

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**THIRD SESSION — ELEVENTH LEGISLATURE**  
**17th Day**

**Friday, February 23, 1951**

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

**BUDGET DEBATE**

The House resumed from Thursday, February 22, 1951, the adjourned debate on the proposed motion of the Hon. Mr. Fines (Provincial Treasurer): That Mr. Speaker do now leave the chair. (The Assembly to go into Committee of Supply.)

**Hon. I.C. Nollet (Minister of Agriculture):** — Mr. Speaker, as I adjourned the debate yesterday afternoon, I was congratulating the Provincial Treasurer (Hon. Mr. Fines) on the attention that has been given to the Department of Agriculture for expenditures in the coming year. Never before in the history of the province of Saskatchewan has so much consideration been given to support of long-term policies that would tend towards stabilizing our agricultural economy in Saskatchewan. I want to say that the Department of Agriculture is very appreciative of the consideration that the Government has given to this very important phase of our economic situation.

I was similarly criticizing the reply on the part of the hon. member for Arm River (Mr. Danielson) who was the official critic for the Opposition, this year, on the Budget speech. I was pointing out that while pointing to the increased revenue, no mention was made of the fact that any increased revenue due to inflationary and foreign conditions was nevertheless tempered by the fact that the dollar today only buys about half as much as it did in goods and services previous to 1944. Hon. members wish to condemn the administration for the size of the budget and then they conveniently overlook this important fact. It certainly is a fact, Mr. Speaker, that the expenditures of the Government have gone up in recent years, whether they are provincial governments, federal governments or municipal governments, and the reason for that is that the prices of everything, as I mentioned, both goods and services, have reached an all-time high in the history of Canada. It goes without saying, though, Mr. Speaker, that services have been expanded and today, new services being demanded by the people have been adequately met by the administration and the Provincial Treasurer is to be congratulated on the very well-balanced budget that he presented to the people of Saskatchewan, with no further increase in taxation. I presume hon. members opposite were just wishing that taxes would be increased so they have something on which to base some popular appeal.

Mr. Speaker, the hon. members opposite criticize, as a rule, expenditures of money, but they do not point to increase in services at all. In fact, they are all for the increasing services in all directions, even to the extent of suggesting a subsidy on butter, and in the same breath they keep on talking about increased taxes, and the increases that they point to are ludicrous in the extreme. For instance, Mr. Speaker, the hon. member for Arm River mentioned in his budget address that we were so feverishly

casting about for increases in taxes and sources of revenue, that we had increased the grazing lease fees of this year. Now, the hon. member for Arm. River also realizes, and he stated in this House, that cattle are higher today than they have ever been in the history of the nation. That is true, Mr. Speaker. He knows, too, that the formula on which the lease fee is based goes up with the price of livestock and comes down when livestock prices come down. That lease agreement was specifically requested by the stock growers of this province, was submitted to them and endorsed by them. They like that particular kind of lease. In fact, they like it so well that they would like to have their taxes on farm land incorporated on the same general formula basis. So there is really no complaint, and I want to hasten to say this, Mr. Speaker. The revenue that we get from the administration of Crown Lands does not pay for the administration cost; of course, considering that the Lands Branch turns over to the Department of Education, I think approximately one million dollars a year towards education costs. Outside of that, and from the administration of farm lands, we scarcely get sufficient to pay general administration costs. So there should be no real alarm on that score.

It is common knowledge that fiscal policies at Ottawa determine to a large extent the pattern of agriculture policy that is going to be carried out in the nation as a whole. We, in this province, are placing tremendous emphasis on conservation and proper land use. And in the interest of furthering a programme of that nature, it is absolutely vital that we have fiscal policies at Ottawa that will encourage the type of agriculture that fits in with sound land-use practice. I regret very much, Mr. Speaker, that I cannot say that the policies at Ottawa have been policies that would encourage diversified and stable agriculture. I have spoken on many occasions about the tremendous drop in our livestock population in the province of Saskatchewan, and a good deal of that responsibility will have to be assumed by the Federal Government, due to the uncertainties that prevail in the prices of farm commodities and the relationship of these prices to the prices of the things the farmer must buy.

In my opinion, Mr. Speaker, the one agency that could give a tremendous contribution towards stabilizing price levels to farmers in keeping relative prices between agricultural products, is the Wheat Board. For that reason, and many others, the C.C.F. have always vigorously supported the principle of Wheat Board marketing. But we do criticize the Government of the day when they use the Wheat Board as they did during the war years to keep agricultural prices down, to put it as they did under the Wartime Prices and Trade Board, and use it in that way to keep the price of wheat down. That has been a very serious complaint on the part of the wheat growers of this province and other provinces. Well, then, after the war there was no criticism of the Wheat Board whatsoever as far as the C.C.F. Party is concerned. It's a matter of fact, Mr. Speaker, it is well to remind members of this House again that the C.C.F. found its origin in the struggle of the farm people and the working people of this province and other provinces to better their economic conditions. Now, after the war we all realized that there was only one agency that could adequately market grains in view of the international situation, and that was under the Wheat Board.

The criticism that has been known, Mr. Speaker, and it is legitimate criticism, is that the administration, while keeping the price of wheat at a figure, permitted the prices of everything else that the farmer buys to

sky-rocket to levels unprecedented in Canadian history. That is what is discouraging our farmers and gave rise to any criticism that took place. For instance, this fall, surely with the frozen-wheat problem and the spread in the grades, the farmers naturally expected that the initial price ought to have been the same as the year previous because of the increased cost of production that has taken place within the last year. However, that was not the case, Mr. Speaker. The initial announced price was \$1.40 at Fort William, and in my humble opinion, Mr. Speaker, there was no concrete justification for that if we were going to continue to give the farmers of Canada their fair share of the national income which was already out of proportion. Everyone realizes that there was a very serious marketing situation developing in the minds of the authorities at Ottawa. When I attended the Dominion Production Conference all authorities agreed that we would have a most difficult time in disposing of frozen wheat, wheat that would only be suitable for livestock feeding. We were told that on the basis of per animal unit, we had more feed grains in Canada than since 1943-1944, and under those circumstances the problem of disposing of this wheat was of primary concern to everyone. Of course, the situation has improved somewhat and the disastrous drop in prices did not take place, particularly in feed grains, including feed wheat and coarse grains because of the fact that those grains were under the Wheat Board. Consistently, the Wheat Board prices were higher than the speculative market price, and I agree with the hon. member for Arm River that had it not been for the Wheat Board, prices would have fallen to a ruinous level.

My only criticism of the attitude of the hon. member for Arm River is that he had a dual type of philosophy. On one hand he supports the co-operative philosophy and on the other hand he supports free enterprise. You know, if anyone, Mr. Speaker, ever had a difficult job to accurately skate on the thin ice between the two, it is the hon. member for Arm River. I would like to see the hon. member become a complete and 100 per cent co-operator, and if he did that, Mr. Speaker, he would find himself on this side of the House. However, Mr. Speaker, limited amounts of frozen seed wheat were sold to the United States, principally because the price down there was pegged at \$1.99. That, too, held the market up. It must be remembered that the vast surpluses of feed grain have not come on the market as yet, but that was also due to the later harvest, and the shortage of boxcars. Had a volume of this grain come down to the market, well, the picture may have been different.

Another cause of the improvement was the increased world tension. And now, Mr. Speaker, where previously the administration was faced with what they termed as "embarrassing surpluses," those surpluses overnight have changed into being strategic reserves. I am glad to note that possibly we may be sending some of these feed grains to market in India. It is too bad that we have to get to the extreme point of international tension before we begin to realize that we have a responsibility to the hungry of the world. But the situation has improved to some extent. As a matter of fact, we are all pleased to hear the announcement that the initial price of feed grains will be raised by 20 cents a bushel, and the Leader of the Opposition went into a political ecstasy of joy when that took place, and the hon. member got so enthusiastic that he got politically critterhopping. He went to the extreme extent of suggesting that any criticism of Federal policy was undermining the Wheat Board. Now, Mr. Speaker, that is going to an extreme of political enthusiasm when the hon. member knows that the people of this province know that the C.C.F. are the

ones that have been consistently in the foreground fighting for the Wheat Board system of marketing.

There have been statements made by the members of the Liberal Party that could be interpreted as being more damaging to Wheat Board marketing than any justifiable criticism proffered by the C.C.F. Party. For instance, Mr. Speaker, I recall that when the organized farm movement first began to make representations to the Dominion Government that coarse grains come under the Wheat Board, the C.C.F. group in the House of Commons in February 1947, moved an amendment to the Wheat Board Act that would permit the marketing of coarse grains, and the Liberals voted that amendment down and offered many objections to it. Exactly a year later, under pressure from the organized farm movement, the Liberal Party in the House of Commons then passed a Bill that would enable the marketing of coarse grains under the Wheat Board. It followed, then, that only two provinces passed complementary legislation. That legislation was no more than passed in the House of Commons at Ottawa — I think it was passed on the 11th of March, 1948, and on the 22nd of March, 1948, complementary legislation was passed in this House. The other two provinces, Alberta and Manitoba, refrained from passing complimentary legislation. I think it is due to pressure exerted by this administration, in conjunction with the organized farm movement, that in 1949 they were able to line up Alberta and Manitoba.

Now, the hon. Leader of the Opposition talks about advancing the Wheat Board principle of marketing. Even while he was proffering his criticism in this House, Mr. Speaker, his political compeer, Mr. Campbell, the Premier of Manitoba, came out with a statement that he was going to submit the whole matter to a plebiscite after the Manitoba Legislature had passed that legislation. The Hon. Leader of the Opposition, commenting on this, said that he hoped it would not affect the marketing of coarse grains in this province under the Wheat Board. But the Hon. Leader of the Opposition knows that, when these farmers in Manitoba vote on this Legislation, take this plebiscite, if we get an adverse ballot, we can be sure the Winnipeg Grain Exchange will be right in the thick of the fight to abolish the marketing of coarse grains by the Wheat Board, because they would like to have the speculative market open again. I want to remind the Hon. Leader of the Opposition that when the Liberal Premier of Manitoba submits that to the farmers of Manitoba, those farmers will also be voting for the farmers of Saskatchewan and Alberta, because if one province condemns the marketing scheme then the Dominion Government has to, too, and we can not market our coarse grains through the Wheat Board. So he had better direct his criticism to the Premier of Manitoba, and I would suggest to him that he contact the Premier there and advise him not to proceed with the plebiscite, since the Legislature of Manitoba has already decided the matter.

I want to say that we have had quite a time to line up the Manitoba boys behind marketing coarse grains under the Wheat Board. The present Premier of Manitoba was then the Minister of Agriculture and the then Premier, now the Hon. Mr. Garson, Federal Minister of Justice, met here in Regina and they finally agreed that, they would come in and at that time we thought it was the Conservatives that were opposing it. But now the Conservatives sit on one side of the House and the Liberals are the Government in Manitoba and still, Mr. Speaker, they are going to sabotage the marketing of coarse grains through the Wheat Board and possibly sabotage the whole structure by this particular method.

The people of this province, Mr. Speaker, on the basis of the records can determine for themselves who supports the principle of Wheat Board marketing and who does not.

I want to say further that, speaking of sabotage, I would like to refer to some of the antics of the Rt. Hon. J.G. Gardiner when it was first proposed that this type of legislation be utilized. In 1948 we passed legislation and they passed legislation which everyone understood, and the Rt. Hon. J.G. Gardiner ought to understand, that this was the manner in which coarse grains were going to be marketed. But, what does he do? I am quoting from a press report of the "Star-Phoenix" dated October 14, 1948, after the legislation had been passed. He was speaking in, I think it was, the Rosthern constituency, and he stated that the Provincial Government had the power under the Natural Products Marketing Act to bring coarse grains under the Wheat Board, and he persisted in that line of reasoning right up to the election of 1949. Now, if that wasn't sabotaging the principle of marketing coarse grains through the Wheat Board, I would like to know what is, when he knows so well that we could not use that legislation, and it was not intended by Dominion authorities that we should use that particular legislation toward marketing coarse grains. And there are various obvious reasons for it, Mr. Speaker. It has been pointed out time and again, that the Wheat Board has control over the handling facilities, and you cannot market grain unless you have control over the handling facilities; and, therefore, this method was devised to do the job of marketing coarse grains to the Wheat Board in the most satisfactory manner possible. Reference could have been made, for instance, to the Advisory Board to the Wheat Board and complaints have been received from time to time from the organized farm movement that this ought to be a farmer board, at least with a producer majority on the board. Now, the Hon. Leader of the Opposition, in his suggestions that any criticism, any legitimate criticism that we direct at government policy in handling the affairs of the Wheat Board, and not at the principle of marketing wheat, I would suggest to him that we take into his scope of criticism the advisory board that asks for the open market. I have in my hand, Mr. Speaker, a "Leader-Post" press item, dated February 2, 1950, reading as follows:

"The advisory council of the Canadian Government Wheat Board it is learned here recently recommended to the Wheat Board that after July 1, 1950, the wheat market in Canada be thrown wide open."

I would suggest to the Leader of the Opposition that he bring pressure to bear with what influence he has at Ottawa, to see to it that this advisory board is a producers' board and not a board that might sabotage the marketing of wheat to the Wheat Board.

**Mr. Tucker:** — May I ask a question?

**Mr. Nollet:** — Well, Mr. Speaker, I'll answer the hon. member's question . . .

**Mr. Tucker:** — Was that report not denied later?

**Mr. Nollet:** — It goes on:

"The council it is learned voted 9 to 2 for this recommendation. The only two that voted against it were Mr. Wesson and another farmer from Alberta."

Now, those were some of the weaknesses and some of the dangers to the continuation of the Wheat Board operating method of marketing as against that of the speculative grain trade.

I want to make one more remark in regard to the 20-cent a bushel increase. I think my statement could easily still hold. In view of the information that we have, I did suggest that possibly our farm people ought to be thinking about seeding some of this frozen wheat because of the very gloomy picture painted to us at Ottawa. As a matter of fact the picture was so gloomy I thought the Federal Minister, perhaps, ought to make some statement in that regard. And, now, since we got a 20-cent increase . . . "Well, this will teach Mr. Nollet a lesson, this will stave off a reply to these critics." Well, as an answer to the critics, then I take a deep bow to the farmers of Saskatchewan because of any contribution that I might have made in putting 20 cents a bushel more on their wheat.

**Mr. Tucker:** — That's very funny.

**Mr. Nollet:** — The hon. member won't think it is so funny. Perhaps there may still be some doubt as to whether we will get any more, and the Hon. C.D. Howe has told the people of Canada that any further payments would be on the basis of the grain delivered. Now, we will see if that transpires. Of course, I want to give credit, too, and we are very pleased to note that we are not going to wait until all the grain is sold, that there will be a final payment made, and that if the wheat is sold for any additional amount, the producer will get the benefit of it. I want to say this to the hon. members. If the situation was so revolting as it was presumed to be at the present time, why didn't they pay the 20 cents last fall, when they were making the initial payment instead of now? Those are the questions that the farmers are asking. Well, it goes without saying, Mr. Speaker, it is an old record; every time the farm people rise up and give the Liberal Party a good swift kick in the pants they generally respond by slapping themselves on the back and saying, "What great fellows we are. We have given you something," when they should have done it in the first place.

I just had these few words to say about several matters because they so seriously and intimately affect our agricultural economy here in Saskatchewan. I want now to come a little closer to home and to our own problems here in this province. I want to mention, Mr. Speaker, that the scope of activities of the Lands Branch has been enlarged and broadened in conformity with the general overall policy of the Department of Agriculture, and that we would endeavour to achieve first of all, some degree of agricultural stability in this province against natural hazards and then we would, by encouraging proper land use practices, increase our overall production. We are trying to deal with these problems realistically and they are problems, Mr. Speaker. Personally, I am not going to be tied down because of my adherence to any particular philosophy. We intend to play these problems as they exist and then try to bring in a practical solution to those problems. I have not heard a single practical suggestion come from the hon. members opposite.

They said all of those things that might result in bringing greater popularity to them. I think sometimes, Mr. Speaker, they ought to change their name. They ought to name themselves the "Popularity Party" instead of the Liberal party. And once, Mr. Speaker, commitments that are made on the basis of popular appeal usually can't be discharged, should such an administration ever have the misfortune of getting into power in this province again.

Mr. Speaker, the early unplanned settlement that took place in this province was one contributing factor to the present situation. Of course, in those days there were no long-term records of production available, and people did not have the soil knowledge available that we have at the present time. We hold out no criticism or blame for the unplanned settlement that has taken place in this province, but it has brought very real problems in this way. It has resulted, Mr. Speaker, for instance in the payment of over \$186 millions in relief since this province was formed, and that is no small sum of money. With that experience as a background, quite naturally, Mr., Speaker, we turn our attention now to corrective programmes that will prevent recurrence of that type of situation. The homestead policy had its contribution to make, too. Now, everyone knew, and they did know as a matter of fact even in those days, that a quarter-section of land would not be sufficient for one man. Then, too, Mr. Speaker, large plots of land were alienated from the Crown completely as gifts to the railroad companies and to the Hudson's Bay Company, and the result was that once a man proved up on his homestead — and, by the way, he usually bet the Government \$10 that he could stick it for four years, and if he won, then it was necessary for him to put a mortgage on that homestead in many cases in order that he could buy an adjoining quarter-section of C.P.R. land, Hudson's Bay land, or what-have-you, or some land that got into the hand of other speculators, with the result that in many cases the mortgage was never paid off and he lost both; he lost the bet in the final analysis. The general tendency in the whole practice of land tenure then has created a situation where it is most difficult to re-establish the great numbers of people who now need re-establishment, and they are the ones that are our chief concern; and we decided to embark on a 33-year lease.

I would just like, Mr. Speaker, to draw attention to a pamphlet sent out by the North Dakota Agriculture Experimental Station at the North Dakota Agricultural College in Fargo, N.D., just to indicate to the members of this House that the problems of land tenure, ever-increasing size of farms and the problem of providing educational facilities in rural areas are just as great in other countries as here in Saskatchewan. It certainly isn't a problem peculiar to this province alone. I would like, Mr. Speaker, to read a few extracts from this particular analysis and the pamphlet is entitled "What about our large farms in North Dakota?" I want to mention to hon. members opposite it isn't a problem as to how we are going to dispose of the limited amount of Crown Lands remaining, where the solution can be found. The solution will have to be found as to how we can keep the problem of settlement under private ownership on a sound unit basis. That's the problem that is presented. It is in the lands that have been alienated from the Crown where the real problem lies. And I would like to see a constructive suggestion come from the Opposition in that regard. I think the matter is so important that it ought to be carefully looked into and then members from both sides of the House ought to agree as to how we are going to deal with this basic and serious agricultural

problem. To quote from this particular pamphlet, it said:

"On a summer evening, in 1948, a group of men in front of a small hotel in rural North Dakota were engaged in a lively discussion. They were talking about the big operator. They were afraid that he was making it too hard for the average person to get into farming. It seemed to be the feeling that a few in the neighbourhood who were well-fixed financially, were gradually squeezing the smaller operator out of the picture. It is getting so a young fellow can't get started any more.

"Take the case of the chap who just returned from the war. He started out on a half-section. He could make a go of it because his dad had, but he can't rent any land around there, and he could no longer find sufficient work with his neighbours due to increased mechanization."

And here is another interesting reference:

"An example of public action already taken in North Dakota is the initiated measure of approval, June 29, 1932, permitting corporations to hold rural estates only subject to the 10-year limitation — corporations, other than co-operative groups containing a majority of farmers, have not been allowed to engage in farming for a period of more than 10 years from June 29, 1932, or from the date of acquiring land after that date."

In other words, corporations in North Dakota can only continue to farm their holdings for 10 years, after which they must dispose of them to individual farmers. I am not proposing this at all as a corrective to the whole problem, but just to give an indication that other people, elsewhere, are alarmed about this problem. Their summarization of their surveys are quite interesting, too, Mr. Speaker, and I shall read them to the House. Here is the summarization:

"1. Mechanization has radically changed man's ability to handle grain acreage in North Dakota. This advance in farm technology, coupled with good yields and farm prices during the past decade, has been moving our size of farms upward."

"2. Large farms have meant a smaller number of farms. Fewer farm families have brought problems to the rural communities in maintaining all types of community services.

"3. As we have moved in the direction of fewer and larger farms the opportunities of our farm boys to



become farmers in North Dakota have dwindled. High capital requirements are moving ownership out of reach for many a competent farmer."

Those, Mr. Speaker, are some of the fundamental reasons why the 33-year lease is so popular with people who want to become re-established, and with young men who want to start farming. My only regret, Mr. Speaker, is that we haven't sufficient land to meet the requirements of the demand. We estimate, Mr. Speaker, that there are approximately 20,000 farmers in Saskatchewan who need re-establishment or have the requirements for additional land.

I want to cite one particular case. We have one section of Crown land on the Regina plains of that particular type of soil. Two veterans went on this land five years ago. These two veterans, in that 5-year period of time have tossed \$50,000 worth of crop, Mr. Speaker, and the Department received 1/6th share of that, and I want to say that this was School Land and the money they paid into the Land Branch went into the Education Fund, to help educate some of the rural children of this province. Is that, Mr. Speaker, not a far fairer type of land tenure than that provided by private ownership where people rent land directly to farmers with no security whatever? Later, I am going to read to this House one or two letters I received. Here are two veterans, Mr. Speaker, who in a 5-year period have grossed \$50,000. I think these boys are well satisfied with 33-year lease. They are interested in getting a good income from that soil, and they are certainly disinterested in burdening themselves with expensive high-priced land and, at the same time, the accumulated burden of high-priced machinery. The combination of the two are too much to carry for anyone that wants to start farming, today.

Now those are some of the practical reasons, Mr. Speaker, why we have decided on this 33-year lease policy, and I think they are very good and substantial reasons. I think that when people go out to make a silly appeal that we are trying to "socialize" everything, it hurts corrective programmes and I think they are sound programmes, Mr. Speaker.

Now to go on with the summary from North Dakota:

"4. These trends conflict with the desire to keep farmers' access to ownership open. It is natural, therefore, that many people are wondering whether we may have moved too far in the direction of achieving efficiency merely by extending farm acreage.

"There is no agreement as to how far we should go in expanding farms. There are those who seek to establish the largest numbers of farms, which can't support farm families in reasonable comfort. There are others who believe we should expand to whatever size is consistent with high efficiency."

Now I know that hon. members opposite, as they have expressed the opinion frequently, think that the farmer-sized farm is desirable. I think that too, Mr. Speaker; but how do we get the farmer-sized farm set up?

I want to say, too, that if we are eventually going to give our farm people an assured income by way of price, that price will have to be one that is satisfactory to all farmers. Today, Mr. Speaker, the price of \$1.25 for wheat might be highly satisfactory to a large farmer on the plains, but it would be disastrous to a farmer in the northwest, on a half-section; so the problem and the desirable goal to shoot at, I think, Mr. Speaker, is to give our farm people the same guarantee of minimum income that the urban people are now getting. The problem is insolvable, Mr. Speaker, unless we have farm units established on the basis of productivity. Naturally, Mr. Speaker, low productivity land implies that a larger unit is necessary — for two reasons: one, by virtue of the fact that the productive income is bound to be restricted, and the other one is, it must be large enough so the farmer can engage in the type of farm practice suitable to the particular area. When you take all those things together, Mr. Speaker, then you get good land use, and with sound Federal fiscal policy, you get some permanency to your agricultural set-up.

Those are real problems. I know there are many large owners in this province, and there are many people who, for philosophical reasons and otherwise, like to shirk the problem; but it is on our doorstep, gentlemen, and some day, some administration is going to have to deal with it, and I think we ought to deal with it on a non-partisan basis.

I will not quote any more from this particular pamphlet, Mr. Speaker. I think I have quoted enough to indicate that people elsewhere are alarmed about the very same problems as we are. Now I would like to quote (as I said I was going to) extracts from letters that I quite often receive from people who are interested in acquiring more land. Here is a sample that was on my desk, this morning. It is from a returned man from Holdfast, and he says:

"I would like some information with regard to leasing land on a 33-year or a 10-year lease, with details — also where there is such land available. I am a veteran, having acquired a tractor through the V.L.A. I had a letter from the V.L.A. stating that if I didn't rent any land this coming season, it would be advisable to dispose of the tractor.

"I am wondering if I could get any help from your Department. I have been listening to the broadcasts, but that doesn't dim my hopes any — rather it makes me see more the way things are being done. Some of the Opposition make themselves look — or I should say — sound silly.

"Wishing the Government bountiful success."

Here is another one — this one goes back to 1948 and was addressed to the Premier and referred to my office. We get these right along, Mr. Speaker. This says:

"I would like to ask you for information about a farm and home — where I can keep my family alive.

I have no place after the 1st of April. The farm where I am living on has been rented to a different party . . ."

That fellow didn't have any 33-year lease, Mr. Speaker, and he goes on:

". . . and I am not able to rent anything, not even a house where I can put my family. I have a wife and six children. I would like to buy a half-section of land on very easy payments, but I am unable to pay \$8,000 or \$9,000 cash. I only have horse machinery and work with horses, and it is very hard to satisfy land-owners with horse power.

"Last year, I had seeded 200 acres of crop and I didn't thresh one kernel of grain, so you can see for yourself how much money I have."

You see here is a typical case, Mr. Speaker. This man could never jump out and buy land and then be able to acquire sufficient machinery and then begin to clear and break, if that is what is involved.

I have another one — a very interesting one here, Mr. Speaker. This is not a letter. This was taken from, I guess what the hon. member from Arm River would refer to as, "that capitalist propaganda sheet", the "Farm and Ranch Review"; but I suppose the hon. Minister of Social Welfare (Hon. Mr. Sturdy) might describe it as that "shining example of journalistic rectitude". To me, it is just the "Farm and Ranch Review." Sometimes I agree with some of the articles in this particular farm paper — and it is a pretty good farm paper. I think it ranks among some of the best. But I was interested, Mr. Speaker, in an article in this paper, written by one of these young Canadian boys who wants to go farming. It is written by Doug. Rathwell from a small town in Alberta, and it is addressed to an old-timer. Now, Mr. Speaker, my age and my experience, and, I presume, wisdom, do not permit me to be classified yet as an old-timer, but I am certain that the hon. member for Arm River classifies himself as an old-timer. I think he is a pioneer in his district and a pioneer of good repute; but nevertheless he is an old-timer, and this boy directs this letter to the old-timer, and it starts out like this:

"See here, Mr. Old-Timer, I am fed up with your planning. I am just fed up with reading all this junk in all the papers and magazines by older people and government experts telling why Young Canada is moving to town, and big schemes they are trying to figure out how to prevent it.

"Being a member of Young Canada, I think I have a pretty fair idea of the situation, both for the reason and the way to stop it.

"First of all, when the farm lad begins to grow up, he wants to get a piece of land of his own. He has heard that Farmer Jones . . ."

**Mr. Danielson:** — Naturally he would.

**Mr. Nollet:** —

" . . . wants to retire so he goes off down the road to see the old gentleman. He is greeted with suspicion but when he says he is thinking of farming, Farmer Jones fairly beams. Now this starts a long-winded story of how he, Jones, came from North Dakota in '98, rented a farm for the first 10 years, then bought it without a cent down . . . "

**Mr. Danielson:** — That's right.

**Mr. Nollet:** —

"Then he got a mule and a plow and was in business. After about an hour of boasting about his hardships he finally winds up with 'me and the boys got the place all cleared up 4 or 5 years ago', then they all left for the city. The reason that they left was because he worked them half to death, paying for it in splits. So they decided to go to the city where they worked regular hours and got their regular pay cheques, and were only under a boss 8 hours a day with Sundays and holidays off, and then they could see and plan a future of their own.

"At last the lad gets a word in and says, he would like to rent the place. At this Farmer Jones almost exploded; his face gets purple, and he yells: 'Rent! Do you think I'm crazy? That's no way to start. If a person rents they never know what sort of a guy they will get on their farm.'

"After he has done his best to make the Young Canada lad feel like a kid caught in an apple tree, he finally cools down and says: 'I like you, lad, so I'll give you a break. I figure this place is worth about \$50 per acre — that comes to about \$40,000. Now I can maybe let you have some good terms on it.' The lad's face brightens up, so Farmer Jones goes on: 'Yep! Seeing I like you, I'll let you have it for \$35,000 down and the rest can go till next October'."

The young lad goes on:

"Now that, in itself, is the biggest factor in the case. Where our grandfathers homesteaded land for nothing, and the next generation rented or bought on the crop-payment plan, we of today are expected to pay tremendous prices and with a large down-payment which is beyond the reach of most of us; and the result is large-scale land-owners are grabbing it up so they can keep us under their thumb and get rich at our expense and discontent. The solution, then, is loosen up; give us a chance and see what we can do. After all, how can we make good when we are tied down so we can't move. Machinery is also a big

problem and the horse and the plow days are gone forever, and a good thing, too, because all it left us is the remains of good land misused and brutally mistreated by the members of the old pioneers. Today, to try and repair this unpardonable damage, we have to have thousands of dollars worth of equipment, starting, of course, with a tractor, and going on down to blade weeders, tillers, cultivators and on to combines, swathers and other machines too numerous to mention."

Then he goes on about farm wages, but I have read enough, Mr. Speaker, to indicate that this pretty clearly illustrates the problem, coming from this young gentleman and from Alberta, Mr. Speaker, where there is no farm security legislation which the hon. members opposite say makes it tough for young farmers to get started, today. That is not true. Everyone knows it isn't true.

While I am on this subject of farm security legislation, Mr. Speaker, I want to say that the farm security legislation that this provincial Government has brought in, I do not think has discouraged one single farmer from selling his land on time or on terms. That is not it at all, Mr. Speaker.

**Mr. Danielson:** — You do not know very much.

**Mr. Nollet:** — If there ever has been any lack of confidence in farm loans, in this province, it has been because of the attitude of the loaning agencies. In the past — their total lack of disregard for loaning money on land that shouldn't have had that particular sized loan in the first place, with no regard to the economic side of the farm unit involved, whatever. Sure, there are companies that lost money; but any time a person wants to invest money in Saskatchewan sod as an investment, or to give credit to a farmer who has a properly-balanced unit of sufficient size where he can conform to good land use practices, well, that loan is far safer than it would ever be in the bank. It is not to the individual that you are loaning the money. It is on the possible returns from that land that the money is loaned, Mr. Speaker; but that principle has been totally disregarded in the past, with pretty sad consequences.

For instance, Mr. Speaker, I have in my hand here a booklet put out by the Farm Management Division of the University of Saskatchewan. It is a study of probable net farm revenues for the principal soil types for Saskatchewan. Now this booklet was put out in 1937. There are some pretty interesting tables within this book, and it has a bearing on exactly what I was saying. I am saying, Mr. Speaker, that any creditor, or any farmer for that matter, or any company, or any government, that will not recognize that in certain areas we have many crop failures, won't recognize that as a natural hazard that should be taken into consideration, won't recognize that principal payments ought to be held in abeyance, and that the interest payment ought not to be paid under those circumstances, are decidedly taking the wrong view, and are placing an undue burden on the farm operators. But, before making such a loan, they should take into consideration the whole past performance of land in that particular area, and if they do that and then waive their

portion of the crop when the failures take place, they will be certain that in the ultimate, they will realize well on their particular investment.

Now these tables indicate this, Mr. Speaker: I will take just two examples. This is a Summary of Statements of Net Cash Incomes, Net Incomes, and Debt Carrying Capacity of Farms included in this particular Business Study. Now we will take the average. Here are the figures — first on the basis of the yield of wheat — that is the average yield of wheat from 1918 to 1930, and I first make reference to a half-section with a total acreage of 320 acres, with the 301 acres in crop, and 211 acres sowed to crop, in a particular year. Now the Net Cash Income — this is 1937; the comparison would be just about the same today. The net cash income on the average half section of prairie soil would be \$312 and the net income — that is after allowing for depreciation of buildings and machinery — on that half-section, would be \$49 per year, and, consequently, that half-section would have a debt carrying capacity of \$562, amortized by net income at an interest rate of six per cent over 20 years. Now when you move into the larger sized unit on the same class of soil, the picture changes quite quickly, indicating that the efficiency of an increased unit up to a certain size. A section of similar soil with a crop acreage of 406 would bring a net cash income of \$856 and a net income of \$597, with a loaning capacity of \$6,848 over 20 years at six per cent interest.

Well, this information has been available before, Mr. Speaker, and it indicates quite clearly the amount of a loan and the burden of indebtedness that certain land can carry. There are many illustrations in this particular pamphlet, and I will take one more, Mr. Speaker.

The average northern park land: a half-section with 148 acres of crop each year would bring a net cash income of \$454, and a net income of \$297, and the loan capacity of that land on the basis of the conditions mentioned — 20 years at 6 per cent — would be around \$3,000, and a section of similar land, just a little over \$6,000.

Now that gives some indication as to one reason why we try to assist people who are low on finances, by way of a 33-year lease.

Now these principles, Mr. Speaker, have been completely ignored in giving out loans. When the Provincial Government was in the loaning business, you would think at least that when a provincial administration gets into farm loans they would have done so on a sound basis, and had the advice of the best agriculturists that we have in this province. That advice was available, but that advice was never used when the Provincial government embarked with their Farm Loan Board, in this province. The hon. member for Arm River stated, yesterday, that the debt position of this province was bolstered by the fact that there had been \$8 1/2 million paid by the Farm Loan Board. I want to inform the hon. member for Arm River that the loss on the Farm Loan Board, since operation began, was over \$8 million.

**Mr. Danielson:** — When did it begin?

**Mr. Nollet:** — Mr. Speaker, we hear a lot of criticism from the hon. members opposite about Crown Corporations and Government extravagance, and ill-advised expenditures. For a government that was in this province

before and used to preach a 'prudent administration', this is an example of the most fool-hardy, imprudent, improvident administration policy that I have ever seen carried out in this province.

I will just give you an example, Mr. Speaker. We will take the administration. The administration costs of this Farm Loan Board when this Government assumed office, was around \$80,000 a year; today that cost has been brought down to \$23,000. Yes — we are liquidating the Saskatchewan Farm Loan Board for the simple reason that ill-advised loans were made on land that just did not have the loaning capacity to carry that particular loan.

**Mr. Tucker:** — And you are not making any . . .

**Mr. Nollet:** — It appears to me, Mr. Speaker . . .

**Mr. Danielson:** — They are investing in Crown Corporations.

**Mr. Nollet:** — . . . that possibly some political favoritism has been shown. I do not know why the hon. members opposite are so fearful of favoritism. I can assure them that, as far as we are concerned, in the administration of farm land there is no favoritism. I can assure my hon. friends on that point. It was found that the annual report, for instance, for the year ending March 31, 1943, had never been tabled in this Legislature because of a quarrel between the provincial auditor and the Board. The Board had been instructed to make certain changes in their bookkeeping system, and had refused to carry out the instructions of the auditor, notwithstanding the fact that the Act specifically gives the auditor this authority . . .

**Mr. Tucker:** — What is the hon. member reading from?

**Mr. Nollet:** — I am reading from my own notes, Mr. Speaker, and, as a matter of fact, it is quite well known that this was known to the Premier of the day — at least he should have known about it; but it might be well, Mr. Speaker, to review the numbers of loans still in existence since 1944. The Farm Loan Board operated from 1917 to 1932 — after this time there were no more loans made. Even then they were trying to liquidate this particular loan venture. In 1944, there were 3,270 loans and 627 agreements; and the number of farms acquired by the Farm Loan Board, 690. On January 1, 1951, there were 1,055 loans outstanding; agreements, 533; number of farms owned by the Farm Loan Board, 46, and a whole lot of those farm lands were transferred to the Department of Agriculture for reclamation; decidedly sub-marginal lands. In the last two or three Sessions of this Legislature, the hon. members have seen supplementary estimates indicating the transfer of certain Farm Loan Board lands to the Department of Agriculture. The total loans, over the years, amounted from 1917 to 1932, to \$25 million. The deficit is over \$8 million at the present time.

Now, here are a few good examples, Mr. Speaker: talk about prudent administration! I might say that had they gone into the farm loan business on a proper basis, there is a real need for that type of service; but because of this great loss there are very few provincial governments going to get back into that kind of business in view of the record this Board shows.

Here are a few examples, Mr. Speaker. Here is a farm, file No. 1392-3 — if the hon. members want any of these they can get them by putting

a question on the Order Paper if they like. It has to do with the southeast of 2-25-25-W3rd. This land was owned — I don't read to mention the name — and on it were 74 acres broke. The land was valued at \$2,300 by the land inspector who was just recently retired; he recommended a loan of \$1,000. In 1945 this land was valued at \$400 by a subsequent land inspection, while the claim had grown to over \$2,500. Little wonder that we had an \$8 million deficit! Another example — SW of 17 and SE of 18, 40-48-W3rd. This land was owned by a man at Laverne. On this half-section there were 280 acres broke, and the inspector valued the land at \$12,800, and recommended a loan of \$3,700. In 1945, the claim was \$4,293 and the value of the land is \$400.

**Mr. Danielson:** — Who valued the land?

**Mr. Nollet:** — And here is another one. The SW of 15 and the SE of 16 35-35-W3rd, owned by a fellow at Arden. This land was valued at \$14,000, and a loan for \$500 was made. By 1945 though, the values were revised to \$800 while the claim had reached \$6,387. Imagine — that account grew until it finally reached \$6,387.

Another one — Section 20-25-23-W3rd. This section was owned by a man at Bascombe. There were 275 acres broke. The inspector valued the land at \$16,000, and recommended a loan of \$6,000. By 1945, the claim had gone to \$12,874 and the valuation of the land was \$3,200. There are innumerable others that we could quote of similar ill-advised loans being made on land that just simply did not have the productive capacity to carry that particular loan.

Now, before any further criticisms are made of this administration I hope that hon. members opposite will recall their experience with the Saskatchewan Farm Loan Board.

**Mr. Danielson:** — You must have charged interest on the mortgage to build it up like that, and that's more than you do on the Crown corporations.

**Mr. Nollet:** — We are clearing it up and some of these experiences, Mr. Speaker, is another reason why the 33-year lease basis of allocating remaining Crown land is a good policy to follow. There is no indebtedness at all; there is no interest to be paid, and there is definitely security to the farmer.

Now, Mr. Speaker, I want to turn my attention to another shining contribution that the Liberal Government has made towards larger and larger farm units in this province, and to demonstrate too, to the people of Saskatchewan, the manner in which they administered land when they were the government on this side of the House.

I took an area for examination — the good soil area of this province — in the Aylsham district. What do we find there? We find, that in 1927, the Dominion Government had turned over to the Department of Highways several parcels of land for redistribution in that particular drainage district. Now here is the kind of a disposition policy they had in those days, Mr. Speaker. For instance, I will just enumerate some of these parcels, all of which are in township 49, range 13, W2nd. Here is one the NW/21 transferred to J.M. Robbin at Aylsham, 1943; the NE/30 to J.M. Robbin, in 1942; the NW/30 transferred to J.M. Robbin in 1942; the SE/30 transferred to Mr. Robbin, March 3, 1942; the SW/30 transferred to the same gentleman in November, 1937 . . .



**Mr. Walker:** — He must have been a good Liberal.

**Mr. Nollet:** — The SE/31 again transferred to a member of the Robbin family; the SW/31 transferred to Mr. Robbin; the NE/11 similarly transferred to Mr. Robbin in June, 1942, and the NW/11 and the SW/11 later transferred to Mr. Robbin in June, 1944. I could go on here, Mr. Speaker, and enumerate quarters of sections that had been transferred to this gentleman to the number of 20 — to one man, Mr. Speaker! That was their disposition policy. I think the people of this province will wonder if they won't repeat that same thing should they ever be elected to power again in this province: 20 quarter-sections of land to one farm unit, Mr. Speaker, and that pretty well coincides with the information given to this House the other day by the hon. Minister of Natural Resources as to the manner in which the Federal Government was disposing of certain Crown holdings on Indian reserves.

I notice the hon. member from Melfort is smiling. He had better go to the municipal secretary and find out how this all developed. Those are some of the reasons, Mr. Speaker, why it is impossible to provide educational facilities and other services in rural areas. As a matter of fact, I am told, Mr. Speaker, that this man had so much land that he actually didn't harvest one quarter-section — he forgot where it was. Oh, they are generous and here they get up in this House and endeavour to criticize this administration because we are facing a situation realistically. That is their idea of socializing, and probably their idea of free enterprise: have some big ones and aggravate your whole problem of rural social services.

Now, Mr. Speaker, to effectively deal with this whole problem that we have been talking about during most of my time, I would like, Mr. Speaker, in order to keep the record straight, to give some history of land administration in this province and lead right up to the present time. In order that that record might be kept straight, Mr. Speaker, I would beg leave of the House that I may be permitted to read this statement, and I do not believe the hon. members will object because there is information contained in this statement that is absolutely authentic, and I would like the record to reflect the authenticity of this information.

**Mr. Tucker:** — Mr. Speaker, this statement that he proposes to read, is this his own manuscript, or something else?

**Mr. Nollet:** — Mr. Speaker, this is my own manuscript taken from the material furnished to me by the Lands Branch.

**Mr. Walker:** — He writes his own speeches.

**Mr. Tucker:** — Are you suggesting that nobody else reads their own speeches over the air?

**Mr. Nollet:** — Any criticism of the existing 33-year agricultural lease . . . (They are starting to brighten up a little bit) . . .

**Mr. Walker:** — They have that vote up in Aylsham to count on.

**Mr. Nollet:** — I imagine the hon. member for Melfort would want to keep that strictly quiet.

Any criticism of the existing 33-year lease agricultural policy in Saskatchewan, should not be made until previous settlement and disposition policies which existed in Saskatchewan before 1934 have been critically examined. Settlement policies and other land distribution policies for Crown lands, prior to 1931, were Canadian Government policies, and it was not until 1931 that land administration came under the jurisdiction of the Province. That is a point to bear in mind. Since 1931, there have been roughly four periods characterized by different land disposition policies, namely: the period of 1931 to 1934; 1935 to 1940; 1940 to 1944, and 1945 to the present.

During the period 1931 to 1944, 6,376 quarter-section dispositions, comprising about one million acres were made for the purpose of land settlement. These dispositions were made at a sale price of \$1 per acre or more and subject to certain settlement duties. In the same period, 1,175 quarter-sections, comprising 167,687 acres, were sold for pasture purposes as extensions to existing farm units.

During the period 1935 to 1940, 3,989 quarter-sections, comprising 616,514 acres were disposed of under homestead entry, subject to certain settlement duties, and 1,467 quarter-sections comprising 209,540 acres were sold as extensions to existing farm units or to persons who desired to acquire land without being obliged to perform settlement duties.

From 1940 to 1944, the Government of the day withheld the disposition of Provincial lands by homestead entry and sale as it was realized that, with high agricultural prices which would prevail during a period of war, farmers who were not in the Armed Services would have an unfair advantage over servicemen who were qualified to farm, in acquiring suitable land which could be made available for settlement or for sale without requiring settlement duties.

During the period 1945 to March 31, 1950, approximately 600,000 acres have been disposed of under the 33-year lease for cultivation, a very nominal acreage compared to the several million that have been alienated since the Province took over administration of land from the Dominion Government.

Special consideration should be given to disposition of School Lands, because there has always been provision for the sale of school land; but curiously enough, there have been no school land sales in Saskatchewan since the Province acquired the land in 1931. The last general school land sale was held in 1929, that is when the Dominion Government had the administration. At that time, and at the time of the transfer of lands to the Province from Canada, there were in existence, 8,043 school land sale contracts covering 1,228,629 acres.

The burden of debt in respect of the initial purchase price tendered at the school land auction sales by purchasers, plus the accumulated interest, forced the abandonment or cancellation of 3,125 of these contracts comprising 481,482 acres during the period 1931 to April 30, 1944. This cancellation of contracts took place regardless of the fact that a very substantial overall reduction was made in contract balances owing in 1938. In the period just mentioned, three out of eight contracts were cancelled due to non-fulfilment of the terms of the contract.

Many of the contracts which were still uncanceled as at the 1st of July, 1944, were hopelessly in arrears. The policy which has existed since

then has been to reach a mutual agreement with the purchasers whereby they might surrender their contracts in exchange for a 33-year lease disposition, thus enabling them to retain the land in their units, if they choose to do so, without a burden of debt they could never hope to pay off: another reason, Mr. Speaker, why we have decided on the 33-year lease disposition. The position of many of these contract holders was entirely hopeless. During this period no attempt has been made to coerce anyone to surrender a school land sale contract if the purchaser was making satisfactory progress, even though in arrears, in the reduction of his balance owing.

The results of the aforementioned settlement policies are set forth in the following paragraphs.

During the first 10-year period of the administration of Crown land by Saskatchewan — that is in the period commencing in 1931 — a total of 10,238 homestead and sale dispositions were cancelled or surrendered because homestead entrants and purchasers were unable to meet the terms of their contracts, or decided that they could not derive their livelihood from the land which they had acquired.

Now, in making those readings, Mr. Speaker, I totalled this up and there were approximately 9,875 dispositions made in that period 1931 to 1941, and out of that entire disposition, over half of them were returned to the Crown again for the reasons just mentioned. Those are some of the records of former administration which indicate a very unsatisfactory situation because no attention was paid to the principle of a sound operational farm unit.

The number of abandonments and forfeitures during this period was nearly 10 per cent of the total number of established farmers in the province at the end of that period. This was the period in which settlers were permitted to choose the land they wished to buy or purchase out of vacant Crown lands available in the province. There does not appear to have been much guidance from the governments of the day which were responsible for the administration of the land. There was a steady influx of settlers into the wooded areas that were served by existing transportation facilities. Blocks of land were made available for quarter-section units and the result, today, is that we have many farmers in certain parts of the settled grey bush soil areas, settled on less than a subsistence farm. These results were the outcome of allowing people to purchase homesteads on vacant Crown lands.

Another outcome of those and previous plans of settlement and disposition policies is that we have a situation in Saskatchewan, today, where we have somewhere between 10,000 and 20,000 farmers on units which are definitely non-economic, although we have had a period of about 8 years of general agricultural prosperity unequalled in the provincial agricultural history of this province.

Following the first 10-year period of administration of land by the Province, there was a period of about four or five years during the last war in which no dispositions were made by sale or long-term lease of agricultural lands, because it was desired to retain some land for veteran settlement at the end of the war. In the period 1945 to March 31, 1950, when approximately 600,000 acres of land suitable for agricultural purposes were disposed of under 33-year lease, about 470,000 of this total were leased to veterans and

a veteran, who has what is considered to be an economic unit, has the right to purchase at the end of a 10-year period of satisfactory tenure. 1,381 veterans have been rehabilitated under this scheme, and it is estimated and is an established fact that many of these veterans could not have been aided by the Veterans' Land Act if the Province had not furnished the land.

Now I want to mention that, in addition to these 1381 straight V.L.A. units, we have allocated somewhere between 400 and 500 parcels of land to veterans to round out their existing units on which they do not get V.L.A. When we allocated these lands to the veterans, that just about accounted for all of the remaining suitable lands for cultivation in the settled part of this province, and therefore, for any additional settlement, we had to turn to the limited new land resources, particularly in the northeast part of the province.

I want to mention in passing, too, Mr. Speaker, that by virtue of the fact that the Provincial Government made this land available for veteran settlement, we relieved the Dominion Government of a financial responsibility to the extent of the value of those lands, for the Dominion Government otherwise would have had to purchase land to re-establish the veterans. The contribution made by this Province to veterans' re-establishment, I think, is outstanding, and I think that time will prove that the basis upon which the establishment has taken place, in this province, is going to prove satisfactory.

In this same period, which covered, roughly, the last five years, about 130 acres of fair and good agricultural land have been leased to civilians. The proportion of civilians is very small; the veterans had a priority and still do have.

There is very little good cultivated land, that is land where you could find units of half or three-quarter sections. It is our intention to carefully classify a good deal of that remaining Crown land of rough topography, and we hope that we can set up a sizable unit, maybe a four-section unit, maybe a section unit. We provide a special lease for that type of lessee that will enable that lessee to go in and clear the timber, break some of the land, recover his investment by way of crop return, and then utilize that land as a livestock unit. We provide a special and very generous lease. I want hon. members to bear in mind that our whole approach to land administration is land use and the security of the farmers. We are not after revenue; but we are decidedly interested in putting the land to the purpose intended — giving each person a sizable unit, and on that basis we think we can provide real security for our farm people.

Now to proceed again with my draft statement:

One does not have to search far in order to enlarge on the above advantages. Although we have just passed through a period of agricultural prosperity, we continue to hear of tenants on private land (and there are still many of them in Saskatchewan) who become displaced farmers because their land is sold out from under them to farmers who already own land, but seek to enlarge farm units beyond the size necessary to be economic. They are both undesirable — that is, too big or too small. Inquiries have been made at the Lands Branch by such displaced tenants to ascertain what units are available under the new 33-year lease system.

Little, if any, attention was paid to the necessity of establishing farm units of economic size when policies were set out for disposition of vacant Crown lands in Saskatchewan during the 1930's. As a consequence, very poor settlement patterns now exist in certain areas, particularly in the north-western part of the province where there still are quarter-section and half-section units on soil of very low productivity.

Let us examine what has taken place, under a system of private ownership, to the settlement patterns that exists in many of our excellent soil areas in Saskatchewan. I have referred in detail to the particular unit mentioned here. As an example, there is one farm unit in the north-eastern settled part of the province established on excellent soil. This single privately-owned farm comprises slightly more than a quarter of a township, or 36 quarter-sections, of land. Originally grants and transfers from the Crown were made to 11 individuals, but sales of 25 of these quarter-sections were made to the present farm family owner by the Saskatchewan Government in 1927 and 1929. There are farms even larger than this farm in many parts of the province.

If this settlement pattern trend continues to establish farms of this size, we shall have all of the Regina clay soils comprising more than 2 million acres, with only 343 farmers; on all of the excellent Melfort soils comprising about 600,000 acres, only 94 farmers; on all of the districts containing Indian Head clay soils comprising about 450,000 acres, only 71 farmers; and on the Kamsack silty clay and loam soils, where there are some excellent farm lands totalling about 180,000 acres, we would only have 28 farmers. In that excellent soil district around Meadow Lake, which comprises 70,000 acres, there would be just 11 farmers — if this trend continues.

The farm unit just referred to developed in this province during the past 25 years: a pretty good go, a quarter of a township in 25 years is pretty good!

Some consideration should be given to the results obtained under the lease tenure policies which have been in existence in Western Canada since the commencement of settlement. Certain grazing tracts, which have always been considered unsuitable for general farming purposes, have been withheld from private ownership, but these have been made available to livestock producers under the long-term lease tenure. Twenty-five per cent of all the pasture land in Saskatchewan is under long-term lease from the Saskatchewan Department of Agriculture. Although we have heard a great deal lately about the decline in livestock population because owners have liquidated basic herds at high prices, it is astonishing to note that the demand for Crown grazing land has not slackened and that more grazing land is now under lease in Saskatchewan from the Department of Agriculture than ever before. The reason is obvious to anyone who has seen private pastures on his travels throughout the province during the past few years. A majority of privately-owned pasture lands have been completely exploited and ruined by overgrazing, and are now little better than holding fields or exercise grounds. The Department of Agriculture, on the other hand, has been fairly successful in its efforts to control grazing and conserve grass. Rather than have certain low productivity lands, which were formerly used for cultivation, returned to private ownership, the Province has turned over 1 1/2 million

acres to P.F.R.A., which acreage is enclosed in community pastures now making a contribution to the income of between five and six thousand farmers. The Department of Agriculture, too, operates 10 provincial community pastures, and we have embarked on an earned assistance programme, under which scheme the Department pays half the cost of the development of any desirable project, including a community pasture. We have many of those going in the interest of stabilizing our general agriculture economy.

This is another way — these pasture projects — of assisting a farmer towards a larger unit. It gives him a place to graze his livestock.

I want to say for the benefit of the hon. member from Arm River — he was talking about taxes, and shedding some crocodile tears again, for the municipalities. I want to advise the hon. member for Arm River that he can make a very worthwhile contribution if he can convince the Federal Minister at Ottawa that P.F.R.A. pasture lands be taxed. It is an undesirable situation. Any land that goes into P.F.R.A. pasture, is immediately taken off the tax roll. Why didn't the hon. member think of that, the other day, when he was making his speech and looking for some favourable reaction, I suppose, from the municipal people . . .

MR. DANIELSON: Do you pay taxes on yours?

HON. MR. NOLLET: It is an unfair discrimination against the farmer who puts his stock in either a community or a provincial pasture, or who has an individual lease. I think that all of these lands ought to be administered on a uniform basis as far as taxes are concerned, but they are exempt at the present time.

Nearly everyone interested in Saskatchewan agriculture is aware of the need for rehabilitation programmes in this province and is convinced of the need of such legislation, as the Prairie Farm Rehabilitation Act and the Land Utilization Act, the last mentioned of which makes it possible for the Prairie Farm Rehabilitation Act to be effective in this province. But are the same people aware of the fact that such programmes have become necessary because of the mistakes made in settlement under policies which provided for settlement of land in uneconomic units and a loose sale policy of vacant Crown lands? These rehabilitation programmes cannot satisfactorily proceed without reacquisition of many lands that should never have passed from the Crown and in many cases the rights of private property-holders who are not prepared to co-operate with the Governments which wish to establish rehabilitation programmes, have been withholding development of desirable projects ever since the inception of P.F.R.A. and the Land Utilization Board. It is the owned lands that have been the problem — standing in the way of rehabilitation, and this whole thing of land-use is hemmed in, more or less, by the restrictions of ownership.

People who are interested in the welfare of Saskatchewan agriculture are convinced of the need of such legislation as the Farmers' Creditors' Arrangement Act of the Canadian Parliament and the Farm Debt Adjustment Act, the present Provincial Mediation Act and The Farm Security Act of Saskatchewan; but do all of these same people admit that these measures which are only

remedial legislation, became necessary because of the curbs needed on certain owners who were not prepared to give occupants of farm land any security? Those are the reasons.

Now, in view of the present undesirable situation that has developed, the 33-year lease policy should be given a chance to prove its merits over a reasonable period of time such a system of tenure does not entitle the occupant of the land to become the owner so that he may dispose of it as he sees fit, at an excessive valuation. Similarly, he doesn't need to put in the original investment, Mr. Speaker, it can be equally bad where an individually-owned farm is sold at a price in excess of its productive value. The burden of debt is then placed on the new owner. It is a very unsatisfactory situation and I want to say this — I am not primarily interested in saying we must have a lease-hold policy. If there is any other way that we can control this shifting pattern of settlement, if it can be done by legislation, I would like to hear that kind of a suggestion made, but it will have to measure up. If we can devise other control, sure — complete and private ownership of the land would be desirable, but in this modern age where the whole economy is so closely integrated, these are factors to which we have to give pretty serious attention.

Mr. Speaker, I am just going to demonstrate, I think, to the hon. member for Arm River and few more, who are looking about half their time for newspaper clippings, that I can run a record too. I hope that I am setting some kind of a sensible pattern for a long speech. I shall conclude this statement.

Such a system of land tenure as I have mentioned, does not entitle the occupant of the land to become the owner so that he may dispose of it at excessive valuation, but it does give him a reasonable degree of security and an excellent chance to make a decent living in a farm community on a farm unit that is considered capable of producing the necessary income and it should not be forgotten that under such a system of tenure the lessee has these definite advantages:

1. Security of tenure in times of economic distress;
2. The right to keep a very high percentage of the total income from the land which should provide him with a decent standard of living and pay his farming expenses;
3. Special incentives to improve and develop farm units which he controls for a lifetime with the right to assign the lease to his heir or successor;
4. The assurance of having the farm unit in a stable pattern of settlement which will enable him to form co-operative enterprises with his neighbours and reduce his farming costs, as well as having a full and happy community life.

Now I need say no more, Mr. Speaker. I went a little farther than I expected to in giving the general background and reasons why we have

adopted certain policies. I have not yet, Mr. Speaker, given any full report on my Department and I am not going to frighten anyone by suggesting that I do so at this time. I hope, though, that, when we go into Committee of Supply, the hon. members opposite then will have a full opportunity to obtain any further information that they might wish, to have on the progress made in the Department of Agriculture and its various branches, and at the same time, plans that we have for the future.

Mr. Speaker, I am going to support the motion.

**Mr. Lofts (Meadow Lake):** — Mr. Speaker, I beg leave to adjourn the debate.

(Debate adjourned)

The Assembly adjourned at 6.00 o'clock p.m.