

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session — Eleventh Legislature
34th Day

Tuesday, March 20, 1951

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

ON ORDERS OF THE DAY

Hon. Mr. Fines (Provincial Treasurer): — Mr. Speaker, on a question of privilege I would like to make a correction of a statement in last night's "Leader-Post". On page 3 there appeared an article entitled, "14 Crown bodies showed \$2,640,300 net profit." The sub-heading in this article is "3 corporations lose \$350,391." This statement purports to be an analysis of the provincial government-owned businesses. Included among the three companies that show a loss is the compulsory automobile insurance plan. Now it has been stated on many occasions that this Government Insurance Plan is not a Crown Corporation, and should not be considered as such. It is an accident plan designed to give protection to Saskatchewan motorists involved in accidents. It would be most unfair to show the profits or the losses in any particular year as being profits or losses of Crown Corporations.

This appears to be a part of an over-all plan designed to discredit the Saskatchewan Government Insurance Office, which made a profit of \$242,431 last year. In the Legislature, on March 8, I tabled a statement showing the results of the Crown Corporations for the year ending in 1950. This statement made no reference whatsoever to the compulsory automobile insurance plan.

In addition to this, there are two other errors or statements which should be drawn to the attention of the House. The Telephone Corporation profits are shown in the tabled report as \$1,963,617; but in the article referred to they are listed as \$1,461,556. The Power Corporation profits are shown as \$1,347,000 in the report tabled in the House on March 8, but in the newspaper report the net profit is shown as \$514,937. In other words, the report in last night's paper, which purports to be a tabulation of Crown Corporation reports, has mixed up net profits and gross profits in such a way as to make it most confusing to anyone reading same.

I am handing the press a copy of the official statement tabled in this House on March 8, which shows the gross profits of the Corporations to be \$3,815,859. I might say, Mr. Speaker, since I have tabled this report on March 8, the reports have all been audited and the figures used on that occasion have been the figures which have been finally approved.

This news report was carried over the C.B.C. radio network last night. I am asking them to make a correction of this false report.

I feel that this is a most serious breach of a privilege that has been extended by this Legislature to the press, and that the press should be more careful in presenting financial reports so as to give the people of Saskatchewan a true picture of these Corporations.

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FINAL SETTLEMENT OF 5-YEAR POOL

The House resumed from Tuesday, March 13, the adjourned debate on the proposed motion of Mr. Thair respecting a final settlement of the five-year wheat pool.

Mr. Tucker: — Mr. Speaker, the motion moved by the hon. member for Lumsden, as will be seen, supports the stand taken by the organized farmers of Saskatchewan asking the Government of Canada to pay at least \$48 million more in regard to domestic subsidization of wheat during the period immediately following the war, and then a further payment in addition to the \$65 million in respect to the “have-regard-to” clause.

I intend, Mr. Speaker, to deal with both branches of that resolution. I first of all will deal with the claim under the “have-regard-to” clause. Now, that, of course, is a part of the British Wheat Agreement which was concluded between the Government of Canada and the Government of Great Britain in 1946. A copy of that agreement is to be found in Revised Hansard of 1946, Volume 5.

The first clause has to do with the deliveries to be made by Canada and it sets out that, during the first year 1946-47, and 1947-48, the second year, there is to be 160 million bushels of wheat delivered in each of those years and then, during the last two years, from the 1948 crop and the 1949 crop, there is to be 140 million bushels delivered in each of those years, or a total of 600 million bushels of wheat.

Now clause 2 provides the terms of payment for that wheat, and it sets out that — and I will read from the actual agreement:

“Clause 2(a): The price per bushel to be paid by the United Kingdom government to the Canadian Government on the basis No. 1 Manitoba Northern in store Fort William, Port Arthur, Vancouver or Churchill, shall be as follows:

“In respect to the wheat bought in the crop year 1946-47, \$1.55; in respect to the wheat bought and sold in the crop year 1947-48, \$1.55.”

Then sub-clause 3:

“In respect to wheat bought and sold in the crop year 1948-49, not less than \$1.25, and in respect to wheat bought and sold in the crop year 1949-50, not less than \$1.00.”

In other words, there was a fixed price during the first two years of \$1.55 a bushel and then, during the third and fourth years, there was a minimum price set in regard to the third year of \$1.25, and in regard to the fourth year, of \$1.00.

Then Clause 2(b) contains the much-discussed “have-regard-to” clause. It reads as follows:

“The actual price to be paid for wheat to be bought and sold within the crop year 1948-49 shall be negotiated

and settled between the United Kingdom government and the Canadian government not later than the 31st of December, 1947, and price for wheat to be bought and sold in the crop year 1949-50 shall be negotiated and settled not later than the 31st of December, 1948.”

In other words, for those years there was no price set whatever. The price was to be negotiated. In determining the price, they went on to provide the basis upon which that price should be settled. It reads:

“In determining the prices of these two crop years, 1948-49 and 1949-50, the United Kingdom government will have regard to any difference between the prices paid under this agreement in the 1946-47 and 1947-48 crop years and the world price for wheat in 1946-47 and 1947-48 crop years.”

In other words, while the minimum price was set at \$1.25 during the third year and \$1.00 during the fourth year, it says that the price shall be negotiated, and that in negotiating those prices the British Government will have regard to the prices for which they bought the wheat during the first two years of the contract, as compared with the world prices during that time.

That is the agreement that has to do with the prices. At the time this agreement was negotiated, having to do with the large part of our wheat crop as it did, it came in for a considerable amount of discussion, and at this time when it seems that there is going to be perhaps further discussion on the matter, I think it is a good thing to go into this matter carefully at this particular time.

At the time the agreement was actually negotiated, different statements were made about the matter. The first statement I think I should read, Mr. Speaker, sets forth the attitude taken by the Canadian Federation of Agriculture, because, whether or not the Canadian Federation of Agriculture was consulted before the agreement was made, there is no doubt in the world that the Government, in trying to establish a policy of stabilization, was following the express wishes of the organized farmers of Canada. Certainly no Government would ever have dared to make an agreement selling a substantial part of our wheat crop for four years ahead, unless it felt it had the support of the organized farmers of Canada, so, I think, this was the decisive consideration — the attitude of the organized farmers of Canada.

When the agreement was announced this was the statement put out by the Canadian Federation of Agriculture, dated July 26, 1946:

“The new contract with the United Kingdom for the sale of wheat, just concluded by the Canadian Government, providing some stability of market and price over a period of years, is, generally speaking, in line with the thinking of organized farmers across the Dominion. This contract typifies what organized agriculture, through the Federation, has been urging upon the Government for a long time.

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“With many years of sad experience under the old, unstable speculative marketing system, producers believe it is wiser to forgo the temptation of grabbing all they can get at the moment for the sake of securing instead the guarantee of remunerative prices for a number of years in advance. Because of their level-headed reasoning on this matter they were not misled by the private grain trade and leaders of the Grain Exchange at Winnipeg, who have been spending an obviously enormous amount of money recently, in campaigning to prevent the adoption of this particular type of wheat marketing programme.

“It is gratifying, also, to note that the Government, apparently, was not misled by this campaign.”

Now it has been said by many people that it is easy to be wise after the event; but here was the attitude of the organized farmers of Canada completely endorsing the Canadian Wheat Agreement.

Now, the attitude of the various parties in parliament. First of all, I will refer to the attitude of Mr. Coldwell, as it is reported in March 12, 1951 Hansard, at page 1169. Mr. Coldwell, the Leader of the C.C.F. Party in Canada, had this to say. Mr. Howe, the Minister of Trade and Commerce was speaking, and he was saying — I will just read from his remarks to give the context:

“... they shift their position. Now they say the Government was wrong to strive for stability in markets. Now they say or imply that we should have refused to enter into an agreement with the British Government, assuring reasonable prices and an assured market over a four-year period.”

Mr. Coldwell: — “If I may interrupt, we did not say that. We did not say that. We supported the agreement when it was made.”

Mr. Howe: — “What about the losses under the agreement?”

Mr. Coldwell: — I have said nothing about the losses.”

There is the attitude taken by the C.C.F. Party, through its leader. They supported the agreement when it was made and, so far as I can read from Mr. Coldwell’s statements, they have not made any claim that there were any losses under the agreement.

On page 4907 of Hansard of August 15, 1946, this was a statement made by Mr. Coldwell at the time the agreement was made. He said this:

“I think the Wheat Agreement is a very important step in the attempt to achieve stability in the price of wheat to the western grower.”

When the question came up of the value of the “have-regard-to” clause — I was in the House at the time and I remember it very well: there

was some question about the value of that clause, and I remember that I myself took the attitude that any agreement signed by the British would be lived up to completely, both in spirit and in fact, and Mr. Coldwell took exactly the same attitude. Here is a quotation from page 4906 of Hansard, August 15, 1946.

Mr. Bracken: — “What I said was, in this agreement there is no assurance that Britain will pay more than the world price later on.”

Mr. Coldwell: — “If that does not mean that Great Britain will renege on her deal, I do not know what it does mean.”

And Mr. Coldwell went on to say:

“I am convinced that this agreement will be fulfilled to the full by any British Government which happens to be in power for the next several years.”

Other speakers, at that time, took the same attitude. In regard to this, I may say that all the C.C.F. members voted for the agreement when they got a chance to do so.

The Social Credit Party supported the agreement at that time. Here is what Mr. Blackmore, who was for quite a long time leader of the Social Creditors in the House of Commons, said on March 15, 1951, this year:

“I and all Social Creditors supported the Agreement in 1946, and have done so ever since. We also have supported the Wheat Board. We believed that the agreement was a good one; we have always believed it was a good one; we now believe this agreement is a good one, and that the principle underlying it was also good.”

There is the attitude of the Social Credit Party.

In regard to the Progressive Conservative Party, Mr. Bracken was then their national leader, and when the question came up in regard to the value of the “have-regard-to” clause — and some words of his were interpreted as implying that perhaps they would not live up to it 100 per cent — Mr. Bracken definitely indicated that he felt that they would live up to it, in spite of some inference that had been drawn from what he said. Speaking on August 14, 1946, about the agreement, he said:

“Let me say this with respect to the United Kingdom Wheat Agreement. Any agreement such as this, which tends to level out the inequalities and the wide fluctuation of prices in the past, is a step in the right direction. Even this agreement is better than no agreement at all, because, as the Minister of Agriculture pointed out, those of us who went through the price depression following the last war know the

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danger of proceeding without some kind of plan to avoid wide fluctuations in price.”

Then later on, in February 1947, an amendment to the Wheat Board Act was brought in to enable the carrying out of the obligations of the Wheat Board. Mr. Bracken then said — Page 591, Hansard, 1947, February 18:

“I imagine the chief purpose of this Bill is to make possible the carrying out of the British Wheat Agreement. Let there be no misunderstanding with respect to our attitude toward that measure.”

Here is the Leader of the Progressive-Conservative Party speaking:

“The Government of Canada has made an agreement with another nation. That agreement we either have to respect or dishonour. As one public man I propose to respect the agreement we entered into with other nations.”

Here he puts it on this narrow ground, but actually his attitude right from the time it was introduced indicated that he was in agreement, that he supported the agreement. He said on February 24:

“We shall take no steps in wrecking that agreement, certainly not without the concurrence of the other agreeing parties. We have no thought whatever of repudiating such an international agreement.”

And, as a matter of fact when it came to a vote (and there was a recorded vote in the House of Commons), every Conservative voted for the agreement, except four eastern members of the party. So there was no doubt in the world that this agreement had the support of all parties in the House of Commons as well as of the farmers throughout the country.

I spoke on the matter myself, and I would like to read to the House something of what I said at that time, because it indicates my attitude toward the agreement at that time. I am quoting from page 481, August 15, Hansard. Speaking on the British Wheat Agreement, I said:

“There is one thing I would like to say at the very outset before I discuss the agreement itself. I am repeating what I have said on more than one occasion, and also the representations which I have made to the Government from time to time. I think that consideration should be given to raising the price at which the Wheat Board sells wheat to the domestic millers for domestic consumption from \$1.25 to \$1.55. I feel I cannot urge the Government too strongly to give consideration to that change being made at the very earliest possible date.”

I was speaking in August 1946, four and one-half years ago, urging that the price to the domestic millers should be raised at once from

\$1.25 to \$1.55 which was the British Agreement price. Had this been done, which as it is clear I repeatedly urged the Government to do, we would not have had this claim today of \$48 million. I thought at that time (and I will say a few words more about it before I conclude) that there was sufficient subsidization being made if the domestic millers got the price at \$1.55, because the class 2 price, which other people were paying at that time, was much over \$1.55. I thought, too, that if the domestic Canadian consumer got the wheat at the same price as the British got it under the British wheat agreement, at \$1.55, there was still a measure of stabilization there. We were not asking for the highest the market would bring. We were just asking for what seemed to be a fair deal — that Canadians should pay the same for their wheat as the British were paying for theirs under the wheat agreement. I think it should be borne in mind that that was our attitude then, certainly it was the attitude I took at that time, and the attitude I take today. So I make no apology, Mr. Speaker, for saying that I intend to support every move that I can to see to it that this \$48 million is paid into the Wheat Board to be disbursed to the producers of this country. I think they have it coming to them as much as anybody can have any money coming to them, and certainly it is our intention, so far as the Liberal Party in Saskatchewan is concerned, to continue to urge that view upon the Federal Government. I read what I said over four and one-half years ago to show that what I am saying today is perfectly consistent with what I said four and a half years ago.

Then in my 1946 speech, I went on to deal with the reason for the agreement and I said this, and I refer to it because I think it supports the reason at any rate why I felt I should support the agreement. It also says a word in regard to the argument that there was inflation at the time and that there would be more inflation, and, therefore, there was no use trying to introduce any element of stability into the situation. I am reading what I said on August 15, 1946:

“That argument carries my mind back to the period after the first Great War, when there was a time of uncertainty and inflation very much the same as followed the second Great War, the period in which we find ourselves today. At that time prices were rising, the same argument was heard, that wheat prices should be permitted to go almost sky high, that it was in the interests of the farmers that they should do so. Then we went through that period, those of us who were interested in farming in Western Canada at that time will agree with me that the fact that prices to the farmer were permitted to go sky high and out of control actually injured the farmer in the long run more than it helped. It caused the price of the things he had to buy, land and everything else, to rise. He went into debt on that basis, then when prices dropped he was left in an almost bankrupt position because he had been misled by what had happened during the period when prices went out of control. I think if we are not careful we may be in for a somewhat similar period soon, though I hope and think it will not be as bad. But after that movement takes place, if it does, there will be another reversal. It seems to me that what

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the farmer wants is not that sort of thing but a certain measure of stability. That is wanted not only by the farmers but by the whole world.”

And later in my speech, I said:

“I had the privilege of attending the International Monetary Conference at Breton Woods in 1944, where I had the chance of talking to the representatives of Great Britain, for example, in regard to their attitude toward cheap wheat, cheap wool, cheap meat and so on. Their attitude was that they did not want the situation to occur again, that when the primary producing countries of South America, Australia, New Zealand and America could not get reasonable prices for their products it had a ruinous effect upon the export manufacturing industries of Great Britain itself. So there was general agreement that what the world needed was international agreements to provide some stability of price levels; and in this wheat agreement we are just recognizing that feeling and trying to fit ourselves into the general world picture.”

I then quoted from Article 7 of the Resolutions of the International Monetary Conference, which I had some small part in framing. I will just read a sentence from it; it has quite a long preamble:

“One of the purposes was set out as to bring about the orderly marketing of staple commodities at prices fair to the producer and consumer alike.”

That seemed to me a fair attitude to take as we faced the period of possible inflation following the end of the war to bring about the orderly marketing of staple commodities at prices fair to the producer and consumer alike. I went on to deal with the situation more or less in the world. I will cite a few other sentences about the agreement that I uttered four and a half years ago:

“This is simply an out-and-out agreement on the part of Great Britain to take so much of our wheat each year for a period of four years; that there shall be a price of \$1.55 for the first two years of the agreement; that for the following two years there shall be a minimum price, but that the actual price shall be negotiated having in mind the relationship which \$1.55 had to actual world prices at the time it was being paid. If the English language means anything . . .”

Now here is what I said, Mr. Speaker, four and half years ago:

“If the English language means anything, that means that if the world price during the first two years of this agreement is higher than \$1.55, the British, who are people of their word, will agree to give us a fair

price above the world level during the last two years of the agreement.”

That was as I understood the agreement, uttered in the presence of the Government and everybody else in the House of Commons; and I think that is the stand that is taken by most of us today in regard to that agreement. I went on to say about it:

“This agreement is a venture of faith that by international agreement we can do better in the future than we did in the past, that we can introduce an element of stability in regard to the position of the primary producers throughout the world, including our own. It introduces the idea that if we can make the primary producers prosperous, then the working people also will be prosperous. Surely all the experiences and hopes of the past are not now to be laughed away and frustrated by saying we must go back to the old ideas of the past, based on the belief we cannot do any better.”

One of the things I might refer to in passing here, Mr. Speaker, is my fear about this whole situation, and I feel that it must moderate anything that any of us say, no matter how strongly we feel. The people who opposed this agreement four and a half years ago are now coming along and saying this agreement was a mistake, that this whole attempt to stabilize prices was a mistake. They say: “Let’s get away from the marketing of wheat on a Wheat Board basis . . .” “Look at all the hundreds of millions you are supposed to have lost. Let us go back to the open market method of handling grain.” In all that we say, I think it should be borne in mind that the farmers fought years and years and years to get their wheat handled on a pooling basis by a wheat board, and that it suits only too well the people who want to do away with that system of marketing, to persuade the farmers that they have lost vast sums of money by virtue of the conclusion of this agreement. I think it is very important that that aspect of the situation should not be lost sight of.

I think, Mr. Speaker, I have dealt with the attitude of the political parties in Canada and showed that they were behind the agreement; I have shown that the organized farmers were behind the agreement, and now the next thing is — what happened under the agreement?

The first thing that should be borne in mind is that the Government announced a stabilization policy for five years, back at the beginning of the 1945 crop. This agreement was not actually made until July 1946, so the question was whether the 1945 crop should be included in the pool, and there was quite an argument about that. Now, the price at which the 1945 crop was being sold for export at that time was \$1.55, and the suggestion of many people was, “Give us the 10 cents” (or whatever it was that was left; I think they had got at that time about \$1.35); but whatever it was, they said, “Give us what is left for the 1945 crop and close that year out.” The Government said, “We have started out on a five-year pool and we think we should stick to it.” And they said, “We will keep the wheat in this five-year pool.” So one of the things that I would like to draw to everybody’s attention

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is that had the Government acceded to that request at that time, our farmers would have been paid out on the basis of the maximum export price of \$1.55, which would have given them, I think, about 10 cents more than they had at that time, on top of the \$1.35 — or \$1.25; I am not sure about that, I have not looked it up. But, in any event, the fact remains that people now are going to get paid for that 1945 wheat, not on the basis of \$1.55, which was the maximum payment that could have been paid at that time; they are going to be paid on the basis of \$1.83. In other words, they are going to get in regard to the 1945 crop, almost 30 cents more than they would have got if the Government had acceded to the request at that time and kept the 1945 pool separate.

Now, in regard to the 1946 crop (I have dealt with the 1945 crop), the situation was that we were getting \$1.55 from the British; then there was, of course, some wheat being sold outside of the British Wheat Agreement. That was called “Class 2” wheat, and Class 2 wheat was only a very small amount of wheat. It was the wheat left over after we had satisfied our claims for domestic consumption and delivered our 160 million bushels to the British; so the Class 2 wheat was the marginal wheat, and the Wheat Board did a good job in getting a very good price for that wheat. But, here I think it is very important to bear in mind what has been argued on behalf of the organized farmers repeatedly. That is this. If the British had not agreed to take 160 million bushels of wheat of our crop in each year for the first two years of the agreement, and 140 million the second two years of the agreement, and that wheat had all been thrown on the world markets which were then in a more or less chaotic state, and bearing in mind the existing difficulty in regard to international exchange, and the difficulty of Great Britain in financing her purchases due to shortage of sterling, farm leaders who have studied this matter say that but for the agreement we could not have expected to get the actual price for Class 2 wheat that we did get. So all arguments based upon the Class 2 price of wheat should bear that in mind.

Then there is another feature of the matter, as pointed out by the Minister of Trade and Commerce. We had this wheat agreement, and the United States adopted the Marshall Plan and they began to supply money to Great Britain to pay for Canadian wheat during 1947, 1948 and 1949, and, in 1949, it got to the position where American wheat was declared surplus. Under their law, if wheat is declared surplus they have no right in such event to use Marshall funds to buy any foreign wheat. Great Britain was in a very difficult position in regard to paying for wheat under the Anglo-Canadian wheat agreement. Because of this agreement having been made over a long period of time, and for other reasons, the law was not strictly applied. The actual letter embodying this deal with the United States Government is to be found on page 1170 of Hansard of March 12, 1951 — I will not take time to read it. The United States Government supplied \$175 million, which enabled the United Kingdom to finance her wheat purchases under the agreement from the 1949 wheat crop. At the same time the United States was throwing her wheat on other markets and furnishing them with the money to buy it.

On some occasions during that time actually, Canada offered Class 2 wheat for over 30 cents a bushel cheaper than American wheat, but because

American was supplying the money to buy that wheat they bought the American wheat instead. As was indicated by the Minister of Trade and Commerce, if we had not been able to have the United States finance the actual wheat purchased by Great Britain in 1947 and 1948 and 1949, it is fair to say that we would have had probably a great deal of trouble disposing of our wheat, and nobody can say that we would have got anything like the class 2 price. I have studied this matter very carefully to see if there was any flaw in the argument of such farm leaders as Jack Wesson, head of the Pool, who definitely takes the attitude that you cannot base a claim on the Class 2 price, because if it were not for the British wheat agreement you cannot tell what that class 2 price would have been. That is something that I think should be said.

There is another thing that should be said about this matter. I am putting before you, Mr. Speaker, all these considerations because we are not going to preserve our present marketing system by appearing to other people to be unreasonable in any way. It is very important, I think, to satisfy everyone that we are trying to be reasonable in this matter. One of the arguments that has been brought forward; (I am referring to the 1945 crop), and one of the things that often is overlooked is this — and I was really surprised to learn it myself. Mr. Howe pointed out that, according to the Bureau of Statistics — I have pointed out that we will get paid for our 1945 wheat on the basis of \$1.83; and I was surprised to find that the American farmer, only received \$1.49 per bushel for his wheat during the 1945-46 crop, in spite of the subsidization programme in the United States. It is a fact, of course, that they can finance it much better than we can, because they only export about 20 per cent of their wheat during the 1945-46 crop, in spite of the subsidization programme in the United States. It is a fact, of course, that they can finance it much better than we can, because they only export about 20 per cent of their wheat and have such a tremendous urban population as compared to their farming population to carry the cost of subsidization, whereas we export about 80 per cent of our wheat and, of course, have a much smaller proportion of our population to carry any subsidization programme. In spite of that, Mr. Speaker, according to the Dominion Bureau of Statistics, or figures obtained from the similar branch of government in Washington, the average price received on the farm in the United States, during the 1945-46 crop year, was \$1.49. So in looking at this thing, let us bear in mind that even in the United States the average price to the American farmer during the 1945-46 crop was \$1.49; and that when the 8.3-cent payment goes out the settlement in Canada will be on the basis of \$1.83. So there cannot be much cause for real complaint in regard to the 1945-46 crop year. There is a gain there of 18 cents a bushel, as a matter of fact, in favour of the Canadian farmer.

Now, in the first two years of the contract (that is for the 1946 crop and the 1947 crop), our producers will be receiving \$1.83, basis Fort William.

Premier Douglas: — That was not the farm price as in the case of the United States price.

Mr. Tucker: — Yes, there has to be a slight adjustment there; but I am just giving the Canadian prices without trying to transfer them to farm prices because it might be confusing. What the Premier says is quite true. Our \$1.83 is basis Fort William and the figure I have given about the American price is the price on the farm. There would probably have to be about 16 or 17 cents taken off the \$1.83, but still there is an 18-cent better price, even allowing for that.

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Then we come to the 1946 crop and the 1947 crop, and we will get \$1.83 basis Fort William. I must admit I was really surprised to find that the American price to the farmer for the 1946-47 crop was \$1.90. Now, over the years, as everybody knows, the price prevailing in the United States has always been higher than the Canadian price. Even when the price bottom fell out of our market back in 1932 the American price was, I believe, 14 cents higher than the American, so that, actually, in regard to the 1946 crop, the first year of the agreement, it has worked out not so badly, because it is less than the usual differential.

Premier Douglas: — That is American farm price is it?

Mr. Tucker: — Farm price, yes. In regard to the Americans I am just giving farm price because those are the figures I have.

Then, in 1947, the price the American farmer received, (and I was also surprised at that as I was under the impression it was much higher) was \$2.29 on the average. I must confess that I was greatly surprised to read that, because I read Grain Exchange propoganda just to see what they are going to say, and from it I had it in my mind that the American price was much more than that. But, in any event, our price at Fort William was \$1.83 and the American price was \$2.29. And again I say that we must remember that the American price is a domestic price, a subsidized price, which was never open to the Canadian farmer; we have no right to enter that market. It was a price set as a domestic policy of the American Government. But in spite of that there was not the spread that I thought there would be.

Then we come to 1948 and 1949. I have already mentioned Marshall Funds being used to help the British pay for our wheat from 1947 on and that especially when we get to the last year of the contract when, almost in spite of the provision of their own Law, they apparently figured that this British wheat agreement had such a stabilizing influence that they provided 175 million U.S. dollars to Great Britain to buy Canadian wheat. This was done even though wheat was in surplus supply in their own country. That was an act of neighbourliness on their part; but I do not think we would have got it had it not been for the United Kingdom wheat agreement.

In the last year of the contract, according to the wishes of the producers, we signed an agreement which affected the last year of the contract, 1949-50. Under that agreement — and at that time Canadian money was at par with American money — we signed an agreement whereby the maximum price should be \$1.80; and actually we are going to get, for that year, settlement on the basis of \$1.83. So there is not really a great deal of complaint on that ground.

We have set out our position about tying ourselves for a long time to a maximum price in terms of American money, which may fall in value. I think it should be tied in some way to the cost of living or the cost of farmer's production, but that is another matter.

Actually, this International Wheat Agreement was also signed according to the wishes of the organized farmers, so there cannot be very much complaint about that. Incidentally, the British did pay, during the

last year of the agreement, \$2.06, whereas, under the International Wheat Agreement the maximum price to all countries was \$1.80. That is one time, if one looks at the thing fairly, one must say that the British did pay more there and give some consideration to the “have-regard-to” clause. That is the only place where it seems that any consideration was given to it. Perhaps it is not right to say \$1.80, because during that time our money went off parity with the American money and for a good part of that period, under the International Wheat Agreement, we were getting \$1.98 in Canadian funds instead of \$1.80. And so, if you put it on that basis, during a good deal of that period the British were paying about 8 cents more than they were obligated to pay under the International Wheat Agreement.

Now that is the situation in regard to the actual results. There are, however, some other figures that I should like to give in that regard, which are very interesting, but I will not take the time now; I may get to them later on. Anyway, the situation in brief was this. During the agreement period, Class 2 prices during the first year of the contract averaged 88 cents above the British price of \$1.55. During the second year of the contract, actually they were \$1.33 on the average above the British price, so that when the time came to fix the price during the last two years of the contract — the third year of the contract — the question came up then. It was said then that the “have-regard-to” clause should be taken into consideration. It was pointed out that during the first year of the contract other countries had paid 88 cents more for wheat than Great Britain had paid. During the second year other countries had paid on the average \$1.33 more. The British argued in that regard; they pointed out that if it had not been for the British wheat agreement perhaps this Class 2 price would not have been so high. It was very hard to agree on a price during the third year of the contract. What was finally decided on was this: to set the price at \$2.00 and leave the question of the “have-regard-to” obligation until later on, and that attitude is set out in Hansard of March 8, 1951, at page 1064.

Now, I should have said a word about the “have-regard-to” clause as it was interpreted by the British Government at that time. Mr. Strachey, who was then Minister of Food in the British Government, came out to Canada and spoke in Winnipeg early in the year 1947, and here is what he said in Winnipeg on February 25, 1947. This was actually before the vote in the House of Commons which ratified this agreement, and it certainly had an effect upon the attitude of everybody in Canada. I will not read all of what Mr. Strachey said. It was a statement he made after listening to the debate in our House of Commons, after listening to, for example, what the Leader of the Conservative Party had said — because he listened to it in the gallery. Here is what Mr. Strachey said:

“It is monstrous to suggest that any British Government would ever break the terms of a solemn agreement such as this. In this I am quite sure I speak for the Conservative Opposition in the British House of Commons as well as for my own Government. The British Conservatives might not have made the wheat agreement, but once made, they and all parties in Britain are bound by it. In fact the Conservative critics of the agreement whom I face in the House of Commons, have complained

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precisely that we of the Labour Government have irrevocably bound Britain to this Agreement, which in their view, will mean paying a far higher price to the Canadian farmers.”

I am quoting from Mr. Strachey. He went on to say:

“So I rather wish that I could have had them with me in Ottawa, last Friday, to listen to the Canadian Opposition speakers alleging that I had made far too good a bargain, that under the agreement the Canadian farmers would sell their wheat to us for much less than if there had been no agreement.”

He goes on to say:

“How then, will the actual prices be fixed in the third and fourth years?”

Here is Mr. Strachey dealing with this thing right at the early part of the agreement:

“They will be determined by negotiations between the two parties, and the agreement laid it down in these precise words that I quote.”

And he goes on to quote the “have-regard-to” clause, which I have already read. Mr. Strachey then went on:

“Now these words mean neither more nor less than they say. They mean that the fact that we have bought our wheat from you, this year, below world prices, and that we may do so again next year, will be one of the factors in negotiating the actual prices to be paid in the third and fourth years, and I and my Government — and I am quite sure that this applies also to the Canadian Government — would resist any attempt to add to or to subtract from this clear and definite statement, as written into paragraph 2, sub-section (b) of the wheat agreement, and, therefore, I personally hope that an international wheat agreement, modelled on our annual Canadian wheat agreement, does come out of the forthcoming conference in London. Be that as it may, we in Britain and in Canada have already done our part to put our economic relations on a stable basis.”

There is Mr. Strachey speaking before the vote took place in the House of Commons to which I have already referred.

When the time came to fix the price during the third year of the contract, the Class 2 price — this marginal price — people who were desperate to get wheat in some cases paid as high as \$3 for it. And here were the British — the Class 2 price was higher than, as I said, the first-year

British agreement price by 88 cents on an average; the second year, by \$1.33; and Class 2 prices even ranged up as high as \$3 a bushel. How could they under those conditions — have regard to the fact that they got their wheat cheaper than Class 2 prices in setting the price for the third year? To do so would have meant setting a very high price and, of course, would have adversely affected the stabilization programme in Great Britain. So it was decided that they would put it at \$2, and that was agreed to. A statement was put out by the Prime Minister on October 1, 1947 to be found on page 1064 of Hansard, 1951. He announced that the price would be \$2 during the coming year. Let me read part of what Mr. King said at that time. He said:

“In the negotiations which took place during the past month, both parties recognized the obligation contained in Clause 2D of the Agreement . . .”

There is Mr. King’s statement. Both parties recognized them.

“. . . which requires that in setting the price to be paid in the last two years of the agreement period regard should be had to the difference in the first two years between the world prices and the agreement price, having in mind the magnitude of the agreement, the long term security which it provides, a precise arithmetical calculation of the differences in price was not suggested. The Government is satisfied that the considerations which have prompted the United Kingdom Government to offer, and the Canadian Government to accept, the price of \$2 a bushel for 1948-49 will apply fully and in the same spirit in the negotiations for the settlement of the price to be paid in 1949. The negotiations for this purpose are to take place before the end of 1948.”

Then they came to set the prices for 1948 and during that period, during the third year of the contract, Class 2 prices had ranged still considerably above \$2. The average Class 2 price was \$2.23, so that during the third year of the agreement Class 2 prices, whatever that was worth as argument, had been above the British price, and some people argued that that was some indication of world prices. They said in regard to the British, “Here you are, you have got your wheat on an average 88 cents cheaper during the first year than these Class 2 prices; \$1.33 cheaper during the second year, and 23 cents cheaper during the third year. What are we going to do now? The price is still over \$2.” What they did then was to say “We will leave the price at \$2, and we will decide what obligation there shall be in 1950, because at that time we will know what has happened to world prices during the last year of the contract.”

This is the joint statement that was made by the Canadian and British governments. I shall read it because I have just given what I understood to be the understanding between the governments. And I would suggest to you, Mr. Speaker, that this agreement modifies the terms of the original wheat agreement, because here is what they said. They said, in effect, you cannot carry this thing out at the moment, but we are settling this price during the last year on these terms. I am going to read these

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terms to you, Mr. Speaker. This was the Press statement released, January 20, 1949, to be found on page 1064 of this year's Hansard:

“The Government made the following announcement today. Representatives of the United Kingdom and Canadian Governments have had discussions on the price to be paid by the United Kingdom for Canadian wheat in 1949-50, the fourth and final year of the United Kingdom-Canadian wheat agreement of 1946. After taking into account all relevant considerations including” . . .

And I ask you to note this, Mr. Speaker, I am still quoting this statement:

“. . . including, but without attempting to reach a final settlement of the United Kingdom obligations under Clause 2B of the agreement (the ‘have-regard-to’ clause), the two Governments have agreed upon a price of \$2 per bushel.”

In other words they said this is taking it into consideration but it is without attempting to reach a final settlement.

“The two Governments have also agreed that their representatives shall meet not later than the 31st of July, 1950, to settle any obligations of the United Kingdom which may then still be outstanding under Clause 2B of the agreement.”

You will note there, Mr. Speaker, that they admit that they have got to meet later on to settle any outstanding obligations under that ‘have-regard-to’ clause. They go further:

“The extent to which any such obligations will remain will depend largely upon the actual prices ruling for wheat during 1949-50.”

In other words, the suggestion there is that if the price is away down in 1949-50 and we got \$2.00, that would compensate us to some extent. And the extent to which we would still be entitled to further compensation would depend upon the prices that actually did rule.

What is the situation? The situation is that the average Class 2 price during the last year of that agreement was well above the \$2. So, if you go on the basis of Class 2 price there never at any time was any recognition of the “have-regard-to” clause. I suggest to you Mr. Speaker, that if there had been no “have-regard-to” clause in the agreement at all, with prices ranging the way they were, Britain could not have expected to get her wheat cheaper than \$2 during the third and fourth years of the contract. She could not possibly have expected it. So where in the world is there any recognition of this obligation? As I have already said, the only place where you even approach such a recognition is on the basis of the international wheat agreement. We find that we were to sell our wheat for a maximum of \$1.80 - \$1.98 in our own funds, \$1.80 in American funds. For at least half

of it we got \$1.98, and we got from the British \$2.06. So there are a few cents there if you go by the international wheat agreement that we did get under some recognition under the "have-regard-to" clause. But, if you figure even 10 cents on 140 million bushels, it is about \$14 million, which is not a very great recognition. It has been argued that if you put it on the basis of \$1.80, it amounts to as much as \$35 million. That is putting it at the ultimate limit.

What I have felt all along, Mr. Speaker, is this: you take the Class 2 prices — Britain got her wheat about \$400 million cheaper than she would have had to pay if she had paid those Class 2 prices. On the other hand her agreeing to make this agreement for four years ahead, probably created a world floor price for wheat. Had it not been for that stability, Class 2 prices might not have been so high. Also, had it not been for the wheat agreement, you would not have had the extensive assistance under the Marshall plan. So it is pretty hard to figure out just what Great Britain does owe under the "have-regard-to" clause. I will admit that, and I think everybody admits it. But, the feeling of the Canadian Government appears to be this. Taking everything together we think on the basis of Class 2 prices you saved \$400 million, compared to others, but we have never said there should be a settlement on an arithmetical basis. Also we look at the America prices, and if you go by them it brings the obligation down very substantially. So the Canadian Government said, "In fairness to our producers we think that you should give us about \$100 million on the settlement of this 'have-regard-to' clause." The argument was then made that paying this \$2.06 during the fourth year of the agreement actually brought it down as much as \$35 million. I don't think that is right, but that is the argument made. That left \$65 million.

Now, what happened in that regard? Well, Mr. Howe went over there last summer, to negotiate other matters and the British Government took the attitude — that was in May, 1950; "We want to know where we stand in regard to this 'have-regard-to' clause." They took the attitude, "We do not owe anything. That is our position. We take that position. We do not owe anything. We have given you insurance against low prices by signing this agreement. We have paid you more than the maximum in the International Wheat Agreement during the last year. We do not recognize these Class 2 prices, because they would not have existed had it not been for the stabilizing influence of the British wheat agreement." They said, "In spite of the statement that was made when the price was set at \$2, in January, 1949, in spite of the fact that the price of wheat still range well over \$2, we will not pay anything on that 'have-regard-to' clause".

What happened after that was this. Mr. Howe came back to Ottawa, reported that the British Government did not recognize any obligation to pay anything further, and the Canadian Government recognized that that was their definite position under the agreement. The attitude of Mr. St. Laurent on that matter has been set out over and over again. I have studied Hansard very carefully covering this whole debate, and I am satisfied that Mr. St. Laurent, the Prime Minister of this country, has stated the position with all the honesty that you would expect from a man of his high integrity. And here is what he said, and as far as I am concerned I am prepared to accept

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that as the absolute truth about this matter. This is what he said, in Hansard, March 15, 1951, at page 1282, in regard to this question.

“The third point was that the Canadian wheat growers believed there was a continuing obligation under the ‘have-regard-to’ clause, which had not been discharged in full, and that in the words of the Minister of Trades and Commerce in the speech referred to by the Leader of the Opposition, ‘the British Government itself was partly to blame’ for this expectation of the wheat producers, because of the speech that had been made in Winnipeg by the Rt. Hon. Mr. Strachey after he had listened from the galleries of this House of Commons to a speech delivered by the then Leader of the Opposition, Mr. Bracken.

“Now we all felt the Canadian wheat growers had understandable grounds for this expectation that there would be more done under the ‘have-regard-to’ clause than had been done. And our Government hoped — again I use the words of the Minister of Trades and Commerce in the speech referred to by the Leader of the Opposition — ‘that the British Government could have seen the advantage to them of making some further payments to the Canadian wheat growers.’ On that third point we were all agreed. The fourth point upon which we were agreed was that the Canadian Government should make a contribution to the 5-year pool because producers had been led, both by the United Kingdom and by Canadian Ministers, to expect that something more substantial would be done under the ‘have-regard-to’ clause than had been done and because the Government of the United Kingdom had not seen fit to do anything more under that clause. I repeat that all the members of the Government are agreed on these four points, and these are the only points upon which there is any matter of policy or any matter of conclusion.”

Then he goes on to finish his statement:

“I think the hon. member will agree with me that the wheat growers of the western provinces expected from that statement of Mr. Strachey from which I have quoted, and from similar statements made by our Minister of Agriculture and our Minister of Trades and Commerce at that time, Mr. McKinnon, that there would be substantial consideration resulting from the obligations of the ‘have-regard-to’ clause. It was on their assumption that there was going to be something substantial coming to them as a consequence of the ‘have-regard-to’ clause that they went happily along during those years seeing to it that the wheat contract was carried out.

“There is no doubt that when the Government of the United Kingdom took the position that all obligations, in the sense of obligations, had been fulfilled, that nothing more was to be done by them as a consequence of the ‘have-regard-to’

clause, those expectations were not met. I think that is indisputable. We were all agreed we were not alone responsible for those expectations in the minds of the wheat producers of the western provinces. Because of the principle of solidarity invoked by the Leader of the Opposition and because of the declarations that have been made by the Minister of Agriculture, by the then Minister of Trade and Commerce, by the Rt. hon. gentleman from the United Kingdom, we all felt that those having such expectations should not remain in the disappointed state in which they were left by the position taken by the Government of the United Kingdom that it would make no further payment as a consequence of the 'have-regard-to' clause."

I think that sets out exactly the situation. This 'have-regard-to' clause was of the nature of a clause that a person might make if he was having a house built at the present time. He might say to the contractor. "I want a firm contract"; and the contractor would say "I can tell you what I think it is going to cost, but I am not going to bind myself to that, because I'll have to have regard to the question of whether I have got to pay more for the material I put into it or whatever labour is necessary." There is nothing wrong with making an agreement like that, Mr. Speaker. That was debated by all parties. It was recognized that when you were binding the British people definitely for two years and then putting a minimum price for the third and fourth years the British Government would have regard to whether they got their wheat cheaper than other people got it at world prices, that clause must mean something, Mr. Speaker, or it would not have been put in there. There is the situation as I see it.

A great deal has been said about the situation that the British said, "We no longer have a legal obligation," and that that was accepted as the view of the British Government, but Mr. St. Laurent said that these were well-founded expectations that more would be paid. We must keep in view of the fact that, as a great Prime Minister of this great commonwealth of ours, he was anxious to keep good will between all parts of it.

Mr. Atlee, the Prime Minister of Great Britain, came over to the United States and Canada, last Fall. Our Prime Minister took it up with him; pointed out to him that these expectations existed; that they were not only based upon the wording of the contract, but upon statements made by the Prime Minister of Canada, statements made by the Minister of Food of the United Kingdom, Mr. Strachey; statements which, of course, if the English language means anything must mean there was an obligation there. Somebody plays with words and says it was not a legal obligation. I do not know. Between Governments an obligation is an obligation. Legal obligation — what do they mean by that? How can you enforce an obligation between governments? You cannot sue them, you cannot enforce judgment. Such obligations must rest upon a willing carrying out of anything that the words mean. Mr. St. Laurent pointed out that when these expectations existed, based upon these statements for which a member of the United Kingdom Government was just as much responsible as anyone else, and they signed the agreement too; he said, "I think you should

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give further consideration to the matter.” Mr. Attlee said, “You can take it up with the Chancellor of the Exchequer”. Our Prime Minister did so. He took it up with the Chancellor of the Exchequer when he went to Great Britain to attend the Commonwealth Prime Ministers’ Conference. The British Government reiterated their view (it is all set out in Hansard) that they were not going to pay anything further; they felt they had discharged their obligations. Mr. St. Laurent reports then and when that was reported the feeling was that a still further attempt should be made to try to get the British Government to recognize some obligation in the matter. He had tried; the Minister of Trade and Commerce had tried; and it was suggested that Mr. Gardiner, who had negotiated the contract, should go over and see what he could do. Mr. St. Laurent says, with that frankness that endears him to all Canada — he might have said “Well, it would reflect upon us in some way if Mr. Gardiner succeeded where we haven’t managed to get anything.” He actually said, “We weren’t thin-skinned about it as long as we could get this thing settled in a way that would satisfy the producers of the west and prevent any bad feeling between Canada and the United Kingdom from developing, they would send Mr. Gardiner over to see what could be done.”

Mr. Gardiner went over to the United Kingdom and there he pointed out that there was still \$65 million not drawn on of the \$1¼ billion loan made by Canada to Britain, and while he was still in Great Britain the British Government saw fit to say, “Well, we will not draw the \$65 million. We are not going to make use of it at all. We are not paying anything.” So, Mr. Gardiner came back and reported this attitude.

He went over there, as I have pointed out before in this House, on the 17th of February, this year. Now my main criticism — and this will probably be the only controversial thing that I will inject into this debate today; I felt very badly about it at the time and I still feel badly about it. Here was the Prime Minister of our country trying to get some sort of settlement that would promote good relations between our country and Great Britain. He takes it up with the British Prime Minister, having to admit that we cannot enforce it, it is not a legal obligation, but we feel that on account of statements made we should enforce it. He takes that up with the Prime Minister of Great Britain, takes it up with the Chancellor of the Exchequer, puts himself in that position, Mr. Speaker. Then on top of that we have the Minister of Agriculture flying over there to try to get some sort of a settlement. Now, then, surely that was quite a proper thing to do, no matter how you look at it! And yet, when that was going on, on the 14th of February, and against my protest, Mr. Speaker, trying to draw to his attention what he was doing, the Minister of Municipal Affairs got up in this Legislature and here is what he had to say:

“So the first year of the British contract was \$1.55 the second year \$1.55; and also written into the agreement it says in the third year in respect of wheat bought and sold in the crop year 1948-49, \$1.25; in respect of bought and sold in the crop year 1949-50, not less than \$1 per bushel. The British Government paid \$1.55 for the third year and \$2 for the fourth year.”

I should say the Minister later corrected that and said that should have been \$2 for the third year, which was quite right. He went on to say:

“In other words, the British Government paid the Dominion of Canada \$182 million in excess of the price quoted in the contract signed by James A. McKinnon on behalf of the Government of Canada and P.A. Clutterbuck on behalf of the Government of the United Kingdom.”

And I said, “Might I ask the hon. member a question. I did not follow the Minister’s arguments there, if he wishes to make it plain. This is the first time I ever heard that suggestion.” I had in mind partly the idea that Britain had paid \$1.55 in the third year. The Minister, did not take advantage of that suggestion — because I do feel that this is a matter for people of Western Canada to deal with as an economic question, not as a political question. When this matter was being discussed with the British Government, I was sorry to have a Minister of the Crown here in the Government of Saskatchewan, apparently speaking on behalf of the Government, get up in this House and say that the British had paid in excess of what they really owed under this contract.

Somebody says “Hear, Hear” over there, and I wish just to deal with that for a moment. Is it true, Mr. Speaker, when it is definitely written into the agreement that the price for the last two years is a matter of negotiation and that the price set should have regard to world prices? Is it right to say that because they paid over the minimum price that they paid over what they were obligated to pay? Surely that “have-regard-to” clause means something in the contract, if it is in there! Well, I have no doubt about it. Here is a Government of the greatest wheat-growing province of Canada, and when a Minister of this Government gets up and says they have already overpaid, what becomes then of the plea of our producers that there is some money still coming to them? The ground is cut right away from under the feet of the Canadian Government and everybody else.

I draw to your attention, Mr. Speaker, that not only did the Minister of Agriculture go over, but the head of the Wheat Pool went over, and their attitude in bringing forward this resolution, their solution, shows that they think something is coming. Just mark this, Mr. Speaker. If under this clause the British Government does not owe anything, on what basis have we a claim under the “have-regard-to” clause against the Canadian Government? If every cent that the British owe us under that agreement has been paid, what right have we got to go to the Canadian Government and say, “Now, you owe us something under the ‘have-regard-to’ clause.” Let alone if they have overpaid us — that is something that should have been clear to anybody.

We believe, Mr. Speaker, and the Canadian Government believed, that there was something owing under the “have-regard-to” clause, even if the British Government did not recognize that obligation. They said, “All right, we’ll take the \$65 million loan that you did not want to use and we’ll apply it to the ‘have-regard-to’ clause.” Well, I am glad that the Canadian Government made some recognition of it and without any help from

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this Government, because, as I say, if the British had overpaid under that agreement, there was nothing for the Canadian Government to make up. But they did not accept the view of this Government in Saskatchewan. They accepted the view that there was something owing, and they paid in \$65 million.

Now, I think that we can vote with a clear conscience that more should be paid under the “have-regard-to” clause than \$65 million, but I do not see how this Government can vote for that when they already have said that the British Government has overpaid. This is a matter, that, as I say, I am sorry to have to say, because I do not think this should be a political matter. It was a matter of all parties joining in making this agreement; they supported it when it was made. They joined together in asking for a proper settlement under it, and in that regard, Mr. Speaker, I would like to review the attitude taken by the farm organizations and also the attitude taken by our own party.

The attitude taken by the farm organizations is this. I am reading from a memorandum which was prepared by the Wheat Pool for discussion with the Rt. Hon. C.D. Howe, dated November 28, 1950. Here is what it says:

“We believe that the viewpoint of the large majority of western farmers in this matter is very clearly reflected in the wording of a resolution asked by the annual meeting of delegates of the Saskatchewan Wheat Pool some two weeks ago which reads as follows: “That it is the considered opinion of this meeting that in making a final settlement of the 5-year wheat pool, in addition to the amount available for distribution, the Government of Canada should make provision for an adjusting payment, estimated at \$48 million on all wheat sold for domestic consumption during the period March 1, 1945, to February 7, 1947; and further that if the Government of Canada has decided not to press the United Kingdom Government for a cash settlement of Clause 28 of the Canada-United Kingdom Wheat Agreement . . .”

Would they press if they didn't think something was owing?

“ . . . this meeting is of the opinion that the Government of Canada must accept full responsibility for the obligation implied in this clause, that in further negotiation with the Government the Board of Directors should insist on an addition substantial payment in settlement of this obligation.”

That was the attitude of the Wheat Pool delegates, passed last fall, definitely suggesting that they felt more money was owing under the “have-regard-to” clause. Well, the Saskatchewan Liberal Party met in convention in Saskatoon, about the same time. This resolution came in from the Wheat Pool, and one of the first things we did at that Convention — I did it as Leader of the Party — I got up as the first item of business and moved a motion that supported the Wheat Pool. I would like to read that resolution to you, Mr. Speaker. This was passed on November 13, 1950. The stand we took

then is the stand we take today. We haven't wiggled back and forward on it:

“Resolved that the Federal Government be asked to re-open negotiations with the British Government in regard to obtaining a fair settlement under the ‘have-regard-to’ clause under the Canada-United Kingdom Wheat Agreement in respect to the 600 million bushels of wheat supplied under that agreement; (2) Be it further resolved that if the British Government maintains its refusal to admit further liability or a fair liability in the matter, the Canadian Government be asked to accept full responsibility for the obligation implied in this clause and that such be paid in a cash settlement to the Wheat Board in order that it be included in the settlement of the 5-year Pool; (3) Be it further resolved that the Canadian Government be asked to make a substantial payment to the Wheat Board to compensate for wheat taken from the Wheat Board for domestic consumption between March 1, 1945, and February 17, 1947, at \$1.25 a bushel, which price was much below the market value during this period; (4) Be it further resolved the money paid to the Wheat Board under Clauses 2 and 3 of this Resolution be added to the money now on hand to make a final settlement for wheat in the 5-year Pool substantially larger than the amount possible from the amount now on hand, the said final settlement to be paid as soon as possible.”

That is the resolution, Mr. Speaker, we passed November 13, 1950, moved by myself and carried unanimously by standing vote. That is where we still stand in this matter. We have not been pretending the British do not owe anything and then turning around and saying to the Canadian Government “You make up what we say is not owing at all.” Such an impossible, ridiculous position, I do not understand. We have always said the British owed something, and if they would not pay it, then the Canadian Government, having made the agreement on our behalf, should pay it to us.

I have already dealt with the amount that should be paid. It is hard to figure, because if the British Government are not going to pay anything it must be paid by the taxpayers of Canada. After all, we entered this agreement with our eyes open and fully relying on the British Government paying a substantial payment under the “have-regard-to” clause. I feel myself that what we are getting under the clause is the \$65 million, plus whatever we have got under the fourth year of the contract, bringing it up to somewhere near to \$100 million. I feel that the outside figure that one could ever suggest would be the Class 2 price, which would ask for another \$300 million. I think it would be outrageous to ask for that, as I do not think those Class 2 prices would have ranged as high as that if it had not been for the British wheat agreement, for the Canadian loan and for Marshall aid helping them buy our wheat.

The attitude of the Pool has been that there can be no arithmetical calculation of the amount due; it must be a matter of trying to come to what

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is a fair conclusion. I think that something more should be paid. I at one time suggested half of the \$400 million, which would mean another \$100 million, but after further considering the matter and thinking about it a great deal, I am very doubtful, in all honesty, whether we are entitled to another \$100 million, because all these things have to be taken into consideration. But, I think we are entitled to something more than that particular amount \$65 million, and in regard to that matter I must say that I have been much affected by the attitude taken by the farm leaders.

Mr. J.H. Wesson, speaking in Saskatoon on February 10, 1951, made a speech about this matter, and I have the greatest possible respect for his judgment in these matters. He has been head of the Wheat Pool for so many years, I think he enjoys the confidence of the farmers all over Saskatchewan. He has dealt with this matter of wheat not only with the Ottawa Government, but he has dealt with it in International Conferences. I think he understands the wheat question probably better than any other man — certainly in Saskatchewan, anyway. Mr. Wesson in speaking about this matter said:

“That he was satisfied with the price received from Britain for wheat sold there during the 5-year bilateral wheat agreement, provided the final settlement to prairie farmers was not less than 15 cents a bushel.”

That would take about another \$84 million, altogether. Mr. Wesson was addressing a meeting of the Saskatoon Wheat Pool in the Oddfellows Hall. He said that farmers —

“had actually been paid an equitable amount when the extra payment on the 5-year agreement was calculated. The farmers had the advantage of knowing for five years that the price of wheat would remain as stated in the contract . . .”

Mr. Wesson said —

“he had no quarrel with those organizations that wanted more on the final pool payment.”

However, he added —

“that if the Federal Cabinet had to dig too deep into the treasury and Britain refused to pay any on the “have-regard-to” clause the government might not favour a Wheat Board as strongly as it had in the past.”

And he said:

“Advocates of the Government subsidizing the farmer for the difference frequently said the United States had been subsidizing its wheat export for years.”

He told the meeting that —

“only 10 per cent of the wheat in the United States was exported, whereas 80 per cent was sent out of Canada. If Canada were to subsidize her export wheat 14,000,000 people would have to pay 80 per cent of the wheat crop, but in the United States 150,000,000 people would only have to subsidize 10 per cent of their crop.”

Mr. Wesson reminded the farmers —

“that they had already received 20 cents a bushel on the 5-year contract in addition to \$1.55 paid for each bushel.”

And he goes on to speak about the International Wheat Agreement.

There was his attitude in this matter. I must state, quite frankly, that originally my own feeling was that more should be paid than that; but I realize there is a great deal in his arguments and especially since I have read the Hansard of the debate on this matter and realize that the wheat-growing members of the prairies, who make up, I think, 52 members out of 262, from Canada as a whole, see the violence of the opposition of some of the members from other parts of Canada to a further payment. They do not realize the situation. They think in some way we are gouging the taxpayers of Canada. They are saying that they are going to get into these deals at our request, that we are not willing to take the rough with the smooth — and why should the country make these deals in the future, and all the rest of it. I was surprised at the strong attitude taken by representatives of other parts of Canada, and I can see that, if we do something that they regard as unreasonable and have unfavourable results and then want a large payment out of the Federal Treasury, there may be a lot of feeling that they may not be favourable to agreeing to what we want in future in that regard. These things have to be taken into consideration.

Personally, I feel very strongly that the attitude taken in this regard, in making this agreement was right. I agree with the Leaders of the various parties, that this is a good agreement. I think the farmers under it have got \$1.83 right through for five years. Nothing like that has happened before in all our history. I realize that the value of money is not as much as it was in the past, but still the representatives of the farmers feel that it has given a measure of stability. The attitude of Mr. Wesson was that if we got 15 cents, the farmers would feel it was a good agreement, and they got 8.3 cents a little over 6 cents short of the 15 cents. I think all of these things should be taken into consideration.

Of that 6 cents that he mentioned, 4½ cents could easily be paid under the proposed payment in respect of domestic subsidization. There is the matter, again, of selling that attitude to the rest of the country. I have read Hansard, and they claimed all other people were controlled. Wages were held down. They said the price of lumber was held down, the price of other things were held down. They ask: why should the farmer get some recompense because his price was held to \$1.25 during this particular period?

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May I draw your attention, Mr. Speaker, to March 1, 1945, (the war was over then to all intents and purposes) to February 17, 1947. As I pointed out in my speech to the House a real stabilization programme would have been to raise the domestic price to \$1.55, the same as the British contract. But, instead, we kept it during that period at \$1.25. Now \$1.55 was not the best price that could have been obtained; Class 2 wheat was being sold some of that period for almost twice that price. We are asking, in order to bring it up to the British level, 30 cents a bushel for that 160 million bushels. That is not asking the same thing as they are talking about when they say the government held down the price at which people could sell their lumber within Canada. They were permitted to sell abroad for any price they could get. We, certainly, in all those things, took and take the attitude that we are just trying to stabilize the price, that in asking for this 30 cents we are not asking for the best world prices that could have been obtained. We are just asking for the price that the British consumer paid during that time. Personally, I think that we have got such a good case that, if we can put it before our fellow-Canadians, get before them what the facts are, that we are not asking for the world price, that we are just asking for the rest of what at that time was a fair stabilized price; if we can get that before the rest of Canada on a non-partisan basis, without anyone trying to make any political capital out of it, but simply as a demand made by the farmers of this country and supported by all political parties, then I think that we can hope to get it. We still think we can. If, however, we get this thing mixed up into politics, try to make it a political football, well, then I am not so sure we will get it.

So, Mr. Speaker, my attitude in this thing is the attitude I took when I moved that resolution at our Convention. I believe that we should get \$48 million, the balance of a fair stabilized price during that time, that will bring the price up another 3½ cents, and I think that we should get the rest at least as Mr. Wesson said, of the \$100 million, which will pretty well bring the price up to 15 cents.

I am very happy to support this motion, and I do it fully believing that what we are asking for is not unfair. I think it is supporting the view taken by the organized farmers of this country, and I do it in this spirit of not identifying myself with the extravagant claims made on behalf of the Winnipeg Grain Exchange that hundreds of millions of dollars have definitely been lost because of our stabilization and Wheat Board programme. I do not believe such large sums have been lost. I believe those high prices that they are talking about would not have gone to the farmers any more, in the last four years, than they went in the previous years, when there was gambling and speculating on the Winnipeg Grain Exchange. Finally I do not want to endanger the work of pioneer Canadians, the great people who settled these plains and are working for a measure of stabilization here, and a measure of security, by going too far in quarrelling about a few cents in this regard. But I do not think that, in asking for what this resolution asks, we are doing that; I think we are being very reasonable, Mr. Speaker. I am very glad this resolution is introduced in the terms it is, and I do not think I have ever supported a resolution with a more complete feeling that it deserves my wholehearted support.

Hon. Mr. McIntosh: — On a point of privilege, just in order that we might keep the record straight. The Leader of the Opposition quoted from a speech that I made on February 14 and, I think, when he quoted, he probably quoted correctly. I said this, and I believe this is what he quoted:

“So the first year of the British contract was \$1.55; the second year, \$1.55; and also written into the agreement, it says in the third year in respect of wheat bought and sold in the crop year 1948-49, \$1.25; in respect to wheat bought and sold in the crop year 1949-50, not less than \$1.00 a bushel. The British Government paid \$1.55 for the third year, and it should have read \$2.00 for the third and \$2.00 for the fourth year. In other words, the British Government paid to the Dominion of Canada \$182 million in excess of the price quoted in the contract.

Mr. Speaker: — Are you ready for the question?

Premier Douglas: — Mr. Speaker, I beg leave to adjourn the debate.

(Debate adjourned)

CROWN LANDS

Moved by Mr. Jacob Benson (Last Mountain), seconded by Mr. A.H. McDonald (Moosomin):

That this Assembly recommends to the consideration of the Government the advisability of

- (a) establishing the purchase price of all Crown Lands on which veterans are settled, at the earliest date possible;
- (b) providing that all rentals paid by veterans on such lands be applied on the purchase price so established, and
- (c) selling Crown Land to the veteran occupier at the established purchase price, upon his application to purchase it, provided he has proved his ability as a farmer.

Mr. Benson: — Mr. Speaker, I want to tell the House that I was requested to bring this matter before the Legislature by veteran settlers of the constituency of Last Mountain, and those young veterans who took the lead in this matter are supporters and members of the C.C.F. They wish me, first of all, to thank the Minister of Social Welfare (Hon. Mr. Sturdy), who has been in charge of veterans' affairs in this province, for the work that he

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has done for them in bringing about their re-establishment in this province. I want to say to the Minister of Social Welfare that the veterans appreciate what he has done, and I have not heard any criticism from any veteran in the constituency of Last Mountain as to the treatment that they have received from the Minister or from any of his staff.

I am going to request the members of the Legislature, when they are discussing this resolution, to try to keep all partisan politics out of their discussion. There has been wide-spread demands, I am given to understand, from the veterans of the province, to bring about a stated price in regard to the lease that they have signed. I received, just the other day, a letter from a veteran in Makwa, Saskatchewan, and he told me that, in that particular district, there were many veterans who now wished to learn what the price was to be that they would have to pay for their land. Last night, a veteran from the Southey district made a trip to Regina by train, and stayed in Regina overnight, in order to bring me a resolution that was passed at a meeting of the Legion in Southey, just recently. He says in a letter he handed me:

“You will find enclosed a resolution on Crown Lands, which was passed by this Branch of the Canadian Legion at a regular meeting. It is our wish that you introduce the resolution during the present sitting of the Legislature, and we further request your active support to the end that this be adopted.

“The same resolution has been placed in the hands of the provincial secretary of the Legion, and also the resolution referred to will be placed on the agenda of the forthcoming zone rally.”

That resolution is similar to the one that I discussed with some of these young chaps before I introduced the resolution in the House, and I would just like to read you the preamble they placed before the resolution that they adopted at Southey:

“The basic object of the Veterans’ Charter is that those who served their country during the holocaust of war shall always, on their return, be able to take up a position in society equal and fair with those of their fellow-countrymen;

“And whereas the present 33-year Crown Land lease to veterans does not enable them to do so;

“And whereas the present lease denies the veterans to claim as his own a small portion of the country which he helped to defend and hold victorious . . .”

Then they go on with the resolution, which is similar to the one which I have on the Order Paper.

Now, clause (a) in this resolution is the important clause so far as the veterans are concerned. They want the purchase price of all Crown Lands on which veterans are settled set at the earliest possible date.

I would like to read from a brief which I understand has been presented to the Government — just a couple of clauses from it. It says here:

“The rental agreement is fair and just, but there is a very definite request from veterans in all parts of the province to know just what they may be expected to pay when their option to purchase may be taken up.”

Then further down:

“No man who, while in the service of his country, should be asked to pay the speculative sale price for any Crown Lands, the security for which he risked his life and made possible a normal way of life for those of us at home, without danger or hardship.”

So far as the contract that the Government signed is concerned, I might say that when it was first drawn up I thought it was a pretty fair contract. I thought at the time, though, that the price the veteran was to be expected to pay should have been stated in the contract. I also thought that there should have been a crop-failure clause in that contract, and I believe that there is no good reason why the price on this veterans' land should not now be established.

Since I have had this resolution on the Order Paper I have discussed this question with many groups of veterans, and I have asked them this one question: “Is there any reason that you know of why the price should not now be established?” — and I have not yet been able to get one reason.

I have here a brief that was presented to the Government on some previous occasion, dealing with the tenure clause — the 33-year clause. It says this:

“33-year lease with option to purchase at any time after the expiration of the first 10 years of the term of the lease. The price and terms at which the land may be sold to be based on the probable income, as determined by its productive performance, co-ordinated with the productivity of similar land in the district in which it is situated. In fixing the price, allowance shall be made for the cost of any clearing done at the lessee's own expense.”

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Now, I have an agreement here, signed by a veteran, and I want to read Section 7 from this agreement. This is a genuine agreement signed by a veteran, and signed by Mr. Harrison on behalf of the Government. Section 7 reads:

“After the expiration of the first 10 years of the term of this lease, the lessee may at any time during the remainder of the said term, give the lessor written notice of his desire to purchase the said land. If the lessee has, up to the time of giving such notice, performed and observed the several covenants, conditions and agreements by him herein agreed to be performed and observed, the lessor will offer to sell the said land to the lessee at a price, and under terms, based on fair productivity. In fixing the price the Minister shall make allowance for the cost of any clearing done on the said land at the lessee’s own expense. Such offer shall be open for acceptance for a period of 90 days after the date on which it is made.”

Now, we have been discussing, today, the “have-regard-to” clause in a wheat agreement, and there has grown up a lot of misunderstanding in regard to that “have-regard-to” clause in that wheat agreement. I maintain that we have a “have-regard-to” clause in this lease, and our experience with the wheat agreement has not been a very happy one, and I think we have had enough of that kind of an agreement. None of us like it. We are all complaining at the present time of the final settlement in regard to wheat, because of that particular clause, and I can see the same trouble arising because of this clause in this particular veterans’ agreement. I think perhaps, from the experience that we have had in regard to a similar clause in our wheat agreement, that is one of the reasons why the young veterans now are becoming so worried about this clause in their agreement.

I would like to ask why the price should not be set now. Is there any reason why it should not be set now? I want to give you an idea of what has happened in regard to one young veteran who lives in the Southey district, who is operating under the Veterans’ Land Act scheme. He purchased a piece of land; he received his \$6,000 credit of which \$4,800 was used to purchase land — a half a section. He signed the contract with the Veterans’ Land Act people — not for \$4,800, but for \$3,600; the agreement was immediately written down \$1,200. He also received his grant of \$1,200 with which to buy equipment; and, today, that veteran only has \$1,000 left to pay on his land. Perhaps, in another year, he will have, under the Veterans’ Land Act, his half-section paid for. When situations like that exist in a community, these other veterans see that and they know about it and they wonder why they cannot be paying for theirs.

I maintain that the veteran should know what he has to pay. He should have some definite price to shoot at, so that he might save his money and get in a position to purchase the land; and now, while the prices are good,

and while crops are pretty good in this province, he should be allowed to have the same opportunity as the veteran who bought his land through the Veterans' Land Act, and get his own land paid for, if he wishes to purchase it. He should now be allowed to place his surplus earnings on payment in regard to the purchase price of his land. I do not think that, if he has shown that he is establishing himself as a farmer, he should be required to have to continue to pay interest, and then, after 10 years, turn around and purchase the land, and maybe pay for it again.

I remember in the past that, when land companies sold land, if you did not have enough money to buy it, you could always buy it on what they called a 'lease option'; and I know what I am talking about in this respect, because I purchased land that way, myself. I was not able to make any down cash payment. The company would sell you land on what they called a 'lease option' agreement. You could carry on for three years, pay your rental and pay the taxes, and, at the end of three years, if you wanted to take up the option, all that you had paid on the land as rental was considered as a cash payment.

Now, in regard to the veterans' land, I think that the price should be set, and the basis of the price should be the municipal assessment. We have recently had in this province a re-assessment of farm lands, and I think, in most cases, that re-assessment was a pretty fair productive value of that land. I know when I take this particular agreement that I refer to, that it would mean that land in that district was probably assessed at around \$1,800 per quarter-section. It may have been assessed at \$2,000 a quarter-section; but the \$3,600 that that veteran was asked to pay for that particular half-section was somewhere near the productive value of that land. I would suggest that the assessment should be the basis of arriving at the value. I do not think that the price that is established should, at any time, be over 10 per cent of the assessed value; so far as I am concerned, I would rather see it 10 per cent below the assessed value.

We must remember that the veterans fought for this country. They fought for you and me. The vets fought that you and I should occupy and own our own farm and our home, and I think that if they want the right now, they should have that right to buy and own their own land and their own homes. We promised them pretty nearly anything before enlistment and during the war, and I think that we should try and live up to the spirit of those promises that were made to them.

I think the price should be set, and that veterans should now, if they have proved their ability as farmers, be allowed to make applications to purchase their land. The price should be set, and they should be allowed to apply to purchase it, on the understanding that they could go ahead, during times when prices are good and crops are good, and pay for it, and on the understanding that they will receive their title at the end of 10 years in conformity with the agreement made under the Veterans' Land Act.

I also believe that we should allow the rentals, which they have paid, to be considered as cash payment on the purchase price. I make that suggestion because these other fellows who were under the Veterans' Land Act are now paying for their land, and the most of them are going to have it paid for before these chaps under the lease are going to have the opportunity to start paying for theirs. Perhaps the Government won't be able to see fit to

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apply all the rentals that have been paid on this land; but I suggest that the Government give this serious consideration.

I would like to read from an address made by the Hon. Mr. Turner in regard to land settlement in Alberta. This address was delivered over the air on April 8, 1947. He says:

“As early as November, 1943, the Alberta Government went to the Dominion Government and objected to any kind of land settlement which would place a heavy burden of debt on our veterans, and recommended that any help the Dominion Government was prepared to give should be given as an outright grant to assist the boys to get established on the land, and explained that, if this was done, we would be prepared to grant our veterans an agricultural lease on a half-section of land, which, at the end of 10 years, would become his property, and to which he would be given clear title free of any costs.

“After months of negotiation we were successful in completing an agreement with the Dominion Government, in August 1945, whereby the veteran qualifying under the Veterans’ Land Act, and who obtains an agricultural lease, can get a grant of \$2,320 with which to buy equipment and stock. If he avails himself of this opportunity, at the end of 10 years he will have clear title to a half-section of land and without any debt to the Veterans’ Land Act.”

Now I think that is a pretty generous and a pretty good offer.

Then, I have here a copy of the posters which they put up, advertising the land settlement policy of Alberta. I find here that they have two different schemes — one is a 33-year lease. I believe, and the veteran leases the land. In one case the veteran pays nothing for the first three years — no rent, no taxes; he pays 1/8th share of the crop for 7 years, and at the end of 10 years, if he applies for title, he gets his title. In that case, no price is needed. Then they have another scheme whereby work had to be done — clearing land, or something of that nature. A veteran settling on that type of land in Alberta, pays 1/3rd share of the crop for seven years, and at the end of 10 years, he gets his title — nothing for the first three years. They also have a crop-failure clause in their scheme, stating that when the crop is harvested, if it is less than five bushels per acre, no share is payable.

Hon. Mr. Sturdy: — I wonder if the hon. member would be good enough to tell us how many have been settled, in Alberta, under these schemes.

Mr. Benson: — I was coming to that, Mr. Speaker, I was going to point out that there are a great many more veterans settled in the province of Saskatchewan than were settled in the province of Alberta. I have not the figures here, but he will probably get them, if he takes part in this discussion; but I don't think that that has anything to do with the matter we are discussing at all. Perhaps Alberta did not have quite as much land to settle veterans on, but I just wanted to point out to you the deal they are providing for those fellows to whom they were able to supply land. I am not suggesting that we do that here — it would suit me fine if we could do it here; but I do suggest that we establish a price as early as possible and let these chaps get paying for their land while conditions are good. The Alberta proposition was really all that anyone could desire.

Now I want to say, in conclusion — I do not want to prolong this discussion; but I urge the Legislature to give this resolution serious consideration, as I know you will. Keep the discussion free of politics. Put yourself in the place of the vets for a few minutes, and give these vets the chance they ask for. They are not asking for anything for nothing. They are just asking for a fair price and chance to begin now to pay for their land. Give the vets the chance they ask for — the chance to buy and pay for their land while they have the opportunity to do so.

In this province — we all know, especially we farmers, that we have had cycles up and down. During this last 10 years we have had one of the best periods that I have ever gone through, and it won't surprise me any, if in the not-too-distant future we will start into a depression period, both in crops and perhaps in price. I think this is an opportunity we should not miss; we should give these vets the chance they want. They fought for you and me; they fought for the security and the freedom that we enjoy. This is our opportunity to do just a little bit more for these fellows.

Mr. McDonald: — Mr. Speaker, in rising to second the motion of the hon. member from Last Mountain I certainly want to thank him for giving me the opportunity of seconding this motion. I think probably the reason he asked me to do this was, firstly, because I happen to be a veteran, and also because I happen to be a farmer. Another good reason might have been that I happen to sit on this side of the House, and as he has intimated to you, Sir, that he would like all members of the House to support this motion, I sincerely hope also that they will cast politics aside and support this motion or speak against it, as they feel they should do according to their own convictions.

Today in the province of Saskatchewan, the veterans who are established on Crown Land have no agreement for sale. I think all that they have, today, is the option to enter into an agreement for sale after they have been a tenant for some 10 years. Now, Mr. Speaker, I do not think that is good enough. The average young man, when he comes out of the service, will be somewhere between 25 and 30 years of age. If he goes on Crown Land, and takes an agreement such as the young veterans in this province have taken under this Government, at the end of his 10-year lease period, he will be a man between 35 and 40 years of age. Then he has the option of buying this farm; in all probability it will take him 10 years to pay for the land,

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after he has made an agreement for sale. That would make the veteran somewhere between 45 and 50 years of age before he could own his farm.

Mr. Speaker, I do not think that any person should have to get to middle age before he owns his own farm. I think, probably, that the most active days of any farmer are in his youth. I know, and I think we all agree, that the average veteran is considered to be 10 years older than his actual age when he leaves the service — and there again, we have a detriment on these people. I think that they should be given every opportunity to purchase this land immediately, and that the price should have been set when they went on the farm, and not even have been delayed to this late date, so that these people could own their land at as young an age as possible. Probably they will have to retire at an earlier age than the non-veteran farmer population of this province.

Also, the average young fellow on leaving the service, if he was not married, soon did get married; and he has a responsibility there to a wife and a family. I think that any young veteran who owns his land has far greater assets and far greater security than the fellow who is on rented land. We will take, for instance, if these young veterans had been given the privilege to buy their land at the end of the last war — a good many of them, undoubtedly, would have had this land paid for, today. I am sure that the few years of good crops and good prices that we have gone through, have been an excellent time for the veteran to establish himself and probably we have had better conditions than we will have in the next 5, 10 or 15 years.

The average young veteran, who has his farm paid for today, must feel very much more secure than any tenant on land. I know that myself. As I said at the outset, I am operating under V.L.A., and I have bought and paid for my land, and I feel more secure than I did when I was trying to pay this debt off. I feel, today, that if anything happened to me, my wife and family would at least have a farm to turn back to — they could sell the farm and have the income from it, or they could rent it out and get an income from the farm in that manner. What would happen, Mr. Speaker, to the tenant of one of these Crown Land farms in this province? If the young veteran has put in five or six years there on a rental basis, and if he died today, what would his wife and family get out of this farm that he has put his work into? I don't know that he would get anything; but I am quite prepared to say that he would not get as much as if he owned that land. Therefore, I think that we should set the purchase price on this land at once, and that we should give him the opportunity to pay for it, as quickly as possible; that we should accept all rental that he has paid to date on the purchase price of that land.

Now, I understand, Mr. Speaker, that the Canadian Legion — I shouldn't say I understand it, I know it for a fact — have asked for this very thing on many occasions, and if the Canadian Legion are in support of this motion or of this idea, then I am sure that the vast majority of the veterans in this province must also want to own this land, because the Canadian Legion does not do anything without practically 100 per cent support of their members.

Therefore, Mr. Speaker, I hope that all members regardless of which side of the House they sit on — all members of the Canadian Legion, that is — will support this motion. I cannot see how any member of the Canadian Legion can do otherwise than support the motion.

I would also like to see all farmers in this House, regardless of their political stripe, support this motion. The veteran, in asking for this, is not asking for any favour. He is only asking for a privilege that all farmers should have in this province — we have all had the privilege of buying land, and owning our own land. Therefore, if any farmer in this House votes against this motion, then he is denying a veteran a privilege that he himself has had in the past. We might even go further than the farmers — I think most members of this House are property owners of some kind; and if we are, then we are denying veterans the right to be property owners in this province, and I do not think that we should do that.

I might say that, today, we have young men who are in the Armed Services, some of them out in Korea. These boys will be returning to this country, we hope in the not-too-distant future; and I sincerely hope that a good many of them will want to return to the land. I don't think Mr. Speaker, under the present set-up, that many of these young fellows will return to the land, and I think that it is time that we got a sound policy with regard to veterans returning to the land in this province. We have had a lot of experience, both after the first World War and the second World War, and I think we should profit by that experience and be prepared for these boys when they come home.

I am not content with the 33-year lease, with the option to buy the land after 10 years. I do not think it is good enough. And, for the reasons that I have given, I sincerely hope that this motion will be given the support of all the members in the House regardless of their political stripe, and I sincerely hope that the Minister will see fit not only to support this motion himself, but to do everything possible to give the greatest help he can to the veterans who return to this province in the future.

Hon. Mr. Sturdy: — Mr. Speaker, I did not wish to interrupt the hon. member. I would be interested in his stand on Clause (b) of the resolution. He failed to mention what his position was with respect to that.

Mr. McDonald: — Clause (b) reads —

“providing that all rentals paid by veterans on such lands be applied on the purchase price so established”

Yes, Mr. Speaker, I certainly think that all rentals that the veteran has paid should be applied to the purchase price. Why should any veteran who is operating under V.L.A. have every cent that he pays in the V.L.A. apply to the purchase price, and the other veteran who is operating on Crown Lands in Saskatchewan, not have every nickel that he pays in, apply to the purchase price? Regardless of whether you call it rental or payment — what is the difference?

Hon. Mr. Sturdy: — May I ask another question, Mr. Speaker?

Mr. Speaker: — If the hon. member is agreeable.

Mr. McDonald: — Go ahead.

Hon. Mr. Sturdy: — It has a direct bearing on the resolution. Since you are in agreement that all rentals paid by veterans on such lands should

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be applied on the purchase price so established, I presume that you would agree that the rentals paid by veteran tenants on veterans' housing, which they have, which the Federal Government has now required them to purchase — that should also be applied . . .

Mr. McDonald: — Mr. Speaker, that has nothing to do with this motion.

Mr. Speaker: — Order!

Mr. McDonald: — We are speaking on the motion. If we want to get into debate on veterans' housing, we can do it at a later date.

Mr. Speaker: — Order!

Mr. McDonald: — Bring in a motion and I will argue it.

Hon. Mr. Brockelbank: — I beg leave of the Assembly to adjourn the debate.

(Debate adjourned)

HOUSING

Moved by Mr. D.H.R. Heming (Moose Jaw City), seconded by Mr. Harry Gibbs (Swift Current):

“That this Assembly, recognizing the serious lack of housing not only for veterans' families but for the civilian population as well, and recognizing also that the provision of decent hygienic and comfortable homes within the reach of all is a primary condition of the democratic way of life, urges upon the Government of Canada that it either assume full responsibility for the provision of adequate housing, or make it possible for the municipalities and Province to collaborate fully with the Federal Government in the public housing programme provided for under the National Housing Act by completing the necessary agreements and assuring adequate building supplies, materials and equipment.

Mr. Heming: — Mr. Speaker, under the three main necessities of life, that of shelter is dominant, because though we can live for days without water, for weeks without food, but without shelter our lives, as has been demonstrated this past few days, are limited only to a few short hours in a country such as ours under adverse atmospheric conditions.

We have in this country of ours; under these conditions at the present time, a labour force amongst our 14 million population, of five million, and of this labour force we have three million who are known as wage-earners, who are

employed in manufacturing and in mining and in fishing and in transportation, construction and so forth. It is among this group particularly that housing is urgent.

Back in 1949, the Federal Government amended the National Housing Act, whereby, under Section 35, legislative authority was given the Federal Government to enter into agreements with provincial governments for the acquisition and development of land and the construction of housing projects for sale or for rent. Broadly, the proposition was that the Federal Government would put up 75 per cent of the cash, with the provincial governments putting up the balance of 25 per cent of the cost of the housing, which was subsequently amended, at the last session of this Legislature, whereby 75 per cent would be borne by Ottawa, 12½ per cent by the province and 12½ per cent by the municipality.

You will remember, Sir, that the application of the Federal Government, in court, about a year ago, in regard to jurisdiction over rent controls, resulted in a decision of the Supreme court that the Federal Government was still within its rights to be in the rental control field by reason of the fact that there still existed a housing shortage which had continued on from before the war, and during the war, and as was published in March, 1944, by the Curtis report — a report of a sub-committee of the Advisory Committee on Reconstruction. On a survey made in Canada at that time, it was found that there was required 648,000 housing units in order to adequately house the Canadian people in a Canadian standard of living' but since that time, Sir, although the Government tried to fulfil this complement of 648,000, the construction, in 1945, was 42,006; in 1946, 60,005; in 1947, 72,003; in 1948, 76,000; in 1949, 87,000; and in 1950, about the same, and in 1950, about 66,000 units uncompleted. This means that about 65 per cent of the 648,000 units that were required in 1944, have been constructed between 1944 and the end of 1950.

During that time, Sir, we have had fairly consistent birth rates, death rates and marriage rates. The birth rate, annually, runs, currently, around about 350,000, with the death rate around about 115,000 a year, and our marriage rate at about 125,000 a year, indicating, incidentally, that our birth rate is almost three times our death rate, in the Dominion of Canada. But, in order to arrive at an understanding of the needs, there must be added the difference between immigration and emigration. Immigration varies from year to year, according to the policies of the government from time to time. Our immigrants in Canada since 1946, have been: in 1946, 71,000; in 1947, 64,000; in 1948, 125,000; in 1949, 95,000; in 1950, 90,000. It is expected, this year, by reason of assisted fares, that the Government will be able to attract 150,000 immigrants into the Dominion of Canada. That amount less the emigrants (that is the people who leave this country for elsewhere) who average between 30,000 and 35,000 annually, would mean, Sir, that we have a need of possibly, we will say, between 300,000 and 325,000 new faces to be sheltered annually in this Dominion.

It is generally recognized that the healthful unit is one room per person, in a house. That would indicate, possibly, the construction of 75,000 units annually, plus those units which would have to be replaced by reason of demolition or other causes.

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It has been estimated, sir, that, at the present time, on account of the inadequacy of construction since 1944 to the present time, our backlog in Canada today is 711,000 housing units. Then too, in the 1941 census, it was found that, throughout Canada, 58.9 per cent of occupied premises were rented, and that, in the urban areas of over 5,000, population, 65.8 per cent of households were occupied by tenants, at which time there were, 1,115,000 rented dwellings, indicating, at that time, that there between four and five million Canadians living in rented quarters. Incidentally, in my own home town of Moose Jaw at that time, we had approximately 53 per cent of families living in rented quarters.

Mr. Tucker: — When was that?

Mr. Heming: — I say, at that time, in Moose Jaw.

Mr. Tucker: — When?

Mr. Heming: — In 1941, approximately 53 per cent were living in rented quarters.

One of the main factors, Mr. Speaker, in being able to build or rent is the wage structure. It has been estimated that 20 per cent of a man's wage is the maximum of his ability to pay in the way of rent or in the way of payment on a purchased home, and when you consider the figures I have here of October, 1950, the maximum and the minimum wage of the manufacturing industry in Canada varied from \$30 to \$60 a week, with Saskatchewan having an average of \$44 to \$49. To build what is known as a modern five-room house, these days — which is usually required, as most families want two or three bedrooms — the cost today is between \$10,000 and \$13,000, depending upon location and extras required. The labour cost of these houses of the 15 or so tradesmen averages about 22 per cent of the cost, with the cost of materials about 78 per cent.

There is an interesting report emanating from Vancouver when a Vancouver Housing Authority undertook an investigation early in 1950, under the Housing Act, this new Section 35. They advertised through the newspapers in Vancouver asking people to send in applications for either rentals or homes to be purchased. They had as an area where the average wage is \$49.46 a week, and they found out that of those requiring houses, 60 per cent had incomes of between \$1800 and \$2500; 77 per cent had incomes of \$2,000 or less; 59 per cent of those in the \$1,800 to \$2,500 group wanted to buy houses, and of this group 28 per cent had \$1,000 or \$750 to \$1,000; 10 per cent had \$500 to \$750; and 26 per cent had \$500 or less. Subsequently it was found out that only $\frac{1}{4}$ of 1 per cent had an income of \$4,000 a year, which was considered adequate by the Vancouver Housing Authority to purchase a home under the Dominion Act, at between \$10,000 and \$13,000, because a man with \$1,000 on a \$10,000 home — and mind you, sir, that maximum loan under the Housing Act is \$8,005; anything additional to that, the man who builds has to pay additional money. The man putting in, say \$1,000 on a \$9,000 home at 5 per cent plus payment on principal, plus taxes and fire insurance and things like that, it would

mean a payment of approximately \$90 over a 20-year period, which was considered that a man would have to have an income of approximately \$4,000 a year in order to enter into a bargain such as that, with adequate security.

The housing situation, Mr. Speaker, generally speaking, applies, with not very much difference, throughout the whole of the urban areas of Canada, today. The controls of the materials, and I am quoting from the "Leader-Post" of February 5, a report in connection with the second mortgage part of the assistance to persons wishing to build their own homes, which was eliminated; and Mr. Winters, the Minister in charge, said that he would not advise anybody to construct as there were already 66,000 homes in Canada that were not yet finished. But, Sir, I notice in the current publication of "Time Magazine" where, in February of this year, in U.S.A., they had constructed more houses, and they reason that the war effort has not interfered with their other manufacturing impetus. They have caught their war effort up in their stride and have passed it, so that the production of necessary materials in that area has now come to a situation where the fears that they had six months ago have been eliminated. I think that this country, possibly being so close to the United States of America, although we have been allocated a certain portion of steel, I think, sir, that, in a very short while if this continues in the States, we will be allowed more steel than we have in the past, because it is steel that is the big holdup. Last year our production of all other materials within the Dominion of Canada increased from 10 to 57 per cent, and the same thing applies in the States, and it is only the matter of steel (which is very essential, of course, to home-building) in which production dropped 12 per cent, last year. At the present time I think there is a control of steel whereby it can only be imported into this country providing it is not used for places of recreation and entertainment or amusement projects, but it can be used, of course, for housing. I would suggest that efforts should be made to persuade the Minister to make a revision of the edict put forth, because we, too, are proportionately in the war with the U.S.A., and if that country, by taking, as it were, their war effort in their stride and not allowing it to interfere with their manufacture and production, I think, Sir, that Canada can do the same thing in a short while. After all, our greatest asset in this country is our people, and it is necessary that they be adequately housed, which is one of the first hygienic rules of life. Where you find four or five people living in a basement, or three or four people living in an attic, it is those people who pay the greatest penalty in the way of disease and of illnesses and sicknesses, and who possibly, in many instances, on account of their low wage, have to be subsidized by the state in the way of medical and hospital attention.

As I understand it, Saskatchewan has been designated as an evacuation area in case of any eventuality which may come in the future from outside forces, in which event still more consideration should be given to this province in the way of construction of homes, particularly in view of the fact that some time in the future we may have to accommodate people evacuated from areas closer to ports of danger.

In my own home-town we had a housing survey. We have 300 veterans (from a Legion survey, which they made themselves) who require

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homes, and there are approximately 500 others besides that who need homes, providing the terms are not too severe for them in order to buy or to build.

Mr. Speaker, the urgency is acute, and when I see people in my home-town — possibly half the houses have two families; possibly one-third of the houses have three units living in one domicile. They are getting by, but, in the meanwhile, the population is growing, and although a man can still live in one room, there comes a time when there has to be an extension, there has to be more room. If you have the average family, say five — a man and wife and three children — why then you need more than two rooms. Mr. Speaker, you need four or five rooms in order that they shall be hygienically and adequately housed.

With those words, Mr. Speaker, I would move, seconded by Mr. Gibbs, the motion appearing on the Order Paper under my name.

Mr. A.T. Stone (Saskatoon City): — Mr. Speaker, I think the mover of this resolution did a very splendid job. He covered a lot of ground, gave a lot of facts and figures, and it is pretty hard for me to remember all that he did say. I may possibly cover some of the ground that he has covered, but I will try not to do that.

I think that this motion is a very timely one, after we heard the Minister of Social Welfare, the other day, read out the suggestion that the Dominion Government might be postponing the plans under Section 35 of the National Housing Act, but I would like to reiterate and to emphasize what the member for Moose Jaw has said, by saying a few words about the housing problem in my own community, the thriving and growing city of Saskatoon.

There have been, to my knowledge some three surveys made in Saskatoon on the housing needs. The first was made by the Canadian Legion on demands from ex-servicemen. The young ex-servicemen find that their families are increasing, accommodation is becoming very crowded, and in many cases these young people were compelled to share accommodation with relatives and so on. The demands from ex-servicemen forced the Canadian Legion to make a survey amongst its members, and they were able to prevail upon the Wartime Housing at that time to alleviate the situation somewhat.

Following that, a survey was made by the Saskatoon Community Chest and Council. No doubt, during their welfare work, they had realized that there was a lack of housing, especially among the lower-paid workers. I want to give credit to the public-spirited citizens who gave much of their time and energy, time which they could hardly afford to give, and the wonderful job that they did at that time. Following that survey, the Provincial Government set up the Saskatoon Housing Authority at the request of the Saskatoon City Council, and they made quite a study of the housing situation in Saskatoon; and I think the City Council were aware of the needs and a further survey of the necessary sites was made in Saskatoon, so that a good large area of land could be set aside where

mass production of houses could be carried on near sewer and water. The Saskatoon Housing Authority found that the immediate needs in Saskatoon were for some 800 housing units, and that did not take care of the replacement needs. Authorities say that every community should build at least 2 per cent of its housing units per year to take care of the replacements of obsolete houses and fire hazards and uninhabitable homes and so on.

They also found that the average wage earned in Saskatoon was around \$2,160. Now it is pretty safe to say, Mr. Speaker, that a good number of wage-earners earn considerably below that level, and with the increasing costs of goods and services, it means that these people either have to accept less accommodation than they need, or to accept a standard of accommodation far below the desirable minimum for the community. It is also noteworthy, Mr. Speaker, that only 156 units were completed in Saskatoon, for 1950, so the need is quite great and I do not suppose that is any worse or any better in Saskatoon than in any other community in Canada.

I would like to refer to a couple of other nations, because I do not feel satisfied that we in Canada have done all we can to meet the housing situation. If we look to the little nation of New Zealand, with a population of approximately 1,700,000, we find that since 1946 they have built 31,664 State houses, and there are another 4,121 under construction. These State houses are cheap rental houses for people who cannot afford to build their own houses. To go along a little further, they have also given State advance loans to some 30,938 ex-servicemen, and some loans to 30,548 civilians. If we go to Great Britain, Mr. Speaker, we find that in Great Britain since the war, they have completed almost a million new houses, and on top of that they have built 157,000 prefabricated homes. When we consider that, after the war, some 4,000,000 homes in Great Britain were damaged by bombs, some slightly, some completely demolished, we must agree that they have done a very wonderful job in that little island of Great Britain.

I want to submit, Mr. Speaker, that wherever the job of building homes has been given to free enterprise, it has been a miserable failure. As the mover of the motion told us this afternoon, the Curtis report that was brought down in 1946, showed that there was required, in Canada, a minimum of 700,000 units, and so far we have only completed about half that number of houses. It is also noteworthy — and I am using here the Government's own figures — that, since 1946, out of every \$100 which has gone into construction, only \$32.38 of every \$100, or less than 1/3rd of the construction costs, have gone into the construction of homes. That means, Mr. Speaker, that we have been busy building service stations, hotels, breweries, bowling alleys, theatres, and have left our Canadian families without adequate shelters.

Mr. Howe stated that it was beyond the administrative ability of any group of officials to state what was essential and what was not essential, and the vice-president of the Central Housing and Mortgage Company had this to say:

“More houses would be built if construction controls were more effective.”

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He claimed further that public opinion, for failing to support the postponement of the construction of these non-essential buildings contributed to this situation. The Minister suggests that it is beyond the administrative capacity to state what is essential and what is non-essential; but, Mr. Speaker, we found during the war that they were able to find experts who could tell them which was essential and which was non-essential — they had “backroom boys” then who did a pretty good job.

Now, Mr. Speaker, I have quite a lot of figures here on exports of building material; but I am not going to weary the House, and shall only read the export figures on lumber. In 1946, we produced about 5,000 million feet of lumber, and we exported 2,000 million; in 1947, 5,000 million was produced and 2,000 million was exported; in 1948, 5,500 million feet produced and 2,400 million exported; and in 1949, 5,400 million produced and 2,100 million exported; and up to June of 1950, 2,600,000 produced and 1,400,000 was exported. As long as we are going to ship our lumber out to build luxury homes in the United States, Mr. Speaker, our people here at home will have to go without adequate housing, and I think now, the needs of national health, the reduction of juvenile delinquency, fire prevention, and the conservation of human life, demand that the means be found to preserve and improve the health, living and moral conditions of our people.

Therefore, I would like to see all the people across Canada bring pressure on the Federal Government not to postpone this very desirable amendment which they passed in 1949. I think it was a splendid amendment. It does not go as far as we would like it to go, but I think it has gone a long way to meet the needs of this serious situation at this time. Therefore, I take great pleasure in supporting this motion.

Mr. Harry Gibbs: — Mr. Speaker, I beg leave to adjourn this debate.

(Debate adjourned)

The Assembly adjourned at 11: o'clock p.m. without question put.