

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
First Session – Eleventh Legislature

Saturday, April 2, 1949

The Assembly met at 10:30 o'clock a.m.

SECOND READINGS;

Hon. Mr. Nollet moved second reading of **Bill No. 125 – An Act respecting Margarine.**

He said: Mr. Speaker, in moving second reading of Bill No. 125, I should, first of all, express my appreciation to the House for unanimously consenting to permit second reading of this Bill today. I would like to point out, too, that I have had the dubious distinction last year, and this year again, of introducing the last piece of legislation on the Order Paper, and I hope that the support given the last Bill at the last session will also be given to this particular Bill at this session.

I would like, very briefly, to outline some of the principles contained within the bill, and make some brief reference to the matter itself. First of all, this Bill is a Bill drawn in conformity with the thinking of dairy people who met the provincial representatives in Ottawa at the suggestion of the Canadian Federation of Agriculture when it was proposed that, if at all possible, we should endeavour to obtain uniform legislation between the provinces that would consider enactment of this type of legislation. British Columbia, Alberta and Ontario have passed Acts similar to this particular Act, containing the same major provisions within their Act. So we do have a degree of uniformity. I understand, too, that Manitoba has now indicated some interest in that type of legislation that is being passed by the other provinces. It goes beyond saying that there certainly is a need for this type of legislation, and I should mention, too, that this legislation is calculated to meet the situation as it presently exists. There is a possibility that when the constitutional question is clarified, perhaps then we will know our constitutional position, and perhaps it will call for a different type of legislation, perhaps on the part of the provinces alone or perhaps joint legislation between the provinces and the dominion government as well.

However, there have been different ways of dealing with this whole question of oleo-margarine competition against dairy products. It is significant to note that in every country I know of, where oleo-margarine is being manufactured or sold, it is being regulated by statute, in order that the dairy industry is not placed in an unfair competitive position. I don't think I need to tell the hon. members why that is so, why the dairy industry cannot compete with a large, monopoly industry that obtains its sources of raw materials from the cheapest sources of supply and then has in its favour, also, all the efficient methods of production that go with mass production under one roof. That is, principally, the reason but, more than that, this is a particular product that chooses to imitate a food product which is now being produced by thousand of farmers. It is because of that that the colour question

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becomes so all-important, and it is chiefly because of that situation that we have the confused methods of trying to deal with this problem as we see in the nation to the south of us, where they have endeavoured to place restrictions on the unfair competition of oleo-margarine by taxation, which has proved very unpopular and unsatisfactory, particularly to the consuming groups in the low income brackets. Some states have as high as a 14 cent tax against it, as well as a federal tax.

On the colour question itself, I would like to say, for the benefit of our consumer people who I think have been more or less mass hypnotized by a whole lot of propaganda that has been flying across the country, on the basis that this is an opportunity now to bring a reduction in price of a farmer-dairy commodity – I don't think there is any logic for approaching price controls by suggesting that. A monopoly will do the job effectively. Consumers ought to know that monopolies have never reduced prices to them, but have constantly maintained prices at a uniformly high level beyond, often, the reach of the low income people. With reference to colour itself, if we let this product have free play, it would mean that the consumer would not get a cheap product. I think I can point that up more significantly by pointing to an advertisement appearing in the el Paso Times, advertising, for instance, white oleo-margarine at 25 cents a pound and coloured margarine at 55 cents a pound. No doubt there are some taxes in the 25 cents a pound and coloured margarine at 55 cents a pound. No doubt there are some taxes in the 55 cents coloured oleo, but nevertheless, simply by the expedient of putting a little colour in this particular product, the price immediately goes up very nearly to the price of butter, which is an indication of what would happen once this monopoly had successfully out-competed the dairy product when they would be in a position when the consumer would not enjoy the relatively cheap food product that he had enjoyed over the years, as in the case of butter.

I think that the great concern of the government has been that the dairy industry did represent the public interest. When one thinks in terms of 430,000 dairy farmers in the Dominion of Canada, one begins to realize the significance of the public interest there. Then, too, aside from the need of protecting the agricultural industry which, as everyone knows, has always been an exploited industry because of its relatively weak position, against industrial monopolies, agricultural has had to have protective legislation from time to time.

I want to say just one more thing before I sit down, and I want to say this directly to the consuming people, and particularly to the labour people. I think that they ought to realize that the interest of the little man in the country, if that is adequately safeguarded, will also be to the interest of the little person in the urban centres. We have everything in common, little people always do, and I have always felt very keenly on this point, particularly in view of the fact that these little people in the country who are producing this particular product are usually people with big families on uneconomic farm units and generally on sub-marginal land. They are depending on this source of income as a source of ready cash and, in many cases and I can visualize a good many in my own mind, where these families need this money very badly, and where the housewife goes through a whole lot of work in milking the cows, separating the milk, in order to get that cream cheque. I say to the housewives in the cities, that you have something in common with this housewife in the country; she, too, has children to clothe and to feed, and give some due consideration to her before you hasten into irrelevant arguments about

bringing down your food costs by introducing a monopoly product. These little farmers in the country, these 430,000 dairy farmers provide a tremendous home market for goods that are being produced in urban centres today. It affords a wide distribution of wealth in the county, and, therefore, a wide market demand for many of the goods that are being produced in the urban centres by the working people. Our inter-dependence and our common interest is mutual in this particular case.

I don't want to say any more. I don't think that this matter should be controversial. This legislation, as I say, has been passed in several of the provinces, and perhaps a few more will pass similar legislation. I certainly don't want to say a word about banning or anything of that nature. We are faced with an immediate situation. We have a dairy industry in our province that totalled in 1947 some \$47 million. We cannot ignore that situation; we have to give some protection to an industry and to a product that is produced and manufactured wholly within our province, and, more than that, it is 80 percent manufactured right on the farm. Because of that, there is no industry that returns more to the farmer than does the dairy industry. Then, too, the manufacturing plants are small are small plants, largely co-operatively owned, and employing several hundred people in our own province, and the product is taken from thousands of farmers in Saskatchewan. Therefore, Mr. Speaker, I move second reading to Bill No. 125, an Act respecting Margarine.

Mr. W.A. Tucker (Rosthern): — Mr. Speaker, I don't intend to speak very long on this question. I could not help but think as I listened to the hon. Minister of Agriculture, that his arguments certainly upheld the stand we took on this side of the House on this very question. He certainly indicates the necessity of doing something, much more than is being done in this particular Bill. I think he practically admitted this morning that what is proposed in this Bill is not going to deal in any adequate way with this very important problem.

I could not help but think that the stand taken by the government on the resolution could not have really met with the whole-hearted support of the Minister of Agriculture, in view of what he said this morning, with a great deal of which I must say that I am in agreement. Our position was made very clear when we moved the amendment to the resolution, as we did, which set out that until the Privy Council decision in this matter was received on the appeal made by the Canadian Federation of Agriculture, the government of Saskatchewan should prohibit the manufacture and sale and distribution of margarine or other butter substitute within the province, and prevent the dislocation of the dairy industry until we know exactly now the law stands. In view of what the Minister said this morning, I cannot help but think that he really, in his heart, must feel that that would have been the best solution, because he said how important it was that this industry should not be dislocated, and how possible it is that a decision may be rendered by the Privy Council which may require consultation between the provinces and the Dominion. It is also quite possible that the Privy Council will say that, under the head of agricultural, the dominion legislation is still good, in which event we will go on as we did before. It seems to me that we should have struck a blow for the people for whom he made such splendid defence this morning, by making sure that the industry is not dislocated in the meantime.

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Even if the Privy Council were to uphold the decision of the Supreme Court of Canada, I think that Saskatchewan should have taken the lead in indicating that it was going to try to protect this industry to the greatest extent it possibly could. Instead of that, we are confronted with this weak measure which the Minister himself knows, from the experience of what has happened in the United States, is not going to adequately deal with the situation. He knows, for example, that all attempts to try to create some sort of a parity of prices by taxation, or something like that, have all failed in the United States. He knows, too, that all attempts made to try to prevent the colouring of margarine, the attitude of 'if we want it, why not in the form we want it', why those measures are gradually passing out of the picture in the United States.

In other words, it is just fighting a very ineffective rearguard action; that is all. I think the Minister of Agriculture has made a study of this things and he knows that once you have margarine in, all these other things are not going to help very much. I absolutely agree that if you are going to have margarine you certainly should regulate it in regard to the contents. If there is any particular food product that is regulated to the very nth degree, it is butter. Every member realises that. It is under very strict regulation as to content, moisture content, and so on. It would be a most outrageous situation if you were not going to regulate margarine if you are going to have it. Naturally, as a second best, we will support regulation, but we realize that if you are going to have it, there certainly should be some regulation to make sure that the product sold is a reasonably edible product, and the people know what they are buying, and that people are not deceived by thinking they are getting butter and being served margarine. But let us not deceive ourselves. While this legislation, if we are going to have margarine, is something I think everybody would support in the interest of the consumer not being deceived, and so on, I think everybody must realize that this is a very ineffective way to deal with the situation.

The Minister has well pointed out that the consumer, due to the high price which was a temporary condition, was brought into a state of mind where he felt that he would not brook any opposition to having the price for the spread for his bread being cut down. The unfortunate part of it is, like so many other things, hard cases make bad law. This is a temporary situation due to the switching of creamery products to the production of cheese to try to help the British people out, and then, as a result, the price of our butter was shoved up temporarily and very temporarily, to a higher price than usual. As a result, the willingness of the farmer, that he showed in such a patriotic way during the war to produce, to have his price controlled in the interest of the economy of the country, in the interest of winning the war and so on, and his willingness to carry on long past his retiring age when his young people were in the army, was an amazing contribution made by him, his wife and family towards winning the war, and after the war, his willingness to take less at that time and not ask for the last cent, will be recognized in having some stability in farming, some certainty in regard to his market. The he finds himself confronted with the very basis of his mixed farming industry struck at. Well, I think the consumers who have taken such a strong stand in that matter have been carried away by the unusual situation which prevails at the moment.

I want to say that I am quite satisfied that the development, the production of oil from nuts in the tropics, is just in its infancy; that the

populated masses of the world are going to of into that thing in the way of bringing land under cultivation in the tropics, and they are going to produce oil in great quantities, and they can bring it in here in oil tankers, they can have the margarine factories right alongside the docks, they can take this oil which has been produced in the tropics under very cheap conditions, and they can run the oil into the factories and produce margarine at a price which is going to be very, very low indeed. As that develops, obviously alongside an advertising campaign, we are going to have the same thing happen that is happening in the United States – the gradual rise in the consumption of margarine and the going down in the consumption of butter. You cannot have millions and millions of dollars put into the consumption of margarine without cutting down the income of the farmer.

What is he going to do? This is the thing I think the consumer should bear in mind in this whole problem. I don't think this fight is necessarily over. If the consumer, who has had support in getting reasonable wages and so on, realizes that his is going to be a tremendous hardship to the man trying to work on the farm and raise a family and so on, he may take a less rigid attitude in the matter. I suggest that if you are going to cut the income of 430,000 dairy farmers, with all that means in regard to the cutting of their purchasing power, they are being forced out of the business and being forced to seek their living in the cities; that is going to reduce purchasing power on the one hand, increase competition for jobs and positions on the other hand. You cannot cut down the purchasing power of 430,000 of our farmers, drive some of them off the mixed farming lands, without it ultimately resulting in hurting the consumer in the city very, very much. I think he is going to find, for the sake of getting his spread for his bread a little cheaper, that he has probably struck a terrific blow at the very foundation of the economy of our farming industry, which is the foundation of the economy of the whole country.

In the past, everybody knows, the price of butter has not been unreasonable. The thing that caused this situation to develop has been the momentary situation when the price of butter was high, but I don't think that anybody who has a good job in the city, and has been supported by the farmer in regard to getting jobs in the industries, railroads, and so on, that they would object to a price of butter between 50 and 60 cents a pound. They know, for example, that the production of that butter means much longer hours than 44 hours a week. It means that they have worked, very often, without two weeks holiday with pay. It means very much more in hard work and drudgery than very many people have to expend to earn their living in the towns and cities. I think, if that viewpoint is put before the consumers, when it is not going to hurt them much in the long-run to maintain this industry and that there is no idea that they should be held up in price because that has never been the case in our history, that they are going to take a less rigid attitude than they have done. I hope that we have the support of the government in trying to protect this basic industry. I know the gibe is thrown at us that when you are Liberals you believe in freer trade and all the rest of it. Well, I say here to my fellow citizens that that argument comes with very ill grace from people who make us pay, for example, far more for the same car we buy on the Canadian side the border as compared with a car on the American side. If we are going to have complete free trade, then I think the farmer will take his chance with anyone else; but this is one thing, with a little bit of protection, has kept in

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existence a tremendous industry. There has been less cost to the consumer per dollar put into the producer's pocket, I venture to say, in the dairy industry than any other protected industry in all of Canada, because it just needs a little bit of protection for the dairy industry to be kept in being. They were able to produce for the Canadian market, and produce at a very reasonable price over the period of years. I think if that situation is put to the consumer he will fee a good deal different about the matter.

I would like to think that while we are supporting this measure, which is proper that it should be regulated if we are going to have it, I am glad to hear what the Minister said this morning. I think, from what he said, his heart is in the right place in this thing, and that what took place in this House the other day against what we suggested does not really represent the real deep-seated feeling of the Minister of Agriculture. He is going to be one to take part in some of these negotiations, and I was very glad to hear what he said this morning. It is much easier for us to support this measure as a second best, and very much of a second best, and hope that the Privy Council appeal will succeed, and that this matter will be left within the dominion jurisdiction where it can be handled most effectively, and this is going to be of great benefit to the great producing class in Canada, the great group of hard-working dairy farmers, and it is not going to injure the consumer in the long-run at all.

Just before I conclude, it would be too bad perhaps if I did not, on this last day of the session, introduce a real controversial note, and this may best be dealt with at some other time, but I understand that the government has immediately gone into the purchase of margarine for its institutions on a very large scale, and for a government in an agricultural province to immediately buy thousands and thousands of tons of margarine for their various institutions, it seems to me, in view of the money they are spending, that that was pretty inconsiderate of a great agricultural industry that is so important to us.

Premier Douglas: — Would the hon. gentleman mind telling us for what institutions this was bought for, and how much?

Mr. Tucker: — I am not sure I have the clipping, but it seems to me, as I remember it, in the Battleford paper, somewhere around 41,000 pounds had been bought for the Battleford Provincial Hospital for the month. If it is done for Battleford . . .

Premier Douglas: — 41,000 pounds?

Mr. Tucker: — Yes, that is my recollection.

Premier Douglas: — That would be about 2½ pounds per person. That is a lot of margarine.

Mr. Tucker: — That may have been for all your institutions, I don't know. But there was a clipping in the paper, and it struck me right away that it was a rather surprising thing, because I thought the last people, when they are letting this thing

go by default almost, should have abandoned the farmer in this fight, would have been the government, when it is spending more money than any government every did before.

If this clipping that indicated that we are feeding the people in the hospitals, who cannot help themselves, margarine instead of butter, is incorrect, then nobody is going to be more pleased about it than myself. That was the report in the paper, and perhaps the hon. Premier or somebody can give us a statement on that before we are through today.

Mr. Speaker, just to conclude, as I said I don't want to take up too much time on this matter, we feel that stronger action should be taken in this province of ours, the most predominantly agricultural province in the Dominion. We should have taken the lead in explaining the necessity of protecting the dairy industry to our consumers, not only in Saskatchewan, but in the rest of the Dominion. We could have taken the lead, but, unfortunately it seems to me in spite of what the Minister of Agriculture wanted to do, we have lagged along behind; we have not done anything very effective, and even this Bill does not go as far, I understand, as the Alberta Bill where they went quite a bit further in regard to this. They went so far as to forbid restaurants or any other people from selling coloured margarine at all. The Minister did not indicate to what extent this colouring provided for in the Bill will enable that when he was speaking. I hope he will, by consent of the House before we vote on this matter, indicate what Section 5 means. I take it, from what he said, that the provision in Section 9, providing for licensing, is more or less to keep control of the thing. It is not with any idea of trying to do as they did in the States — keep the price up by having a heavy licence — because it has not worked in the States and aroused a tremendous amount of opposition to the dairy industry there, and probably has done more harm than good. I take it that that is not what he had in mind in that regard.

There is just one other thing that I would like to say. I notice that the government is not even committed to this Bill. After we pass it, it reserves the right to proclaim only a part of it, or none, as it sees fit. So that certainly I think I am right in saying that in this struggle the present government has certainly not taken the lead. It has sort of followed reluctantly along and done something that is very much that, while in itself we can support it, we must say it does not go as far as we figure it should in the interest not only of the producer, but, in the long run, of the consumer. There are many other arguments I could have dealt with, but I don't want to take up any further time in the House.

Hon. C.C. Williams: — Before the hon. Leader of the Opposition is settled in his seat, I would like to ask a question. He has indicated that he would like to see the Bill stronger, and to have gone further. Would the Leader of the Opposition tell us whether or not he would have been in favour of banning margarine coming into the province altogether?

Mr. Tucker: — I think our position was set out very plainly there. I can tell the hon. Minister, and I suppose he knows, that is the trouble. If the decision of the

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Privy Council is opposed to the Supreme Court judgment, that is the unfortunate part of it. I have never made any secret of my attitude in the matter. I hope not only for the sake of this legislation, but for the sake of other important legislation for agriculture, in regard to marketing and other things, that the decision of the Supreme Court is reversed, and that the Dominion is held to have the power in this important matter under agriculture, to deal with these matters because, under the British North America Act, we cannot prevent a person from buying goods in another province. We can make it illegal for him to have it in his possession in this province, but we cannot prevent him from buying it in another province. When we set out our position we said that we felt, pending the result of the decision of the Privy Council, to keep this thing out and to keep the dairy industry from being frightened out of the province - to keep the status quo - we felt that the manufacture, sale and distribution within the province of margarine and butter substitutes should have been prohibited. Then when we get the Privy Council decision it may not be necessary for us to take any action at all if the Supreme Court decision is reversed. If the Supreme Court decision is upheld, then we have a problem on our hands of trying to deal with this thing adequately, and then it is a matter, as the Minister says, of conferences and so on to see what can be done. That is why we did not go further than saying, until the Supreme Court decision was rendered, we should keep the situation as it was before the litigation started.

Hon. J. W. Corman: — Will the hon. gentleman permit a question? I certainly don't want to get in any argument with anybody, but is it the policy of the national Liberal party, if in power at Ottawa and they are held by the Privy Council to have the power, will the Liberal party ban the manufacture and sale of margarine in Canada?

Mr. Tucker: — Mr. Speaker, I can't answer for what will be done by the present administration in Ottawa. What I will say is that this legislation has been on the Statute Books, and left there by the Liberal administration ever since it was put there after the first war when it was restored by the Liberal administration of that day. I think the Progressive party at that time had quite a bit to do with the putting of the legislation on the Statute Books, shortly after the end of the first war. It was put there, and the Liberal have been in power steadily ever since, except for the five years from 1930 to 1935. I never heard it stated, I must say, that there was any intention of repealing it. As was brought out in the other debate, the Senate passed a resolution indicating that they felt this thing should be tested in the courts - the validity of it. I don't say that they had to do what the Senate suggested, but the charge was made all the time that the dominion government was maintaining a law that was illegal, and had they not referred it, somebody else could have. I don't think it really made much difference in the long-run. I fancy it would have been taken to court by somebody anyway, and so the Dominion, which passed the law, probably had some obligation to prove that it was a good law. I don't say that had I been running the administration that I would have referred it, but I really don't think it made any difference. I think, if this law is found to be a good law, then it is on the Statute Books, and I have never heard it suggested at any conference or convention that it would be repealed. That is all I can say.

Premier Douglas: — If they thought they had the responsibility to refer it to the courts they certainly also had the responsibility to take it to the final court in order to get the situation clarified, but I don't want to get into that.

Mr. Tucker: — I should say a word on that, and I am glad the Premier mentioned it. I think it only fair to say, in regard to the federal government, that they were in this position, and I discussed it with the Prime Minister: by virtue of practically unanimous agreement, I think, it was decided that the appeal to the Privy Council should be abolished, and that legislation is going through this session. They were in the situation that before this appeal got to the Privy Council the Act abolishing the appeal would be through. It is quite true that the Act preserves rights under existing legislation, but it would look very strange to their Lordships on the Privy Council if we passed an Act through our parliament, we did not want them to deal with our litigation any more, and the Dominion, after passing the Act, were the first appellant, and it would have put us in a very strange position. I think it was felt that the matter could be appealed without the Dominion putting itself in that position.

Premier Douglas: — Mr. Speaker, if the hon. Leader of the Opposition does any more contortions he will be giving himself a half Nelson. As a matter of fact, my hon. friend chided us a while ago with not helping the farmers to appeal this to the Privy Council, and now he says the federal government could not appeal it to the Privy Council because it would look bad. In the Bill stopping the appeals to Privy Council, it allowed that any case which had started could go on to Privy Council. Certainly when this government had any of its legislation challenged, they did not send it to the Courts themselves; they waited for those who proposed to challenge it. When they challenged it and the Courts held that we hadn't certain power, we took it to the last Court of Appeal to make absolutely sure whether or not we had those powers, and certainly the federal government had that responsibility; but I won't use that argument now. I do not want to detain the House.

First of all, reference has been made to thousands of pounds — I don't know whether it is tons or pounds — having been bought. I am informed that the only place that margarine has been bought has been for the institution at North Battleford. I want to assure my hon. friend that these people who are in the care of the government and cannot do these things for themselves are not being poisoned. They are getting the care today, in terms of food and clothing and treatment, that will compare more than favourably with any treatment they have ever had in the history of the province. This government is spending something over \$4 million today in the care of these people in mental institutions, which is a great deal more than was ever spent on them before, even having regard for the increased cost of living.

My hon. friend objected to this Bill on the grounds that it does not go far enough; that it does not ban oleo. I want to make only three very brief observations: first, the whole argument put up by our friend this morning is the old protectionist argument. As a matter of fact, I thought that his

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association with the Tories last summer was purely for political purposes, but I now begin to think that the association was much more deep-rooted than merely political expediency.

Mr. Tucker: — Don't worry about that.

Premier Douglas: — As a matter of fact, sometimes before I go to bed at night I sit and read some old books, and I was reading, a short time ago, some of the speeches of Disraeli. While the language was much more eloquent, the logic was exactly the same as the argument being put up by my friend today. Mr. Disraeli argued that Great Britain should have large tariffs against Canadian wheat, and against food coming in from Denmark and different parts of the world, so as to protect the British farmers. He goes on to argue that if they had more people on the land in Great Britain with a home market for themselves, that that would make a home market for British industries and more and more Britain would become a tight little island behind the walls in this respect. That is the old argument being trotted out by my friend this morning. It is a most amazing thing that a political party that has talked for years about free trade — I can remember listening to speeches by Mr. Dunning, Mr. Gardiner, Mr. E.J. Young — refuting the very argument that has been put up this morning about the people in the tropics growing ground nuts and using cheap labour. When the Tories put up that argument Mr. Gardiner's answer, Mr. Dunning's answer, Mr. E. J. Young's answer was: "Of course these people can produce with cheap labour, but when they go to ship in their products into our country they have to get something to buy it with, and the only way they can buy it is to take something in payment. We will take something in payment to buy our goods, so we get the cheapest goods possible and we sell in exchange, and, therefore, in that way goods find their own level if you have complete freedom from restriction." I can imagine if one could visit the graveyards this morning, there are a lot of Liberal free traders who would turn over in their graves if they were able to listen to protectionist argument of my hon. friend.

Mr. Tucker: — It proves that your statement that we are all Gladstonian Liberals is not true.

Premier Douglas: — I do not know about the present Prime Minister of Canada, but his immediate predecessor followed very closely, at least in theory, to Mr. Gladstone's ideas. Frankly, I must say myself, while I am far from being a Gladstonian Liberal, I have never been able to accept the principle of trying to build up little protectionist policies all over the country. I do not know any better way to Balkanize Canada than that.

The second thing I want to point out is that when my hon. friend says this Bill should go much further and that it should have banned margarine, that it would not have solved any problem at all. First of all, it would not have solved the problem because I doubt as to how long we could have carried this policy out. Our friend talks about the chaos in the United States when they tried to do this, and tried to do that. Well, look at the chaos in Canada. There is one part in Canada right now where they are trying banning margarine. Mr. Duplessis is in the process of trying to put up road blocks to stop people from coming in, watching cars to see that people do not sneak in oleo under

their costs, seeing that there isn't some bootlegging going on in oleo. The thing is becoming a farce. Even the Quebec and Ontario papers are holding the whole thing up to ridicule, this attempt to put up barriers between provinces and preventing the commodity going across provincial boundaries. I am convinced that it would not work. The second reason why it would not work, of course, is that as far as we are concerned in Saskatchewan, even if we banned margarine, all we would do is that one-third of the butter produced in this province would be sold in our home-protected market. Which would mean that our own people here would be expected to pay the subsidy for one-third of the butter consumption, and the other two thirds would be going out into other provinces to be sold for less, probably, than it is being sold for in Saskatchewan because the big part of our butter goes outside the province.

The other thing I want to say about the weakness of my hon. friend's argument about his not being strong enough and that we must help ban it, is that the group of people who are most interested – more interested than my hon. friend, more interested than myself – and closer to the problem is the dairy industry. They are the people to whom this means their livelihood; this is their business. They made representation to the provincial government, they made representation to all the provincial governments, and they themselves said, frankly, "Banning is out. It just will not work. We know it cannot be done and we know it will not be done. We are not going to be so ridiculous as to ask for it." Any provincial government would be very silly to proceed to do something that the people most vitally interest in, said: "We do not think you can do it; we are not asking you to do it." What they did ask is what we are comply with in this Act, and that we should see to it that there is sufficient restriction and regulation on butter that there is not unfair competition.

The legislation that is being brought in here is legislation which was pretty well agreed on between the prairie provinces, and it is in line with the request of the dairy industry. If it is not in agreement with my hon. friend about butter being strictly regulated and controlled, and if oleo is going to be in competition with Butter, then it should come under some control and regulation to see to it that the public is not robbed, there is not misrepresentation, to see that the product is properly identified, to see that there is not too much water in it so you are not just paying for the water – half water and half margarine – to see that the labelling is clear, to see that by means of colouring people will know quite well that they are buying margarine. The question of colour has been mentioned: I understand that the 1.6 of yellow colouring will approximate about an ivory coloured product so it will be very easy for any person to distinguish between butter and oleo.

I want to repeat frankly what I said earlier on in the debate with reference to the banning. That is, that I still doubt our constitutional power to enforce this Act. Under The Food and Drug Act, the federal government has always taken to itself complete control of regulating the commodities. That is true, not only of drugs; it is true of food products. When we, for instance, were going to can whitefish in the province, it must come under federal regulations; when we put up sausages or bologna or any other food that people consume, the ingredients must be tested and come under the inspection of the federal government by virtue of The Food and Drugs Act. Whether or not we have the power to do this still remains to be seen. But certainly, if we haven't the power, somebody should have the power to see to it that there is not unfair competition, and for that reason we are introducing this legislation.

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The Leader of the Opposition, just before he resumed his seat, said that the House was not passing this Act really, that we were leaving it entirely to the Lieutenant Governor in Council. There is a good reason for that, Mr. Speaker: that is, as I said, this legislation comes as a result of the representations of the dairy industry, and as a result of conferences held between the provinces. I think there ought to be some conference between the provinces so this legislation comes into effect at the same time. If this came into effect, for instance, tomorrow, the storekeeper has a lot of yellow oleo on his hands. He has to have time to get rid of it. We also have to have time for the manufacturer. The manufacturer does not want to make one colour of oleo for Manitoba and another colour for Saskatchewan. He wants enough time, so that the provinces can agree among themselves that this will start May 1 or May 15 or whatever date it might be, so the manufacturers will have time to get that kind of oleo out onto the market if that is what they are going to sell. Of course, if there are provinces that are not going to have these restrictions, it will give them time, also, to make arrangement on a different line. But I think that giving the Lieutenant Governor in Council the power to bring this in by proclamation absolutely necessary if we are going to try to fit in with the general policy across Canada. I think it is unfortunate that this was left to the provinces. It is a very difficult thing to try to carry on by conference between provinces, but since it has been left to the provinces, the provinces will have to do the best they can with it, and as a result of their conferences this is the step which they agreed they should take, and they are taking with the full support and commendation of the dairy industry of Canada.

Mr. G. H. Danielson (Arm River): — Mr. Speaker, I have been sitting here watching the mental gymnastics of the Premier. He has attempted to draw an analogy between Canada and Great Britain in regard to protection for the farming industry. I do not think that can be, by any means, compared in view of the fact that the dairy industry in Canada is the only industry that is producing entirely for the home market. Canada is not exporting any butter, and I think, outside of Saskatchewan and Alberta exporting to the other provinces in Canada a very few thousand pounds a year, but the main export comes from the province of Saskatchewan.

After all, this whole panorama of legislation and resolutions helps, simply, to complete the picture which was started in Winnipeg last fall when the C.C.F. national Convention demanded margarine in Canada; endorsed margarine. What is more natural than that it should be continued until the picture is complete. The resolution was introduced into this House from the government side of the House – that should be borne in mind – asking for what is in this Bill now. An amendment was made, which to my mind was out of order; I did not raise the point at the time, but the same idea was expressed in the amendment to the amendment as was expressed in the resolution. We on this side of the House are not apologizing to the members on the other side, to the Premier or anyone else. We said that in the province of Saskatchewan for the next eight or ten months, until this thing is decided by the Privy Council, we should not expose the dairy industry of this province. The Minister of Agriculture stated only this morning that the dairy industry cannot compete with margarine. He said that quite frankly. He also said that there are 430,000 dairy farmers in Canada. That means farmers only, and not their families included. The Minister's statement to the U.F.C. convention in Saskatchewan was that there are over 60,000 dairy farmers in the province of Saskatchewan.

We have not taken the curse out of the protectionists. We are not protectionists so long as the industry proves it is part of the economy of this country and can produce all the demand that ordinarily is needed in our own country. No man with any sense of reason or wanting to state facts as they are will ever pretend that there is any monopoly in the butter industry in Canada because, I think, over two-thirds of it is owned by the farmers themselves. When you realize the 80 percent of every dollar that in the shape of raw materials is returned back to the farmer himself, back to the original producer, than any argument that there is a monopoly on butter in Canada is absolutely out, of course, entirely.

I want to say again that the C.C.F. Party wants margarine. They endorsed it, and they are the only province in Canada where they have any power to do anything about it. They have fallen in line with the nation convention last year. I cannot do anything else but sit here and compare this very reasonable and strong argument advanced by the Minister of Agriculture this morning – I was struck with it and I want to commend him on it – with the bombastic political outburst that he put over in this House a few weeks ago. He talked like a businessman this morning; he talked like a man who has a sense of responsibility of what he is doing, but he did not at that time. It was purely political harangue and for that reason . . .

Mr. Speaker: — Order! Order! We are discussing second reading of a Bill, not a political campaign. Would the hon. member kindly keep himself somewhere within the limits of discussion.

Mr. Danielson: — Mr. Speaker, I have not touched on one thing that has not been touched on before in this morning's debate. I have not gone half as far as the Premier did.

Premier Douglas: — On a point of order, Mr. Speaker. It is completely out of order to discuss previous debates in the House.

Mr. Danielson: — Well, the, there would not have been very many things said here this morning if you had ruled that a little earlier.

All I want to say is that this is the climax of the panorama that has been going on ever since last fall when the C.C.F. party had their national convention. Then we have the resolution from the other side of the House expressing the sentiment of this group in the House; then here we have the legislative authority controlled by the C.C.F. party now getting into gear, so to speak, to put this Act through here, which, in effect, is an endorsement of margarine being manufactured and sold to the detriment of our dairy industry in the province of Saskatchewan. Then immediately it was possible for this government to throw out 4,100 pounds of butter a month in the city of Battleford where there are dairy farmers. The government did this, and they said: "We are not going to buy the farmers' butter; we are going to buy margarine that comes from South Sea Island, or some place, and manufactured by Pat Burns or the big shots." That is the fellow they are patronizing and the farmers' butter is piling up. There is estimated that by next fall the Dominion Government, at the floor price,

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will have acquired over 40 million pounds of butter. Today the wholesale price of butter is down to 52 cents a pound, and it is going to go lower. I can say that it will never go lower but that margarine will be four or five cents a pound below it.

Here is a farmer's government sitting over here – the farmers' friend.

Some Hon. Member: — Hear, Hear!

Mr. Danielson: — You cannot ride two horses anymore, boys. You have been very successful in your labour unions . . .

Premier Douglas: — You can see a couple of asses over there.

Mr. Danielson: — That is all I have to say, Mr. Speaker.

The motion was carried.

His Honour, the Lieutenant Governor, having entered the Chamber, took his seat upon the Throne.

His Honour, the Lieutenant Governor, was then pleased to deliver the following Speech:

Mr. Speaker, and Members of the Legislative Assembly:

It is my duty to relieve you of further attendance at the Legislative Assembly, and, in doing so, I wish to thank you and congratulate you upon the work you have done, and to express my confidence that the results of your labour will be of benefit to the people of the province.

Many important matters have come before you for discussion and decision. Included amongst these are: a Bill to lay the basis for the province's programme of rural electrification; the extension of the benefits of the automobile accident insurance scheme; the provision of a fund to further equalize education opportunities for all students regardless of their financial position; the granting of collective bargaining rights to school teachers on a similar basis to that enjoyed by other workers in the province; new provision for veterinary services in rural areas; the extension of mental hygiene treatment to alcoholic and drug addicts, and the provision made for an enlarged programme of land conservation and development.

I thank you for the provision you have made to meet the further requirements of the public service, and assure you that the sum of money voted will be used economically, prudently, and in the public interest.

In taking leave of you, I desire to thank you for the manner in which you have devoted your energies to the activities of the session and to wish you the full blessing of Providence as you return again to your respective homes.

The Hon. Williams Provincial Secretary, then said:

Mr. Speaker, Members of the Legislative Assembly:

It is the will and pleasure of His Honour the Lieutenant Governor that his Legislative Assembly be prorogued until it pleases His Honour to summon the same for the dispatch of business, and the Legislative Assembly is accordingly prorogued.