

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session — Eleventh Legislature
5th Day

Wednesday, February 7, 1951

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

DEBATE ON ADDRESS-IN-REPLY

The House resumed, from Tuesday, February 6, 1951, the adjourned debate on the proposed Motion of Mr. Howe for the Address-in-Reply to the Speech from the Throne, and the proposed amendment thereto by Mr. Tucker.

Premier Douglas: — Mr. Speaker, yesterday the Leader of the Opposition addressed the members of this Assembly for nearly two and a half hours; I may say to our visiting friends from Saskatoon that the weather report for Regina, yesterday, was “dry and very windy.” During that period of time the Leader of the Opposition covered a good deal of territory, and I do not propose to endeavour to follow him over the extensive territory which he sought to cover.

I am going to divide what I have to say into three main headings — firstly, the defence by my hon. friend of the policies of the Federal Government; secondly, the criticisms which he levelled at the administration of the Saskatchewan Government; and thirdly, his complaints with reference to the C.C.F. policy on international affairs.

Let me come, first, to the attempt by my hon. friend to defend the inept and vacillating policies that have characterized the Government at Ottawa. My hon. friend usually complains about the fact that too much time is spent in this Legislature discussing Federal matters; but yesterday he took upon himself the role of champion of the Federal Government, and he cannot now complain if I take a few moments to deal with his defence of the indefensible.

First of all, he sought to defend the Federal Government's policy with reference to the price of wheat, and he sought to silence criticism of the Federal Government's wheat policy by suggesting that any criticism of that policy might result in the closing of the Wheat Board and turning the handling of the wheat back to the Winnipeg Grain Exchange. Mr. Speaker, every member of this Assembly knows that the Wheat Board is an administrative body. The amount of money put into the Wheat Board by the Federal Government from time to time is a matter of policy by the Federal authorities. Nobody is going to blackmail me or anybody else into keeping quiet with reference to the discriminatory policies followed by the Federal Government merely by threatening that if we do not do so we may not have a Wheat Board.

My hon. friend does not need to stand there as the champion of the Wheat Board. That is a new role for the Liberal Party. I remember the years when some of us on this side of the House were fighting for the Wheat Board and the Liberals were telling us that that meant regimentation, that meant taking away that farmers' freedom, that we should let the Winnipeg Grain Exchange handle wheat and coarse grains. Most of us have not forgotten that

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in 1935 it was Liberal members of Parliament who took the compulsory clause out of the marketing legislation; that it was, in 1936, a Liberal Government which, by order-in-council, deprived the farmers of the right to deliver their wheat to the Wheat Board; and that from then until the war-clouds began to gather, year after year, the Wheat Board sat idly by while the farmers' grain was marketed on the Winnipeg Grain Exchange. Most of us have not forgotten that the first thing the Liberal Government did when they came to office in 1936, was to take Mr. J. R. Murray, Secretary of the Winnipeg Grain Exchange, and make him Chairman of the Wheat Board, an action which I described in the House of Commons at that time, as being similar to putting a skunk in a hen-coop to raise chickens. As a matter of fact, at the present time, despite the fact that this Legislature passed legislation enabling the Wheat Board to handle coarse grains, our coarse grains are being handled on the Grain Exchange because of the dictates of the Federal Government at Ottawa.

Mr. Speaker, my hon. friend criticized me because I found fault with the Federal Government for setting the initial price for wheat last fall, at \$1.40 f.o.b. Fort William for No. 1 Northern. Events have proved that my criticism was justified. Every bit of that wheat has been sold at not less than \$1.88 a bushel. The asking price on the market today is \$1.89 $\frac{3}{8}$. There was no reason for reducing the price to \$1.40. "Oh", my hon. friend says, "it is never safe for the Wheat Board to set an initial price at more than 70 per cent of what they are likely to get; they have got to have the money." Well, Mr. Speaker, in 1949 they paid 20 cents a bushel to the farmers as an interim payment. Did they have the money? No, they went to the bank and borrowed the money. They paid out money they did not have. Why? Because there was an election in the offing. That is why! They are not going to make that mistake again. This time they are going to hold back some of the farmers' money — about 28 cents a bushel now that they have raised the initial price to \$1.60. This is going to accumulate into a magnificent political 'pork-barrel' for the next election. There was a time in Canadian history, we were told, when political parties used to go out and give voters five and ten dollars for their votes. Those days are past; but now the Liberals are going to keep back some of the farmers' own money and then give it to them for their vote. Mr. Speaker, when any political party starts to use the Wheat Board as a political football and as an instrument for winning elections, they are the people who are undermining the Wheat Board.

My hon. friend sought to justify the five-year pool and the fact that no payment has yet been made. He said there were two reasons. One was that we had to wait until negotiations with Great Britain had been completed; the other was that we had to wait until Parliament met. Mr. Speaker, the negotiations with Great Britain were completed long ago; if they want to re-open them that is their business. Parliament met last year, and the Federal Government has known for years that they had two responsibilities with regard to the five-year pool. The first was that they owed that fund \$49 million for wheat used in Canada for domestic consumption. That means about $3\frac{1}{2}$ cents a bushel on every bushel of wheat delivered to the five-year pool. The second thing the Government has known for years is that they made a commitment, and I have the Hansard here in my hands — August 15, 1946, page 4506. Mr. Gardiner, the Federal Minister of Agriculture, in answer to a question from Mr. Coldwell as to what would happen if the farmers' cost of production got out of relationship to the \$1.75 price that they were going to get under the Anglo-Canadian Wheat Agreement, indicated that compensating adjustment to the farmers at the end of the five-year period would be

made out of the \$200,000,000 (more if necessary) provided for by the Agricultural Prices Support Act.

That was their commitment in 1946. The Federal Government has known all along they made that commitment. They know that that amount of money is owing to the five-year pool. Why didn't they vote it at the last session of Parliament? The farmers are entitled to the five cents a bushel now in that fund. They are entitled to another 3½ cents a bushel of wheat used for domestic consumption, and they are entitled to another unstated amount to compensate them for the fact that they sold wheat over a five-year period at far below the world market price. It is generally agreed that the very least Federal Government owes the farmers of Western Canada is 25 cents a bushel in that five-year period. My hon. friend says he hopes they will get it. Well, I remember the old proverb: "Hope deferred maketh the heart sick." We do not want this payment on the five-year pool, Mr. Speaker, to be built up into a political 'pork-barrel' for the next election. The farmers are entitled to this 25 cents a bushel, and they are entitled to it now. If the Government at Ottawa has any sense of political morality they will pay it this year, not in 1953 just before they go to the country.

While defending the policies of the Federal Government my hon. friend skated away from defending their failure to re-impose price controls and subsidies in this country. As both the mover and seconder pointed out, the rising cost of living is working a terrific hardship on the people of Canada. In 1945, when price controls were still on, the cost-of-living index was 119.5; today it is 172.5, an increase of 53 points. Nothing like it has ever happened in the history of Canada. For the farmers it has been even worse. Since August, 1948, the farm price index is gone down — that is the index of the prices that the farmer gets for the things he sells. This index has gone down by 25 points, while the index listing for the things he has to buy has gone up by 14 points. He thus finds himself in the awkward position that, while the index for the things he has to sell is going down, the index for the things he has to buy is climbing steadily upward.

What is happening in Canada today is that the Federal Government is seeking to finance a defence programme, not by taxation based on ability to pay back, because it lacks the courage to impose excess profits taxes and taxes on high income, by reducing the purchasing power of the dollar and by embarking on an orgy of inflation. The Federal Government is financing a defence programme by putting their hand into everybody's pocket, into every person's savings, into every person's life insurance policies, and taking out forty cents on every dollar. They used to talk about the Socialists having a capital levy of 10 per cent in their platform. There has been a capital levy, not just on capitalists but right down to the last \$100 Victory Bond that some person might have set aside for his old age. \$40 on every hundred has been taken away. There is not any use saying that this could not have been prevented. In our own small way, here in Saskatchewan, where we have little very little control over prices, this Legislature was pleased to impose rent control. What has been the result? The result is that since December 1949, the rent index in Canada has risen 11.4 points; in Saskatchewan the rent index has risen 4/5ths of one point. An increase of almost 11½ points spread across Canada; and Saskatchewan, less than one point of an increase in the rent index. I am submitting, Sir, that if rents can be controlled by a government that has the will and the courage to protect those who need protection, then the Federal Government, by re-imposing price controls, could have prevented the dangerous situation which is now manifesting itself throughout this country.

Mr. Speaker, I should like to turn to the second main division of what I have to say, and that is to do with the attack which my hon. friend launched against the present Government of Saskatchewan. His first was criticism of the Government was that the C.C.F. Government was keeping industry out of the province and frightening away capital. It was difficult for me to find any consistency in the argument because, in the first part of his speech, he criticized us because we were Socialists, and in the second part of his speech, he criticized us because we were not Socialistic enough. I do not know how you can have it both ways. He also thought there was some inconsistency because my friend, the Minister of National Resources, had said that the Liberals were hampering industry coming into the province. Well, there is no inconsistency. Industries are coming into the province, but they are coming into the province in spite of everything that the Liberal Party and the Liberals can do to keep them out. The Liberals have never ceased to make statements in public places; they have never ceased through their newspapers to distort every shred of a statement they can get from anywhere and to broadcast it across Canada in an attempt to put this province in a bad light as far as investors are concerned. The Liberal Party has come to this dangerous state of mind that it would rather destroy the economy of this province than see prosperity under a C.C.F. Government. A party has reached a low stage when it begins to foul its own nest. Yet that is exactly what has happened so far as the Saskatchewan Liberal party is concerned. I can tell them that they do not need to think that I do not know of the prominent Liberal in Ottawa who was sent all the way down to New York to tell some of the Oil Companies, "Does go into Saskatchewan. If they ever find a big strike of oil in Saskatchewan, we'll never get them out. Stay out of Saskatchewan, at least until after the next election."

Mr. W. A. Tucker (Leader of the Opposition): — Mr. Speaker, if the hon. gentleman is implying that I had anything to do about it, or know anything about it, I want to say that I have had nothing to do with it and knew nothing about it until the hon. member has stated it is now, and he should say who did it.

Mr. G. H. Danielson (Arm River): — I demand that the Premier name the man who went to New York.

Mr. Speaker: — The hon. member who is speaking made a statement on his own responsibility and has a right to do so.

Premier Douglas: — Mr. Speaker, I very gladly accept the statement made by the Leader of the Opposition, and I am prepared to exonerate him from any connection with the emissary to whom I refer.

My hon. friend says that industrial development has not come into the province, yet the facts speak for themselves. In 1943, there were 29 companies incorporated in Saskatchewan with a capitalization of \$5½ million; in 1944, 78 companies with a capitalization of \$3 million; last year, 1950, some 214 companies were registered in Saskatchewan with a capitalization of \$23 million. The Leader of the Opposition yesterday said: "Well, the fact that they are capitalized as not mean that they put that much money in." I am suggesting that companies are not formed in the graveyard. When you make a comparison between 29 companies being formed and registered and 214 being formed and registered, you have indications of economic and industrial activity being carried on in this province.

The Leader of the Opposition does not mention any of the new industries that have been set up in this province. He is careful to say nothing about the plywood industry, seed-crushing mill, salt refinery, flour mill, wool products, furnace manufacturers, garment manufacturers and oil refineries. Preliminary work has been done and a very satisfactory stage reached in such things as ceramics and potash and pulp. These are things about which my friend says nothing. When it comes to the matter of the production of base metals he seeks to confuse the issue by talking about percentage increases in Alberta and Manitoba as compared to Saskatchewan. Never mind talking about percentages. Why not come out and make the flat statement, because it is true, that in 1950 Saskatchewan produced more base minerals than Alberta and Manitoba put together? My friend will not say that. He does not tell the House that uranium will be in production in this province this year, that Saskatchewan will be the first province in Canada to have uranium mined in quantity, and that over \$2 million was spent in mineral exploration in northern Saskatchewan alone, last year.

When the Leader of the Opposition comes to the matter of oil, he goes back, of course, as he always does, to Alberta. He said, "Why haven't we found oil like Alberta?" He omits, of course, to say that oil exploration started in Alberta in 1921. They were fortunate in not having a Liberal Government there that were sound asleep. He forgets to say that the Leduc field, which came into production in 1947, had the exploratory work started in 1937; 10 years of exploratory work was done before those wells were brought in. In 1937, here in Saskatchewan, there was not any exploratory work. We had a Liberal Government that was noteworthy for nothing but its capacity for inaction. There was no attempt at extensive exploration and development until a C.C.F. Government came into office.

My friend yesterday said he hoped that we would find oil. Well, he does not need to hope that we find oil. Why doesn't he tell the people of Saskatchewan that we have found oil and that, out of the 255 oil wells now producing in the Lloydminster field, 143 of them are in Saskatchewan? Why doesn't he tell the people of Saskatchewan that the Lloydminster field has now been extended east to Maidstone and south to Lone Rock, where six new wells were brought into production last year? Why doesn't he tell the people of Saskatchewan that, outside of the Lloydminster field, 68 wells were drilled last year in this province; that \$8 million — the highest in our history — was spent in oil exploration and development, and that last year we passed the one million barrel mark for the production of heavy oil? No, my hon. friend wants to give the impression that if only a Liberal Government had been elected in 1944 we would have got oil. I only point out to you the fact that, from 1921 to 1944 with the exception of a small period when the Conservatives were in, the Liberals were in office, and that during that time they did nothing. They did it magnificently and they did it with dignity, but they did nothing.

The next thing my hon. friend found fault with in the administration of the Government was the management of the Crown Corporations. He took some time and went to some pains to explain away the profits and the surpluses which they have made. He began by subtracting from these profits the Telephone Company and the Power Corporation. Why? Well, he said he was subtracting the Telephone Company because when they ran it, it had never been run with the idea of making a profit. Well, it is making a profit now. The rates are the same as they were then and they have not been being increased despite the fact that rates have been increased by every private telephone company in Canada.

Why does he subtract Power? Well, he subtracts the Power Corporation for the same reason, I suppose, that the 'Winnipeg Free Press', in an editorial, said: "Well, you have to subtract the Power Corporation profits because, of course, it was making money before the C.C.F. came in". They were not making profits before the C.C.F. came in. In 1945 the accumulated deficit of the Power Commission was \$470,000. There was no integrated power systems, there were no high-voltage lines, and there was very little in the way of generating facilities. My hon. friend wants to compare what we are doing in rural electrification in Saskatchewan with Manitoba. Of course, he starts to compare Manitoba back in 1934 when they were doing something in Manitoba; nothing was being done in Saskatchewan.

Mr. Tucker: — Mr. Speaker, I compared what Manitoba did after 1944. If the hon. member will look my speech up he see that. I started, in both cases, with 1944.

Premier Douglas: — I understood my friend to say he was starting at 1934, with 500 farmers and Manitoba. I will accept his word on that.

Mr. Speaker, let's take it at 1944. My friend forgets I was raised in Manitoba. For 25 years before 1944 Manitoba was building high-voltage lines. In 1944 Manitoba had a high-voltage grid; this province had nothing. This province had not any integrated power system when this Government came in. All it had was an accumulated deficit and 137 farmers on power. And my friend says, "Why isn't there rural electrification?" What has been done since that? We have built an integrated power system. We have stepped up the generating facilities. We are building a high voltage grid, one line of which alone, but in the northeastern part of Saskatchewan, cost in the neighbourhood of \$4,000,000. We have increased the number of customers for the Power Corporation from 13,000 to 63,000; the number of farm customers from 137 to 4,600 with 2,000 added this last year; and that number or more will be added in the present year.

When my hon. friend wants to make comparisons with oil, he goes to Alberta. When he wants to make comparisons of rural electrification, he goes to Manitoba. It might have been well to stay over in Alberta when he was talking about rural electrification. In the province of Alberta, where the private power companies have control of electrification, the farmers pay all the costs of putting in electric power, whereas in Saskatchewan they pay only half the cost of putting in their electrification.

The second complaint my friend had about the Crown Corporations was, "They made \$11 million profit. Where has it gone?" He knows very well where it has gone. He knows that on two Crown Corporations alone — Power and Telephones — the Government has invested, in the last five years, \$34 million of new capital, with the result that we have increased our telephone facilities by 50 per cent in five years, and increased our power facilities on the basis I mentioned just a few moments ago. Why, in 1944, the total investment in power in this province was \$9,000,000; today it is \$32 million. In 1944 the total investment in telephones with \$19,000,000; today it is \$30,000,000. The profits from the Crown Corporations have been ploughed back into the into power expansion and into the telephone expansion, to say nothing of putting up the plant at Chaplin for sodium sulphate, and other facilities to develop the resources of this province. My friend knows that. He is a member of the Crown Corporations Committee and he ought to know.

Mr. Tucker: — Mr. Speaker, I wish to state that I do not know anything of the sort. I want to tell the hon. Premier that what he said is incorrect, and the Provincial Treasurer knows it is incorrect.

Premier Douglas: — The statement is not incorrect. The statement is true, Mr. Speaker, and I want to point out that I listened to my hon. friend yesterday, for two and one-half hours and never got off my chair. I think that he might extend the same courtesy that he received.

Mr. Tucker: — Then do not say that I know a thing, and I don't know it, and nobody else knows it.

Mr. Speaker: — The hon. member has the right to say that he does not know it.

Premier Douglas: — Mr. Speaker, I would be the last person in this House to overestimate how much the hon. member knows.

The next criticism which the hon. member levelled was that the Crown Corporations did not charge interest. "Why," he says, "if any other company declared dividends without charging interest they would put them in gaol."

Mr. Tucker: — Mr. Speaker, on a question of privilege: I said nothing of the sort. I said that if they claimed net profit and did not allow for what they had to pay in interest, then they would be into trouble. Let the Premier stick to the facts.

Premier Douglas: — It is the same thing, Mr. Speaker. I will give my hon. friend the material I have in my hand here — the financial statements of the Consolidated Mining and Smelting Company, the Canada Steamship Company, Canada Packers, the Profit and Loss Statement of the Toronto General Trust, the British American Oil Company, Brazilian Traction, the C.B.C. Any one of them: my hon. friend will find that in every case there is no interest charged on their capital. My hon. friend ought to know that.

Mr. Tucker: — What about the C.N.R.?

Premier Douglas: — If it is bonded debt, yes. This is not bonded debt. This is capital investment. The people of Saskatchewan have invested their capital in certain public enterprises. The proper depreciation reserves are set up; other contingent reserves are set up, and a surplus that is left in the book is dividends — and dividends amount to over 8 per cent on the capital investment.

Now, Mr. Speaker, let me just say a word about the Crown Corporations to which my hon. friend has referred. I have always been quite frank with this House in discussing these Crown Corporations. I told the House quite frankly, last year, that we have five problem children. Three of the Crown Corporations that were giving us difficulty last year are now over into the profit column. There are still two — the Brick and Clay Plant at Estevan and the Woollen Mill — that are giving us some concern and will show a loss for 1950. That is understandable. In spite of the fact that we are able to sell our products, that we have orders far in advance, our equipment is obsolete and our 'per-unit' costs are too high. In the case of the woollen mill, new equipment is being installed. In the case of the clay plant at

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Estevan, a tunnel kiln is being installed that will increase the output by 50 per cent and will mechanize the whole process. We believe that, as a result of these installations, these two projects can be made financially successful.

I am glad to be able to tell the House that the other Crown Corporations have done quite well. I do not want to quote from the figures that I have in my hand, because some of them are only estimates, the financial year did not end until December 31, and until the auditors bring down the final reports these cannot be any better than estimates. However, I am glad to be able to say that with the exception of Clay and Wool—and I still have a very great deal of confidence that they can be made to operate successfully on a financial basis as they are now operating successfully on a production basis; with the exception of those two, the other Crown Corporations this year will do even better than they did last year.

I would like to say to my hon. friends across the way that, instead of criticizing the public enterprises which belong to the people of Saskatchewan, instead of trying to undermine public confidence in them, they ought to take pride in a demonstration of the fact that people can own their own public utilities which can be operated in the interests of all the people. I am saying that a group of Crown Corporations, many of them quite new, some of them tackling production problems completely foreign to this province and producing things we never tried before, are now operating successfully. This group of Crown Corporations is now giving employment to some 3,100 of our people. Last year they did a volume of business of over \$27,000,000 and they show an estimated gross profit (this may not be exact to the dollar until all the audited statements are in) of \$3,859,000 or more than 8 per cent on the capital invested. I am saying that these public enterprises are something about which the people of this province have good reason to be proud.

The next criticism which was levelled by my hon. friend was the failure of the Government to remove the Public Revenue Tax of two mills, which was placed on land in Saskatchewan by Provincial statute. My friend even went so far as to move a motion of non-confidence in the Government because we had not foreshadowed in the Speech from the Throne the removal of this tax and the payment of grants to municipalities in lieu of taxes on Crown Corporations. Well, Mr. Speaker, I think it would be interesting to take a moment to look at this Public Revenue Tax and to remember, first of all, that it was put on back, I think, in 1917, by a Liberal administration. In 1937, 20 years later, it was still there, and a commission set up by the Liberal government of that day, called Jacoby Commission, recommended that the Public Revenue Tax be taken off and a 2 per cent Education Tax put on. Well, they put on the two per cent Education Tax, but when they left office in 1944, the Public Revenue Tax was still there. It was put on by a Liberal Government and over more than a quarter of a century it was kept on by a Liberal Government, in spite of the fact that the Commission which they had set up to look into provincial-municipal relations had recommended its removal seven years before the Liberals left office.

Now my hon. friend whose party kept it in all these years says, "Let's get it off!" Why? "Because," he says, "under the new Federal-Provincial tax agreement you are going to get \$4,000,000 more from Ottawa." My hon. friend, if he

took the trouble to check, we find that we will get, in terms of actual money received, about \$600,000 more from Ottawa, not \$4,000,000.

There are two things I should like the Leader of the Opposition some time or other to explain. I should like him to explain, first of all, why it was, when he was speaking in the Legislature yesterday, about the recommendations of the Britnell-Cronkite-Jacobs report, that he did not tell the House all of the things that the Committee recommended. Why didn't he tell them that they not only recommended that the Public Revenue Tax be taken off, but that as compensation the Provincial Government should raise the Gasoline Tax two cents per gallon? Why didn't my friend tell that? Who does my hon. friend think he is kidding? He is not kidding the members of the House; they will read the report. He is not kidding the municipal officials; they are familiar with this report. Does this mean that my hon. friend, in moving this amendment asking the Government to remove the two mills Public Revenue Tax, is also asking us to put two cents per gallon on the Gasoline Tax?

Mr. Tucker: — If the hon. member wants an answer, I will say no. And while I am on my feet . . .

Premier Douglas: — You made a two and one-half-hour speech yesterday. Now just keep quiet.

My hon. friend wants to pick the icing off the cake and leave somebody else to chew the raisins. He wants to take the parts of the report that he likes, the parts of the report by which the Government will spend money, by which the Government will give up its revenue, but he does not want to implement the parts of the report by which we will get other things in compensation. Well, Mr. Speaker, what sort of an endorsement of a report is that, that you pick out the parts you want and leave the parts you do not want!

The second thing I would like my hon. friend sometime to explain is why it was, when he was going on about these recommendations from this Committee on provincial-municipal relations, that he did not tell the Legislature and the people of Saskatchewan that the Britnell-Cronkite-Jacobs Committee recommended that these recommendations should be implemented over a period of three years. He did not say that. He gave the impression the whole thing had to be done now or never. I think he knew it; I think he must have read the report; I think he must have known that the recommendation was that this should be implemented over a three-year period. The Speech from the Throne makes it abundantly clear that as the first step in the implementation of these recommendations, the Government proposes, this year, to do two things: one, to accept the recommendation with reference to a comprehensive bridge-building programme in the rural municipalities; and the other, that the Government proposes to increase the per capita grant to the Anti-Tuberculosis League to \$2 per patient per day, which will mean a total cost of that grant of some \$600,000 as compared with the \$300,000 it was at the time this Report was being prepared.

It is rather interesting that the Leader of the Opposition should spend a great deal of time yesterday criticizing the Government because we are not going to remove the two mill Public Revenue Tax, because we are not spending more money rural electrification, more money for old age pensions, more money for a variety of things. Yet at the same time I pick up the Saskatoon 'Star-Phoenix' dated February 2, and I find that the editor of that well-known Liberal journal, in commenting on the Speech from the Throne,

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finds fault with the fact that we are going to spend so much. He winds up by saying this:

“Surely now is the time to tell us that we can have no more roads, no more services, no more government luxuries, until we have shored up the foundation of freedom upon which Saskatchewan and Mr. Douglas himself rely for what help we get.”

Here is the Liberal press criticizing us because we are going to spend so much on roads, so much on rural electrification. Here is the Leader of the Opposition saying we ought to be spending more, we ought to be giving up sources of revenue. Now, of course, this is a lovely dichotomy. It means that the Liberal leader of the Opposition can go up and down the length and breadth of the country and say, “I said the Government should spend more money on this road; the Government should build more highways; you people should all have electric lights.” The Liberal press at the same time would be able to say, “Look at the C.C.F. Government spending money,” as the editor of the Saskatoon ‘Star-Phoenix’ says, “. . . spending money as though we were as divorced from the world as the planet Pluto.” Well, Mr. Speaker, I would like to say in answer to the editor of the Saskatoon ‘Star-Phoenix’ that we in the C.C.F. are just as conscious as he is of the need for shoring up the foundations of democracy; but we do not think that you’re going to defend democracy by curtailing social services and removing social security. We believe that, if people are going to be called upon in this country to fight for democracy, democracy will have to be made worth fighting for.

Mr. Tucker: — It is worth fighting for right now.

Premier Douglas: — It is the kind of democracy my friend enjoys, that is true.

Mr. Tucker: — For what we enjoy in Canada.

Premier Douglas: — That’s right.

Mr. Tucker: — It certainly is.

Premier Douglas: — But for hundreds of people who live in a state of economic uncertainty and insecurity, who are not as privileged as my hon. friend is, there must be something more than merely the right to have the freedom to vote. They also want freedom from want and freedom from fear. We are not prepared in this province to accept the theory that the danger of war and the need to prepare to resist possible aggression shall be made an excuse and a cloak for postponing the social security to which the Canadian people have been entitled for over a quarter of a century and which they have been too long denied. The Federal Government and my hon. friends may try to use the international situation as an excuse for wiggling out of establishing health insurance, establishing pensions for the physically handicapped and establishing an adequate housing programme. I do not think the people of Canada are going to be fooled by that sort of thing because they know that, despite the fact that all through the ’thirties we could not get houses, we could not build roads, we could not build schools, we could not build hospitals, we could not find jobs, under the strain of war we found the money to do all those things and much more. If the people of this country set their will to it we can produce enough of the necessities of

life and the necessities of life to give all the people of this country a high standard of living.

I want to say as far as this Government is concerned, we think we will buttress and strengthen the foundation of democracy by pushing forward to establish social security as quickly as we possibly can. This year the highway programme, the expansion of power and telephone, the expenditures on irrigation and land conservation and industrial development, will be the highest in the history of Saskatchewan. We think that instead of hurting the cause of democracy this will strengthen it because it will give the people of this province the right to feel that they have a stake in this country. Democracy is worth something because it has given them not only the right to vote, not only the right to speak and the right to worship, but also the right to a decent standard of living and the right to security for themselves and their families.

Mr. Speaker, I come now to the third general heading of what my hon. friend talked about yesterday. That was his criticism of the C.C.F. for its stand on international affairs. He criticized us for three things. He criticized us for advocating a third force in international affairs as compared with slavishly following either the Soviet Union on the one hand or the United States on the other. My hon. friend said yesterday, "Who is in this third force — India and Burma?" If my hon. friend takes the trouble to examine what has been going on at United Nations for the past six months he will see that increasingly that third force is coming to constitute more than India and Burma. It is coming to represent also Great Britain, France and the Scandinavian countries. He will find in the last few months, Mr. Pearson, the Secretary of State for External Affairs, has more and more been with that third force — so much so that recently American newspapers have been attacking and calling, calling him an 'appeaser', and, as one American paper said, "He indulged in hectoring and bullying the political committee."

The second criticism of my hon. friend was that we, as a Party, had advocated the recognition of the Chinese Government.

Mr. Tucker: — Mr. Speaker, on a question of privilege: I never mentioned that at all, and why the hon. member should deliberately make a misstatement in this House as to what I mentioned I do not understand. I never mention the question of the recognition of the Chinese Government yesterday, and the members here know that.

Premier Douglas: — Mr. Speaker, I did not say my hon. friend . . .

Mr. Tucker: — Yes you did.

Premier Douglas: — If I did, I am certainly sorry. I must insist that my friend contain himself for a moment. If my hon. friend wants to repudiate the President of the Liberal Association in this province it is fine with me. However, when the Liberal Party held its annual convention last November, as reported in both the Saskatoon 'Star-Phoenix' and the Regina 'Leader-Post', Mr. Monteith criticized and said it was unbelievable that the C.C.F. should have advocated the recognition of Communist China. He said, "Surely after such a display the C.C.F. cannot blame people for doubting their professed hatred for Communism." How many of the men opposite stood up and repudiated the statement by Mr. Monteith? How many of the gentleman opposite have ever said that they do not agree with Mr. Monteith?

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Mr. Tucker: — On a question of privilege again, Mr. Speaker: All and I said was that the hon. member said that I had said this yesterday and I just said that I did not. That's all.

Premier Douglas: — I was ascribing it to the Liberal Party and if my hon. friend wants to repudiate the Liberal Party, it is all right with me. I'm simply saying that the Liberal Party, through their President, condemned the C.C.F. because we had advocated the recognition of the Chinese Government. I want to point out, Mr. Speaker, that Mr. T. C. Davis, a former member of this Legislature, a former Attorney General of this province, a former Justice of the Appeal Court of Saskatchewan, a former Canadian Ambassador to China, spoke very openly when he came back of the necessity for recognizing the Chinese Government. I notice that just a few days ago David Cole, Liberal M.P. for one of the Toronto ridings, made a speech in which he said that we ought to have recognized the Chinese Government.

The next criticism by the Liberal Party regarding the C.C.F. is a criticism my hon. friend made yesterday — because we had censured, in the recent debates in Ottawa, the Canadian Government for supporting the resolution branding China as an aggressor nation. Mr. Speaker, I would like to point out that Mr. Pearson, Canadian Secretary for External Affairs, himself speaking at the United Nations on Friday, January 26, said this:

“We think (speaking for Canada) the putting of such a resolution at this stage and in this form when the possibilities of negotiation with the People's Government of China are not in our opinion completely exhausted to be premature and unwise.”

That is not my statement. That is the statement of the Secretary of External Affairs, who was then called back to Ottawa for a conference with the Cabinet and then he went back to the United Nations and voted for the resolution to condemn China as an aggressor.

Well, Mr. Speaker, this is not a subject on which one wants to be categorical. The whole question of international affairs touches the life of our people so closely that none of us can afford to be dogmatic. But I take exception to my hon. friend yesterday getting up in this House and suggesting that anybody who criticizes the United States' foreign policy, anybody who does not say, “Ready, aye Ready!” the moment Washington calls is causing disunity and is not lining up with the free nations of the world.

Mr. Tucker: — I said no such thing.

Hon. Mr. Nollet: — You sure did.

Mr. Tucker: — I certainly did not. Misrepresenting it again.

Premier Douglas: — I notice in this morning's paper that Mr. Power, Mr. ‘Chubby’ Power, the former Minister of Defence for Air, who rendered valuable service during the war, when speaking in the House of Commons, yesterday, said that the North Atlantic countries had returned to power politics in an effort to preserve an uneasy peace. I am not saying that I agree with Mr. Power I am simply pointing out that my friend opposite has moved a long way from the great Liberal tradition that

there is value in criticism, that we ought to have criticism. It used to be the Tories who were accused of always saying that whatever imperialist Britain wanted they must accept. Now my hon. friend wants us to take the position that whatever the United States says or believes we must blindly follow. Well I am not prepared to do that, Mr. Speaker. I have great admiration for the people of the United States. I went to University in the United States, and I know of no friendlier or kindlier people. But we have a right to our views, and we have a right to express them.

I believe that the people of Canada don't want war with the people of China. I believe that, before embarking on any course that might lead to war, we ought to be prepared to stop and examine our own hearts and our own consciences. We ought to ask ourselves whether or not we, in the western democracies, have contributed in any way to the present acts of aggression that are taking place on the Manchurian border. We have to stop and ask ourselves: "What is it that makes a country like China do some of the things which it has done?" If we ask ourselves the question, we will go back and think for a few moments. We will think, first of all, about the fact that for years the Government of the United States poured munitions and war material and even army personnel into China in a vain attempt to bolster the corrupt and discredited Government of Chiang kai-shek. It is not easy for the Chinese people to forget that. We will also remember that even after the Chiang kai-shek regime had been driven out of China it took refuge in Formosa, and that it sits there today guarded by an American fleet. We will also remember that the United Nations refused to seat the new government of China. Great Britain recognized China, India recognized China; but Canada refused and United States refused. Mr. Speaker, it is difficult to see how you can condemn a nation for not obeying the laws of the world community when you refuse to give them membership in the world community. It is difficult for me to see how you can condemn a man for not accepting his responsibilities as a citizen when you refuse to allow him to become a citizen. What was the reason for refusing to seat China in the United Nations? Well, some countries didn't like their ideology, I don't like their ideology either nor do I like the ideology of a lot of other countries seated in the United Nations. I don't like the ideology of Franco of Spain, Peron of Argentina, Salvador of Portugal, Tito of Yugoslavia, or Stalin of the Soviet Union; but we see them there.

When the Leader of the Opposition calls, as he did yesterday, for the unity of the western democracies, I want to say that there must also be unity of objectives and unity of purpose. There has not been. Consider what happened last summer. An act of aggression was committed by Northern Korea. The C.C.F. supported Canada in taking a stand at the United Nations that that aggression should be resisted. General MacArthur was made the supreme commander of the United Nations and troops were sent to drive back the forces of Northern Korea. Did the United Nations also authorize General MacArthur to cross the 38th parallel? Were the nations consulted? You will notice that no responsible Minister of the Canadian Government or any other Government have said that they were consulted.

Mr. Danielson: — The British Government said so.

Premier Douglas: — Was General MacArthur authorized to go up to the Manchurian border, and to take hydro-electric installations on the Yalu river that controlled the entire industrial life of Manchuria? No responsible statesman said that they were consulted. Was General MacArthur authorized to turn the government of not only South Korea but North Korea over to Syngman Rhee, with the result that even the American missionaries had to protest to the American Government about the wholesale slaughter that was carried on by Syngman

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Rhee's policies? Even the reporter for 'Time Magazine,' which is far from being a progressive periodical, wrote that he was ashamed of what was going on under the name of the United Nations.

I am not saying this to condemn the United Nations. I am saying it because there are two points that stand out. One is that if the Commander of the United Nations is to act with the moral authority of the United Nations, then he must be under the control of the United Nations . . .

Mr. Tucker: — He is.

Premier Douglas:— . . . and should act only with its authority and its consent. If my friend opposite says, 'He is', then I ask does the Canadian Government accept responsibility for the slaughter that took place in Southern Korea and for the march up to the Yalu river at the very moment that the Chinese delegates were on their way to the United Nations conference?

Mr. Tucker: — The Canadian Government doesn't control the United Nations.

Premier Douglas: — No, but it should be consulted.

Mr. Tucker: — It was consulted.

Premier Douglas: — Well, if it was consulted it must have agreed. I don't think that it was ever consulted and the Prime Minister has never said that it was.

The Second thing that stands out, Mr. Speaker, is that we must see to it that in our desire to stop aggression in any part of the world, we will not allow that desire to be used as a cloak for forcing the Chiang kai-sheks and the Syngman Rhees and the other kinds of 'sawdust Caesars' upon people who do not want to have them.

We, of the C.C.F. believe in collective security based on collective action. We believe that ultimately there must be a world organization with authority to maintain peace, but it must be peace with justice. If the United Nations becomes merely an instrument for bolstering up corrupt and discredited dictators, it will lose its moral authority and it will lose the support of millions of well-meaning people. It is true that China has committed an act of aggression by moving into North Korea. We, on the other hand, must ask ourselves whether or not she has had some justification for feeling that under the guise of resisting aggression, MacArthur and certain other elements, particularly in the United States, are not seeking to re-impose Chiang kai-shek and his discredited regime upon the people of China.

Mr. Speaker, we believe, that the democratic nations of the world should band themselves together to resist aggression. At the same time we believe that guns and bombs are not the only weapons in the arsenal of democracy. After all, it is very little use to speak of political democracy to the millions of people of Asia who have never known anything about political democracy. What they can understand is food, clothing, medical supplies and technological equipment that will enable them to raise their standard of living. We keep speaking of political democracy as though it is something they had once enjoyed or that they even understood. Lord Boyd-Orr, the British nutritionist, said, as a result of his

survey, that two-thirds of these people have never in their lives known what it is to go to bed on a full stomach.

Mr. Speaker, when we are talking about resisting aggression, have we not, also, to try to find out what causes that aggression, and to see if something cannot be done about removing the causes? What is happening in Asia today is that a great revolution is taking place. Millions, hundreds of millions of people who have been subjugated and exploited by the white man for centuries are now throwing off the yoke. We can do one of two things, it seems to me. We can try to understand their problems; we can try to help them out of their economic and social difficulties, or we can blunder into a war with them that will devastate the whole world. A prophet said many, many centuries ago: "Not by might, not by the sword, but my Spirit, saith that Lord." There is still a great truth in that. The positive things, like love and brotherhood and neighbourliness are still a great force in the world. This year we, the Canadian people, are going to be asked to spend \$1,500 million for defence preparations. In the kind of world we live in we cannot afford to be without defence preparations. But, Mr. Speaker, do we dare to take one-tenth of that — \$150 million — and use it to send Canadian wheat and Canadian food and Canadian clothing and Canadian shoes and Canadian tractors to the people of India, who are now facing a famine, to the people of southeast Asia, yes, to the people of China and to the people of Korea! Maybe it won't work. Maybe it will be of no avail. I think, however, it is worth a try. It won't cost any more than a war, and it might produce permanent peace — something war has never yet done.

Mr. Speaker, I believe that the people of Canada and the people of Saskatchewan want peace. They also want freedom. I do not believe in 'peace at any price'; but I do believe in justice at any cost. If we must stay to fight a war, then we want to fight a war for things that are worth while. I do not want to see the young men of this country fight a war merely to re-impose shining Chiang kai-shek on the Chinese people or to protect the holdings of the Standard Oil Company. I am saying, therefore, that this is not the time to label as Communist or subversive anyone who does not stand up and yell 'hip-hip-hooray' every time MacArthur (who seems to suffer from delusions of grandeur) or some other firebrand calls for military action. I do not think it is proper to label such people as Communist or subversive. I think this is the time to recognize that we are in the process of building a world community; that we are in the process of trying to establish world justice, a world court and a world police force. In the process of establishing that we must not allow any nation or any small group of nations to use the international police force to try to fasten discredited dictators upon the people of the world.

I know there are quarters in which to say the things I have said is not popular. Mr. Speaker, I do not have to be the Premier of Saskatchewan, I do not even have to be a member of this Legislature, but I do have to live with my own conscience, and some day I do have to give an account to a generation of young people who will pay the price if we are precipitated into another war. I say that no stone should be left unturned to maintain peace if that is at all possible. We should be prepared to do everything we can by economic assistance, by looking at the underlying causes, by recognizing some of our own mistakes, before we rush to draw the sword. Before we condemn China, we ought to sit down with China and give her a place before the nations of the world, and before we can condemn China for breaking the rules of the community, we should first make for a member of the community, or a chance to plead her case. That is the sort of thing, Mr. Speaker, that I believe must be done.

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Five or six years ago it was my privilege on behalf of the people of this province to visit dozens of hospitals overseas and visit Saskatchewan boys who had been wounded in action. As I went from ward to ward seeing boys who have lost their arms or legs, the sum of them who had lost their sight, it was borne in upon me that I had one responsibility if no other. It was to strain every nerve, every muscle and every bit of energy I possess to prevent, if possible, another holocaust of blood and tears like that to which we passed. Mr. Speaker, I believe that the people of Saskatchewan want peace if it is possible; that the people of Saskatchewan do not want to send men out to die on foreign fields in order to bolster up discredited regimes. They are prepared to defend this country and to defend freedom. They are not prepared to see other things done in the name of peace. I believe that so strongly, Mr. Speaker, that I, for one, am prepared if necessary to test the opinion of the people of this province on that very important question.

Mr. J. W. Horsman (Wilkie): — Mr. Speaker, in saying a few words in this debate this afternoon, I am not going to say very much. But I am very glad to see so many fine representatives of the young students of the University here, this afternoon. I am sure it must be an education for them to be able to visit this Legislature and find out something of what makes the wheels go round. We have listened to the Premier's address for some considerable time, and while we may not agree with everything he said, we must admit that he handled his question in a masterly manner.

We have passed through another year since we last met here, and we have had a good many disappointments during that time. We had a wonderful crop coming up in Saskatchewan, and then we got a very devastating frost. Added to that there were many places, this fall, where the crop could not be harvested. However, we always have these disappointments to put up with in this country, so I don't suppose there will be much difference from now on.

The Premier went into pretty nearly every subject pretty thoroughly, and, as I say, I do not intend to take the time today to say very much about it. Mr. Speaker, I would ask leave to adjourn the debate.

The Assembly adjourned at 4.35 o'clock p.m.