effectively in the party gatherings, and I surely think they must know that, and to suggest that because a man, when he has not got his party to agree to something, should immediately denounce the party with which he agrees on general principles and leave it on that particular thing. Well, we will wait and see if the government are going to do that in this coming session. I say this to you, Mr. Speaker, that I have tried to advocate these things where I felt they could do the most good, and if that is any comfort to the hon. member for Saskatoon I give it to him and I ask him to accept the assurance.

I was going to say that this particular opposition of these days, when there is such scarcity of food products, such scarcity of people to do the work of the world, that were a married woman is willing to go out and do some of this work, then they should get more encouragement than the \$250 exemption. That is a suggestion which we propose to add to this motion. So, Mr. Speaker, without any further ado, because it seems to me that if we are going to move a resolution on this, these suggestions I have made might very well be added to it, I propose to move, seconded by Mr. Horsman, that this resolution be amended by striking out the word "and" in the fourth line, and adding thereto the following:

. . . and the present exemption for a wife be increased to \$500 and that such increased exemptions be applied to those in the low income groups.

Thank you, Mr. Speaker.

Mr. V.P. Deshaye (Melville): — Mr. Speaker, I would like to associate myself with the Hon. Leader of the Opposition with respect to the amendment that has been submitted to you. There have been certain increases in the exemptions allowed on income tax in recent years, especially since the conclusion of that war when the income tax exemption was raised from \$650 to \$750 for single persons, and from \$1,200 to \$1,500 for married persons. However, I agree with what the speakers on the government side of the House said, yesterday I believe it was, that the dollar has depreciated to approximately 60 cents, whereas it was 100 cents on the dollar previously. Taking that into consideration it is easy to understand that the dollar today cannot go as far as it did a few years ago, and consequently if the exemptions of income tax remain at their present status, then we are having an increase in taxation that we actually had before. For that reason I also endorse the lifting of the amount of income tax exemption from the present figures of \$750 and \$1,500 to the figures proposed in the amendment, of \$1,250 and \$2,500.

I also wish to especially associate myself with the Hon. Leader of the Opposition in the addition made in the amendment just proposed to you, that the present exemption of \$250 for married women be raised to \$500. We often forget the work that is being done by the women on the farms; the contribution that they have made to the wealth in resources in this province as well as in other provinces of Canada. There seems to be quite a difference in the amount of work that some women do in the rural and urban areas. We have the women on the farms getting up with their husbands at five or six o'clock in the morning, milking cows, gathering the eggs, separating the milk and adding to the income of the farm. Under the present situation, the husband is taxed for that income which is actually produced by his wife. That, to my way of thinking, is not fair and for that reason I think the amendment that has been proposed is a very good one.

We not only think of the farm women, but we also think of the married women who are registered nurses, because of the economy of the country today registered nurses are scarce and have left the province through the present C.C.F. legislation and gone elsewhere. These women are asked to come out and work, whereas the girls have gone into other provinces where they can obtain a better form of living. These women are married and they go out and work and they say: "We will work until we earn \$250, and we won't work any more." As a result our hospitals suffer from lack of nurses. Whereas, I submit that if the exemption was increased to \$500 for married women, these women would work much longer and our province would have the benefit of the services of married registered nurses to that extent. It does not stop there. We have, especially in the towns and even in the rural areas and in the villages, a great scarcity of teachers. Our government today, owing to some lack of proper administration has been obliged to have teachers in schools who have only five or six months Normal training, and I believe even less in some cases. They call them baby sitters. However, in each village and town there are a number of very good and highly-qualified school teachers who are married, and these teachers could be induced to take on some of these schools and teach if there was an inducement in the form of earnings. Today they go out and consent to teach until they earn \$250 and then they won't teach any more. I submit, therefore, that if the amount raised to \$500, these teachers would be available for longer periods and, as I said before, there are a lot of very good teachers in the province that are qualified and have a great deal of experience but who, because they are married, will work only until they receive the sum of \$250, and then they will say: "Oh, well, I won't work any more because the government takes most of it." I think the exemption would have that benefit.

Then there are others such as the small storekeeper who has a store and he and his wife operate the store. Under the present set up, there is no allowance made for his wife's assistance in that store, and I submit that if the \$500, as submitted in the amendment, was in force, that there would be some allowance made for these wives that assist their husbands in the small country stores.

Those are some of the features. There are others who could also benefit, and I think the general economy of the province would be improved through that benefit and through that increase. However, as the hon. Leader of the Opposition stated, this is a federal issue and is merely a matter of a recommendation going to the federal government, so I do not propose to take up too much time on this subject.

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There is just one thing that I would like to mention in passing which is not incorporated in the amendment, and that is that the government of Saskatchewan might take some interest and draft, as some time, a resolution whereby the income tax of farmers might be deducted at the source. There is considerable agitation by the farmers to have their income tax deducted at the source. On looking through the Accounts, I see where this government employs some very, very brilliant men. They must be brilliant for the amount of money that they are paying them. I suggest that the government give this matter which is very important to the rural areas of Saskatchewan to some of these men that are so highly paid by the government – the so-called experts – and see if they can figure out something that will help the farmers in that respect.

Mr. Speaker, I will support the amendment.

Hon. C.M. Fines (Regina): — I do not want to take up very much time of the House. I regret that the resolution is being so badly confused as it has been this afternoon. I think the original resolution is one that could be clearly understood by all, but I am no sure that with what has been put to it that anybody or even the hon. member himself quite understands what it means.

In the first place, Mr. Speaker, I would like to say this: that this does not make it even as good as it was up until two years ago when the dominion income tax regulations were changed. Up until that time a married woman could have income up to \$660 without any deduction at all. At that time, if she had \$660 or over she then had to file a separate income tax form and her husband had a status of a single person for income tax purposes. But two years ago the dominion raised the exemption to \$750 and changed the whole method of computing deductions for the wives. They changed by providing that a woman may earn in her right up to \$250, and any income that she had in excess of \$250 would be deducted from the husband's exemption of \$1500. It does not put him in a single category. If a woman, for instance, had \$350, all it does is take \$100 off the husband's \$1,500 exemption; thus making his exemption of \$1,400, but it does not put him into the category of a single person for income tax purposes. That is where I was correcting my hon. friend.

Now this is asking us to raise the exemption for a wife to \$500. This is not going as much as the dominion government did for us up until two years ago. It still does not solve the problem. This is not making provision for the wife on the farm; this is not making provision for the children on the farm. I think if we are going to amend this resolution, and I propose later to adjourn the debate in order that I might have an opportunity to amend it still further to do what my hon. friend suggested. The original resolution was one which was asking for an increase in exemption. If we are trying to develop our whole philosophy, then, Mr. Speaker, I can assure you when the resolution comes back there will be one or two other things in it. I shall have something, possibly, in an amendment with regard to higher rates on the increase. I am not greatly concerned about those people getting the \$100,000. I have looked up the statistics here, and I find that in the whole of the Dominion of Canada, in 1948, we only had 91 of those persons in Canada.

Mr. Danielson: — Are there any in Saskatchewan?

Hon. Mr. Fines: — It does not give the names.

In any event, what my hon. friend suggested in discussion, I think every member in the House concurs in. I think we all want to do something that is going to help the people getting the lower incomes. We do not want to assist, particularly, those people getting the higher amounts. We certainly do not want anything that is going to give an exemption of \$29 for a person getting a very small salary and giving several hundred dollars. That could quite easily be corrected through having a steeply graded income tax, and I think we can probably get the unanimous support of the House in that. Then, too, I think we can get the unanimous support of the House to try to get a resolution drafted which will give the farm wife some share of the income, and we might also have the unanimous support of the House allowing an exemption for the young people that assist. We know that in many homes in Saskatchewan, where there are three or four young people living, they are all assisting and yet, under the present income tax regulations, that gives them no income whatever.

Mr. Culliton: — It is not a fact that as long as they are not shown as a dependant you can allow them wages?

Hon. Mr. Fines: — Quite correct. It is even true, I suppose, with the wife if she has the property in her own right she can then file her own income tax returns and the husband can be a single person for income tax purposes. But the point is that there are many of these people who are dependants that do assist in the building up of that income for the farm, and yet there is no provision made. That is, the husband cannot deduct from his income tax anything for the labour of all these other people who would have assisted him. I think that should be considered too. When the original resolution was introduced I take it that it was a simple resolution based upon the necessity for increasing the basic exemptions, but now, with this amendment to it, I see no alternative but to adjourn the debate in order that we might clarify this and get some of these other points in order that we might express to Ottawa the opinions of this House.

I would move that the House do now adjourn.

The Assembly adjourned at 11 o'clock p.m.