

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Second Session — Eleventh Legislature
14th Day

Tuesday, March 7, 1950.

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

HULL INSURANCE VIA HUDSON BAY ROUTE

Moved by Mr. P.A. Howe (Kelvington), seconded by Mr. A.T. Stone (Saskatoon City):

“That this Assembly thorough the appropriate channel urge the Government of Canada to do all in its power to reduce Hull Insurance Rates via the Hudson Bay Route and place this Route on a fair competitive basis with the St. Lawrence Route.”

Mr. Howe: — Mr. Speaker, the Motion before us this afternoon is one which has been discussed in this House on many occasions. The Hudson Bay Route is one which has a very long and interesting history which I do not intend to go into this afternoon only to say that I am very pleased to say that the Hudson Bay Route Association has done very splendid work, not only last year but in former years, in helping to develop and encourage the development of the Route, helping to discover the remedy that may be used in meeting the problems that stand in the way, and in every way the Association has made a real contribution to this House.

At this point, Mr. Speaker, I would like to say to every individual member of this Assembly, if you are not a paid up member of the Association, I would urge that you do become a member and also try to encourage local organizations also to become members of the Hudson Bay Route Association. In other words we want to develop public opinion, get the people Hudson Bay Route conscious in Saskatchewan. I am pleased to say that they are that way to a great extent, and I think it is up to every good citizen in this province to do what they can to help encourage the Hudson Bay Route Association in their important work and make them feel that they have the people of this province behind them.

Another thing I want to mention in regard to this is the Trade Services Division of the Department of Co-operatives in this province under the direction of Mr. Hanson. They have done a splendid job in regard to compiling information and data, in regard to doing everything they can to help to promote trade over the Hudson Bay Route. It is also Mr. Hanson's job to initiate all these excursions every year up to Hudson Bay. They have been a real success, and, I am sure, have done a lot of good in getting the people of this province acquainted with our real seaport which we should use, more than we are able to do now, to transport the exportable goods from this province and to bring in to the people of Saskatchewan the things that we want imported into this province. Then too, the Provincial Government has

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been doing their bit. They have been making a \$500 grant, I believe for a number of years towards this Association, in order to help develop this Route and promote trade over it.

Now, Mr. Speaker, you will notice the resolution only deals with one subject and to me that is a real bone of contention, to me it is the greatest deterrent to the development and encouragement of shipping over the Hudson Bay Route, namely Hull Insurance Rates. That is the particular thing I want to deal with, because I believe that until we can solve that problem, no matter what we may do to try to develop this Route, we are utterly helpless in order to accomplish what we want to do. Just to give you an illustration, on a 7,000-ton vessel coming into Hudson Bay, spending in terms of English money; in 1932, it cost £5,700 by way of Hull insurance to go through via Churchill and as against \$800 via Montreal. In other words, the Hull insurance rates are over seven times as great – they were over seven times as great in 1932 to go via Churchill as against Montreal. Back in 1939 it was increased and the difference was still greater. In 1939, it cost shipowners and charters of boats, 7.4 times as much in Hull insurance rates to ship to Churchill as compared with Montreal. It is true that, in 1948, there was a slight reduction, and then it was only 5½ times as costly to ship to Churchill as to Montreal.

Here is a problem, Mr. Speaker, which no matter how anxious they people of Canada may be to use the Hudson Bay Route, no matter how many orders we may get and business men can buy goods from Britain by record through this Route, the British boats on leaving Britain to come to this country, if they have to pay 5½ times as much Hull insurance to be able to use our Hudson Bay Route, certainly are going to go through Montreal. Now that is the problem that we are faced with. I want to say to members of this House that there is a Dalgleish Shipping Company in England, and I believe that they have done more than anyone else in trying to develop and use the port of Churchill. In 1932, they supplied the first two boats to be chartered via that route. Mr. Dalgleish is very sympathetic to developing this route but, as I said before, unless something can be done by way of getting a reduction on these Hull insurance rates, I am very much afraid that it is going to be a very uphill job to develop this route.

Now you may say, whose job is it? Well, I just want to give you a little bit of history in regard to the setup. Who fixes the Hull insurance rates, and what agency is existing on behalf of the public to try and see that rates are being brought to reasonable levels? Well, in the first place, there was an Imperial War Conference in 1918 and at this war conference there were representatives from Great Britain, Australia, New Zealand, South Africa, Canada and Newfoundland – all these people became part and parcel at that gathering of what is known as the Imperial Shipping Committee. The Committee was appointed by Prime Minister Lloyd George on Jun 15, 1920, but since that time this Imperial Shipping Committee has evolved into what is known today as the Commonwealth Shipping Committee. That, I would say, is the agency that would protect the general public. Then again, Lloyd's of England and the London Underwriters have what they call the Joint Hull Committee that make arrangements on their behalf as far as insurance rates are concerned.

The reason, why some of us drafted this resolution as it is, is because here on this Commonwealth Shipping Committee, which after all, is the agency that should look into the rates of insurance, and try to bring about reasonable comparisons in every way protect the general public, Canada is represented, and I would say that the least we can do in this House, Mr. Speaker, is to ask our Federal Government to bring all the pressure to bear that they can, in order to influence the Joint Hull Committee to bring about a reasonable rate-basis on Hull insurance. I believe, that, if we can do that, it will be more attractive naturally for British boats to direct their routes through the Port of Churchill; but greater than the rates through the Port of Montreal, it seems to me that that is the biggest obstacle that we have to solve, and I hope that members of this House will agree with me and give me that support.

Now, I might say, for the information of members that, in 1949, there was a fair amount of trade over the route. I do not want to go into it very much; but I want to say that there were 5½ million bushels of wheat shipped through the Port of Churchill in 1949 and there was some 12,000 tons of merchandise shipped through that port. I believe that the Port of Churchill should also be made a point at which we shall base the price of wheat under the Canada Grain Act, or the Wheat Marketing Board Act. That is another thing that should be done; just as Vancouver has become a point at which they establish the price of wheat. I believe it is only fair to say that while people in the western part of Alberta particularly can use Vancouver to such great advantage, I think it is only fair to say that the people of northern Saskatchewan and northwest Alberta and the northwestern part of Manitoba should be able to enjoy the benefits of shorter rail routes to seaports.

Another thing I want to mention just in passing, something that may not be generally known to members of this House, is that the Hon. Mr. Nollet and the Hon. Mr. McIntosh were instrumental in bringing the first Marshall Diesel Tractor into Saskatchewan. It was placed at the University for experiment and demonstration and since that time, there has been over 60 of those tractors imported into this province. I think it is only fair to mention that, because it just goes to show that a little bit of individual effort will do. If we all get behind the wheel, if we all get behind the efforts of the Hudson Bay Route Association, give them every assistance and every encouragement, I am sure that the future of the Hudson Bay Route may be very bright. Therefore, Mr. Speaker, I am going to move, and seconded by the hon. member for Saskatoon City:

“That this Assembly through the appropriate channel urge the Government of Canada to do all in its power to reduce Hull Insurance Rates via the Hudson Bay Route and place this Route on a fair competitive basis with the St. Laurence Route.”

Mr. Stone: — Mr. Speaker, after listening to the mover of the motion, I am afraid there is not very much left for me to say. I do not think it is necessary for me to prolong the discussion a great deal, as I believe

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the Leader of the Opposition has already intimated that he, and I imagine his party, are fully behind the Hudson Bay Route.

The progress of the Hudson Bay Route has not altogether been a happy one. The progress has been very slow. In 1931 when it was began, it worked up to 1933 where the peak inward cargo reached some 26,000 tons. This level was more or less maintained up to 1937 when the depression really hit us and after that the war years more or less closed the port down; but since 1945, the inward cargo has steadily risen until in 1948, it had almost reached 1,000 tons of inward cargo. The outward cargo reached a peak in 1948 of over 158,000 tons. Now, I do not think, Mr. Speaker, that this route has been used as extensively as it could have been. It is not necessary for me to expound all the arguments, all the feasibilities of this route (that has been done so many times) except to point out that it is a some 1,000 miles shorter freight haul to many points on the prairies, and this means a considerable saving and help to the economy of the prairie provinces.

To illustrate, I would like to read a copy of a letter I received, and it was written to Mr. W. A. Watson, Foreign Freight Agent, Canadian National Railways, Toronto, Ontario:

“Dear Sir:

As advised you in our telephone conversation, we are presently negotiating for a shipment of 5 million board feet of lumber export through Churchill, Manitoba, from various points in Saskatchewan and Manitoba. But we find when figuring the cost FAS Churchill on rates recently published in Tariff 780A Item No. 50 and those quoted from the Big River and Armit, Saskatchewan, they are so high that it appears unlikely that we will have any chance of getting business. The Shipper has reduced his prices from \$7.50 under those in 1947, but even with these reductions, we are still \$5.00 per M over the market due to the recent freight increases which are approximately 60% over the rates in effect in 1947. After applying the increases authorized in CFA 71 and 72 effective October 11, 1949, to the latter tariff, we are still out of line to the extent of \$2.75 per M. The total shipment will amount to approximately 200 cars which should bring considerable revenue to the railroad, and, therefore, merits some consideration on your part to bring down the rates so that we are in a position to reasonably compete, otherwise we may as well forget the whole matter resulting in: (1) a heavy loss to the railway; (2) a loss of earning up to a quarter of a million dollars to the producer, which is 90% labour, and (3) but not so important, only a commission lost to ourselves.

This will require your immediate attention because the contract must be closed by the end of this month and we expect to put in our final bid any day.”

That was written on January 18, 1950 signed by Nicholson and Cates, Limited.

That illustrates, Mr. Speaker, just what the people of these prairie provinces can lose by not having the use of this Hudson Bay Route. As I said before, there is no need for me to go over the arguments for and against, or submit the seamen's version of this route – the easy accessibility of the route by the seamen – only just to more or less remind the House that, in 1936, there was an enquiry into a wreck that took place at that time, and the Imperial Shipping Committee had this to say about the Hudson Bay Route, that as far as physical risks are concerned, and I am quoting:

“We are convinced that the Hudson Bay Route is not dangerous and in some respects it is less dangerous than the St. Lawrence Route.”

I do not know, Mr. Speaker, what we can possibly do to arouse action from the proper courts. I am satisfied that there are men in the Federal Government who are very sympathetic to this Hudson Bay Route, and we must do all we can to get them to remove the imposition on this route and to get more action for the Hudson Bay Route. I think the very minimum we should have for fair trial, is at least sixteen million bushels of wheat going from Churchill. We must take into consideration that Churchill is just a village. They have no propaganda agency or Board of Trade like the other ocean-going points, and as the mover has already intimated, the Hudson Bay Route Association is doing a very splendid job along those lines.

I would just like to quote what the Minister of Transport, Mr. Chevrier, said, in 1945, when he was asked for government policy on the Hudson Bay Route. He had this to say: “In the matter of Churchill, it is to facilitate the use of this port in every way possible.” And so I plead for the unanimous support of the Assembly in this matter to assist the economy of the people on the prairies, to remove the imposition, and to bring this port into further use. I gladly second the Motion.

Mr. J.W. Horsman (Wilkie): — I beg leave to move the adjournment of the debate.

Motion agreed to and debate adjourned.

AGRICULTURAL PRICES SUPPORT

Moved by Mr. James Gibson (Morse), seconded by Mr. F.A. Dewhurst (Wadena):

“That this Assembly request the Provincial Government to urge the Dominion Government to immediately invoke the provisions of the Agricultural Prices Support Act to the point of assuring farmers of their rightful share of the national income; and that the said Government immediately institute a permanent

system of support prices on all farm products which will bear a proper relationship to the farmers' cost of production."

Mr. Gibson: — Mr. Speaker, the farmer in Canada today, and more particularly the western Canadian farmer is faced with conditions which will soon result in shaking net incomes. They are:

(1) A decline in export markets for all foods, especially wheat due fundamentally to international trade and exchange difficulties. Surpluses are starting to pile up, and the presence of surpluses will inevitably force prices down.

(2) Shrinkage of domestic markets due to unemployment, which is also caused in part by trade dislocation.

(3) Increasing operating costs of production due to the relatively stable prices of farm equipment, farm fuels, etc. Historically the prices of these commodities have never fallen as quickly or as low as farm prices, and the increasing control of few farms and farm machinery and oil industries, will tend to make these prices even more sticky.

(4) Inflated real restate cost will further aggravate the effect of falling cash incomes. Traditionally these costs, interest and capital payments, have been the least flexible aspect of the farm business and have been usually incurred when incomes were inflated and interest rates high. Thus a farmer in 1947 may have purchased land for \$40 an acre and taken out a mortgage on the basis of that assessment. That particular farm may be only capable of producing \$20 per acre over the life time of that mortgage, and when prices and income decline the farmer is still faced with those inflated fixed costs.

These four factors will in the near future cause a reduction in net income for farmers. Furthermore if a general recession were to set in at the same time, and because of the tendency of farm prices to drop further than other prices in our economy, the farmers' share of the national income will be reduced more drastically than that of other groups.

I have a table here, Mr. Speaker, that I think will substantiate that statement. It is a table of farm income as a proportion of national income for the years 1926 to 1948 inclusive; that is, for a twenty-three year period. I should point out that some 45% of our population live in the rural area and over 30 per cent of our population are directly engaged in farming. This table as I said, shows the percentage of farm income from the national income. In 1926, it was 16.9 per cent; 1927, it was 14.9 per cent; 1928, it was 14.6 per cent; 1929, it was 9.4 per cent — you will notice now how, as I said, it falls faster than that of other groups; in 1930, it was 8.6 per cent; 1931, it was 4.5 per cent; in 1932, it was 4.2 per cent and in 1933, it beats the all-time low of 3.8 per cent. Now that was just about the time when the more wheat a farmer had the larger his deficit became.

I am not going to weary you by reading all of those figures, Mr. Speaker. They continue on down the line along about those levels until

we get to 1946 when we find it was 11.5 per cent that over 30 per cent of the population got of the national income. The next year, 1947, it went down to 11.1 per cent and in 1948, possible the most prosperous year in farming history, it reached 13.2 per cent. I took those figures from the Dominion Bureau of Statistics, but I totaled them myself. I may have been wrong in this; but I found that, for the 23 years, the average percentage of farm income of the national income was 9.5 per cent.

I have another group of figures, Mr. Speaker, that I believe are equally startling. Those figures support to show the percentage of farm income of the national income and the percentage of corporation profits. Those are the years 1938 to 1948, an eleven-year period. The reason I took those years is that those are, as you will notice, the years of the larger farm income. In 1938, the percentage of farm income of the national income was 9.3 and the percentage of corporation cost, (it is not corporation income) was 13.6, or 4.3 in excess of the farm income for that year. The next year, 1939, it was 10.7 for the farm and 15 per cent corporation profits, again 4.3 in excess. In 1949, it was 9.7 for the farm and 16 per cent for the corporation profits, this time 6.3 per cent in excess of the farmers' share of the income. In 1941, it was 8.3 per cent and the corporation profits' percentage of the national income was 17.5 per cent – more than twice as much for corporation profits as for farm incomes in that year. Mr. Speaker, I have all the figures here. I am not going to weary you by reading them, but again I totaled those figures and I find that while the percentage for farm income for a 23-year period was 9.5 per cent, for this eleven-year period they are 10.9 per cent, and corporation income, that is corporation profits, for the same period is 15.1 per cent or an average of 4.2 per cent per year over that of farm income.

This division of 10.9 of the national income amongst at least 30 per cent of Canada's population clearly implies that rural property is a problem of major concern and points up the necessity of raising the income level of this large sector of the nation. The relatively high share of national income represented by corporation profits (15.1 per cent) is indicative of the concentration of wealth in Canada. When contrasted to the farmers' share of the national income, it implies that a re-distribution of income is sorely needed either through higher farm prices, controlled prices of equipment and materials used by farmers, or by means of progressive income or corporation taxes re-distributed through various welfare measures.

The problems of reducing fluctuations in income and raising the minimum level of farm income is met by various means throughout the world. In the United States there is a whole host of programmes, including support prices based on parity, soil conservation payments, Federal crop support prices based on parity, soil conservation payments, Federal crop insurance and a comprehensive Federal farm credit system, as well as rural electrification and other more limited programmes. These programmes, I am sure, are well known to all hon. members and do not require elaboration. It is of interest to note, however, that the U.S. Government, in 1949, spent \$340 million in its soil conservation programmes and \$305 million for supporting farm prices. Now, this latter figure, this \$305 million, is not a stated sum of money that the Federal Government of the United States has set aside for support prices, but it is the actual net cost to the Government in the difference in price after purchase and resale by the Government through its Commodity Credit Corporation.

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In Australia a close relationship between support prices and production costs is maintained in the guaranteed prices system of the Wheat Stabilization scheme. There the guaranteed price of wheat is varied each year in accordance with the movement of wheat production costs. The guaranteed price for 1948-1949, for instance, was increased by 7.05 per cent since the production costs index of 1948-1949 had increased by that amount. In addition to this specific programme there are various soil and water conservation programmes in effect in Australia. Furthermore, a significant re-distribution of national income is effected through comprehensive welfare measures.

The British Government uses a system of forward prices which guarantees the farmer over the entire production period of a particular commodity. Prices for vegetables may be guaranteed for three-month periods, while prices for wheat will be guaranteed for a year, and for cattle for five or six years. The farmer can, under this scheme, plan his production on a basis of a known guaranteed return when his product is ready for market. Prices under this system are based primarily on demand but are also influenced by necessity for induced planned production levels. Apart from this price programme the British farmer together with other groups in the economy has the advantage of national health, housing and other welfare measures.

Compared with farmers in other countries the Canadian farmer is in a relatively inferior category. The Federal Government has no adequate programme which redistributes national wealth effectively. It has no adequate health, housing or old age pension scheme. Its contributory P.F.A.A. scheme had added somewhat to farm income in parts of Western Canada, but it is limited to an average of from \$200 to \$300 per farm or, where there is almost a total failure, may reach a maximum of \$500 per farm. We have the P.F.R.A. which operates on a very limited scale and there is no comprehensive soil conservation scheme in effect.

A good start in soil conservation has been given by this Government through its Department of Agriculture and further expansion of this scheme is planned for the future, but with the limited financial resources of this Province we can never hope to be able to provide sufficient moneys for this important project. On the other hand a comprehensive soil conservation scheme through P.F.R.A. would provide the western farmer with greater stability, would lessen the need for payments from the P.F.A.A., and would stop the loss of our soil resources through wind and water erosion. Finally Canadian tariff policies have weighted heavily in favour of industrial areas in Eastern Canada. I believe that it was the member from Lumsden (Mr. Thair) who said, the other day, that Canadian tariff policy had cost the people of Saskatchewan seven million dollars in 1949.

In the absence of other possible measures, the Agricultural Prices Support Act offers the only immediate means of re-distributing national income and should be implemented. It is suggested that support prices be related to costs of production. Based on experience in Australia, this would be a practical proposition. An intensive study of the Australian scheme should be made prior to adopting a similar policy here.

I made mention a little while ago about the presence of

surpluses inevitably forcing prices down. I don't think that we should have fear of such surpluses and I don't think there is any good reason why surpluses should force prices down. I have here a table that was made in 1946 by the F.A.O., and they estimated in this table that the following increase in production of food would be required to attain satisfactory nutritional levels throughout the world. They estimated that cereals would have to be increased by 21 per cent; that milk would have to be increased by 100 per cent; that meat would have to be increased by 46 per cent; roots and tubers by 27 per cent; fruits and vegetables by 163 per cent, and that fats would have to be increased by 34 per cent. Today, however, available per capita food supplies are actually less than they were in 1939.

It is clear, therefore, that we do not have enough food to feed a population equivalent to that of 1939. But in addition to the population of 1939, we have an increased population of not less than 200,000,000 people and a very large proportion of this increase has taken place in the undernourished countries of the East. As Norris E. Dodd, the present Director-General of F.O.A. said on a recent visit to Australia:

“We have 50,000 new guests at our table every breakfast time, and we have not got 50,000 additional bowls of rice or milk to take care of our new guests.”

Social and political security can be maintained only if fundamentals are taken care of. The fundamentals the world requires are food, clothing and shelter.

If international action is successful in coping with this problem of the need to increase and distribute foods then it is essential that producers receive returns which would permit them to expand production. If export prices must be kept low to be within the reach of foreign consumers then domestic producers should be compensated by means of support prices.

Expansion of production implies land use and the maintenance of soil fertility. Without adequate incomes and without direct financial aid it is virtually impossible for farmers to husband their soil properly to produce at optimum levels. The provision of adequate support prices will permit farmers to plan production and apply conservation measures. In many cases Government aid will be required in addition to support prices to prevent permanent loss of soil resources. Support prices, or rather desirable income levels will permit farmers to make investments designed to maintain soil fertility. However, the prevention of actual soil removal and major soil rebuilding programmes are out of reach of even those farmers who enjoy a moderately good income level. This is recognized in the United States and to some extent in Canada where Federal and local governments, as in the case of Saskatchewan, make substantial contributions for irrigation and reclamation works. In contrast to the United States, the Canadian Government has no soil conservation programme as such; that is a program that deals with individual farm units. The United States realized 20 years ago that such a programme must be implemented in order to conserve irreplaceable resources. The failure of the Canadian Government to take steps to meet this problem on a comprehensive basis has resulted in great permanent economic losses accompanied by social dislocations.

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The whole question of soil conservation has become worldwide in aspect: the continued pressure of population on soil resources which are being rapidly depleted. This depletion is a major threat to world peace and human survival. As Mr. H. H. Bennett, Chief of the United States Soil Conservation Service, puts it:

“Soil erosion is, I think, a greater threat to the peace of the world than even the atomic bomb. Or put it in another way: However terrible the effects of the atomic bomb may loom on the world’s horizon, the real substance of goodwill and peace still resides in production land.”

In conclusion, Mr. Speaker, I believe that through prices support and soil conservation payments the Canadian Government will be promoting peace in a more constructive fashion than through the construction of armaments. So I move, seconded by Mr. Dewhurst:

“That this Assembly requires the Provincial Government to urge the Dominion Government to immediately invoke the provisions of the Agricultural Prices Support Act to the point of assuring farmers of their rightful share of the national income; and that the said Government immediately institute a permanent system of support prices on all farm products which will bear a proper relationship to the farmers’ cost of production.”

AGRICULTURAL RECLAMATION AND CONSERVATION

Moved by Mr. N.L. Buchanan (Notukeu-Willowbunch), seconded by Mr. A.L.S. Brown (Bengough):

“That this Assembly urge the incorporation of present P.F.R.A. activities into a more comprehensive agricultural reclamation and conservation service by the Dominion Government; and that adequate grants be made available to provincial governments for assistance to designated conservation districts, organized under provincial status, for the purpose of overcoming the natural hazards peculiar to such areas, and that both technical and financial assistance be made available to farmers in such areas to enable them to institute proper land use farm practices, as the eventual solution to the recurring problems necessitating expenditures in various forms of relief.”

In making the above Motion, Mr. Buchanan said:

It should not be necessary, Mr. Speaker, that I take up any great length of time in speaking on this Motion. I think that members on all sides of the House are in more or less agreement with what this Motion sets out.

The Prairie Farm Assistance Act was designed to apply to a large portion of the western provinces south of what we know as the Precambrian area, roughly south of a line drawn through Winnipeg, north of Yorkton through Saskatchewan, through Saskatoon and to Edmonton on into British Columbia. South of this line we have had, for many years, recurrent drought areas, sometimes small areas have been affected and too often large areas of this prairie region were affected, with a resultant depressing effect on the economy, on the economic conditions of the people immediately affected, also with a depressing effect on the economy of the province as a whole and the

And so this area to which the P.F.R.A. Act was designed to apply has too often in the past had a depressing effect upon the economy of this province and on the economy of the Dominion as a whole.

On April 10, 1935, this Act was brought into effect in the Federal House of Commons. In its introduction, before the House went into committee to study the terms of the Act, the Hon. Robert Weir, Minister of Agriculture at the time, asked leave of the House to consider a resolution: "It is expedient to bring in a measure to provide for the rehabilitation of drought areas in the province of Manitoba, Saskatchewan and Alberta, and for the appropriation for the said purpose of such funds as may be necessary to carry into effect he proposed legislation." It was discussed at considerable length and was set out with the intention of rehabilitating this part of Western Canada.

This Act has now been in effect for fifteen years and last year, we suffered a major drought in a large portion of southwestern Saskatchewan southeastern Alberta. Had this Act done the things that it was intended to do, we would not have had the same conditions in this area that we had in the 1930s – that is, the picture of people pulling out, leaving what they had there and going to other parts of the province and to other parts of the Dominion in order to be able to carry on. Once again, however, to a somewhat smaller degree it is true, because the drought did not affect such a large area as it did in the 'thirties; nevertheless, once again this year we see people leaving those drought areas and trying to find places where they can make a better living.

This Prairie Farm Rehabilitation Act, passed in 1935, is quite similar in its clauses to the Buchanan amendment to the Agricultural Appropriation Bill passed in the United States in 1919. Later on I intend to compare what has been done under the United States Bill, and what has been done under our Bill. In the first place the Prairie Farm Rehabilitation Act was never given enough money to make it amount to anything. Last year, only \$3,000,000 was appropriated for the Prairie Farm Rehabilitation Act. Now \$3,000,000 to be spent in these three provinces which the Act covers is not nearly enough, and then, in the second place before projects were set up under the Act there was not sufficient study given to them.

We have several of the projects in the province. One of the oldest projects that we have, established in 1939, was in the town of Valmarie which lies in my own constituency. Valmarie was the first large P.F.R.A. project in the province. This project was given immeasurable help to the people of that community but, because proper land use and development practices were not used in the first place this project became too expensive – that is, seventy-some dollars an acre were spent, and it brought into operation 4,666 acres. Now this was too high an amount and was caused, they said, by improper land development and utilization.

The soil in this particular project is a gumbo soil and, when water is put on it, it swells and then when it dries it dries with huge cracks that a car tire will drop into. So some study and knowledge has to be used, by the people using it, in the application of water to land in this project. Then, too, the soil contains toxic or poisonous salts, and, of course, the water put on this land brought these salts to the surface with the result that the original settlers who made use of

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this soon abandoned it. It had to be brought into active use once again by the P.F.R.A. itself; they were forced to cultivate it and sow it to crops and then the settlers were allowed to harvest the crops. This is one of the things that contributed to bringing up the cost to such a high figure per acre.

In Maple Creek, the project there cost approximately \$50 an acre. There were two major problems here. One was the lack of water and the other was very poor topsoil combined with fairly solid subsoil. The latter condition has resulted in the deposition of alkali on the surface once again, on the land that is being irrigated. However, it is the former problem which is indicative of the inefficiency of the P.F.R.A. at the time that these projects were developed. Prior to the installation of the irrigation project at Maple Creek, flood rights had been held, traditionally, by the ranchers of the area for the purpose of growing feed. Without taking these rights into account and without making arrangements with the holders of the rights, P.F.R.A. proceeded with the construction of storage works and distribution system to handle more water than was actually available. Irrigated plots were set up, and settlers encouraged to take up holdings. However, after all this was done, it was soon discovered that sufficient water was, in fact, not available for irrigation. This situation remains today, and only some 4,000 acres are irrigated of a potential 10,000 irrigatable acres.

At Eastend, the investment was about \$60 an acre. A little more success can be claimed here by the P.F.R.A. However, here, too, the mismanagement of water application and inadequate canal structure has resulted in considerable damage once again from alkali, which deposits on the top of the soil. This necessitates further substantial investment in reclamation of the soils and in new canals and ditches, and last but not least the expenditure of about \$150,000 at Kisbey Flats and on the Souris-Estevan project can be entirely written-off due to poor engineering. Those facilities at this particular place have never been used and are not usable at the present time.

The P.F.R.A. Act, in my opinion and I believe in the opinion of all members, is a good Act, an Act which could be used to rehabilitate Saskatchewan and the areas subject to drought in Alberta and Manitoba. But at the beginning, when the Prairie Farm Rehabilitation Act was first brought into being and first applied, Mr. Speaker, it was applied more for the possibility of immediate political gain rather than for the long term benefit of the people of this area.

Some hon. members may not think this is true, but all you have to do is go down around the town of Valmarie and talk to some of the people there. First of all, it was rushed in there without sufficient study being given to the problems that irrigation would present in that particular type of soil, and then, too, it was put in there with the idea of holding a substantial number of Liberal votes. Any person who was digging ditches either on the Valmarie project or helping to put up fences on the Valmarie community pasture at that time could not hold their jobs if they so much as whispered that they would support anything other than the Liberal Party. This was true in those days – you remember

in the 1930s – not only of the P.F.R.A., but it was equally true of the administration of relief in this province, and people over Saskatchewan, especially the southern part, know this to be true.

Then too, in the early stages of the P.F.R.A. when they moved out of these community pastures, there was not sufficient attention paid to their needs. At that particular time I happened to be north of Prince Albert and I saw some of these settlers being moved in there, Mr. Speaker. They were brought in there, given a team of oxen, a walking plough and a quarter-section of land on a jackpine ridge, and the benevolent authorities that sent them there helped that they would never hear from them again. However, they became a greater problem when they were established on these jackpine ridges north of the Saskatchewan River than they ever were in the drought-stricken south.

I mentioned, at the outset, the amendment to the Agricultural Appropriation Bill passed in the United States in 1929. Since this Bill was brought into effect in the United States some 21 years ago, four and one-half million farmers have been organized, under this Amendment, on conservation projects, and they have been paid for performing certain conservation practices. Fourteen million acres have been terraced; 111,000,000 acres contoured; 622,000 acres have been plated to trees; 186,000,000 tons of lime have been used also 16,000,000 tons of super-phosphate. In 1950, some \$3,000,000,000 has been appropriated for this project alone and, last year, as the member from Morse (Mr. J. Gibson) stated, \$349,000,000 were spent by this project which is the equivalent appropriated for the Prairie Farm Rehabilitation Act. Do you know what has been appropriated for the Prairie Farm Rehabilitation Act by the Dominion of Canada, this year? Three million dollars! Three million dollars, and in the United States three hundred million dollars. Now, I will agree in that there is a difference in population between United States and Canada, but there isn't a hundred times the difference such as this would indicate.

Since the inception of the Prairie Farm Rehabilitation Act we have had a new man appointed to head it. His office is in Regina; his name is L. B. Thompson, and, fortunately, in L. B. Thompson we have a man who is anxious to do a job without fear or favour. He works in close co-operation with our Department of Agriculture. All he needs is the money to go ahead and do a real job of irrigation and land conservation and development.

The Provincial Government, as the member from Morse stated, has taken the load in land conservation and development; but it has not the financial wherewithal, in the limits of a provincial boundary, for comprehensive programmes, and to really go into and do something with such a project is beyond the financial powers of any provincial government. There is legislation on our statute books now for the establishment of conservation districts, and the provincial Department of Agriculture has, through its Agricultural Representative Service and local committees, carried out a programme of land-use education. Furthermore, various demonstration areas have been set up in this province which farmers can use as a model and so learn how to develop areas of their own.

Grants for conservation projects are available for the use of municipalities and groups of municipalities.

In this way the Province has set the stage for a full-fledge conservation programme and awaits the contribution of the Federal Government. Since much research has now been done in the field, it is quite evident that an action programme is needed at once before further loss of soil resources takes place, and before we have a further spread of the more or less localized drought area that we have in this province. The possibilities that lie within the power of the Prairie Farm Rehabilitation Act are practically unlimited. One only has to do a small amount of travelling over this province to realize what an active and virile Prairie Farm Rehabilitation Act could do. Up near the Saskatchewan River there are thousands of acres of the best soil in this province that only awaits some work by the P.F.R.A. We have similar areas in other parts of the province. P.F.R.A. should not be confined only to the storage of water that is necessary, but it should go out into the field of education, out into the field of developing projects to serve as an example for other people to follow, and out into the field of assistance to water users' associations and land conservation projects. For that reason, Mr. Speaker, I move this Resolution, seconded by the hon. member for Bengough (Mr. Al. L. S. Brown).

Mr. A.L.S. Brown (Bengough): — After the remarks made by the hon. member for Notukeu-Willowbunch, I am satisfied that all members of the House will appreciate the importance of the matter under discussion, particularly as it affects the long-term or even the short-term production of agricultural foodstuffs in the province of Saskatchewan. Realizing that foodstuff is not only important in our provincial economy but it is equally important in our national economy, I think we will all realize that we must utilize all the forces at our disposal if we are to maintain this agricultural production at even the level at which it is at the present time. Particularly the matter is of very great importance if we are to consider extending our agricultural production in this province of Saskatchewan, as well as in the Dominion of Canada.

We are in our small corner must do what we can to do what the P.F.R.A. implies – to rehabilitate certain areas of this province by reclaiming land into production, land which has in the past ten or fifteen years gone out of production. Further, by extending the scope of the P.F.R.A. to include not only additional areas but to place at the disposal of the P.F.R.A. additional resources, not only resources in the form of money but also resources in the form of technical and scientific knowledge in such a way that it can be made available to the farmer or the individual so that he can make use of it in the most practical way.

Possibly the most difficult task that faces us who are interested in expansion of the type of work that the P.F.R.A. implies, is to convince the public of the necessity of it. This is particularly true of people who are not closely associated with the production of agricultural goods and possibly, to a large degree, people who are living in urban centres; for they fail to realize that their well-being and their standard of living depends to a very large degree on the extent that we are able to maintain agricultural production at a very high level. A dust storm in the southwestern part of Saskatchewan affects the living standards of anyone living in any urban centres; a flood with its resulting cost in soil erosion, affects the standard of living of anyone, no matter whether they may live in that area or not. When we have, as we have, areas in this province not making their fair or proper contribution to our economy, it definitely affects

us all.

It is imperative for those of us who are interested in this work and who realize the necessity of it, to do two things. First, we must use all means at our disposal to publicize the importance of this question; we must use means such as the press, magazines and even through the medium of Legislature, to attempt to impress upon the people of Canada the importance of this question. Then, within this Legislature, we as legislators must use the appropriate means at our disposal to see that we create the legislative framework from which we can build a proper P.F.R.A. in this dominion of ours – a Legislative framework which must include a co-operating and co-coordinating effort between the Federal and the Provincial Governments of the different provinces, for the job is much too vast and much too important to leave it to an individual who may happen to be situated in the centre of industrial Saskatchewan or who may happen to be living in an area which is affected by some other handicap. It is indeed too much for local communities or even local governing bodies to attempt to wrestle with the problem; it is indeed too big to expect Provincial Governments, realizing that provincial governments have limitations placed upon them, to undertake it on their own behalf. It requires the use of machinery and equipment and long term investments which are far beyond the ability of the individual, local governing bodies or even provincial governments to provide; so the onus comes on the Federal Government as a national government to accept its share of the responsibility, and in many ways to take the lead in that respect. It requires the co-operation and the co-ordinating efforts of the individuals, local communities, provincial governments and the Dominion Government.

I think that no better example can be given to the share that the Federal Government should take in this respect than was illustrated here, a few days ago, when the member for Maple Creek suggested that the people of his area, which is an area which the P.F.R.A. at the present serves, have made a contribution to the national economy of Canada – and they have, unquestionably they have. The people living in the areas served at the present time by the P.F.R.A. have made a greater contribution per individual in the form of new wealth than has any other group of people anywhere in the world. On the basis, on the basis of the contribution which we who live in this area have made to the national economy, it becomes indeed a national responsibility, and it is the responsibility of the national government in areas such as this to do one of two things. First, they can write off as a total loss investments which have been made in these areas which includes writing off the city of Regina. Now I don't suggest that anyone is going to make that proposal – that we can write off as a total loss the investments which have been made in the area now served by the P.F.R.A. Second, they can accept their responsibility in creating a more stable and permanent type of agricultural economy within this area.

It is true, as the hon. member for Notukeu-Willowbunch has pointed out, that the P.F.R.A., or the Federal Government through the medium of the P.F.R.A. which is at present in existence, has accepted some responsibility. As has been pointed out, this responsibility has been indeed limited, and it has on numerous occasions been limited and impeded by political activity which reduces its effectiveness and reduces the way in which it should be doing its job. But the problem cannot be solved by piecemeal and unco-ordinated efforts in which no one knows what the other

one is doing, or knows why he is doing it. The problem is not solved by spending a hundred thousands of dollars; it is not solved by spending millions of dollars. It can only be solved by investing on long-term projects hundreds of millions of dollars in the areas in which the P.F.R.A. should and ought to be working. There is only one source from which that investment can come, and that is from the National Government for within their means they have control over finances of this province and they have the means at their disposal by which they can undertake public investment programmes and create physical assets which will be of value to Canada as a whole, and they are in a position to create and build these physical assets without obtaining an over-riding burden of debt, an overriding burden of debt which if placed on the individual or even on a group of individuals, would make it impossible for that individual or a group of individuals, or even the individual project, to ever meet.

As I suggested the Federal Government has accepted its responsibility to an extent, and I suggest it is only to the extent that they have accepted the responsibility that they recognize that we have a problem; but I assure you that this problem is not unsurmountable. It is true that they have obstacles to overcome, but other countries have undertaken to meet this problem through a conservation and development programme. Reference has been made to one here, this afternoon – to the conservation and development programme which has been undertaken in the United States, and I suggest that even in the United States they are far from meeting their ultimate goal but they are definitely further along that road than we are here in Canada.

The hon. member from Notukeu-Willowbunch made reference to certain specific projects which the C.C.F. Government had undertaken, and to these we might add such projects as community pastures, which have taken out of our wheat production, in particular, certain areas of submarginal land and placed them in a type of agriculture which makes it possible for them to make more profitable use of that land. Reference could also be made to certain provincial projects which have been undertaken by the Provincial Government through the Department of Agriculture and through their (conservation) development branch. We could refer to a few of them which were carried on here in 1949 – the matter of feed and fodder development, for instance, undertaken to meet the ever-repeating feed and fodder requirements in certain areas. There were 13,000 acres under development, and 5,000 acres, in 1949, were seeded to forage crops. In another field, the field of irrigation, in which they attempt to use the waters which have been stored up, in the year 1949, some 2,254 acres were put under development and in addition to this there have been several schemes undertaken through the co-operation of R.M.'s and L.I.D.'s and the Conservation branch of the Department of Agriculture.

However, all that has been undertaken by the P.F.R.A. and the Provincial Government has merely touched the surface. It has been far from reaching the root of the problem, and what we have been able to do in 1949, through the Department of Agriculture of the Provincial Government has been to indicate that we realize we have a problem there. We realize that we have certain responsibilities in respect to that problem and that we have prepared to co-operate with us in meeting and solving this problem. We have, in the year 1949, spent five times as much money in that particular type of work as was ever spent by the previous administration or even in the

agricultural field of activities as a whole. In addition to that we are in a position now where we have a great deal of machinery at our disposal which can be put to work in conjunction with efforts put forth by the P.F.R.A., so that the combined efforts of the two may be much more effective and much more efficient than they were in the past. I might point out here, Mr. Speaker, that we in Saskatchewan, I think, realize the problem even more so than do our neighbouring provinces, for we have, in 1949, spent more money on conservation and development than have the provinces of Alberta and Manitoba put together.

However, in this question of conservation and development, I believe that we should keep a proper perspective and a proper relationship. We are not going to develop overnight, nor even over a period of years; we are not going to develop here in Saskatchewan an economy based on irrigation. We are going to have dry-land farming coupled with the risks that go with dry-land farming; but what we can do through the medium of conservation and development is that we can supplement our dry-land farming and place our agriculture economy here in Saskatchewan on a much more stable and permanent basis than it has been in the past. We can do more than that, Mr. Speaker. We can make it possible to make the best possible utilization of our agricultural resources in this province, which, after all, contribute by far the largest percentage to the provincial wealth of this province.

Through the Resolution which has been moved by the hon. member from Notukeu-Willowbunch, we are requesting that the Federal Government take the lead in that respect and that it place at the disposal of this conservation and development programme the resources which it has at its disposal and which no other governing body has, and that they go further, and that they remove from the field of political activities such organizations as P.F.R.A. so that it will not pamper or hamstring the work which they are undertaking. We suggest that the P.F.R.A. be extended and that it be improved and, thirdly, that a co-operative effort be undertaken between the Federal Government, the provincial governments, individuals and local communities in which these individual projects may be undertaken. Further, that assistance in the medium of technical and financial aid be given to farmers or groups of farmers so that they may be able to take the best possible advantage of the work which is undertaken, either by the P.F.R.A. or by our own conservation and development programme. By doing this, Mr. Speaker, (and I close with this), we will to a large degree eliminate the ever-repeating relief problem here in the west, and we will be making it possible for the people who live in these areas to make their rightful contribution to the economy, not only of Canada but of the world as a whole.

Mr. A.C. Cameron (Maple Creek): — Mr. Speaker, I would move the adjournment of the debate.

Motion agreed to and debate adjourned.

The Assembly adjourned at 6:00 o'clock p.m.