

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**THIRD SESSION — ELEVENTH LEGISLATURE**  
**13th Day**

**Monday, February 19, 1951**

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

**DEBATE ON ADDRESS-IN-REPLY**

The House resumed, from Friday, February 16, 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. Korchinski.

**Mr. G.H. Danielson (Arm River):** — Mr. Speaker, in rising to take part in this debate I, first of all, would like to express my regrets at the absence of my seat-mate, the member for Kinistino (Mr. Woods), who, as we all know, is sick in the hospital, and all of us who have had the experience of being in the hospital know that it is not a very good place to be. We all hope that he will be with us sometime before this Session is over. I know we will all be glad to see him.

I also wish to congratulate the speakers in this debate up to this time, and they have done very well. They have had a little tussle now and then, disagreed on certain points, and I expect before we finish here, this afternoon, they will do so again. I even want to congratulate the Premier — not on what he did, but what he tried to do.

I want to say a word in regard to my own constituency. The constituents of Arm River, Mr. Speaker, did not have a very good crop. It could have been worse, however; in some parts of the district it was a fair crop. We suffered, like other places in the province, from the frost, but one way, I think, we are better off than probably most parts of the province, and that is that all our crop was safely harvested, and that is more than can be said of a large part of this province.

Now in going on to what I have to say this afternoon, I just want to clear up a few things that have been disputed very strongly and decisively on the floor of this House. You know there have been many things said this Session, Mr. Speaker, that have left us in a fog, so to speak — the debate has not been absolutely clear.

A few days ago, speaking on February 9, the member for Cannington (Mr. McCarthy) made some reference to increases in telephone fees, that is, connecting fees on the rural phones; and this was very strenuously objected by the Premier, for one, and I think one of the other members as well. The Premier said this:

"On a question of privilege, Mr. Speaker, the Hon. gentleman has said that the statement which I made was incorrect. The statement that I made was that there had been no increase in rental by the Telephone Corporation. That statement is true; that statement is correct. Any increase by rural telephone

companies is not an increase by the Saskatchewan Government Telephone Corporation. My hon. friend ought to know that and I take exception to the hon. gentleman."

Well, Mr. Speaker, the matter that was brought to the attention of this House by the member from Cannington was based on a question asked last Session in this House; and the question, asked by the member for Kinistino, was this: "At what dates were increases in charges for use of telephones made, and what were the amounts of such increases?" Here is the answer: "On March 1, 1949, there was an increase in telephone charges at Regina and Saskatoon of 25 cents per line per month on resident service, and 75 cents per month on business service, as both cities had grown beyond the 10,000 line classification". And here is the next part of the question answered: "On January 1, 1950, all rural connecting fees were restored to their normal classification, and they are now at the proper relationship, one to the other. This resulted in a \$2 increase per rural subscriber per year at all exchanges, with the following exceptions Biggar, North Battleford and Yorkton." Now I don't have to read the rest which only explains why these three particular places were excepted from the increase.

Now then, this is not what the member from Cannington said, Mr. Speaker. It is what the Government told us. It is what the Government said. But in spite of that, we have not one two or three of the Ministers jumping up on their feet and trying to make out that the member from Cannington was stating something that wasn't true, and that is what I object to, Sir. I object to it very, very strongly. This is not an individual case in this House; time and time again it has been resorted to by the members opposite. And I would like to know what right they have — or is that political ethics so far as the C.C.F. is concerned? It must be a new classification of political morality in this Party. I would like to know when the government answers a question, and then gets up and declares on the radio, and on the floor of the House, that this thing isn't so, that it isn't true. Now I think that should straighten that matter up. The next time the Premier jumps on his feet to discredit a statement by another member of this House, let him have the facts.

A few days ago the member for Canora (Mr. Kuziak) — (that is the birth place of the C.C.F. if I remember correctly) — was speaking on the floor of this House, and on that occasion he did his level best — he was backed up by that Premier at that time — to put the interpretation on the speech of the member from The Battlefords (Mr. Maher) that all the Crown Corporations were going to be "thrown out the window". That is the statement he made, and he was determined, and repeated over and over again, that that is what the member from The Battlefords said. He knows better; he absolutely knows better and so does the Premier.

Let us see what was said on that occasion, Mr. Speaker. The member from The Battlefords was speaking here — I forget the date exactly — but he said this, on page 27, and there are three debates in this file I have right here:

"I would take such utilities that are providing service. I will give the Government credit that now that all private operators of buses in this province have gone, the Saskatchewan Transportation Company should be continued,

the same with the Government Airways in the north; but, they should be operated on a proper basis, on the same basis as the Power Corporation is operated — charging interest, and paying in addition to that, municipal taxation, and put it on a proper basis and let any surplus from your Saskatchewan Transportation, particularly, be used for the purpose of expansion of bus lines to places in the province that have not any facilities, and secondly, for the reduction of the cost of transportation. Well then, that brings us down to what is left — and what is left? The big losers, as far as I am concerned, Mr. Speaker, the big losers".

And here is a sentence put in brackets, which says, "I am sorry, the Premier has left the House". He had to leave; but when the Premier interrupted the speech the other day, Mr. Speaker, he was so sure of it so he must have been in the House — but we didn't see him. But the member from The Battlefords goes on then, and says:

"Well then, that brings us to what is left — the big losers. As far as I am concerned, Mr. Speaker, I would throw the whole caboodle of them out through the window".

**"Hon. J.T. Douglas:** — We know that.

**"Mr. Maher:** — All of those corporations that are losing money, like the woollen mill and so on; I do not think they are of any value to this province at all, and I would suggest that if the Government did things like this and got this economy back on a proper basis, that this province would progress and we would have a great amount of capital to provide employment for the people in this province.

Now that is the statement which was distorted and confused in every respect, not only by the member for Canora (Mr. Kuziak) but by the Premier as well. Let that be a lesson to them to not come back again to the same thing.

I want to say another thing, Mr. Speaker, so far as the Liberal Party is concerned — and I am speaking for the Liberal Party today. As the member from The Battlefords said, every private bus corporation that was giving service had been put out of business in this province; but the people of Saskatchewan need have no fear so far as the Transportation and the Airways, or any other service which is of general benefit to the province of Saskatchewan is concerned — they will be continued, they will be improved, and they will be of better service to the people of the province, when the time comes — which is very close at hand — when this Government will be relegated to the place where they should be. I will give that assurance to the people of this province that there is not a service that they have today that will not be maintained, extended, and in every way made to meet the needs of the people of the province of Saskatchewan. They need have no fear about that.

The member from Canora, Mr. Speaker, made another statement. He said:

"In spite of the fact that there had been many members on this side of the House who had been speaking during the debate, there had not been a single constructive suggestion made by us on this side so far as the business of this province was concerned".

Well, Mr. Speaker, if that is the mentality of the gentleman over there I can not help it, but let me tell you this, that he voted down two constructive suggestions. He voted down an amendment from this side of the House to turn the Public Revenue Tax back to the municipalities where it belongs and where it should be.

**Hon. J.H. Brockelbank:** — Who put it on?

**Mr. Danielson:** — Well, you can answer that question when you get up. That was one of them — and the next one was that the Crown Corporations should be paying taxes on the operation of their facilities and their business places in the province of Saskatchewan. That was another one. Then Mr. Cronkite, or whoever wrote that report — there were a number of them and I am not going to elaborate on the long title that this report has; but I think he was probably chief architect of that report, and I am not criticizing the report, Mr. Speaker. I think it is a good report, and he very emphatically says that that should be done, and he says something else that I am going to touch on in reply to the hon. Minister of Municipal Affairs. I sat here and listened to him, and when I got back to my room — I haven't got all of the report — I cut the leads out of this big file they sent out, in order to get all the recommendations, so I have them and he stated this: That the recommendation was to the effect that a two-cent tax on gasoline should be put on in order to make up for the loss of the Public Revenue Tax. Then he pointed to the fact that certain groups of municipal men, all over this province, here and there, had passed a resolution asking that the two cents a gallon additional tax on gasoline be put on in order to be able to do away with the Public Revenue Tax.

Now this Cronkite report doesn't say that at all, Mr. Speaker. Again the facts are twisted and distorted. It doesn't say that at all! It says that the two cents per gallon on gasoline should be put on so as to build more highways. That is what it says: not to make it possible for the Public Revenue Tax to be turned over to the municipalities. Now let us be clear on all this — and maybe the people of the province will have a clear conception and a clear idea of what these things mean. They certainly do not get it from the debate and the statements that have been made here in this House by members on the Government side of the House.

The member for Gull Lake (Hon. Mr. Bentley), speaking the other day, of course, made a real old-fashioned election stunt speech in this House. I could just imagine that he was back in the old schoolhouses, probably with a little kind of a moving picture machine, and then speaking to people that would not probably be informed, and anything that he said would go down, would be believed and be accepted as being the facts, no matter what he said. I will get to some of the things that he said before I sit

down. Just for the time being, I want to point out to you, Mr. Speaker, that he accused the Leader of the Opposition of voting against a motion moved, by the hon. member for Weyburn, when he was the Rev. Mr. Douglas, and member for Weyburn in the Federal House, that would have raised the price of wheat from 70 cents to \$1. This is one of the "phony" motions that have been made time and time again in the Federal House, just purely for nothing else than propaganda purposes, nothing else, Mr. Speaker; and I am going to mention probably one or two more before I get through here. Now what took place in the House of Commons?

Mr. Tucker was speaking here and he said: "This is the question before the House, (and this is March 13, 1942), the question before the House is simply one of approving the principle by which we raise the initial price from 70 cents to 90 cents. The hon. member for Weyburn (Mr. Douglas) has moved an amendment respecting this wheat as follows:

"that this Bill be not now read a second time, (that is the Bill raising the initial price from 70 to 90 cents) but it be resolved that the disregarding by this Parliament of the modest representation made by western agriculture for a parity price for all agricultural products and an initial wheat payment of at least \$1 per bushel for No. 1 Northern, basis Fort William, is contrary to the peace, order and good government of Canada."

The Bill that was before the House, raising the initial price from 70 to 90 cents was "contrary to the peace, order and good of Canada".

"That amendment", (now this is Mr. Tucker speaking), "that amendment is sufficiently comprehensive that if my hon. friend had been much interested in the bonus he could have introduced a suggestion that they were favourable to this being achieved, by at least a bonus plan".

**"Mr. Douglas (Weyburn):** — The legislation provides that.

**"Mr. Tucker:** — The foundation is well laid in Western Canada for my hon. friend to get a great deal of credit for coming out for \$1 wheat. I did not say that was the reason for moving this amendment but it will be for the people of Western Canada to judge when the time comes. What would be the effect of voting for this amendment? It would be that the attempt to raise the price from 70 cents to 90 cents would be defeated.

**"Mr. Douglas:** — Oh, Oh, No!

**"Mr. Tucker:** — Oh, of course it would. The motion for second reading would be defeated and the Bill would be killed. It would not go to the Committee. Who would provide that Bill unless the Government were

willing to bring in another Bill? It would be killed and the price would remain at 70 cents.

**Mr. Coldwell:** — That's right."

**Mr. Tucker:** — Hear! Hear!

**Mr. Danielson:** — Mr. Coldwell said that — the Leader of this farmers' champion sitting over here. That is the history, here.

**Mr. Tucker:** — They have lied about it for seven years.

**Mr. Danielson:** — That isn't the only thing they have done that about. That was what happened, Mr. Speaker, the principles involved are exactly the same. It was on October 30, 1947, that the Premier made a speech at Kindersley and he said this, outlining the developments under the C.C.F. administration:

"That the Liberal Leader, Walter Tucker, had not noted on the amendment in the Federal House asking for an increase from \$30 to \$50 in the old age pension. Mr. Tucker claimed he was paired — Mr. Douglas quipped he was 'scared'."

You know what a genius he is, Mr. Speaker, and coming from a man who is Premier of the Province of Saskatchewan, what a pass public life in this province has come to. Now let us look at the facts. I want to ask the Premier now, and he can answer this question: Did Mr. Coldwell vote for that motion? Did Mr. Castleden vote for that motion? Did the gentleman, the present Minister of Public Health, vote for that motion? Did you? Now, answer that question or else shut up. You can't tell this House, or the province of Saskatchewan, that you voted for that motion; but that is the impression you leave here, in this statement. That is C.C.F. public morality, Mr. Speaker.

I want to say that, in regard to that wheat price change from 70 to 90 cents, Mr. Speaker, it was only an initial payment. That is what we farmers believe in; that is what we worked for, and that is what we will continue to work for, because, after all, I don't think there is any farmer in Western Canada who thinks that we, as producers of grain or wheat, principally, in the years to come, will be able to get from any Government that sits in Ottawa, any more. There are only approximately 300,000 farmers in Canada, wheat farmers — probably that is a little too high — and we are going to be able to go to the Dominion Government and say, "here, we want the price and so and so and so", there is not going to be a bigger price and a bigger initial payment than what the world's market and conditions indicate can be paid. Therefore, we don't ask for that. We say that we are prepared to support a Wheat Board, to take our wheat and sell it at the best possible prices and divide it at the end of the year and give us what is coming to us. That's what we are going to do.

**Mr. Tucker:** — Hear! Hear!

**Mr. Danielson:** — That is what we are asking for. At last, Mr. Speaker, I have been in the farm movement for the last 40 years, and

for the last 30 years very actively so. I was a Wheat Pool delegate once; I was a member of the old Grain Growers' Association, and I am a member of the Farmers' Union, today.

Now then, there is another matter that I am going to speak of in a moment, and I don't mind telling you, Mr. Speaker, I am rather reluctant to do this thing, because the member for Kerrobert-Kindersley (Mr. Wellbelove) is a man for whom I have a very high regard. He has been sitting in this House now for several years and I was surprised — I was astounded, the other day, when he sat in his seat and declared, not once but three times, that the hospitalization and larger school units, and any other social legislation that has been put into effect by this Government (he claimed it has been put into effect by this Government), the people were going to lose it if the C.C.F. Socialist Government ever goes out of office, and he said this:

"They voted against these Bills — every one of them. They voted against the Bill setting up the hospitalization."

Well, Mr. Speaker, I am sorry, but I have to repudiate that statement. When I heard that thing I went home for the weekend. I took off the 'Votes and Proceedings' for all this, and I went carefully over them and I took my jack-knife and I cut out the pages covering this very subject, and I am going to tell him now. But first, Mr. Speaker — I read a book one time written by a man they called Adolf Hitler — the book's title was 'Mein Kampf', and he talked about the big lie — and if you repeat something often enough, and make it worthwhile, and big enough — the people will eventually believe it; and you know there is a lot of truth in that. I think that is the philosophy practised by this Government. They tell it and tell it again to the people, they talk themselves into believing it — and hope, with enough repetition, they can talk the people into believing it.

**Mr. John Wellbelove (Kerrobert-Kindersley):** — On a question of privilege, Mr. Speaker. Is the hon. referring to the cancellation of the 1935-'36-'37 seed grain? It is a little difficult to catch what you are referring to about the recorded vote.

**Mr. Danielson:** — Now, Mr. Speaker — and even when he said that we voted against the cancellation of 50 per cent of the 1938 seed, he is wrong. He is wrong there, too.

**Mr. Wellbelove:** — On a point of privilege, Mr. Speaker, I never made that statement in the House; but if you look up the records, '35, '36 and '37, you will find that every Liberal in the House voted against it.

**Mr. Danielson:** — Who voted for cancellation of the '38 seed — 50 per cent of us?

**Mr. Wellbelove:** — '33, '36 and '37 seed grain.

**Mr. Danielson:** — That statement, Mr. Speaker, is absolutely wrong — absolutely wrong! I have it here. I have here the hospitalization . . .

**Mr. Loptson (Saltcoats):** — You'd better not contradict Herman — he knows his stuff.

**Mr. Danielson:** — I have another one here that was on co-operative development — and the vote was unanimous. The larger school unit vote — there was never a recorded vote taken on it. We passed the Larger School Unit Act, Mr. Speaker. We did — and how could we stand up and vote against the principle which was accepted by the Liberal Party — our own party? There were more hospital services in the province of Saskatchewan before this Government came in than there was in any other province of Canada, per capita. Now that was all brought about by the municipalities and by the Government of this province. How could we stand up and vote against the extension of a Bill that we passed to put the same thing into effect, Bill No. 69 — just a few months before the fall Session of 1944, when this Government put the Health Act into operation.

These things had always been accepted by us and voted for by us on the floor of this House. And if you will look back over the statutes, there they are every one of them.

Yes, Mr. Speaker, there is the Health Services Bill, No. 558 — there were absolutely no votes against that Bill by any member on this side of the House, and the member for Kerrobert knows it.

**Mr. Tucker:** — Another false statement.

**Mr. Danielson:** — And here is another, he says again . . .

**Mr. Wellbelove:** — Mr. Speaker, is he quoting me as saying there was a recorded vote against the hospitalization.

**Mr. Danielson:** — Yes, you certainly did.

**Mr. Wellbelove:** — I am just going: to send for a copy of my transcript . . .

**Mr. Danielson:** — And I was astounded, but, Mr. Speaker . . .

**Mr. Wellbelove:** — I demand that you take that back . . .

**Mr. Danielson:** — But, Mr. Speaker, we did vote against some Bills. We voted against The Trade Union Act, because we know that it was discriminatory in the state in which it was put through this House. We voted against what you call The Farm Security Act, Mr. Speaker, and I think maybe, many of you on that side if you had it to do over again would vote against it too. As a matter of fact there is nothing left of it. All the farm security in the province of Saskatchewan, today, in what the Liberal Party put in — every bit of it, Mr. Speaker. That is the situation.

Now then, I wish to say a few words in regard to the speech by the hon. Minister of Education. He tried to make a good case, and he did make a good case out of a bad situation. There is no doubt about that, and what he lacked in logic and fact, he tried to make up by being emphatic and pounding his desk. I heard over the radio there was a speaker who had attended some banquet — it wasn't the Board of Trade, I think it was the Chamber of Commerce — these fellows over here do not believe in that; but he



tried to tell a story he had heard there and it was a long and winding story, but finally he said, the moral of the whole story is this — "argument weak — yell like hell!" That is just what I mean about the hon. Minister of Education.

However, there was one thing he did admit and that was that there are more supervisors in the schools at this time than there was at this time, last year. Now that is some confession to make. And then he went to work and said that he believes (and I think he is sincere in this — maybe he is right too) that a supervisor, or as some people call them 'sitter', but I call them supervisors — it is a little more dignified; he believes that they can do a better job under the supervision of a qualified teacher, than what a teacher could do who only had a week or two, or even a few days, or five or six weeks or something of Normal training. That is what he said. Well, that may be true. In other words, the substance of his speech is this — things are bad now, but they could be worse.

Now I would like to ask him to give an explanation, sometime when he speaks in this House, why all these schools in my district are practically all closed; why, in some places there — I know of one place — for 24 miles there isn't a school open. We can start east of Elbow and we can take the whole south route of my constituency clean down until we get to Craik, and up till Christmas time there was only one school open there, and I think I am going to say this, as I was told by one who knows — that school would be closed up at Christmas time. Not a one is open — not a one. It is the same over the whole prairie part of Saskatchewan up between here and Saskatoon. What has happened, Mr. Speaker, is that these people have been compelled to leave their farms and go into the towns and settle in the towns. That is why the Minister of Agriculture has no little pigs on the farms any more; he hasn't got the butter — of course, margarine takes its place now, that he talked about last year. That is one of the reasons for the decrease in farm production, Mr. Speaker, and it is something they can try to disown the responsibility for; but it is there, and there is nothing that has been more conducive to depopulating the farm country and bringing them into the towns than the closing up of the rural schools up and down the length and breadth of this province.

The Minister of Education said another thing — and it was not the first time I heard it. He said that for once the Federal Government should have come to the rescue with more money. Do you know, that is a very handy thing for the C.C.F. Government. Every time they have made a failure in some the things they try to do, they lay the blame to the Dominion Government because they haven't handed them more money. But that wasn't what they said in 1943 and 1944, Mr. Speaker. What did they do? They came out straightforward said they would assume the responsibility for education in the province of Saskatchewan. Here is what they said:

"The British North America Act, which is Canada's constitution, makes education a provincial not a municipal or local responsibility. All along the provincial government has been evading their duty. It provided grants to schools, outlined courses of study, and provided free inspection of schools, but it has left the main burden of maintaining school services upon the municipalities and the local school boards. The main burden does not belong there. The C.C.F. Government will accept the responsibility which rests upon it by the Constitution".

And, again — and I read this for the benefit of the Minister. He spoke in Estevan, February 6, 1945, after he had put in his Larger School Unit Act, and railroaded at least 14 school districts into larger school unit incorporation. He said this:

"The ideal way of financing education in Canada would be to secure the money from Canada and spend it where there is need for that money, the hon. Woodrow Lloyd, Minister of Education, told a gathering of teachers and parents held in the Legion Hall."

Then Mr. Lloyd continued:

"We can't do that. We can't go that far in Saskatchewan, of course, but we hope to make education a provincial responsibility for it is quite as important to each individual that somebody else's child be educated, as well as his own."

I have no axe to grind with that last sentence at all. That has been recognized in the province of Saskatchewan ever since there was a province of Saskatchewan, Mr. Speaker. But, again as late as 1945, on February 6, he re-emphasizes the policy of this Government, that education is the problem and the responsibility and the duty of the Provincial Government. Now, how has he carried out that duty? Very, very unsatisfactorily, I would say. He forgot about it. That was only to win votes — fool the people of the province.

Now then, there is an amendment moved to this motion before the House, Mr. Speaker, and I would like to say a few words in regard to the amendment. But before I do that, what I have done so far, Mr. Speaker, has been to straighten out and to correct some of the distorted and untrue statements that have been made in this House by members on the other side of the House. This has been done and I want to say . . .

**Mr. Wellbelove:** — On a point of privilege . . .

**Mr. Danielson:** — When I get through here he can speak . . .

**Mr. Speaker:** — The hon. member is rising on a point of privilege.

**Mr. Wellbelove:** — The statements made by the hon. member that I had said they had voted against the hospital scheme and they had voted against the larger unit scheme, and he also said that if you repeated a lie often enough it is believed. I knew at the time he was making the statement that he was wrong. I have checked my address, Mr. Speaker, if you will allow me just to repeat — this all I said with regard to the larger unit . . .

**Mr. Danielson:** — On a point of order, he is making a speech now . . .

**Mr. Speaker:** — He is correcting a statement. You sit down now.

**Mr. Danielson:** — Well, that is the treatment we can expect from . . .

**Mr. Speaker:** — The member is rising on a point of privilege to correct . . .

**Mr. Danielson:** — He is going to read his speech.

**Mr. Speaker:** — To correct a specific statement that you made.

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**Mr. Danielson:** — This specific statement I made, Mr. Speaker, was that he said that we voted against the Hospitalization Act, the Larger School Unit Act, and that we had voted against cancelling farm debts. I said all these things are false.

**Mr. Wellbelove:** — I must ask that those statements be withdrawn, Mr. Speaker. It is not mentioned in my speech at all that I ever said you voted against the hospitalization plan. I did say that you voted against the cancellation of seed debts. You have only to look up in the Journals to see a recorded vote there — you will see, in the 1947 Journals, you, yourself were out of the House, but every Liberal that was in the House voted against it. What I had to say, Mr. Speaker, was very brief with regard to the larger unit: "I have never seen yet one member of the Opposition stand up in his place in this House and pay any tribute to the magnificent work that is being carried out by the larger unit scheme."

**Mr. Danielson:** — Mr. Speaker, on a point of order . . .

**Mr. Wellbelove:** — And I must ask, Mr. Speaker, that the statement be withdrawn.

**Mr. Danielson:** — I said in this House that he made the statement that, on the floor of the House, we had voted against all these measures, and that the people should know we voted against the hospitalization scheme, the larger units, and he mentioned, specifically, on the floor of this House, that we had voted against the Bill which cancelled debts, and that is not true.

**Mr. Speaker:** — The hon. member for Kindersley has quoted from his own speech exactly the same as you have quoted from some of the other speeches, and if we accept your quotation from one speech, then we must accept the hon. member's quotation from his own speech.

**Mr. Danielson:** — Mr. Speaker, he said on the floor of the House, also "look up the Journals of this House." I have looked up the Journals, and here they are, and the printed documents of this House go before any member's speech, and here they are. I can give him the pages of the printed Journals of this House now, if he wishes.

**Mr. Wellbelove:** — I asked, Mr. Speaker, that those statements be withdrawn on my behalf. Character assassination may be a thing in which they ply their oars, but we want that withdrawn.

**Mr. Danielson:** — If I am going to withdraw any statements that I made, Mr. Speaker, I have to do so in spite of the printed records of this House. Here they are.

**Mr. Speaker:** — If the hon. member made statements which the hon. member for Kindersley has utterly denied and supported his denial by his

own speech which has been recorded by mechanical means, then I think the hon. member for Arm River should withdraw it.

**Mr. Danielson:** — Mr. Speaker, in spite of the decision, I do not like the decision of this House and I have to withdraw it, but the present records of this House stay, of these statements which I made.

**Mr. Speaker:** — The hon. member is withdrawing?

**Mr. Danielson:** — I withdraw the statement, but I say to members of this House . . .

**Mr. Speaker:** — . . . the hon. member for Arm River, I am asking him to withdraw a statement . . .

**Mr. Tucker:** — Mr. Speaker . . .

**Mr. Speaker:** — Order! Order!

**Mr. Tucker:** — Mr. Speaker, on a question of privilege . . .

**Mr. Speaker:** — I am asking the hon. member to withdraw a statement which he ascribes . . . Order!

**Mr. Tucker:** — And I am arguing a question of privilege in this House . . . and it has to do with this, Mr. Speaker.

**Mr. Speaker:** — When I have done explaining the position. The hon. member for Arm River made a specific charge against the hon. member for Kindersley. The hon. member for Kindersley has produced his own speech (Interruption) Well, if you are not going to accept . . .

**Mr. Tucker:** — We want fair play in this House, Mr. Speaker.

**Mr. Speaker:** — The hon. Leader of the Opposition will take back that allegation.

**Mr. Tucker:** — Mr. Speaker, I have nothing to withdraw. I said, "We want fair play in this House". Surely I have got a right to say that?

**Mr. Speaker:** — The hon. Leader of the Opposition was casting aspersion upon my ruling in this House and my standing in this House and I asked him to withdraw it.

**Mr. Tucker:** — Mr. Speaker, I know it was a question of privilege. You would not permit me to speak on a question of privilege and I said, "We want fair play in this House", and I say it, again, Mr. Speaker, we want fair play in this House.

**Mr. Speaker:** — The hon. Leader of the Opposition knows very well that when the Speaker is making the ruling it is not within the province of any member of the House to interrupt until he is finished, and your parliamentary experience should surely tell you that. What I was explaining is this.

The hon. member for Arm River made specific allegations against the hon. member for Kindersley which he rose on a point of privilege and said were not true. Then he quotes from his own speech, which I think the hon. member for Arm River is prepared to accept. As far as records of the House, there was no mention of records of the House, no records. As I understood it, all that the hon. member for Kindersley asked was that the hon. member for Arm River withdraw those statements to which he took exception. That has nothing at all to do with records of the House.

**Mr. Tucker:** — The hon. member for Arm River stated that he withdrew the statement.

**Mr. Speaker:** — If you wouldn't make so many interjections I might hear the hon. member. If the hon. member has withdrawn I am satisfied.

**Mr. Danielson:** — I want to say this, Mr. Speaker, that in that case, then the records of this House are not correct. The votes and records of this House are not correct in so far as what took place when these Bills passed through the House, and that is something the Government will have to take its responsibility for.

**Premier Douglas:** — Mr. Speaker, on a question of privilege. I do not want to interrupt my hon. friend, to continue this debacle, but I may point out that my hon. friend completely misunderstands the point raised by the member for Kindersley. He is not objecting to the records of the House. He simply said that he did not in his speech say that my hon. friend had voted against the hospital plan. He didn't any that. He is not saying anything about the votes or the records of the House, in all fairness to our friend.

**Mr. Danielson:** — Mr. Speaker, now the Premier can sit down. He is not in this thing. In his speech, and he admits it is his, on the floor of this House, this afternoon, he said that we voted against the hospitalization scheme.

**Premier Douglas:** — He didn't say that.

**Mr. Danielson:** — And he referred back to the Journal of the House.

**Mr. Wellbelove:** — Mr. Speaker, I didn't say the Opposition voted against the Hospitalization Act. If you look up my speech and look up the records of the House . . .

**Mr. Danielson:** — What about the larger school units or the cancellation of debts? There was the two coupled together. Well, I have a chance to straighten out some of these things here and I think I have. The member for Kindersley will never convince me that black is white. I want to say to this gentleman over here, the Premier of the Province of Saskatchewan, when he sat in this House a couple of years ago he said deception disappeared before facts. Deception should disappear before the truth, and that applies to what I said, practically every word that I said, here this afternoon.

Now then, Mr. Speaker, there is an amendment before this House which simply says that this Government should change its policy in regard

to farm land, and that they should plan it so that the returned man, and all people who want to buy land, can purchase this land, pay for it and become the owner of that land; any land that is fit for farming — cleared land. Now that is what the amendment says. This Government has refused, so far at least, to put that policy into effect. The returned man, today, sits out on his land and thinks that he is really the tenant, and all he has got is a paper showing that after 10 years he will then be permitted to exercise an option on that land. He does not know what that land is going to cost him. He and his family are out there trying to build up a home, and a certain amount of produce or the earnings from that land go to the Government. I am not going to quarrel over that, but I do take objection to putting a man who went over to Europe during the last war, and fought for us and came back in that position. I am sure there are thousands of veterans in the Province of Saskatchewan today who would be glad to be placed in the position where they would know definitely where they stood, know where they are. The least that this Government can do would be to get an assessment commission, a body of men, a disinterested impartial body of men who know something, to go out and assess this land and say, "Now, that land is worth today so much," and that would be the basis of the price the returned man should pay when the end of the 10 years comes. Now, he is going to go along and farm, he and his family and children work on their place. He's up in the air. He does not know; he's got no figures to shoot at at all. He does not know even whether he is going to be able to get that land in 10 years or not. If someone comes in and says, "Here, I'll give you \$5 more an acre for that land", he may have to get out. We don't know. He does not know. That is the position of your returned man in the province today.

What about our young men? There are thousands of them, today, who would like to go out and start a farm. Can they do so? Oh, no! They can't do so because the policy of this Government in regard to legislation they have passed has made it impossible for the fellow to buy a piece of land unless he has all cash to pay for it.

**Mr. Gibbs:** — (Interruption)

**Mr. Danielson:** — There's another country heard from now. You'd better go back to the boiler shop!

That is the situation; but, I do not suppose there is anything we can do about it, because these men sitting across the floor of this House have worked this socialistic policy and there's no doubt in the world, Mr. Speaker, that they have skipped along adventuring, if this Government is permitted to continue to rule the province of Saskatchewan, to eventual nationalization of the land. The Minister of Agriculture a few weeks ago sent out a letter to all the municipalities in this province that I know of in regard to the Utilization Board land and he said this: "As from this date" (that's the date of the letter) "all land in your control now which originally belonged to the Land Utilization Board, the control of that land is now vested in the Department of Agriculture." And he said this: "That any lease plan at the end of the term of the lease has to be reported to the Department of Agriculture as well." Now, back in the old days when we had some dry years the Land Utilization Board set up land titles. There was a tremendous amount of tax owed on this land and municipalities had title of

this land, Mr. Speaker. In the tax proceedings nobody would want it, and that was not all bad land. It was good land, many, many thousand acres of good land. And then, of course, the law is that, if a municipality gives title to a piece of land through tax sale proceedings the Public Revenue Tax is payable to the Government from the municipality. The municipality did not have the money so, in order to help the municipalities out we said this: "That any land, sub-marginal land, if you want to turn it over to this Utilization Board, the Public Revenue Tax will be cancelled." That is why this land passed into the hands of the Land Utilization Board. But what did we do? We said this: "We do not want to set up a big administrative body to take care of this land. We will return this to your control and you will carry it for \$1 a quarter-section per year." That was the lease — \$1 a year, with the provision, of course, that this land is not put back into grain production; tear up and use it for anything else. Of course, Mr. Speaker, a great deal of it was light land, subject to drifting and so on. And that is the contingent of service, the Department of Agriculture under the present Minister, who has taken an interest, and the municipalities are taking an interest, and that land has now been seeded to grass. Much of it, however, has gone back to grain production because new types of machinery, new material, have removed that land into a category where drifting is not such a menace. It is cultivated, today, so all the trash and weeds and stuff remains on top of the land, and consequently, it is being set for grain production. Now, then, all that land is taken away from the municipalities and vested in the Department of Agriculture. There are many farmers in my district, Mr. Speaker.

**Hon. Mr. Nollet:** — Mr. Speaker, the hon. member is leaving the impression that municipalities own this land.

**Mr. Danielson:** — No, no, Mr. Speaker, I made that absolutely clear, and there is no need for the Minister of Agriculture bringing that construction to bear on anything I said. But now here, the fact is that many of these lands seeded to grass, the farmer, particularly if he wants to have livestock, has leased 40 acres, 30 acres, 20 acres, 10 acres apiece, and there has been inestimable benefit to the farmers in the municipality, to be able to come in there and harvest that grass, then with the other seed supplied that they could rake up on their own farm they have been able to get through. But now, even that has been taken away and brought into the Department of Agriculture, and there will be more government cars running around, there will be more supervisors, more agriculture representatives, and all that thing; more inspectors to run all over the province to control, to check on this land, which is a waste of money in the first place, absolutely a waste of money. So there is another thing, that again is another step along the road that this Government has never given up. They say they are the same as the Labour Government in Britain, and that the Labour Government did great business. Time and time again I have heard that statement from members opposite and from the Minister. Well, till a short time ago, the Minister did not want to be confluent with the Labour Party over there.

He was asked about this and he said he definitely now professes that socialization remains a fixed policy in the policy of the Labour Government in Great Britain.

**Hon. Mr. Nollet:** — Point of privilege, Mr. Speaker.

**Mr. Danielson:** — Mr. Speaker, I am not standing for any more interruptions from the hon. member. He can speak any time. He'll have a time to speak here again.

**Mr. Speaker:** — Order! Order!

**Mr. Danielson:** — I want to say this, Mr. Speaker,

**Mr. J. Wellbelove:** — When the hon. member withdrew he said it was in spite of the records of the House. I wish to draw to Your Honour's attention to the Statutes of 1947, chapter 55, addressed to residents of rural municipalities and local improvement districts, the cancellation of the 1935 and 1936 and 1937 seed grain. In the Journals of 1947, page 119, if Your Honour would refer to that in your leisure, you will find that every Liberal in the House voted against the cancellation.

**Mr. Danielson:** — All I can say to that is that when I get back I will make a complete search of the Journal. Now, I want to go on with this, if he does not find some more Journals while I am talking. I want to say this, in regard to this amendment. After all, as far as the returned man is concerned, Mr. Speaker, I do not think it makes very much difference, because I am stating right here and now that so far as the Liberal policy is concerned, which will be the next government of this province, then the sooner he comes along with his election he mentioned the other day, the better. And we are going to fight it on Saskatchewan issues, not on Mr. "Red Dean" or Endicott et al. We are going to fight it on Saskatchewan issues, and I want to say to you and to every member of this House and to every returned man in the province of Saskatchewan — and I speak for the Liberal party when I say this — that when we return to power every penny, every nickel, every dollar that this Government has collected in rent or any other impost from the returned man on this Crown Land will be applied against the purchase price of that land. And they do not need to be afraid they will lose one penny of it.

**Mr. Tucker:** — It won't be long now, either.

**Mr. Danielson:** — It won't be long either. That's the promise of the Liberal Party. And it saves a lot of quibbling, a lot of chewing.

**Premier Douglas:** — Do you doubt it?

**Mr. Danielson:** — That grin on your face is pretty thin.

**Mr. Speaker:** — Order! Order!

**Mr. Danielson:** — Mr. Speaker, I just want to say a few words in regard to the 1950 crop. The Premier was very critical of the Federal Government, of course; that is the only thing he can be critical of. There is nothing to commend in his own camp, in his own Government, so he has to try and find fault with everything that the Federal Government does and the Wheat Board, and he said many things. But he said that the Federal Government should have paid so much more money than what they did and he said that they went out and borrowed money in 1949, when they paid the 20 cent premium. He said another thing, that the Federal Price



Support Act should have been applied to take care of this 1950 crop. Well, I want to answer that very carefully, because he knows, I think; if he does not know . . .

**Premier Douglas:** — Mr. Speaker, this is a question of privilege. I made no such statement. I said that in 1946, the Rt. Hon. James G. Gardiner promised that the Agriculture Price Support Act would be used to compensate the farmer if they had to take less over the 5-year pool series for their wheat than the world market price would have brought.

**Mr. Danielson:** — Well, Mr. Speaker, the Premier has made another speech and that's all right; I do not mind that at all. He knows that Mr. Gardiner has never made the statement that the Prices Support Act of \$200 million voted was applicable to wheat. Never did say that. And time and time again that has been pointed out. That was applicable to bacon, to eggs, to cheese and things of that kind. It was never applicable to wheat.

There is another difference. There is a distinct difference between the 1950 crop and the 5-year pool, Mr. Speaker, and it is this. When the initial payment was made in 1949, the terminals, the ships on the sea, at Vancouver, all over south-west of Canada, were full of wheat in the possession of the Wheat Board. They had the wheat there. It was a good grade; it was in marketable condition; there was a world demand for that wheat. Millions of bushels were on the sea, on the open sea to go anywhere. Well, we had a guaranteed price — not only for 1949, but for 1950 crop. That is what we had — a guaranteed price, Mr. Speaker. Now what about the 1950 crop? When they set the price of this crop, Mr. Speaker, the crop was not even harvested. There are 16 million bushels of that crop lying under snowdrifts in Saskatchewan, today. That is an estimate, of course. Is there no difference between these two situations? Why, I think that it is silly to try to compare the two.

But something has happened since. The Dominion Government, in spite of the Minister of Agriculture who told the farmers that they were not going to get any more for their feed wheat, came along and gave us another 20 cents. I think the Minister of Agriculture has placed himself in exactly the same position as the Premier did, in 1948, when he made a speech, and he told the audience in that speech that he would present any farmer with a leather medal or a Cabinet minister's head on a platter, stuffed with celery (he had to put something in it, otherwise there was nothing in there), who had received one cent in equalization payment, at that time. Well now, the Minister of Agriculture is in the same position. He goes out and tells the farmers, (and he is a responsible Minister of the Crown) that "in my opinion" (he said) "when you get that price for that wheat, you have had it — that is all you are going to get".

Now that is the situation. I classify myself as a farmer, Mr. Speaker, and all nonsense aside, of that 1950 crop — and I have feed wheat on my farm — there is the tremendous fact that over one-half of the crop is unmarketable wheat, and we know this, that if it had not been for the Wheat Board we have today, we would have got nothing for that wheat. If there was any time that farmers should thank God for the Wheat Board, it is 1950-51.

The Dominion Government now comes forward and says to the farmers of Western Canada, "Here is what we will do. You do not need to worry. When the end of the crop year comes, we will take that wheat and turn it over to the Wheat Board at a certain price, and we are going to pay you out in cash no matter how much of that wheat is held back in Canada". The proposition is this, and the opinion of a responsible body of men is that that wheat will probably take two or three years before it is all marketed. That is done for the benefit of the farmers of Canada, and I think it will meet with universal approval so far as that action of the Wheat Board is concerned.

Now that is all I have to say about this 1950 crop, Mr. Speaker.

**Premier Douglas:** — My hon. friend said a moment ago, that I was wrong in saying that Mr. Gardiner had ever related the price of wheat with the Agricultural Prices Support Act. I have the place in Hansard now. I don't want to interrupt my hon. friend, but I will read it if you like — it is on page 4906 of Hansard for August 15, 1946, or I will send it to him across the floor, whichever he likes.

**Mr. Danielson:** — He can read it if he likes. I am sure I can go down to my room in the hotel, Mr. Speaker, and bring out statement after statement not only by Mr. Gardiner, but by the Minister of Trade and Commerce, that the Prices Support Act applied to everything except wheat.

**Mr. Tucker:** — And the Wheat Board covered wheat.

**Mr. Danielson:** — And if he can contradict that by a statement from the Minister on the floor of the House, I think he should do it.

**Premier Douglas:** — I am not accusing my friend of being dishonest. I am simply pointing out that Mr. Gardiner made this promise on the 15th of August, 1946, on page 4906 of Hansard, when Mr. Coldwell asked him what would be done to compensate the farmers for the cost of production, if it went up, under this fixed price under the Anglo-Wheat Agreement, and he said:

"I want to point out that under the floor price measure (that is not the proper name but it will do), we stated to the House that \$200 million was being provided for the purpose of taking care of any adjustment in connection with what might be known as parity on other farm products. At the same time we stated to the House that similar arrangements would be made, if necessary, through the Wheat Board in connection with grain"

**Mr. Tucker:** — Hear! Hear! It proves exactly what the member from Arm River has said — exactly.

**Mr. Danielson:** — Exactly. That is exactly what I said.

**Premier Douglas:** — Except that we did not get it — that's all that is wrong with it. We did not get it.

**Mr. Tucker:** — You proved yourself wrong.

**Mr. Speaker:** — I am not in a position to adjudicate how one person reads and interprets a quotation from Hansard and how another does.

**Mr. Danielson:** — There is not one syllable of what the Premier said now, that contradicts my statement. It only endorses it and confirms it; that's what it does.

**Premier Douglas:** — Except that we did not get it.

**Mr. Speaker:** — Order! Order!

**Mr. Danielson:** — Again, here is some of those 'weasel' words, as I call them. The Premier has not forgotten them. He is trying his political tricks and they won't work now.

Now I want to say a few words, Mr. Speaker, in regard to the five-year pool. I want to say there is not a political party in Canada, except possibly the Labour-Progressive party, or the 'third force' or whatever you call it . . .

**Mr. Kuziak (Canora):** — That's a Liberal force.

**Mr. Danielson:** — And I say the C.C.F. — Socialists, the Liberals, the Tories, the Social Credit, all endorsed this five-year contract with Great Britain. There is not a farm organization in Canada, today, that did not endorse it, and I have them on record right here. I could take an hour, Mr. Speaker, to read these, and I can read you an excerpt here where Mr. Coldwell, in the House of Commons, got up on his feet in the House, and accused Mr. Gardiner of practically stealing his policy. He said, "long-term contract has always been our policy". So there we are; but I shall not take up more time. Had we known five or six years ago, as we know today, you and I may have done things differently. If we knew what was going to happen five or six years in advance, it would be easy. I am not criticizing these men who drew up this contract — not by any means; but on the floor of this House there has been a serious attempt made to try to place on the Dominion Government a certain responsibility for not getting the 'have-regard' clause complied with by Great Britain, at least not up to date. That has been done; that attempt has been made.

Now then, let us see. It is very interesting to read some of these things, and I have this right from the Wheat Pool. They made a presentation to the Government, and in that presentation they quoted Mr. Strachey. In his Winnipeg speech, Mr. Strachey referred to the fact that the agreement provided floor prices in the third and fourth year of the agreement, of \$1.25 and \$1.00 per bushel, respectively. In this connection he declared — I am going to read it in order to get the proper relation:

"In Winnipeg, on February 25, Mr. Strachey quoted the 'having-regard-to' clause (which everyone is familiar with) . . .

and he said this:

"Now these mean more or less the same. They mean that the fact that we have bought our wheat from you, this year, below market prices, and that we may do so again next year, will be one of the factors to be taken into account on the actual prices we pay in the third and fourth year.

"I and my Government, and I am sure this also applies to the Canadian Government, would resist any attempt toward adding to or subtracting from this definite statement written in paragraph two, subsection ten of the Wheat Agreement."

The facts are, of course, that after the conclusion of hostilities it was generally expected that wheat and other prices would decline, following the pattern of World War No. 1. It was also expected that the United Kingdom Government expected they would be able to buy wheat in the third and fourth year of the agreement at prices less than \$1.55, just as the Government of Canada expected that prices would decline, and in 1945 they established a floor price of \$1.00 per bushel.

In his Winnipeg speech Mr. Strachey referred to the fact that the agreement provided for floor prices in the third and fourth year of the agreement of \$1.25 and \$1.00 per bushel respectively. In this connection he declared:

"It has been said, if the world price of wheat fell to the point where we in Britain could buy our wheat elsewhere for less than the floor price fixed in the agreement that in that event the British Government would refuse to pay the Canadian farmers the floor price and so let down the Canadian farmers. I would like to say now this is a monstrous suggestion, as it is monstrous to suggest that any British Government would ever break the terms of a solemn agreement, such as this, and in this I am quite sure that I speak for the Conservative Opposition in the House of Commons as well as for my own Government.

"And I reiterate that it is an inescapable obligation of the British Government to pay at least those prices however low they may go, so I trust we shall hear no more of the suggestion which, to put it plainly, is causing question of the British Government."

And then Sir Stafford Cripps, what did he say as regards wheat?

"We shall continue to depend on Canada for the greatest part of our supplies through the four-year

contract signed in 1946 and which expires in 1950, and we have recently agreed on \$2.00 per bushel for the 1949-1950 season. We think that there is a possibility of the price falling below the \$2.00 level before the end of the contract, either because of general improvement in the supply situation or the condition of any International Wheat Agreement which may be concluded in the near future. If this should be the case, the Canadian farmer will be in a very favourable position by virtue of the fixed prices on which we have agreed. This might be a fair compensation for the earlier years when he was selling us wheat below the world's prices. It depends, of course, on how far the price actually falls, but in any case we have agreed to discuss this matter further with the Canadian Government sometime toward the middle of 1950."

That is what Sir Stafford Cripps said, and I have lots more of the same thing here, by British Ministers, in which it is conclusively proven that they accepted in good faith the 'have-regard-to' clause in the British Wheat Agreement. So there is no question Mr. Speaker that what Mr. Wesson said in that regard is not tending to improve the happy relationship between Canada, and particularly the Wheat Pool of Western Canada, and the British Government. I am not one of them, but I point out to you that, after all, the agreement was accepted in good faith by every farmer organization and by our Wheat Pool, and they collaborated with the Liberal Government in all the policies of the sale of our wheat since 1942. Now that is a statement of fact which no one can deny. They have approved this thing, and they themselves feel as strongly on this thing as any farmer in Saskatchewan. But let me tell you that whether anything comes out of this thing or not, the farmers in this province and in Western Canada as a whole will just straighten up their backs and grow more wheat and get rid of those mortgages. That is what we are going to do.

I just want to read to you, Mr. Speaker, the excerpt from the very last paragraph of an editorial appearing in one of the farm papers of Western Canada for January:

"The attitude of the British Government in defence is the main policy of the land . . . We must consider the sincere effort made by the Canadian people who helped the British people through their crisis cannot be matched anywhere in the world nor by the farmers of Britain themselves."

That is the statement that this farm journal expresses with regard to what has gone on in the last few years.

Now I am not going to say any more about this, but I am confident that, insofar as the farmer is concerned (I have said this on the floor of the House before, and I repeat it again, I don't think they are farmers on that side of the house, I think they are awful), Mr. Speaker, I can say that we farmers would not complain if every bushel of wheat had been made as a present to Great Britain, but we do complain that we do not believe we should have been the Santa Claus to stand the jar.

**Hon. Mr. Brockelbank:** — What journal was that quotation from?

**Mr. Danielson:** — One from Alberta.

**Hon. Mr. Brockelbank:** — What date?

**Mr. Danielson:** — For January — there is only one a month.

**Hon. Mr. Brockelbank:** — What farm journal is it?

**Mr. Danielson:** — The "Farm and Ranch Review." It is not a C.C.F. journal; it is one of these "capitalist" journals.

**Premier Douglas:** — It does not seem like it, it supports co-operative farms.

**Mr. Danielson:** — I want to speak a few moments, Mr. Speaker, on the topic which was so interesting to listen to by the Premier, the other day. He, of course, finally came to the point with regard to the calling of an election whether the Canadian people or the British people or the United States people should be in Korea or not. The remark which I noted about this, Mr. Speaker, is that I did not know what was the reason for this outbreak at this time, and I am not absolutely sure yet, and I may be entirely wrong in what I am going to say; but you know I have been in this House for eighteen years and I have been interested in politics for the past forty years, and I have certain ideas, and I have seen the manoeuvres of political parties in Saskatchewan for many years; but I am going to say that a man has a right to express his own opinion so long as he does not insult anybody else. The Premier, of course, is facing an election sooner or later — and the sooner the better as far as we are concerned; and he knows well that if he can patch up the cleavage between the Labour-Progressive Party and the C.C.F. Party in this province that there won't be one C.C.F. member on that side of the House after the next election.

(laughter)

**Mr. Tucker:** — That is a very hollow laugh.

**Mr. Danielson:** — And they have tried in the rural seats and even in the city of Regina. There are people in the city of Regina who know something of the situation in this city, as well as in other cities in the province of Saskatchewan, who say that if this "peace group", these out-and-out Communists put in their own candidates and then corral the vote (and they vote where they are told to vote), then the C.C.F. will be out and they will be staying out, too. We have about the same spirit here as we had in 1947, Mr. Speaker, when the Minister of Agriculture, the Minister of Reconstruction and Mr. Hanson said everything in this House, Mr. Speaker, that the rules of this House permitted them to say, and we have the same man in office, who says the same things about the United States now through jealousy, the same animosity against the United States that has always been inherent in the C.C.F. Party, and they have brought it out in the open now. Mr. Coldwell, speaking in Halifax on July 11, 1947, said this: "I wish an ocean separated Canada from the United States and the pollution of its economic system. Through it has developed capitalism, and contains the seeds of another depression and another war." And the Premier got up and referred to MacArthur as one with illusions of grandeur, and his bosom friend Dr. Endicott felt they must give them food, and the Premier spoke on the floor of the House, one afternoon, and the next morning a telegram came from Dr. Endicott, and then Nelson Clarke and Dr. Endicott spoke in the City Hall and commended the stand taken by the Premier. They are "fellow travellers."

Now it isn't very long, Mr. Speaker since we had this — it was only last spring that we had the "Red Dean" here in this province, and all the friends he had with him, and according to press reports he was entertained in this Chamber.

**Hon. Mr. Sturdy:** — Everyone who comes here is entertained.

**Mr. Danielson:** — And the next day speaking in the City Hall, the "Red Dean" got up and commented on the wonderful reception and the wonderful friendship he had met in contacting the Government of this province of Saskatchewan. You will see how quick these fellows are to commend these fellows so they will "carry the ball" for them.

Well, Mr. Speaker, their animosity to the United States and their jealousy and their mistrust and the prejudice which they hold with regard to that nation has been well known for a long, long time and it is on record which they cannot get away from it as we have the Journal for this House. I want to tell you what Mr. Attlee thinks about people of that kind. On June 28, 1950, in a speech to a group of farmers he said this: "Communists are mischief-makers who will disturb Europe." Speaking to about 25,000 agricultural workers and their families he said: "There are some who do not want the United States to gain control over Europe. When you find anyone doing this, look at him carefully, as you will likely find he is a Communist or a fellow-traveller. Those people do not want to see those people restored to health. They want to see Europe sick, as they think it will give a greater chance for Communism." Now that is Mr. Attlee. I think Mr. Attlee knows pretty well what he talks about.

This thing in Korea looks discouraging at times but at other times it looks very good for peace and to clean up the mess that is in there. MacArthur has been accused of being the cause, the "Czar" or the "Dictator" and has not taken the advice and the direction of the United Nations in his actions in Korea. Now that thing was brought up in the British House of Commons, Mr. Speaker, and here is what it says — "In the House of Commons reply last night, Britain's Deputy Foreign Minister said that General MacArthur's actions in Korea had been completely in keeping with the United Nations' objective and direction." Then he said this, when an Opposition Member raised the question of MacArthur's strategy, and referred to the statements made by Mr. Shinwell, when Mr. Shinwell said, "he had gone too far in this direction". Then Mr. Davies said, "there was absolutely no truth in it," and this was backed up by Mr. Bevan, the Minister of Foreign Affairs in Great Britain. This was on December 7, 1950.

Then again Trygve Lie made a statement to the press, a day or two ago, in which he says: "I have been informed that constant consultations are taking place between the United Command and all member nations participating in the United Nations' actions in Korea, with regard to matters of military policy, including any question regarding the 38th parallel." There is the answer to the Premier, there is the answer for him now.

**Hon. Mr. Sturdy:** — That is not what Pearson says.

**Mr. Danielson:** — He never made one statement to contradict that; never once has his statement been in contradiction, Mr. Speaker.

The Minister of Public Health, the other day, made a certain statement in regard to this party on this side of the House regarding the Co-operative Movement in province of Saskatchewan, and I think these assertions and I think these statements come with vary ill grace, Mr. Speaker, particularly from a man who has been engaged in that work — and I give him credit for knowing something about it. He should know better than that. There has never been an act of legislation, nor an organization which started in this province, like the Co-operative Movement, that had the support like it has had from the Liberal Party in this province, and I would like to have you mention a one. You will remember that, during the few years in which I have been sitting in this House, I, myself, introduced into this House eighteen Bills to set up new Co-operative organizations or amend Acts governing existing organizations, and amending Acts giving the co-operatives in this province, particularly the Wheat Pool, more scope for their activities. I remember quite well the amendment to the Pool Act which gave them the right to use the commission reserves for formation purposes. I remember very well, Mr. Speaker, there was representation from Winnipeg to Vancouver when this meeting was on. We had the "Quintuplets" then, as we called them, sitting on this side of the House. There was no open opposition from the Quintuplets, the C.C.F. members of that House, in that Committee; but there was one thing that was noted — if there was any opposition they were always supported by these fellows. The Leader of the Party at that time, walking out of the House, came up to me and said, Mr. Danielson you will never get that Bill through the House," and I said "Who said so?" He said, "We say so". I said, "All right, but if you use this as an election issue in 1938 (this was in 1937) you are going to be disappointed." And the Bill went through. But when he goes out and says we have a "hatred;" and we have "obstructed," that the Liberal Party has obstructed co-operative activities in this province, Mr. Speaker, that statement is simply not true. The man who said it should know better.

The Liberal Government helped to finance the Saskatchewan Co-operative Elevator Company. Then, after the first war, they helped the Saskatchewan Co-operative Creameries and in 1934, the Liberal Government passed a Bill through the House turning that organization back to the farmers again. Now we, everyone of us, assisted in the organization of the Wheat Pool. Our leader was one of the most ardent supporters, and I do not know how many contracts were signed up, but I think it was pretty nearly the top of any organization in that movement.

We had an inquiry into farm implement prices in this House back in 1936 and 1937, and Mr. Campbell, the then Minister of Agriculture in Manitoba attended the hearing at that time and after the thing was over and the Report of the Commission was submitted to this House, we recommended (and I had something to do with this recommendation, Mr. Speaker), that the Provincial Governments of Manitoba, Alberta and Saskatchewan supply the funds to set up the Canadian Co-operative Implement Company and enable them to organize, and that was done.

I remember when the Livestock Pool got into trouble through no fault of the farmer. We hastened to conduct the organization and the Saskatchewan Livestock Growers did very well, Mr. Speaker; for instance, they took a bunch of money and opened up an office in Vancouver. But I remember the day, after I came in to this House, when I went into the hotel in Regina, and here was the President of the Livestock Pool, I will not mention his name



here, but he said this to me: "Here is our position: We have enough money to pay up our staff at the end of the month, and if we can not finance this, we have to close up". So I took him up to this House. I saw the Minister of Agriculture, Mr. Taggart, discussed the matter with him, and he said he could see no place where there was any money that they could assist with. I said, "Do you mind if I go up and see the Premier?" I did go up, and before I left, Mr. Speaker, they was money forthcoming not only through his instrumentality and his contacts, but there was money from the Government, there was money from the Wheat Pool, money from the Refinery, and money from the Co-operative Federated Limited. That is why you have that organization operating today.

Then there was the question asked in the House, Mr. Speaker — I have not got the date on this page, yes, it is Monday, February 21, 1944. The question was this: "Has the Dominion or Provincial Government financed or assisted in any way in the expansion of any company operating in Saskatchewan, since the beginning of the war?" .Answer —

"The Provincial Government has no information as to the assistance given by the Dominion Government. Assistance has been provided by the Provincial. Government as follows:

"Sask. Co-operated Livestock Pool, April 15, Loan, \$2,200; July 7, 1939, Loan \$10,000; Aug. 14, 1939, Loan, \$1,100; Canadian Co-operated Implements Ltd., May 16, 1940, grants to Sask. Co-op. Wholesale Ltd., to meet organization expense in connection with the C.C.I.L., \$2,000;"

(and that is a grant, Mr. Speaker. This isn't a loan — it is a grant)

"Sask. Forage Crop Growers' Co-op. Marketing Assn., \$350, and a grant of \$1,500, in 1941; Fish-line Co-op. Cannery, payment to Marshall-Wells & Company, for certain materials, \$645; expansion of demonstrator, and so on, salaries, \$40.38; secured in advance, \$545, making a total of \$1,231."

Now these are things that the people do not know anything about, so I am just telling that for the benefit of my friend over here. There has been no organization that has tried to organize themselves to better their own conditions in the province of Saskatchewan, for the last 18 years that I have been here (and the history was here before that time, Mr. Speaker), without they had the support, the encouragement and the active support, not only with sentiment but with materials and substances to get going and be able to carry on with the purpose for which they were organized, and I challenge any person to contradict the statement that I have made.

He was trying to confuse some of the things in connection with the wheat and the prices that the farmers got for wheat, and that we were the enemy of the Wheat Board. Yes, Mr. Speaker, that is all right to say

it, but it is another thing to prove it. It is always easy to say — I can say almost anything.

**Premier Douglas:** — And do!

**Mr. Danielson:** — But I am prepared to prove what I am saying, Mr. Speaker — not the way the Premier did when he sent out and got Hansard a little while ago. Not by any means.

**Premier Douglas:** — Which proved everything I said.

**Mr. Danielson:** — I think I can show the hon. member for Gull Lake that it was not just exactly the way he says. We know the 1935 and 1936 crop incurred a loss. There was a loss. Mr. Bennett was then in power. There was a loss on that crop, Mr. Speaker, according to the reports, of \$11,858,000 — a little more in fact. In 1936-37 there was no Wheat Board operating except for a very, very short time in the beginning of the crop year.

I want to draw to the attention of the member from Gull Lake that on September 6, 1935, Mr. Bennett announced the Wheat Board price for that crop and he set the price on September 6, 1935 at 87 1/2 cents a bushel payable by the Wheat Board. On that very day, the September options closed on the Winnipeg market at 88 5/8 cents a bushel, Mr. Speaker — 1 1/8 cents above the price, The September option was 1 1/8 cents higher than the price set for the Wheat Board by the Government. I think I am doing an injustice to Mr. Bennett here, Mr. Speaker, when I think about this thing.

**Premier Douglas:** — He set it.

**Mr. Danielson:** — He appointed a board to set that price, and I know one of the directors of the Wheat Pool was at that meeting because he told me so himself, but there were others. I do not know the number exactly; but they were the ones that set the price, and they set this one. I do not know whether he is a farmer or not, but I had a meeting with one of the Wheat Pool directors (I am not going to mention his name) and he told me that himself, and I know that there was a board set up by Mr. Bennett to set that wheat price. Then the member who sits over here — I am not going to ask him, he probably would not admit it. But it is a fact, and I am stating it on my own responsibility.

Then, as I said, in 1936, the Wheat Board operated for a few weeks. There were over 30 million bushels of wheat delivered on the Winnipeg market, to the Winnipeg Inspection Department and only 637,000 bushels were designated to Board. There is one thing it has taught the farmers and the Government as well, that you cannot operate a Wheat Board with an open market. I do not think anybody can deny that as a fact. You cannot operate the Wheat Board and an open market side by side; so the Wheat Board was closed, but an order-in-council was passed saying that . . .

**Premier Douglas:** — They should have closed the market, not the Wheat Board.

**Mr. Danielson:** — You wait.

(Interruption)

That had the effect, Mr. Speaker, of setting a fall price of 90 cents for the wheat, but that did not make any difference because the average price in September in 1936, Mr. Speaker, was \$1.02 a bushel on the open market. The average price for the next month was \$1.25 a bushel, and the high point was \$1.45. Now then for two years, for two solid years, the wheat on the open market was from \$1.45  $\frac{7}{8}$  to \$1.02 for two full years. That was the top and the bottom. That is figured on the average monthly prices. Now that was the history. But then we come to 1938. Now, then, on August 8, 1938, the Wheat Board, or the Government — if you want to accuse them of doing this thing, all right. They set the price, the Wheat Board, at 80 cents a bushel, and the September option that same day was 74  $\frac{1}{8}$  cents a bushel. It was 5  $\frac{7}{8}$  cents a bushel lower than the price that the Wheat Board set for the whole crop, on the day the price was set. Now this is history, and there is no need of being in doubt about it; it is all recorded clearly enough.

Now then, the 1938 crop, Mr. Speaker. The loss to the Government of Canada was \$61,425,000 on the 1938 crop. That is what the Wheat Board gave to the farmers more than the Wheat Board got for the wheat.

In 1939 there was also a Wheat Board, but they only took 5,000 bushels — that was the limit from any one farmer — and the Wheat Pool, your Saskatchewan Wheat Pool, operated a pool itself, under which they got a guarantee from the Dominion Government of 60 per cent of the price of the wheat. I had put 5,000 bushels in the Wheat Board and all my other wheat, which had been nearly 10,000 bushels that year, went into the pool that the Saskatchewan pool operated, and I want to say that I got slightly better prices for that — I think about 6 cents a bushel more — than the Wheat Board was able to pay out. Now, then, that crop, Mr. Speaker, gave us a loss of \$8,226,000 to the taxpayers of Canada, on that crop, and that was only 5,000 bushels from any farmer. Now that is the history of this thing.

Now then, we come to the famous crop of 1940-41. There was a Wheat Board operating then, and they distributed to the people of Canada — to the Western Provinces — \$26,666,102 over and above the initial price that they paid for that crop.

Then we come to the 1941 crop. That was the 1940 crop, this is the 1941. We got a final payment on that of \$15,638,000. And then we come to the 1942 crop which, of course, my friend the Leader of the Opposition was supposed to have voted against, \$1.00 wheat.

**Premier Douglas:** — And did.

**Mr. Danielson:** — He has been accused of that, which has been proved absolutely false, incorrect and false.

**Hon. Mr. Brockelbank:** — Oh, no, here is the Hansard.

**Mr. Danielson:** — In which Mr. Coldwell says that the Leader of the Opposition was absolutely correct.

**Mr. Tucker:** — Hear, hear! And they have been lying about it for eight years. Why stop lying about it now?

**Mr. Danielson:** — We wanted the dollar wheat, Mr. Speaker and we got dollar wheat. We got \$1.01 1/4 a bushel when we got the final payment. In 1943, the Wheat Board distributed \$37,591,000 to the wheat farmers of Western Canada in final payments.

In 1944-45, the last year previous to the wheat contract with Great Britain, it distributed to us \$67,238,000 and some hundreds. That is the record. We have had poor crop years in which the Government paid to the farmers of Western Canada \$1,560,000 more than they got for the wheat. The taxpayers of Canada paid that money, Mr. Speaker, when it became a part of the total debt of this country. And in the next five years the Wheat Board paid out in the final payment to the farmers of Canada, \$167,239,000.

Now, Mr. Speaker, I am going to tell you something here that I have never said before. I have not done it for the reason that it may be considered as playing politics with a co-operative institution. On October 8, 1948, we had a big co-operative rally in the town of Davidson. Banquet tables were set for 158 persons; they were all there. We then adjourned to the town hall and our president, Mr. Jack Wesson, delivered a lecture, or a speech, and the topic was, "The Wheat Board and the Future". And this is what he said, Mr. Speaker:

"The Wheat Board and its Future". (This is within quotation marks). "The continuation of a Liberal Government in this country is the only assurance of the functioning of the Wheat Board."

**Premier Douglas:** — Will the hon. member permit a question?

**Mr. Danielson:** — That was one year before the election. It was on October 8, 1948.

**Premier Douglas:** — What is that quoted from?

**Mr. Danielson:** — It is quoted right from me sitting there taking it down and it is quoted from my local paper. And I went to the editor of the paper, who was there, and I said, "Have you got this quotation right?" He said, "Sure".

**Premier Douglas:** — Is my friend quoting from any press statement?

**Mr. Danielson:** — That is all the press that was there.

**Premier Douglas:** — May I ask my friend what press it was?

**Mr. Danielson:** — You asked all you want.

**Premier Douglas:** — You mean you have not got any proof.

**Mr. Danielson:** — I have lots more proof for anything I say than you ever had, than anything that you ever quoted, and that is going some. I could not approach yours.

**Premier Douglas:** — You are depending on your memory, aren't you?

**Mr. Danielson:** — That is what he said, and there are many, many people there besides myself heard it. I leave that to this House.

I do not think Mr. Wesson, Mr. Speaker, spoke along political lines at all. I do not for one minute think that he did; that was not his business. There we were facing an election, 1948-49 (this was in the fall of 1948), and he looked at this as a business man, as a practical man, a man with a lot of responsibility on his shoulders to more than half the farms in the province of Saskatchewan. He looked at it in this way — "We are going to have an election. With the outlook in the political field there is no proposition that we need to figure on that the Conservative Party will be able to form the next Government, and there was less possibility of the C.C.F. Party forming the Government." That, I am sure, was his attitude; he looked at it in a practical way. I think all he had in his mind, he did not give anything for the Liberals, C.C.F., Tories or anybody else. He just said this is a practical outlook on a practical problem.

**Hon. Mr. Brockelbank:** — What made you go out and work for Diefenbaker then?

**Mr. Danielson:** — I can tell my own good friend now he will find just the same thing in "Mein Kempf" — that is big lies; but after all, Mr. Speaker, that is none of his business. I am not asking him — he might have voted for Nelson Clarke for all I know, but I would not accuse him of doing that. But he hasn't any more brains than to do that with me.

**Hon. Mr. Brockelbank:** — They were scratching each other's backs. What about Social Credit?

**Mr. Danielson:** — There was another thing that was said by my friend from Gull Lake (Hon. Mr. Bentley) when he spoke about co-op income taxes. Then he accused my friend here, the Leader of the Opposition, of voting to put taxes on the co-op organizations in the province, or all over Canada, I suppose, for that matter, not only in the province of Saskatchewan. I do not think, Mr. Speaker, that there is any subject, today, that has been more unsettled, has more befuddled and misled the people of the province, and many others as well, than this very topic. I have a letter here, one that is very short, and I am going to read it. It is written to the "Star-Phoenix" in Saskatoon:

"The pure, clear, concise and attractive story of the growth of Saskatchewan Federated Co-operatives from 1921 to date, and especially their explanation of the co-op philosophy was, I thought, a splendid example of the fact under discussion on the subject of Saskatchewan's application of the principles of self-help practised by the Rochdale pioneers. However, when you stated that Co-ops enjoy an advantage over other businesses in having to pay only a nominal tax on profits, I would like to suggest to you that a further study of the law in question governing taxation of co-operatives would reveal a different story. In fact, you will find that the people who work together in a co-operative business are actually penalized in a way no other business is.

"At another point you stated Co-ops are permitted to hold back profits reduce working capital or expansion. Actually, the officials of a co-op have no such power, but the members can and do vote such savings into surplus."

Now, here is a gentleman who says he can show that there are co-ops that did not make any profit that have been assessed income tax. Well, Mr. Speaker, this gentleman who writes this letter is a director.

**Hon. Mr. Bentley:** — A director of what?

**Mr. Danielson:** — A publicity director.

**Hon. Mr. Bentley:** — Who is he?

**Mr. Danielson:** — Come over here and I will give you his name.

In the old days, before 1928-29, the Saskatchewan Wheat Pool paid income taxes. They paid \$103,107, and they also paid income taxes to the Saskatchewan Government, they paid them to the Ontario Government. Mr. Charlie Dunning brought in an amendment to the income tax which has been known as section 4P, which straightened that matter out, and the \$103,107.69 income tax which they had to pay to the Dominion Government was paid back to the Wheat Pool because the amendment was retroactive to cover the year in which this was paid. From then on, Mr. Speaker, there was no tax. The Wheat Pool was not assessed, and no co-operatives were assessed until we go along until about 1938-39, in there, when an agitation started that the co-operatives should pay taxes.

In 1940 and in there, the tax was again brought up. As a matter of fact it became an issue at that time, and the co-operative organizations (not only the Pool but others) went to work and set aside every year a certain amount of their profits, or their earnings (they are not supposed to have a profit; they call it earnings) to provide in case that they would be required to pay income tax they would have the money to pay it. And a large amount of money, Mr. Speaker, was piled up by the various organizations for that purpose. The case was supposed to be referred to the courts, but it was not, but it was not finally decided to do so. A Commission was appointed and that Commission was acceptable, I think, not only to the Government of Canada but to the co-operative associations as well. One of the men who was a member of that Commission, and a very good member, was your Deputy Minister of Co-operatives here in this Government. He has been here for many years, and I doubt if there is another man in Canada who has a better grasp and a better understanding of the functions and purpose of co-operative organizations and businesses. I might point out, too, that the recommendation in that report was unanimous by that Commission.

Well, the matter was supposed to be before the courts but the Commission took over. I think it was best to hand it to the Commission. Of course, Mr. Speaker, when you take a matter to the court you either win or lose, and that was the case here; no doubt about it. And if the court had decided that section 4P did not exempt the co-operatives, which I think even the co-operative organizations admitted, then they would have

been liable for income tax. Well, I think any government, whether it is the C.C.F. or Tory or Liberal or what they are, would have an extremely difficult time, Mr. Speaker, particularly in wartime, to say that in spite of the fact that the co-op is declared to be liable for income tax, we are not going to collect it. They could not do that. But with the Commission, the decision was that the co-operative was not assessed for income tax until 1942.

Now then, what happened then? Well, except the amount of money that they had to pay for that year, one year back, it was simply released to the people of Western Canada and every other place where that payment would have been paid if the Income Tax Department did not have claim to it. So, when that was done, it released this money to the shareholders or the patrons of these co-operatives. Between the Saskatchewan Wheat Pool, the U.G.G., the Alberta Pool and the Manitoba Pool, \$15 1/2 million was released and distributed among the members of these organizations. I got \$357 myself in cash, Mr. Speaker. That was my share of it. And, in addition to that, there was a certain amount of money held back for the purpose of paying back the equity in the pool and in these organizations to people who had quit farming.

Now then, I have something here — I cannot find it; but I want to tell you, Mr. Speaker, that the amount of money that was released, as I said, was \$15,500,000. Now then, what is the position now of the co-ops so far as income tax is concerned? It is simply this; it is as plain as anything in the world. The Act says that there shall be paid in income tax not less than 3 per cent of the capital employed in the business, but if there is no profit there is no tax to pay, Mr. Speaker. If they pay it, it is a capital levy, It is not an income tax. Now that is something we should never forget. In the regulations (it is very clear, and I know something about this thing) if you borrow money from the bank, that is a current expense — the interest on that money is a current expense. Everything else, depreciation, taxes, light and fuel and everything else, is deducted before the net is ascertained. Now, then, there is another provision in the income tax, Mr. Speaker, and it is simply that, if you pay any interest on capital employed to somebody else, you do not pay it to the Government. If the co-op pays 3 per cent on capital employed, to me — I have about three or four hundred dollars in my co-op, it is not a large amount, but it is all to me — then there is no tax. And that is the situation, that is the law. So long as you have paid 3 per cent on the capital employed.

The proof for that, Mr. Speaker, is the system that is in vogue in this western country today. How is this elevator company able to advertise in the press, holding out the prospect of a dividend to their customers, or patrons? They are not a co-operative. As a matter of fact there is not a bit of distinction between a co-operative and another line elevator company on that score; there is not at all. They pay that out. Who would get it if they did not pay it? Why, the Government of Canada would get it, Mr. Speaker, in corporation income tax, and my friend the Provincial Treasurer is out 5 per cent on that bill; but that is the law.

Now then, my friend the Minister of Public Health over there, said, in the House of Commons one time, that interest on share capital in the co-ops was undemocratic. That is the word he used, "undemocratic." Well, I want to

tell him (but he has no time sometimes) he should have picked out the Statutes of the Province of Saskatchewan and I am sure my friend the Minister of Municipal Affairs would enlighten him on that. One of the first things that is provided for in that Act, after all the expenses and depreciation and taxes and everything has been taken off, is the small interest on capital — on share capital. It is set out right in the Act. But surely he would not accuse his friends over there of being undemocratic. Of course, I will say that they inherited that provision in the Act from a capitalistic government that was sitting over there before; probably that is the reason. But anyhow, that is a fact.

Now then, here is the situation. The Government of Canada, Mr. Speaker, even went further than I have stated. First of all when the Act was drafted, it said that patronage dividend of that interest on employed capital was to be paid out within six months; then they lengthened it out to twelve months. One year after, a delegation of western cooperatives went to Ottawa to see the Minister of Finance, and what did they do? I am not criticising what they did; that shows that they were on the job. They got these words "paid out" changed to "allotted", Mr. Speaker, and it means that they do not even have to pay out this; all they have to do is to put it to my credit. And that is all for that, Mr. Speaker. I got this \$357 I mentioned, back in 1946. A year ago last spring, I got a letter from the Department here in Regina, and it said this: "I wish you would come in. There is something wrong with your income tax." And I went in there and I said (I had my old form with me), "What is it?" "Well," he said, "Here is a slip. Do you see this?" And there was a little slip like we get from the Government here on our indemnity. He said, "You got so many dollars from the Wheat. Pool that year, and your tax, including the arrears of interest and dependency and everything was \$26.76." That is what I had to pay, you see. They allotted that to me but I paid the income tax, and that is in accordance with the Income Tax Act, and the regulations of the Income Tax Department. So, there is nothing to prevent any co-operative to allot me 3 or 4 or 5 per cent interest. As a matter of fact, in our own co-op at Davidson we have only a membership, Mr. Speaker. That membership is \$20. We should have \$1; we will probably make it that. When we put it at \$20, provision was in the Act in this province that you had to have a \$5,000 paid-up capital in order to go into business, and that is the reason we put it at \$20 instead of \$1. The rest of that whole capital that we have is loan capital. We pay 4 per cent on that, not 3, and some of it that we use for building purposes for a term payment, we pay 5 per cent on. It is all going to the farmers. Now, then, at our next meeting we said to the shareholders, Now, you have so much coming in interest — we pay interest on the membership as well as on the loan capital — 40 cents in share capital does not make one iota of difference, and we want to keep that but we will increase your equity in the association by allotting it to you. We can keep the whole thing, and there is no income tax to pay." But, if they vote it into surplus without allotting it to the men that it belongs to, then there is an income tax, Mr. Speaker. And there is not a co-op association in the Province of Saskatchewan, if they organize their business on a proper footing, that needs to pay a dollar income tax.

I have not got it here, but I have a little bit of a handbook that the Pool gave out, (I am sorry I do not know what has become of it) in which they explain very, very clearly, Mr. Speaker, that that is the case. They say this, a very sentence in this statement is this: "Any



contractual obligations — a contractual obligation offsets the 3 per cent". That means that if I do agree to pay a certain interest on the working capital, and if that is 3 per cent or more, there is no tax to pay. But if there is no profit, if there are no earnings, as this gentleman said in this letter I read here, then there is certainly no tax to pay because that would not be an income tax, Mr. Speaker, it would be a capital levy. That is the situation, I know what I am talking about, but my friend here, the Leader of the Opposition, was attacked for voting for a Bill of that kind.

**Mr. Tucker:** — Misrepresented.

**Mr. Danielson:** — There is nothing to that, Mr. Speaker. It is absolutely a misstatement that has been promulgated and repeated and spread about for political partisan purposes by everyone on that side of the House. It is just a bunch of — well, I am not going to say the name that I would give it; the rules of the House would not permit it, Mr. Speaker. There is just as much truth in that as that statement read out of Hansard here a few minutes ago.

The Minister had to bring out this old, old argument — you know, there is moss on it now, it is an old one — about the 5 per cent profit on war production that these big, capitalistic concerns refused at the beginning of the war. Well, Mr. Speaker, this is another thing that is make-believe. That was printed in the press. The Government found, when they got down to business, that it was not working, that the plan was not working, and I am sure a man with the brains of some of these gentlemen sitting across here knows that it was not working. Then, what did they do? In 1939, Mr. Speaker, the Excess Profit Tax, (not the Corporation Tax) was put at 60 per cent. The Government put it at 60 per cent. That was in 1939. In 1942, they put it at 100 per cent. In 1945, after the war was over, they reduced it back to 60 per cent, and then, in 1948-1947, it was put back to 15 per cent and during all this time . . . .

**Hon. Mr. Sturdy:** — And then they did away with it.

**Mr. Danielson:** — Now just a minute, I'll come to that. I am not going to hide anything.

**Mr. Tucker:** — Look what your Labour Government did.

**Mr. Danielson:** — I am going to answer that question when I come to it.

Mr. Speaker, here is what happened. That was the excess profits tax — 60, 100 per cent, back to 60, and back to 15 the last year and a half. On top of that, Mr. Speaker, there was the corporation income tax of 30 per cent added on after the excess profit tax and income tax — 30 per cent on that. Again, Mr. Speaker, when this money was distributed throughout the length and breadth of Canada to people who had money invested in every industry and in every enterprise (they could not function if they did not), they again were assessed income tax on the revenue or interest they got from this investment, stocks and bonds and shares or whatever they were. They again were assessed on this.

Britain and the United States discontinued excess profits tax in 1947. Canada discontinued their excess profits tax on January 1, 1948, ten months after Great Britain and the United States dropped their tax. Now then, there is no use stopping there. Let us be honest about this thing. Great Britain is again imposing excess profits tax. There is no doubt in my mind that the United States is doing the same thing, and I am going to say to you that I firmly believe that Canada will be compelled to do the same thing on the next budget that is brought down. This is a matter of business; this is a matter of policy, for the greatest good, to the greatest number and the greatest welfare of the nation as a whole. That is what has happened. But these fellows have gone about, and I have heard it in every schoolhouse; and these simpletons come along to somebody here and there, "Well, what about this 5 per cent?" You know what we had to do, Mr. Speaker, we had to pay income tax, and we had to pay what they called "savings" too, and we have now been paid back some of that and we have still some to come. So we all contributed. But there was excess profits tax, corporation tax and then on top of that, my friend the Minister of Public Health, who got some of the windfalls from some of these big capitalistic corporations, he had to pay his income tax on it too. So that is just so much wind, that is all; so much imagination. There is absolutely nothing to that charge, Mr. Speaker, and I want to clear that up because it may be of benefit to someone or it might make someone hesitate to come up with some kind of a wishy-washy statement again.

I can assure you, Mr. Speaker, that I shall now vote for the amendment and oppose the motion.

**Mr. Arthur T. Stone (Saskatoon City):** — Mr. Speaker, the member for Arm River always claims to be a good co-operator; but I notice he did not leave me any air time, and he left me very little time to say what I have to say before 6 o'clock.

I want to join with the last speaker to express my regrets at the member from Kinistino being unable to take his seat here in this Session, and wish him a speedy recovery and hope that he will take his seat before this Session has ended.

I have been rather interested, Mr. Speaker, in the discussion on wheat — about the initial payment and the 25 cent bonus on the five- year pool; and I have noticed that lawyers, teachers, even a minister of the gospel, and some farmers have discussed wheat, and I do not see any reason why a labour man should not get in on this discussion. I am quite sure that if the farmers were not confused before this Session started, they ought to be by the time it is through.

I believe you will agree with me, Mr. Speaker, that 1950 was rather an eventful year, especially for Canadians. It began in the spring with a disastrous flood in Winnipeg, with the sympathy of all the nation and a good part of the United States going to those unfortunate people in that flood-stricken area. Then we had the rumblings of war — finally we were at war. Closely following that was the railway strike which tied up the transportation from one end of the Dominion to the other, and after that, of course, we had those disastrous early frosts which damaged what looked to be one of the best crops we have had here for a long while.

Then after that was the crime of crimes — the stealing of the Stone of Scone. When I see the expression on some of my friends from the "Land of the Heather", they look to me very much like the cat that swallowed the canary, and I look very suspiciously upon them.

We spent most of 1950 saying "good-night" to Irene, and the rest of the time we were suspiciously looking for any kind of a box in case the "thing" might be in it; but I think the catastrophe that hit the majority of our people most was the sky-rocketing cost of living. A great deal has been said about that already in this House, and I will be very much surprised if a great deal more isn't said about it before we go home.

I am going to take a few minutes, Mr. Speaker, to talk about the railway strike, because I think there were two significant points that came out of that strike. One was the almost — I won't say 100 per cent; but the almost vindication of the railwaymen's stand when they received the decision handed down the arbitrates, Judge Kellock. And the second was that this dispute was a part of the intense class-struggle that is taking place all over this North American continent.

In regard to the first point, it seems incredible that the Conciliation Board, which sat about ten months before the day of the strike, and which had all the data, the material and the same statistics that the arbitrator had at his disposal should bring down a majority report which was practically negative to the one the arbitrator brought down, and I think, to a large extent, a big share of the blame for the railway strike can be placed on the members who brought that majority report down.

I said it was a part of the intense class-struggle that was going on. We have noticed that those who own the means of production have gone into the pockets of the defenceless people; they have pilfered and brought these people down to a state of poverty — I speak of those on fixed incomes, on small pensions, people who have thriftily put a little aside for their old age. These people have been brought down to a state of poverty.

The next group, of course, were those who were able to put up some kind of a fight, and it was only natural that the railroad workers should be a good group to start on, because the railroad workers have been, at no time, "problem children." They have always been more or less a well-behaved member of the family. You can remember back to the beginning of the first war, the late MacKenzie King was able to get the cost-of-living bonus foisted on to the railroad workers and by doing so he more or less was able to get the rest of the workers to accept it. And so, the railroad workers were considered a pretty easy group to start on. Having brought them to their knees, then it would not be much of a task to bring the rest down to that level. That, of course, as you know, did not take place; but, it was significant that the same arguments of propaganda — the papers and the radio, and the financial interests who were pouring out heaps and heaps of propaganda at that time, are the very same people, today, who are opposing the 25-cent payment on the Wheat pool. That propaganda, of course, began just at the time the men were getting their strike ballots. The appeal to the men, then, was not to take notice of their leaders, not to be led astray by their leaders, but to accept the reasonable offer thrown out by the

railway companies. This was about the only offer they had made, after trying to negotiate for over a year; but, of course, the man did not listen to the propaganda that was going out, and they backed up their leaders almost 100 per cent. Those people did not know, of course, that it wasn't the leaders that were pushing the men; it was the rank and file who were pushing the leaders, and when the vote was known, then the propaganda turned around to the leaders. After blasting them they then appealed to them and their reason not to go off the deep end.

We realized, of course, that people who had these propaganda organs at their disposal made a pretty good job of cementing public opinion against the railway workers. We did not want to do what we did do. We did not want to hinder the farmer from harvesting his crop, or the fruit growers, or some of those workers who were forced out of employment at that particular time; but we had a battle on our hands, and we had to go through with it. Our only fear now is that from some quarters there will be an effort made to break up that national organization.

I would like to express, from the worker's point of view, how glad we are that the Farmers' Union has taken on a new life and is gaining strength in this province. We say that because we find that everybody else seems to know the farmers' problems, and seems to know what is best for them better than the farmer does himself. How true that is, too, of the workers. We find here a presentation from the Canadian Manufacturers' Association, whose head office is somewhere in eastern Canada, telling this Government that they know what is best for the workers better than the workers in this province know themselves. So I say we are glad to see the farmers building up their own organization, and we hope that it is not merely enthusiasm. I remember when those of the old United Farmers' organization were looking up ways and means of building up their farmers' union, they thought maybe a study of the labour unions, who had appeared to have a certain amount of success, might help them. Well I do not believe that the farmers can get very much from the labour organization, but one sure lesson they can get and that is that they must learn, definitely learn, to take a licking, and take plenty of them, and to come up again with their chins out looking for the next one. I think that that is what has built the labour organization better than any of the lessons that I can think of.

We — and when I say "we", I mean the labour organizations cannot quite understand why the farmers' organization has turned thumbs-down on political action. We can't understand that, because we believe that it is the only effective weapon that the farmer has at his disposal. I know that "political action" does not mean what my friends on the other side infer that it does mean; political action does not mean that a group of workers ally themselves with any particular party. Political action means that you should make a study of your problems on the political field, know who your enemies are, support the ones who are your friends and defeat your enemies; and throughout Canada that programme is going on slowly but surely amongst the workers.

We have four definite points that we expect from a government. One is a decent standard of living, and that is based on the cost of the necessities of life which we have to buy, in a reasonable relationship to the wages which we are able to demand. The second is security in old age.

We believe, in fact we, know, that there is a very small percentage of wage-earners who are able, after raising a family, to put anything aside for old age. Our third point is a national housing programme. We think it is a disgrace that any worker in this nation where there is a plentiful supply of building materials — we think it is a crime that any worker should have to live in a shack or an unmodern dwelling. Our fourth is an over-all social security plan.

When we size up those four points with the Government at Ottawa, what do we find? Well, we find, of course, as I have already said with regard to the first one, that our standard of living is going down day by day. The cost of living has risen tremendously; it has risen to such proportion that we have had something which has only happened once before. The four major groups — Trades and Labour Council, Canadian Congress of Labour, the Catholic Syndicate and the Running Trades — have all gone hand-in-hand to Ottawa to demand immediate action on this question. The only time that happened before was at the passing of the Railway Bill just back in September, when Mr. St. Laurent asked to make sure that this would not be effective to all workers.

What is their history as far as old age pensions go? Well we find our old age pensioners not as well off as when they were receiving \$25 a month, and we feel that a government should do more than they are for our old age people. Our national housing programme is actually a disgrace. They have not even scratched the surface. They have not even provided houses for our returned men, let alone civilians. They have not even tried to do anything about our slum areas. I do not know whether I need to say anything about an overall security plan, outside of the fact that we are farther away today than we were when the late MacKenzie King brought it out in 1919.

Those are our four points, as far as organized labour is concerned. And I say I think, too, that the farmer has plenty of political problems. I can think of one or two myself. I think I can remember parity prices back in 1919 and 1920, when the Progressive Party was formed. I think it is quite a political question. I would say freight rates was another question which is a problem to the farmers. I believe that export markets would be another problem, and I believe that tariffs is also another one. As long as we have the farmers disorganized — and it does seem to me that they are badly disorganized politically for, go across the length and breadth of the Dominion and you will find that they are all shades of political colour; and as long as they remain that way then I think the industry of agriculture is going to be where it is today — right on the bottom of the heap. I think almost any other industry can go down to Ottawa — the soft drink or the chocolate bar — and get anything they want, but the industry of agriculture seems to me to be out of luck. It is rather surprising, Mr. Speaker, when you think of the need for food in this world, the nations and the peoples that are needing food. You would think that the industry of agriculture would be given top priority instead of the position they are in today.

Now, my time is getting short, but I was rather amused and I thought how correct, when I heard the "Capitol Reports" two Sundays ago, Warren Baldwin ended up his report from Parliament Hill by saying this:

"The one thing that pleases me about this Government in Ottawa is the way they lay their cards on the table, face down."

I thought, how true! And I thought how true this party is, here in Saskatchewan; and I am pretty sure if the people called that hand tomorrow, they would not know whether they were going to get a bobtail straight or a pair of deuces. I am quite sure they would not get any more than a pair of deuces.

In spite of what my friends say over there, and they will deny the fact, they cannot convince me that, if they were ever to get into power, they could do away with our Crown Corporations, and I think our people should be warned of the fact. What will happen if they get here on this side? What will happen to our Power Corporation? What happened when it was in the hands of the Liberals, and how can our farmers expect to get rural electrification if it is back in the hands of private individuals? I think they should be told, too, what to expect of their transportation system when it is handed back to private corporations, and the kind of service that they can expect — the kind of service they got when that side was over here, I think our people should be told, too, about the services — our Fur Marketing Services, our Fish Service; and they also should be told something about our timber industry, and expect the same old stuff of allowing individuals to go in and exploit our timber.

A lot of fun has been poked at our clay industry in this House, by the Opposition; but I want to say that clay is one of the minerals, at least, that we know we have plenty of and it is of good quality; and the Liberal Government sat here for years and did not do a thing about it. Now we are doing something about it, and I believe that we will bring our clay industry up to where it ought to be in this province.

I am pretty certain that the hospitalization plan will be destroyed. When the Leader of the Opposition says he is going to decentralize it — what does he mean by that? I would say that he means to throw it back to the municipalities. If the municipality happens to be a fairly wealthy municipality, then they will have some kind of a hospitalization scheme; but if they are not that fortunate, of course the individuals will have to go without. We could carry decentralization a little further. We could carry it to the medical care of old age pensioners and the blind pensioners, and that, too, could be, and likely will be, thrown back to our municipalities. We should warn our people of these things. I am very sure that our automobile accident insurance plan will be destroyed — I am quite sure of that — and our Government Insurance Office. After all, the people who are behind the Liberal Party would not stand to have an insurance office in this province that maintains normal rates, whereas; on each side of us the rates have gone up.

Now, Mr. Speaker, I see the time is getting short and I am only going to spend two minutes on the amendment. I do not think the amendment is worth a great deal more of my time. I can remember, a few years ago, quite vividly as if it was only yesterday, when the five Liberal members and a certain soldier representative, spent days and days blasting away at this Government because it was introducing co-operative farms. "Here's the start! Here you are. Here is the Communist communal farming where the State takes over all the produce and gives the individual enough to keep

body and soul together." We heard that for days and days; but the fact remains that co-operative farming has proven a worthwhile venture in this province, and it is here to stay, unless, of course, we are unfortunate enough to have the Liberals on this side of the House.

As I say, Mr. Speaker, I can remember that quite vividly, and I believe that the amendment is only going to aggravate the situation in this province. It does seem to me that there is a problem — a very serious problem — a problem of more and more land getting into the hands of fewer and fewer people, and it is time this Government did, or tried to do, something about it. To sell land outright to an individual would not guarantee that that piece of land would not become a parcel of this big unit, and so, Mr. Speaker, I do believe the amendment would only aggravate the situation, so I will vote against it and I will support the motion.

**Hon. J.H. Brockelbank (Minister of Natural Resources):** — Mr. Speaker, at this time I would like to pass on to the member for Kelvington (Mr. Howe) and the member for Elrose (Mr. Willis) my congratulations on the speeches they made, in this House, in moving and seconding the Address-in-Reply.

I would also like particularly to mention the speech that the Premier made, and to congratulate him on making that speech, as well as the Minister of Education (Hon. Mr. Lloyd) on the speech he made. I could go over the whole list of members on this side who have contributed to this debate, and they deserve congratulations; but I wanted particularly to mention those few.

I am sorry I cannot congratulate the members of the Opposition for the speeches they have made, but that is not because they have not tried. It is very difficult to make a good speech when you have absolutely no case for it in the first place, and, therefore, they are pretty disjointed, and very often, Mr. Speaker, pretty loud too.

There has been some talk about the next election, and no doubt my hon. friends over there would like to know when the next election is going to be. Well, I want to remind you, Mr. Speaker, that you and I sat over there on those benches for six years, and as far as I am concerned, personally, if the circumstances arise, I do not care if my hon. friends sit over there for another six years. Of course, there may be an election this year or next year, or in 1953; if circumstances arise however there might be good reason, and my hon. friends would be the first to admit it, for postponing the date of an election and going for six years. They could not argue against such a case. That has been done before. But I want to tell them that I argued against it and I would argue against it again. There is another thing too. We have not got any Carl Stewart to pull the chestnuts out of the fire for us, like the Liberal Government had at that particular time; and he got his reward and is still pulling chestnuts out of the fire for them.

I was amused at my hon. friend from Arm River (Mr. Danielson) when he said that nothing was more conducive to clearing the population out of rural areas than to close the schools. This is typical Liberal logic,

Mr. Speaker, absolutely typical Liberal logic — not realizing that because of other things, some of which were touched upon by my hon. friend from Saskatoon (Mr. Stone), the people had left the community so that there were no children left there in that community to go to school, or certainly not enough to make it within reasonable cost to operate a school. But it is a very common thing for the Liberals to take cause and effect and just shift them around, and try to make a case out of it. But that won't have much effect throughout the province of Saskatchewan.

The hon. member for Arm River also talked about patching up the differences with the Labour-Progressive Party. Well, the Liberal Party is the one that does that periodically — patches up their differences with the Labour-Progressive Party; and if there is, in Canada, any place a 'fifth column' for a political party, then the Labour-Progressive is the fifth column for the Liberal Party in Canada. They have shown it in the past by serving the Liberal Party and dividing the votes in constituencies like Windsor and other places in Ontario; they have shown it by coming out with their advertisements across Canada, and everyone knew, in days gone by, in those old days when the Liberals were being victorious in this province, where to find the leader of the Labour-Progressive Party (the Communist Party, as it was known at that time) on election night — at Liberal headquarters, celebrating.

That is all I want to say tonight, Mr. Speaker, and I beg leave to adjourn the debate.

The assembly adjourned at 6 o'clock p.m.