

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
First Session — Twelfth Legislature
28th Day

Tuesday, March 24, 1953

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

FARM IMPLEMENT INQUIRY

Moved by Mr. Brown (Bengough), seconded by Mr. Dewhurst:

“That this Assembly, recognizing that the Select Special Committee appointed by the last Legislature to secure information relative to the price, sale and distribution of farm implements in Saskatchewan was limited in its power by constitutional authority and that contempt was shown the committee by four of the major implement companies operating in Saskatchewan withholding pertinent information sought from them, re-affirm its request that the Federal Government immediately:

- (1) initiate a full-scale inquiry into the farm implement industry by a Committee of the House of Commons, and
- (2) impose a means of price control to prevent any further increase in prices of farm implements pending the final report of the said Committee;

And further, that the next Federal-Provincial Constitutional Conference consider amending the constitution so as to enable a similar committee of a Provincial Assembly to effectively perform the duties assigned to it by a Provincial Legislature.”

Mr. A.L.S. Brown (Bengough): — Mr. Speaker, this motion which I am about to introduce stems out of the results of the inquiry which was conducted by a Select Special Committee appointed by the last Legislature to inquire into the many phases relative to the farm implement industry in the province of Saskatchewan. Anyone who was a member of the Legislature one year ago will recall that that particular Committee was empowered with wide terms of reference to investigate all phases of what has been regarded as a very important part of our agricultural economy in Saskatchewan. I think that all members of the Legislature will agree that that investigation brought out a great deal of good information of value to all who are interested in promoting the welfare of the agricultural industry.

For instance, you will recall, Mr. Speaker, that in the report which was brought down at that time, they indicated many ways by which there could be better utilization made of the implements used in Saskatchewan; that

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there were ways and means by which we here within Saskatchewan could improve the use of these implements not only in regards to utilization of these implements, but we ourselves could make some improvement in respect to the distribution of those implements.

However, I think you will recall, Mr. Speaker, that the Committee in its report submitted that in many ways they were limited in their investigation. They were limited (as is pointed out in the preamble to the resolution in two ways, and it is in these two ways that this Legislature recognizes that they were limited and as such are asking the Federal Government, who have the authority, to continue the investigation which we started at that time. They were limited by constitutional limitations. I think that we are all aware that any committee set up by a provincial legislature can only investigate matters within the provincial boundaries. That is, that we can summons before this Committee only those people living within the boundaries of Saskatchewan and whose interest are within the boundaries of Saskatchewan. To that extent that Committee was limited in its activities.

And secondly, they were limited by the attitude taken by four of the major implement companies operating in Saskatchewan. These four major implement companies showed their contempt for this Legislature and as such showed their contempt for the people of Saskatchewan and for the agricultural industry by refusing to bring before that Committee, which was appointed by this Legislature to investigate their activities in Saskatchewan, certain important factors relative to the inquiry, namely the price and cost relative to the factory costs of certain of the implements sold within the province of Saskatchewan. By virtue of the fact that they refused to bring this information before this Committee, the Committee was denied the opportunity of a full investigation and as such, denied the opportunity of bringing down a full report.

I think, Mr. Speaker, it is interesting to note that in the report which was brought down at that time out of the five implement companies from which we had asked information, there was only one implement company which was prepared to lay its books and its activities open before that inquiring Committee. That was the farmers' own implement company, the Canadian Co-operative Implements Limited. I think it is significant to realize that point, Mr. Speaker, because a farmer-owned organization operating on a co-operative basis has nothing to hide and nothing to fear from an inquiry that may be looking into their affairs as they are concerned in the manufacture and distribution of implement in Saskatchewan. And because that company was prepared to come before us and open its books before us with no fear of indication that they were in any way jeopardizing the agricultural industry here in Saskatchewan, we must assume then, or at least we have a right to assume, that the other implement companies by virtue of the fact that they refused, must be adopting the attitude that they had something to hide and something to fear from this Committee.

And because, Mr. Speaker, in our report introduced approximately one year ago, we at that time from that Committee asked that further investigation be conducted by a Committee of the House of Commons at Ottawa, a Committee that would have the power to subpoena the implement companies, that would have power to compel them to lay all pertinent information before that Committee; and because we have asked them to do that through the medium of our

report and they have failed to heed our request at that time, I think it is necessary for us in this new Legislature to renew the request that we made at that time.

I think, Mr. Speaker, that we have even more necessity to renew that request than possibly we had at making the request one year ago, because the claim which was indicated at that time through the report of that Committee, a claim which indicated the disparity that was increasingly becoming clear between the price index of farm machinery and the index price of agricultural products, has become even greater than it was one year ago. Those of us who have studied the report will recall that in the 6-year period from 1945 to 1951 the index price of farm machinery increased by some 163%, or putting it in other words, if we take 1945 as 100, the index figure for farm machinery in 1951 was 163.1. And compare that with the index of agricultural products prices, and taking once again 1945 as 100, it is today standing at 123. In other words the price that we receive for our products has increased by 23 per cent (if you wish to use it in those terms) as compared with the 63 per cent increase in the price of farm machinery up until 1951, and I suggest that the trend has accelerated even during the past year. This is indicated by the fact that from 1951 to 1952 the index figure has increased from 163.1, the index price figure of farm machinery, to 174.6 or an increase of approximately 11 points, or 11 per cent during the last year, while agricultural products during the same period have decreased by 3 per cent. And if we compare it with wheat the relative figure is even greater.

That is true not only in the overall picture as to the price index, it is equally true of those specific items for which we asked the factory cost and the factory cost breakdown in that Committee last year. We can take, for instance, a self-propelled combine manufactured by the Massey-Harris Company which in 1946 sold for \$3,214. By 1951 it was \$4,314. In the last year since the time at which we had the investigation in this province, it increased from \$4,314 to \$5,085, an increase of approximately \$800, in one of the companies which refused to produce its factory costs one year ago. I am not adverse to suggesting that if this same company were asked today to produce their factory costs, they would be just as reluctant to produce them as they were one year ago. Because if they had anything to hide on their self-propelled combine which sold for \$4,314, if they had something to hide when it sold for that price, what have they got to hide when it has increased by some \$800 within the last year!

And it is equally true in respect to the profits which these companies are making. I think it is significant to note, Mr. Speaker, that in the inquiry which was held by the House of Commons back in 1936-37 and by the Special Committee of this House held in 1939, they found two very significant facts. The first fact they found was that the implement companies over the period preceding both of those investigations had made exorbitant profits and, secondly, the implement companies in themselves were not prepared to do anything about it, and the trend which was significant at that time has continued up until the present time. We can indicate that through the medium of this report and continue it through the medium of the 'Financial Times' which gives a synopsis of the financial position of some of these respective companies. But if we just take an analysis of the major implement companies operating in Canada and take their gross profits as a result of their operation in Saskatchewan, of all the major companies in Saskatchewan,

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we find that in 1945 they made some \$5 million of profit, that is gross operating profit; that by 1950 this has increased to some \$25 million, or a percentage increase in that 5-year period of some 338.5 per cent. And if we continue that analysis through the 'Financial Times', we find that the same trend has continued during 1952. So I think, Mr. Speaker, what was found true in 1936-37 and was found true in 1939, was to the best of our ability, found true in 1952, and it is true today. These companies are making exorbitant profits out of their sales in Canada and because we here in Saskatchewan are the largest purchasers of farm machinery they are making exorbitant profits out of their sales in Saskatchewan.

I think, therefore, we are justified in assuming that we here in Saskatchewan, and as such the agricultural industry in Saskatchewan, are the victims of a price squeeze and it is having its effect upon our agricultural economy, our economic welfare and our social conditions in this province.

I don't wish to belabour this point too long, but I would point out, Mr. Speaker, that this same suggestion has been introduced into the House of Commons by Mr. Bryce, the member of Parliament for Selkirk. He has asked the Federal Government, as a member of the Federal Parliament to initiate a House of Commons Committee to continue that inquiry which we started here last year.

I might also suggest, Mr. Speaker, that in the report which we submitted one year ago we made a second request. First of all we made this request that an inquiry be conducted by a Committee of the House of Commons which has greater powers than we have. And secondly, that pending the final report of that Committee, a means of price control be instituted which would prevent this increase in the price of farm implements which occurred in the period from 1952 up until the present time. We could have prevented, for instance, this increase of some \$800 that has occurred on just one farm implement sold in the province of Saskatchewan.

We have suggested in this report that, at the next Dominion-Provincial Conference which is called to discuss the questions of constitutional matters, this very important question be referred to, and dealt with at this Conference so that a means may be worked out whereby a Committee appointed by a provincial Legislature, a Committee which is working in the interests of the people it represents, may be placed in a position where it may get all necessary and pertinent information to make its work effective, and so enable it to produce a report that can and will improve the conditions of the people in the province whom they represent.

Therefore, Mr. Speaker, I move the above motion.

Mr. W.A. Tucker (Leader of the Opposition): — Mr. Speaker, the only question I raise at all is as to whether the mover has taken the advice of the Attorney General's Department as to whether we are asking something that is within the power of the Federal Government, in item 2. As I understand it, when we are in a state of peace it is very doubtful if the Dominion Parliament has any power to interfere in the question of property and civil rights in regard to such a matter as the farm implement industry in the province (we'll say) of Ontario and impose price

control within that province. I am wondering whether or not we are weakening our resolution; whether, if we pass a resolution of that nature which appears to conflict with our constitution, we are not weakening the rest of our resolution. I have no objection to the resolution as it is if the member thinks it is wise to do that and the House thinks it is wise to pass a resolution that is asking the Federal Government to do something that probably is not within their jurisdiction. After all, we are only the Opposition here and the Government must take the responsibility even in a matter like this. I just raise the point, Mr. Speaker, before the vote is taken.

Premier Douglas: — Mr. Speaker, certainly I have had no consultation with the Attorney-General's Department, and I don't know whether the mover has or not. I would think that under normal circumstances the point raised by the Leader of the Opposition might be well taken; that is as to whether or not the Federal Government has the power to impose price control on any particular article. But reading recently the speeches of Mr. Garson in the Federal House asking for re-enactment or extension or a continuation of the Emergency Powers Act (I think that is the name of it) which gives to the Federal Government power of arbitrary arrest and holding a man by secret orders in council and a great many wide powers, the same powers that were contained in the Emergency Transitional Powers Act, I believe, that was passed right after the war. That Act contains almost the same clauses, and as I remember that Act it gives very wide powers to the Federal Government in the matter imposing price controls. I haven't checked the Act recently, though I remember looking at it some time ago; but it may be that it is limited to war material, but I doubt it. I think that the powers contained in that Emergency Powers Act are so wide and the authority so wide that, certainly, the Federal Government would have no difficulty imposing a price control on farm implements under that Act. That would be particularly true in view of the fact that steel and other essential war materials are going into the manufacture of farm implements, and that agriculture is also an important part of either a war effort or even a peace effort.

I would think that the clause does not weaken the motion in view of the existing conditions. While I am on my feet I would like to say it must be a source of disappointment to all members, and particularly to the farmers of this province, that when the Committee set up by this Legislature was ignored by the farm implement companies who refused to appear here and lay their books before the Committee, it is to be regretted that the Federal Parliament has not set up a committee to investigate this matter and that, instead of that, they have been allowed to continue in this traffic and to increase prices rather than to reduce them, with the result that the situation is worse today than it was when we set the Committee up over a year ago. I think, and I hope, that members of the House generally will support this resolution.

The question being put, it was agreed to unanimously.

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SOUTH SASKATCHEWAN RIVER PROJECT

The Assembly resume from March 3, 1953, the adjourned debate on the proposed motion of Mr. Walker (Hanley):

“That this Assembly urges the Government of Canada to fulfil its commitment to build the South Saskatchewan River Project without further delay, and approve of the action of the Government of Saskatchewan in having renewed its offer to share in the cost of the project on the basis previously proposed to the Provincial Government by the Federal authority.”

Hon. I.C. Nollet (Minister of Agriculture): — Mr. Speaker, it is so long ago since this motion was moved that it may be advisable to read the motion (Motion re-read)

Similarly, Mr. Speaker, so much has transpired since the mover and seconder spoke to this motion that I may find it difficult to recapitulate my notes for the purposes of this particular debate.

I do not think, Mr. Speaker, that it is necessary that this resolution be debated at any great length, and I don't believe it is necessary for me to go into this matter to any great extent. So much has already been said and so much has already been placed on paper in support of the South Saskatchewan River Development Project that, if all of the detail that is on paper and that paper suitably utilized for rip-rap material we wouldn't have to go to Alberta for stones.

It might be well, though, Mr. Speaker, to give a little historical background on the observations of people who have visited the west and who have made very careful surveys as to the agricultural possibilities of western Canada. I would like to refer, and do so very briefly, to Palliser who was commissioned by the British Government to make such a survey in 1857. As a result of Mr. Palliser's studies and his surveys and his subsequent report an area known as the Palliser Triangle has been referred to ever since. And Mr. Palliser at that time in his report stated that the area later known as the Palliser Triangle would not be suitable for agricultural purposes and indeed he said that it was a poor place for settlers to endeavour to make a living. He indicated that the area had little, if any, agricultural possibilities. In general Mr. Palliser was right in his observations although he was lacking in detail. He did not have available to him at that time the known records that we now have in regard to precipitation, in regard to soil and in regard to long-term production records.

It is interesting also to refer to the fact that Palliser went to the South Saskatchewan at approximately the Elbow, and at that time he envisioned the possibility of diverting this river down the Qu'Appelle Valley. Later on in 1860, Professor Hind followed up the work of Mr. Palliser, and he also submitted a report. He too saw the possibilities of diverting the South Saskatchewan River down the Qu'Appelle Valley for purposes of transportation and also irrigation as long ago as 1860.

The general area referred to was settled under the homestead policies of the Dominion Government, homestead policies that were incorporated in the Federal Land Act in 1876; and under that policy very rapid settlement took place of this entire area. As a result of the mistakes that were made in permitting indiscriminate settlement to take place, particularly in the Palliser area, the Dominion Government has recognized a continuing responsibility for the re-establishment and the rehabilitation of the settlers in that area. They recognized this responsibility in the 1930's by assistance in the form of relief, and it might interest hon. members to know that during the 'thirties the Dominion Government spent over 1¼ billion on relief in Canada, the percentage for Saskatchewan being 25 per cent. A total of \$340 million has been spent in Saskatchewan on relief since the province was formed, Mr. Speaker, and the Dominion's share of that cost was \$156 million. Now this indicates to some measure at least the financial responsibility incurred by the Dominion Government and the Provincial Government. In addition to that farmer indebtedness was written off as a result of drought aggravated by economic circumstances, in the amount of \$125 million.

The Dominion also has a continuing responsibility recognizing that settlement took place when the administration of lands was under Dominion jurisdiction. So assistance is continued through P.F.A.A. payments that have cost the Dominion many millions of dollars. I am not suggesting, Mr. Speaker, that the development of the South Saskatchewan River Project will eliminate the P.F.A.A. payments in the larger part of the area affected, but I do say, that a good deal of the P.F.A.A. payments within the area, or all the P.F.A.A. payments within the area, are very substantial and the Dominion Government will be released from that direct financial responsibility. In addition, the benefits of a green spot in the centre of Saskatchewan will go a long way towards alleviating the feed problems and other hardships associated with south-west and west-central agriculture in the event of a succession of dry years.

I would like to make some reference to the overall agricultural problem of this province. It is associated, Mr. Speaker, with this question of moisture deficiency, and this circumstance will never change. As I said a moment ago, we now have long-term records that go back many years, and we can't anticipate even on the most optimistic basis that anything will be different in the future. Indeed, we may have a series of dry years beginning next year, if the long-term records are going to prevail. And most assuredly those long-term records will prevail as long as the Rocky Mountains are to the west of us — just that sure. Unless some genius can level them off with atom bombs or something else, we will have a permanent moisture deficiency in the greater part of Saskatchewan.

This is emphasized by the fact that out of an area of approximately 161 million acres in this province there are only 8,700,000 acres of water. There are some 68 million acres in the occupied part of the province, and out of that 68 million acres in the occupied part of the province, there are only about 8 million acres that are considered to be excellent, to very good wheat land, that is land which by virtue of soil composition retains moisture very efficiently, like our Regina clay, and Rosetown lands, and similar lands that can be utilized for straight wheat production and that can by cultural practices to a large extent overcome some of our moisture deficiency problems. Nevertheless, there are about 25 million acres of cultivated land that are most susceptible to evaporation, and it is these lands that present

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the real problem when you associate the farming of these lands with the additional problem of moisture deficiency.

Now the need for this irrigation project in Saskatchewan is beyond question, Mr. Speaker. I have on my desk a map I was going to use it by way of illustration, just to show the hon. members the extent of our P.F.A.A. payments in Saskatchewan as compared to Manitoba and Alberta. I don't think I need to make reference to it. It is well established that the P.F.A.A. area and the crop failure areas in Saskatchewan are far more extensive than in any of the other two western provinces. The big problem is in Saskatchewan, Mr. Speaker. It is here, as I said a moment ago, 25 per cent of the total relief bill for Canada was spent during the 1930's. So the need for the project in this province is beyond question. But, Mr. Speaker, despite the fact that P.F.R.A. was set up as a rehabilitation organization, an organization that would develop water projects — and they have done an excellent job in our province on smaller projects and an excellent job in the establishment of community pastures; but Mr. Speaker, the major works being undertaken by P.F.R.A. have all been in the province of Alberta — the St. Mary's Dam etc. As a matter of fact the Dominion Government insisted even over the objections of the Alberta Government and bought the Canada Land Irrigation Project lock, stock and barrel. In the case of this province, however, while we have submitted more detailed information in regard to our irrigation project or any project that has been under consideration anywhere in the Dominion of Canada, despite that and the favourable evidence that we have submitted and the fact that the need was beyond question, still we had the Dominion Government appoint a Royal Commission to investigate this South Saskatchewan Project.

It is of interest to note the composition of this Royal Commission — two were 'power' men and one was an irrigation specialist from Utah. The observations of the irrigation specialist were very favourable but it was of interest to note (and it has been mentioned before) that one of the power experts was an eastern man and the other was a man who has power interests in the province of Alberta. And it is of further interest, Mr. Speaker, to note that this Royal Commission that was supposed to be examining and investigating a project in Saskatchewan spent most of their time in the province of Alberta. That is significant, Mr. Speaker, and it is also significant in the public mind that even after the public hearings were held in Saskatchewan and this province had submitted its brief to this Commission, they went off to Edmonton to again interview the Government there. I don't know what the connection was between the projects in Alberta and in Saskatchewan other than to gain information in respect to irrigation and, of course, volumes of that information were available right here in the P.F.R.A. office in Regina. They could have obtained a good deal of that information by having gone over the project area. Here was a Commission appointed to examine a project and they never went over the project area themselves. The closest they got to it was the meeting at Elbow, and then they came away. One would naturally suppose that if the Commission were doing its job it would go over the project and it would be provided with sufficient technical staff to appraise the submissions made, and the engineering studies and cost estimates provided by P.F.R.A. But this was not done.

The hon. member for Arm River mentioned something about the Washington meeting having something to do with the estimates being revised upwards. Well, we had a representative at the Washington meeting who gave a report to us in condition with the meeting that was held there. All that

happened in Washington was that the Commission interviewed Professor Casagrande, General Ferguson and Mr. Harza who examined the project previously, and these men reaffirmed their former position, Mr. Speaker, and here's what they said:

Mr. Tucker: — Who was the representative there?

Hon. Mr. Nollet: — Our representative was Mr. Tomlinson of the Power Commission; he was there. And here was the question — on foundation conditions:

“Other conditions and costly construction difficulties the interim submission” — (I am reading now from our reply) — “the interim submission of the Saskatchewan Government to the Royal Commission, Page 28, quoted eminent P.F.R.A. consultants, General H. B. Ferguson, retired . . .”

And I want to say, Mr. Speaker, that after Mr. Ferguson made his examination of the work carried on by P.F.R.A. over a number of years — that is examined the borings, examined the materials — Dr. L. B. Thompson, accompanied by General Ferguson, came into my office and General Ferguson said to me that he had found everything satisfactory. “Indeed”, he says, “it's as though Nature had planned it. All the materials are there. There are no unsurmountable engineering difficulties.” Indeed, he stated that the engineering difficulties on this project should not be nearly as great as those on the Missouri River. “All you need to do now is get the money and go ahead and build the project,” he said. That was the substance of his words to me.

Going back now to my script — in a letter to P.F.R.A. Officials dated August 15, 1951, General Ferguson said:

“In my judgment it is feasible to build an earth-filled dam on the South Saskatchewan River near Coteau Creek.”

Professor A. Casagrande of Harvard University also advised P.F.R.A. Officials in a letter dated January 21, 1950, to the following effect:

“Because of my visit to the project and the large amount of engineering data which I have already examined in detail, I consider it feasible to construct and maintain a safe and stable dam and appurtenant structures at the proposed site. The foundation will be competent to support an earth-embankment of the proposed cross-section and the . . . material which are available in the vicinity are considered suitable for the construction of this embankment.”

Further support for P.F.R.A. designs were obtained from the Washington Conference that I referred to a moment ago. And in a report on this Conference dated April 18, 1952, to the Saskatchewan Government, Mr. Tomlinson, our representative, reported as follows:

“In conclusion Dr. Casagrande stated that in general his opinion was that P.F.R.A. design was conservative throughout. Mr. Harza agreed with the

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general design. He was confident the design was conservative and the economies in some aspects would cover contingencies. He felt that the project was extravagant if anything in precautions taken regarding river control.”

I want also to quote, apropos to this same meeting a statement made by Mr. Tomlinson when we submitted our brief to the Royal Commission when they were sitting here in Regina. Mr. Tomlinson said:

“In Washington we listened to three very eminent consulting engineers and I believe they all agreed that the P.F.R.A. design was adequate. One said it was adequate, one conservative and one said some features were even extravagant.”

“It was agreed that the aggregate millions of yards of necessary concrete work were available at the site. Suitable materials for all parts of the earth-filled dam and construction conditions were less difficult than similar conditions on the Missouri River. I don’t think anyone at the meeting disagreed with the thoroughness of the test excavation borings, that is both the construction engineers and the contractors. Two engineers — two large and reputable construction firms were there and confirmed that they had checked over and agreed with the P.F.R.A. estimates of cost. They did not say they agreed with P.F.R.A. estimates of cost whenever the dam was built. They said, ‘as this stands today; if the design was changed the unit cost would change.’ All agreed that the contingencies allowed by the P.F.R.A. were not large enough to take care of design contingency, river flow contingency and inflationary trend of the dollar.

“So it was generally agreed” —

— at this conference, Mr. Speaker —

“ — that 20 per cent should be allowed so in our opinion the total cost would be up 15 to 20 per cent, not more than that, I think” concludes Mr. Tomlinson as a result of his attendance at that particular meeting.

Now, I would like to make some reference, Mr. Speaker, to these cost estimates. It appears to me that the Commission, after having said a whole lot of favourable things for the project and after having emphasized the great need for the project, then took great pains to go out of their way to condemn the project, and the point of their condemnation of course was that it would cost too much. Now, there are other aspects of their report too that lead me to believe, Mr. Speaker, that things look so favourable for this project that I just can’t understand on what basis

this Commission could bring in the kind of a report and make the kind of recommendation they did. It certainly is beyond my understanding. I would like to refer particularly to one phase of the Commission's report to indicate what I think is going out of their way to condemn this project. I might say, Mr. Speaker, the Secretary of this Commission was a newspaper man and this type of observation in my opinion is a newspaperman's observation of something they want to condemn. Here is what was said in regard to pumping, and this will be found in the Royal Commission's Report on page 4 in paragraph 13. It says this:

“The project is so situated as to require water to be pumped to heights of 50 to 120 feet to irrigate about two-thirds of the area.”

Now, when one reads this, one immediately visualizes that this project is uneconomical, that the pumping is too great. Now, what are the facts, Mr. Speaker? What was overlooked? Here's what was overlooked. Whoever drafted this section overlooked the fact, and perhaps a lot of other people therefore overlooked the fact, that 145,000 acres could be reached by gravity, and that 32,000 acres could be reached by a pump lift of only 15 feet, and that 106,000 acres could be reached by pumping only 30 feet. So in total, taking the amount of land that could be reached by gravity, by the 15-foot pump lift and the 30-foot pump lift nearly 300,000 acres could be reached either by gravity or a pump lift of not more than 30 feet — or just about two-thirds of the project. Why did not the report state it that way instead of saying it the other way? It is just one prime example, Mr. Speaker, of some of the observations contained in this report.

I might say I never read a report that was so full of contradictions as this particular report. I recall that in one section of this report the project was condemned because of pumping, and then turned right around and recommended it. “Well”, they said, “this project isn't much good; it's economically unfeasible; pumping costs are too great,” and then we are advised to do as much direct pumping as we can along the Saskatchewan River and thus reach as much land as possible for irrigation purposes. Now, Mr. Speaker, if this Commission had made any study of the South Saskatchewan River and the land adjacent to this river, they would know that the acreage that can be irrigated by pumping direct from the river is a very small fraction, and they should have known that practically all of this acreage is now under irrigation development. They went further. They said that we should pump over the height of land into the Qu'Appelle Valley to give Regina and Moose Jaw water and some for irrigation purposes too; again, a great pump lift over the height of land into the Qu'Appelle Valley. They didn't even have as much foresight, Mr. Speaker, as Professor Hind did in 1860 when he envisioned that a dam could be built with water diverted down the Qu'Appelle Valley.

Then, Mr. Speaker, in regard to the South Saskatchewan with reference to power aspects they said: “Well, there are all kinds of alternative sources for generating electrical energy. You don't necessarily need to use water for electrical energy.” Well, Mr. Speaker, everyone in this province knows the great need for electrical development. We know that we are short on generation and we know, too, that this is the only spot anywhere in Saskatchewan where water can be used for both power and irrigation purposes. It looks logical to me that where you dam a river and you can utilize the water for both irrigation and power and only need a small percentage of that power for pumping water it certainly becomes in my mind an economic operation.

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But, Mr. Speaker, later on in the Commission's report, after having said there are alternatives to hydro-power as far as their reference in this province is concerned, they turn around and express great concern over the fact that if all of the irrigable acreage in Alberta is irrigated and possibly Saskatchewan some time in the future, there might not be enough water left for hydro-power purposes in Manitoba. Why their great concern for hydro-power in Manitoba? Isn't it just as important that hydro be developed in Saskatchewan? Are there not alternative sources of hydro-electrical energy in Manitoba, too? Just simply another one of the many contradictions contained in this report. Believe me, Mr. Speaker, the people of this province have not missed these points. As a matter of fact, the reactions in the press right across Canada indicates that this has been one of the most unpopular Commission reports that has ever been placed before any government, and rather than condemning the project this report has thoroughly condemned the Commission itself.

I also want to say that the Government at Ottawa, whether they hope to or not, will not be able to hide behind this Commission report as an excuse for not proceeding with this project, Mr. Speaker. Whether this was the original intention or not, the Federal Government must assume responsibility for having appointed this Commission. All of the necessary information could have been obtained without appointing a Commission, had they obtained the necessary information from engineering experts as the Rt. Hon. J.G. Gardiner stated that they intended to do. Such experts could have checked all the work done and the surveys made by P.F.R.A. and probably obtained a whole lot more useful information than they did by appointment of this Commission.

There's another observation I would like to make. The Prime Minister has stated in the House of Commons that he was not worried about the costs, but he was still somewhat concerned and wanted to have proved to him if this project actually was the best use of the physical resources involved. All we can say in reply is that there is no other place where those physical resources, water and land, can be utilized as an irrigation project other than at this site on the South Saskatchewan River.

The hon. Leader of the Opposition stated the other day that he, like a lot of other people, watched the water run down this river to the sea. We all look forward to harnessing this river and utilizing its waters both for irrigation and power. On the other hand, if this project is not proceeded with, 5 million acre-feet of water will run waste to the sea annually, and the hon. Leader of the Opposition can walk to the South Saskatchewan River bank and watch it go. It cannot be used any place else, Mr. Speaker. The Commission has made a recommendation on the Red Deer. That project will utilize the waters on the Red Deer River, which is only a small amount of the flow of the South Saskatchewan River. We also made representation in regard to this project proposed by Alberta as an alternative. It has been studied a good many years ago and it has been condemned completely as an alternative to the South Saskatchewan project.

There is no alternative to the South Saskatchewan project as such, and we have always taken the stand that if feasible we should develop the Red Deer in Alberta. In fact we should develop all the irrigable land that we possibly can, but as a separate project. For anyone to suggest, as the Commission did, that we bring water from the Red Deer project, water

that would have to be diverted from the Clearwater, which is a branch of the North Saskatchewan, by diversion to the Red Deer, in order to bring water into Saskatchewan from the West is preposterous.

This recommendation by the Commissioners, in view of the facts that have been submitted to the Commission in this regard, is ridiculous and absolutely preposterous. Why, in that original scheme, the old William Pearce scheme, it was even envisioned that we could take those waters from the Red Deer into Saskatchewan, make a lengthy diversion up towards Manitou Lake in my country, and then South again to the irrigable area and even visualized siphoning it under the South Saskatchewan River to the other side. Could anything be more preposterous than that? Still this Commission says that maybe in time we can find lands in Saskatchewan to irrigate from that direction, while 5 million acre-feet run waste to the sea by natural flow in the South Saskatchewan River adjacent to the area to be irrigated.

We need this project, Mr. Speaker, and we need it badly in Saskatchewan. The future of this province would be dim indeed without this project. As I mentioned to the Commission, nothing would do more to boost the morale of the people of this province than the development of this major project in the centre of our drought area — it might be a little bit to one side; but this is another interesting discovery made by the Royal Commission. The Commission discovered that this was a fringe area, and really not the centre of the Palliser Triangle or drought area. The centre of the drought area for some strange reason is just across the border of Saskatchewan in Alberta according to the report. Kind of peculiar, isn't it, Mr. Speaker? This won't be accepted by people in the Maple Creek or Fox Valley area in the south-west part of the province and also the people in the Saskatoon area. They have quite a few crop failures even in the Blaine Lake district, and feed shortages there too, despite the fact that the Commission says this is in the Park Belt country.

I want to say something about the estimates. I am talking now at random — I'm leaving my notes. I have been at this subject so long, Mr. Speaker, I can recite it over and over by heart. The Commission makes this one observation in regard to the cost of the irrigation works — that is works aside from the construction of the dam. They said that they did not have any information on which to base costs in this regard; but they put in \$45 million just to make sure. What are the facts in that regard? I am going to quote from our reply, Mr. Speaker, and give you some comparison of what the original P.F.R.A. estimates were in regard to those costs.

“The Commission allowed not less than \$45 million for the irrigation system” — and I am quoting from our reply now:

“Here again P.F.R.A. has carefully designed and estimated based on many years of experience in this type of work. The Commission with no comment whatever inflated the estimates by at least \$15 million. It is significant that the entire cost of the St. Mary's River project is less than \$90 an acre, and here they stated that the irrigation works alone, aside from the dam, would cost \$100 an acre.”

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The whole thing is preposterous, Mr. Speaker, when one examines it closely.

Another item I might refer to is the cost of the conduit lining. Well, the Commission estimates here that the direct cost of lining 2750-foot long conduits with 1¼" steel plates 19½ feet in diameter, would be \$11 million and again, adding indirect costs, it would increase this figure to \$13,750,000. This may be compared to an estimate prepared by an established highly competent Regina steel fabricator, Mr. Ralph C. Cook, President of the North West Iron Works Limited. Mr. Cook states, "In regard to pen stocks approximately 19 feet in diameter 2500 feet long, 1¼" plate, approximately 35 million pounds, we estimated this fabricated f.o.b. Regina at \$3,600,000." Here are an actual contractor's figures. I would imagine the contracting firm that prepared the estimates for the Royal Commission surely did not expect that they would ever get the job.

Mr. Tucker: — What was their figure?

Hon. Mr. Nollet: — On this item alone it was over \$13 million, and \$45 million on the irrigation works, and we figured \$25 million on irrigation works, and \$9 million for pumping stations and they figured them in at \$30 million. Those discrepancies are too great. I know that, when you undertake a project of this kind, costs because of unforeseen events are bound to rise. But even if the costs were \$160 million for the entire project, giving them a little leeway, the benefits certainly would still justify the costs.

I just want to say a few words further, in conclusion, about the recommendations of this Commission, as this is what I am most interested in. After having condemned the project here principally on grounds of excessive costs they recommend that the Red Deer project in Alberta be investigated and, I assume, proceeded with, and in the meantime they say we can pump water out of the river for some of our irrigable acres in Saskatchewan; we can pump water over the hump into the Qu'Appelle Valley and irrigate a few more acres there. One would have thought that they would have at least made one recommendation for a major project in Saskatchewan, but such was not the case. We expected that possibly they might recommend development of the Saskatchewan Carrot River Delta lands, but no! They just passed over into the province of Manitoba and recommended a reclamation project there, a reclamation project that is already under way, an area that has been settle for a good many years, Mr. Speaker. As a matter of fact settlement took place when the Dominion Government had jurisdiction of lands and resources. This is an area that is already partially settled and as I have stated involves a project for which the Dominion and the Province of Manitoba were already negotiating an agreement. But nothing for this province whatever.

Now that just about sums it up. No matter what it was in this province, this Commission for some reason or other, despite all of the substantiating evidence behind it, have ignored it all. They have not recommended a single thing for this province, and yet went outside the province to make certain alternative recommendations, and went outside the province to condemn this development in our own province. I want to say that at the outset of my address I mentioned that one of the greatest drought areas is in the province of Saskatchewan. This represents the largest area in Canada that will suffer as a result of drought and, therefore, is a prospective permanently depressed area.

Mr. Speaker, one would think that, in the interests of national unity if for no other reasons, we should have an equitable appointment of the development of our natural resources and that we should have some equitable right and appointment of those great water resources that flow across provincial boundaries. Saskatchewan has every legitimate right to the development of this one and only project that we have looked forward to for many years. And if that isn't in the national interests and to the benefit of the nation as a whole, I don't know what is. In view of the Federal responsibility towards this matter and for giving equal opportunities to equal standards of living in every province of the Dominion of Canada, removing the fear of drought and uncertainty of production in this province, I cannot understand why the Leader of the Opposition would even presume to make a suggestion that any government at Ottawa should have to go all over Canada and ask them if they can go ahead with this project in Saskatchewan. It is their responsibility. It is their obligation not only to this province but to similar areas elsewhere that are affected in probably different ways, but to a similar degree.

So, I believe, Mr. Speaker, that all members in the House are going to support this particular resolution.

Mr. Tucker: — Mr. Speaker, might I ask the hon. Minister a question?

Hon. Mr. Nollet: — Sure.

Mr. Tucker: — I was suggesting how we might manage to get this done. The Minister perhaps has some better idea than proceeding to ask the country if they should do it?

Hon. Mr. Nollet: — Yes, all that remains. All the Prime Minister asked for — he said, “If I can be convinced that this is the best use of the resources available . . . that's the only point that I need to be satisfied on,” and he recently said in the House of Commons that he was awaiting Saskatchewan's reply to the Royal Commission's report. I hope he reads it seriously and I hope he does not overlook some of the material contained in this report as apparently the Commission did in respect to the submission that we made to them, and that's all that is needed. The Prime Minister merely needs to take this before his Cabinet and decide as to whether or not this is the best use to which those physical resources can be put and, as I said a moment ago, it is the only beneficial use to which those resources can be put.

I should mention, too that it has been an established fact long ago and the Commission should know it, that proceeding with this project and also developing all of the possible irrigation in Alberta that are now before us, there would be only a nominal effect in the water levels in Manitoba. Power would not be affected. And if that possibility should ever arise, Mr. Speaker, I am advised on positive authority that a simple diversion can be made from the Churchill River to the Saskatchewan River to offset any loss of water that may occur. This can and may be done some day in the interests of still greater power development in our neighbouring province of Manitoba. The hon. member said, “Is there any better way than going down and convincing Cabinet and all the other people in Canada as to whether this project should be proceeded with.” Commitments are promises

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have been made. That cannot be denied, and everyone in this province had looked hopefully to the day when this project would be proceeded with.

I noticed the Rt. Hon. J.G. Gardiner said just recently that if it is decided that they are going to go ahead with the project, they are going to build it. Well, we expected they would and we hope they do. But, by way of comparison, here we have been talking about this project for the last thirty years in this great country of Canada where we have such abundant natural resources. I was interested in noting an article that appeared in the Moose Jaw 'Times' regarding India's earth-filled dam, 3 miles long. There were some interesting aspects to this. This project in India which is three times the size of the South Saskatchewan project was first mooted in 1946 and the project is now under development and construction. I recall, I think only a year or two ago, when we had a visit from technical agriculturists from India, the pride with which they spoke of this development in India. They said, "This is going to surpass the Tennessee Valley project" and they were so proud, they seemed to be so buoyed up over the development of this project in India and the important part it would play in overcoming famine to some extent in that country. I am not going to go into any more detail in regard to the project in India, only to say that if the people in India, where they are impoverished, where they are having a tough go, can visualize a project in 1946, get the engineering work done and now have that project under way, some sections of which are going to be completed in the coming year, surely this great country of Canada with all our technical know-how, and with all the money that we are spending for defence purposes, surely we could divert some of that and strengthen our home economy which after all is the greatest benefit and the greatest strength in time of war and in time of peace. Surely we can divert some of those funds to develop these great natural resources of ours.

I have listened to politicians and statesmen for a good many years in Canada and I have heard much reference to our great unlimited natural resources. Those abundant natural resources are no good unless they are harnessed and developed, and I hope that as a result of this resolution and as a result of our representations, the Government at Ottawa will get some vision at last like our neighbours to the South. South of here they are building the dam at Fort Garrison. The Fort Peck dam is constructed, and we Canadians go down there and just look at it and then come home envious and ashamed that we are not doing a similar job. Let's get on with this job!

(The question being put, the Resolution was adopted unanimously)

NATIONAL MARKETING SCHEMES

The Assembly resumed from March 5, 1953, the adjourned debate on the proposed motion of Mr. Wooff:

That this Assembly, recognizing that the merits of the Wheat Board principle of marketing are now firmly established, urges that the Federal Government call a conference with a view to adopting a similar national marketing scheme or

schemes for the marketing of livestock, dairy, poultry and other agricultural products, and that this marketing policy be part of a permanent programme to stabilize the agricultural economy of Canada.

Mr. L.W. Larsen (Shellbrook): — Mr. Speaker, this motion has also been on the book a long time. It seems to me to be almost years ago since we discussed that a few days ago, and that is why I felt I should read a little of it, in case some of you gentlemen also have forgotten it. The trouble is, Mr. Speaker, I also have a dam I want to speak on, but there is no water in it, and that is a dam that has very much to do with this motion before us, which the hon. member for Turtleford presented so ably.

The reason I mention the dam down there, Mr. Speaker, is this. I know there will be water in the dam down at Outlook, if we ever get one, and this dam I mention here is what we call the ‘tariff dam’ which is interfering with nature in marketing our surplus — a surplus which the world at large is crying for today. It does not make much difference whether I call it a tariff dam or call it the dam’ tariff — it comes out practically to the same thing. It has been a curse to this country for the last fifty years I have been in it, interfering with nature in the matter of feeding these people who are hungry. We cannot consume the surplus of agricultural products we can produce here, although just about a year ago we had to import three or four hundred hogs from the United States to feed ourselves; and it shows that the producer of this country has so little faith in our present marketing system when we have gone from 7,000,000 hogs down to where we cannot even supply our own needs.

It is not such a burdensome surplus. Take beef, for instance, I think it is, roughly speaking, 20 per cent we must export, and that 20 per cent sets the price of the other 80 per cent we consume within our own borders. It should not be very hard for a board similar to the Wheat Board to handle 20 per cent of our beef for export markets, but it might be a hard thing for our packers to do, because they cannot get any preference on a market, in trading back and forth our surpluses and the surpluses that these other countries have. To tell the truth, Mr. Speaker, I am at a loss. In one paper that I read here, there are 600,000 cans of salmon to spare; no market for it. Reading in another place in the paper here, I find we have a surplus of 30,000,000 pounds of butter piled up by our Federal Government plus 15,000,000 pounds held by private individuals, and then I read again, in another paper here, where it says, “Canada is better off than ever.” I can imagine that is from ‘Jimmie’ Gardiner. And I see another advertisement here, of ‘Jimmie’ Gardiner’s, in the ‘Leader-Post’, March 19 — not so very long ago — advertising 5,000,000 pounds of pork for sale by tenders on it and later another 12,000,000 pounds. I thought they put it all in tin cans, Mr. Speaker, but apparently they have some in cold storage, too. Well, the Government should have no trouble, if they wanted to dispose of that over in Great Britain, and it might help them to raise their ration from two ounces per week to three ounces per week or so, at least for a short time. That is not a marketing problem in my estimation, and it never has been.

We are not asking to be subsidized one way or another. We just want the right to market our surplus; get it to people who will buy from us and we will buy, in return, from them. Since it is the ‘dam’ tariff’ laws

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that are obstructing us from getting rid of our surplus, and since that is a Federal responsibility, it is quite fair to ask the Federal Government to handle these products the same as grain is handled by the Wheat Board. I am sure that everybody who lives in western Canada realizes that these tariff laws have been the reason why western Canada has not got the population or the prosperity we should have. We are producing the goods the world is crying for, and still we cannot market it. I would say, here, that if the present Government down in Ottawa cannot handle these things, we will have to send a Government down there that will handle them.

In connection with the marketing of these agricultural products, I do not think a more important question has come up in this House, and the reason that it is such an important question is that we always run our heads up against that stone wall — the tariff laws down there — or whether it is the packers trying to sell that surplus beer or the Grain Exchange trying to sell our grain in the early days. In the last few years, at least, our worries have been pretty well over as far as the marketing of our grain is concerned. We have the Wheat Board now to handle that, and I do not see why a livestock marketing board could not give the farmers the same satisfaction as the Wheat Board has done, if the Federal Government would only do something about it. It comes within their jurisdiction. The Provincial Government cannot do anything along that line. They have to give concessions on one market for us to get the other market, and that is why I take great pleasure, Mr. Speaker, in supporting this motion of the hon. member for Turtleford.

Hon. I.C. Nollet (Minister of Agriculture): — It is and should be of interest to the House that the Farmer's Union and other producer organizations have asked for this kind of a marketing scheme. The reason is quite apparent, as those who have made representations to me have pointed out. Under the Wheat Board principle of marketing, they were guaranteed stability of price. They also pointed out that farmers have not gained very much unless other farm commodities are handled in a similar way. I have always held to that viewpoint, Mr. Speaker, not only in the interest of securing for the farmer his fair share of the national income and thus improving general living conditions in rural areas and providing the means to our farm population whereby their services, generally, could be improved, but also in the interest of a sound agricultural production programme for Canada as a whole.

I am, quite naturally as a farmer, soil minded, and I know that permitting this thing of leaving pricing to speculative influence does not encourage farmers towards carrying on sound farm practices. I know too that if a farmer is going to plan his production programme in accord with the type of production he should be carrying on, in relationship to the kind of soil he is working, then he will require price stability and a guaranteed price, many years ahead. The farmer will also require proper price relationships between agricultural products; that for example prices between feed grains, livestock, dairy and poultry products be kept in proper relationship. The day of the farmer being 'in' one year and 'out' the next is not good for the industry; it is not good for the farmer from a social viewpoint, and it certainly is not in the national interest.

We have had quite a few marketing schemes, Mr. Speaker, but we know that the Wheat Pool principle of marketing has proved successful. It has

surmounted constitutional barriers and it is a practical scheme. The other schemes that have been provided under Bill 82, that is, a conglomeration of provincial boards, are impractical because, in my opinion, the interests of agriculture being somewhat diverse, you often get conflicting opinions between east and west, and British Columbia. You could never bring these provinces together in common agreement to the point where you could set up a plan on a basis that would cover the whole of Canada. And, Mr. Speaker, I cannot see how we could have any successful marketing plan unless the Dominion Government assumes its responsibility in its field of jurisdiction; that is, taking products into inter-provincial and export trade. In my own humble opinion this Bill 82 is a 'run-around' Bill. It is simply an abdication of responsibility on the part of the Federal Government by throwing its responsibility back to the farmers, as they have done on a whole lot of other things, to slip out from under an obvious problem. The problem need not be great if the Dominion Government is determined that they are going to assist in stabilizing the agricultural industry.

I said a moment ago that stabilizing agriculture will certainly insure national prosperity. Quite a few observations have been made in this House and some reference has been made to statements that I made in this House previously, that I am a 'prophet of doom'. I am not a prophet of doom at all, because we can see the inevitable approaching, as many others see the inevitable approaching; and if the hon. members opposite want to criticize these observations they should also criticize 'Herb' Hannam, the president of the Canadian Federation of Agriculture; and they should criticize eminent authorities elsewhere. The trouble with the hon. members opposite is they have eyes but see not — or they only see what they want to see. I can recall hearing that same line from the supporters of the Liberal Party in the abyss of the depression in the 'thirties, when their relief inspectors used to come around and suggest that the farmers had a little pot of money hidden away some place, when they were in dire poverty; and I hear the same thing now.

Here is an observation made in the "U.S. News and World Report" that certainly emphasizes the important place of agriculture in the national economy. It reads as follows:

"As things size up now, the outlook for business suggests this. Peak activity is passing; farmers are hurt; businessmen in farm communities find business slow; exporters, generally, are hurt too. There is no 'zip' left in any big line of business though activity is high. More lines will begin to slip as 1953 wears on. Builders face problems; manufacturers in many fields will find goods harder to move. Dealers, merchants, are likely to be complaining about demand. A turn from years of inflation to mild deflation is to make its appearance. Trends, barring a bigger war, will be gradually downward. Jobs probably will be less abundant; prices often will be tending down. The boom quite definitely will be over and adjustment will be under way . . ."

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— that is a nice word for a depression —

“That’s the way it appears from the signs that are gathering, and farmers, even with the government help, are in a squeeze right now.”

And then they go on to say:

“One person out of six in the country is a farmer.”

(This is in the United States):

“In 1946, when times were best for farmers, one dollar out of nine in national income went to the farmer. In 1953, one dollar in fifteen will go to the farmer.”

This does not come from a member on this side; this comes from a reliable publication. It certainly comes from a publication that I think would be considered more reliable than if the observation came from a member on this side of the House, Mr. Speaker.

Mr. Speaker, I wish now to say something about the need for a balanced agriculture. Of course, the Rt. Hon. J.G. Gardiner is insisting that we have got more production in Canada now, in the last six years, than we did in the six years previous to the war. Well, he picked six particular years before the war when we were in the bottom of a depression and a drought. Now it is simple for Mr. Gardiner to suggest, therefore, that we have got more production than we did in the six years previous to the war, despite the fact that we had a drought and a depression. I do not like to refer too much to statistics, but I suppose, Mr. Speaker, someone should take up the time of the House outside of these Committee hearings, and I want to refer to some livestock figures, to show the declines that have taken place in production.

First of all, Mr. Speaker, I want to refer to the decline of horse population which is a natural thing, and the reason that I am referring to this is to indicate that I mean other livestock production went down too, that the cattle did not replace horses. In 1919, we had over a million horses in Saskatchewan, in 1951 we had only 303,000 horses in Saskatchewan. In 1919, taking all cattle together, we had 1,160,000. We only have a few more cattle in Saskatchewan now than we did in 1919, despite the fact that our horse population went down by over 700,000 head. The same goes for sheep. We had a sheep population in Saskatchewan, in 1917, believe it or not, of 136,000 and we still have 136,000 sheep in Saskatchewan in the year of our Lord, 1951. I should say that, during the war years, we had over half a million sheep in Saskatchewan; that is in the years when we had what I term a balanced agricultural programme. In other words fiscal policies at Ottawa encouraged farmers to balance out their farm operations, and I might say that it was in those years that we had a better balance in our farm production. Those were the best years for farm people, and they provided the best type of insurance against crop failure. This thing, of not ‘putting all your eggs in one basket’

is certainly still good advice. Now this just indicates, Mr. Speaker, that our production in this province is even below in some respects what it was in 1919 and 1917. I do not think I need to say any more regarding whether or not our production is up in this province.

I have noted some observations made by what is often referred to by the Hon. Minister of Social Welfare, as that “shining example of journalistic rectitude”, the ‘Leader-Post’. I noticed that they agreed with Mr. Gardiner’s policies, that it was a natural thing for us and a good thing if we went back to straight grain production. I have said a good many times that this was a deliberate policy followed by Ottawa, a policy that would take us out of hog production, that would also take us out of other livestock and dairy production. If he has never been successful in anything else, he has been successful in this regard, Mr. Speaker. Now, if the ‘Leader-Post’ or ‘Jimmie’ Gardiner thinks that is good from an agricultural point of view, let them tell the story to the agriculturalists of this province or any other province. It is not good, and it is not in the interest of the farmer either . . .

Mr. Speaker: — Order, order! I think the Hon. Minister should refer to a Minister of the Crown a little more respectfully.

Hon. Mr. Nollet: — I am sorry, Mr. Speaker, the Rt. Hon. J.G. Gardiner.

Mr. Tucker: — He should not look so menacingly at the press when he is talking to them.

Hon. Mr. Nollet: — Any one, Mr. Speaker, who would suggest that we should go into a straight grain economy in Saskatchewan is not rendering a service to agriculture here, and every one knows that if we balance out our agricultural programmes, our production programmes, we do get the greatest possible production from our total land resources by following policies of that kind.

Some reference has been made in an editorial in the ‘Leader-Post’ regarding my statement to the S.A.R.M. Convention. Again, the ‘Leader-Post’ states that this was a gloomy picture that I was painting; that the farmers were very well off, Mr. Speaker, but the facts do not bear out that statement at all. When I was talking to the Municipal Convention, I pointed out to them, and I think I pointed out to them rightly, that any increased service in rural areas, such as better roads, better educational facilities, electrification of rural homes, would take more money, and that there was only one place from which this money could come and that was from raising things from the soil either in the form of grain or animal products and that, in the ultimate, there was a limit to the amount of produce that one could obtain from an acre of soil, and if any further increase was to be obtained, it would have to be in the price that the farmer receives from that product, and when I say price, Mr. Speaker, I mean net price and not gross price.

I would like the ‘Leader-Post’, for instance, to suggest whether there is any way in which a farmer can improve his income position other than that which I suggested to the Municipal Convention. The fact that people have not recognized these factors before, is the reason that depressions occur, but to be forewarned and to realize that events are moving in that direction, is one way in which a depression can be avoided, provided certain

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steps are taken to prevent present trends. What we have asked for, and what I have said, is that a set price to a farmer does not mean a thing unless the price of the goods that the farmer buys has some relationship to the set price. Just to set a price for the farmer and then let the price of everything the farmer buys skyrocket upward (as it has) means very little, because it is the net income in the final analysis that will determine the farmer's ability to carry services and improve his own living standards.

We do not at present have a marketing scheme in Canada that will guarantee to the farmer a price for his commodities, outside of the Wheat Board scheme of marketing. We have several floor-price schemes under the Agricultural Prices Support Act, Mr. Speaker, but such arrangements are not adequate. Indeed they could be very injurious, and are very injurious, to farmers, particularly during a period of inflation; and during a period of great national prosperity and employment to expect farmers to take floor prices is not only unreasonable but it is paving the way for an inevitable depression. Nothing can be truer than that. Nothing can be more reasonable to ask for than that the farmer through a set price obtain his fair share of the national income. I do not see how any consumer in Canada can complain against that principle. Some people call it 'parity price', but I would just simply refer to it as a means by which farmers will obtain their fair share of the national income, which they have not been getting. As I pointed out to the Municipal Convention, our farm population makes up over 20 per cent of the entire population of Canada but they only receive about 13 per cent of the national income and that is not good enough.

I mentioned, too, present price handicaps and increase production costs, particularly the increased prices on farm machinery, have been overcome to some extent by farmers increasing the size of their holdings, and by virtue of that economic necessity, the farmers in this province did expand their holdings, and our rural population became less and less, and, of course, the hon. members opposite blame the Government here for it; but this was an economic factor. The hon. member for Cannington may not know, but the economists know, that even with increased large holdings that some farmers now have, with the increased capital investment in machinery, operating costs are ever increasing. As the hon. member from Bengough mentioned a moment ago, the price of a combine went up \$800 in one year. Where you have combines selling up to \$6,000, I want to tell the hon. member for Cannington that the cost of operations, taking into consideration depreciation of machinery, is now higher on our big mechanized farm than it is on the smaller farm that is not so highly mechanized and where horses are still used. In other words, Mr. Speaker, the saturation point has been reached in regard to overcoming these high prices and heavy capital investments in equipment by expanding farm holdings. I am quite sure that the hon. member for Arm River understands this. He is a farmer, too, and he is interested in the co-operative movement, and I think that he recognizes the fundamental contradiction in our capitalist system. The machine companies, the transportation companies and all of those industries that service agriculture — the fertilizer companies, the chemical companies — they are bound to get their profit, and if we raise the price of grain to \$3 a bushel tomorrow and the price of beef up again to \$26 a hundredweight, the price of these other commodities the day after tomorrow would go up immediately. There is no question about that, Mr. Speaker. This has been the history of profit enterprise; these people have been riding on the

backs of agriculture. And perhaps it is because of this factor that we find papers like the 'Leader-Post' opposing everything that is constructive for agriculture. The only time they ever say anything favourable about the farmers is when they can say something unfavourable about labour, or vice versa. Or if I suggest, for instance, that the farmers should have parity prices, if I even suggested formulas for pricing milk, they hold the consumer up as a person who is going to get robbed by this insidious device. I never saw any papers that were as good at dividing communities as papers like the 'Leader-Post' and the 'Star-Phoenix' the mouthpieces of the 'big business' interests. No question about that.

I know they have got to play their roles because they believe in that economic philosophy. But when they talk in the same breath of their great public responsibilities, one would think they would be more interested in reconciling some of these economic conflicts that tear a community apart rather than in driving them farther apart as they do by some of the editorials they print.

There is nothing new about formula pricing. If we had a proper marketing scheme for livestock, dairy and poultry products, a marketing scheme that would be authorized by law to set prices, it seems to me that appropriate indices could be utilized that are now available through the services of the Dominion Bureau of Statistics, on which could be based approximately the price that a farmer should receive for his various commodities in order that he would get his fair share of the national income. I don't see anything wrong with that. As a matter of fact, the C.P.R. has come up with a formula before the Transport Board recently that would give them 6½ per cent interest on their investment. Of course, that kind of formula is all right as far as big businesses are concerned.

Mr. Tucker: — Why don't you be fair and say they oppose that too?

Hon. Mr. Nollet: — Another principle that has been generally accepted is cost-of-living bonuses to certain employees. Now we certainly cannot give these benefits to other sections of our national economy and let agriculture drift along on speculative markets and some fictitious means of arriving at a price.

I quite agree, Mr. Speaker, and by way of illustrating the investment in machinery in relation to years gone, when listening to the hon. member for Bengough it just occurred to me that the total values of implements and repairs sold in Canada last year was \$200 million. This was 10 times more than the value of implements that were sold in the 1930's, and 20 times more than the implements and repairs purchased by farmers in the 1920's. Now, all of this extra burden of cost has been imposed on the agricultural industry. Will anyone in his right mind tell me how a farmer can continue in business at the same general price levels that prevailed in those years? And no one need say, and Mr. Gardiner doesn't need to tell me or make any price comparisons to prove otherwise. He has got — by the way, Mr. Speaker, did I say Rt. Hon. J.G. Gardiner?

Mr. Tucker: — Who are you looking at when you ask that question?

Hon. Mr. Nollet: — He can't give a parity price on his basis to you. Recently

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he has come up with one, I think it is the period 1943-1945, and he says this is a parity period. I remember him talking in the House of Commons in 1943. His parity price period then was 1926-29, so the parity price basis moves right along with the Rt. Hon. Minister as the expediency of the political situation demands.

Now, I want to make some direct reference to present floor price policies in order to sustain what I said a little while ago that they are not adequate to meet the present situation. Certainly they are very inadequate during a period of inflation and, furthermore, a floor price policy during a period of this kind is inexcusable. We all know that at the conclusion of World War II everyone expected a slump to take place; everyone felt that unemployment would take place and there was a recession at hand. So the Agricultural Prices Support Act was passed, and I can still recall that when the Agricultural Prices Support Act was passed the Prime Minister at that time said that this was in recognition of the fact that farmers had to take low prices during the wartime period. But the depression did not occur. Instead of that we got a very extensive defence programme and as a matter of fact inflation took place. But during this whole period of inflation certain agricultural commodities were kept down on the basis of a floor price, and that idea was sold to the farmers and, Mr. Speaker, in my opinion this floor price policy was a deliberate means of preventing inflation as far as food is concerned and to keep the consumers satisfied with cheap food products, knowing full well that if food prices go up you get general complaints from consumers. Apparently no political party wishes to face that prospect. But again, as in wartime periods, during this period of inflation controlling agricultural prices has been a means of controlling inflation particularly as related to food commodities. For hon. members opposite to say that things are not getting in a bad way is just simply silly.

I should mention, too, that reference has been made by the press to the budget speech delivered by the hon. Provincial Treasurer. I have looked over his budget speech and do you know, Mr. Speaker, there is hardly a bit of difference between the budget speech made by the hon. Provincial Treasurer here and the speech made by 'Herb' Hannam to the Canadian Federation of Agriculture Convention held in Victoria this year.

Mr. Brown (Bengough): — Which was held first?

Hon. Mr. Nollet: — The Federation of Agriculture Convention was held first. I don't know if the hon. Provincial Treasurer was . . .

Mr. Tucker: — Mr. Speaker, I wonder if the hon. Minister would permit a question. I have been trying to follow his argument and I lost him where he said that prices were kept down by deliberate floor price policy. Now, would he explain what prices were kept down and how this floor price policy kept them down?

Hon. Mr. Nollet: — I will explain that to the hon. Leader of the Opposition. I was coming to it in a minute. First of all I said there was no justification for floor prices at the levels that were set, and I'll tell him how it was done. In the case of butter, Mr. Speaker, when there is a surplus of butter during the heavy production period in the summer months,

the Federal Government buys it up at say 58 or 59 cents a pound and when the deficiency period occurs in the wintertime, the Federal Government sells the butter back again on the home market at about 62 cents a pound. Isn't that price control? I heard the Rt. Hon. J.G. Gardiner get up and proudly say "I support the farmer in the summertime and I support the consumer in the wintertime." It is a pretty nice device for controlling prices. Similarly —

Mr. Tucker: — May I ask another question? I understood that the farm organizations supported that idea of stabilizing prices so it did not slump in the summer and then go sky-high to hit the consumer hard in the winter. I thought they supported that.

Hon. Mr. Nollet: — Originally they thought it was going to be all right when they thought there was a depression coming. The dairy industry supported the principle too; but in the interval, production costs of the creameries have gone up consistently until today, actually some of the creameries in this province have not been able to realize their cost of operation because of that. The trouble was the price of everything else went up. These price levels of 62 cents a pound for butter may have been satisfactory provided the production costs of the farmer were kept down and the production costs of the processing plants were kept down, but they weren't. All the rest of the economy was in an inflationary spiral.

Now, one of the fundamental weaknesses with the floor price policy is that it is not a guaranteed floor price to the producer, and in addition to that it only relates as a rule to one or two of the top grades of farm products. It does not provide price differentials for the different grades, whether it is pork or eggs, or whether it is butter. A further deficiency, too, is related to poultry products; the only time the Prices Support Board makes purchases is at the end of the year. On the first of December the Board buys eggs that are in storage at that time at a certain stated price —and, by the way, it is a uniform price right across the Dominion of Canada which is a further defect in this particular scheme. This means, for instance, that in our own province here where we export about 50 per cent of our eggs, the guaranteed price in storage in Regina would be 38 cents; but 50 per cent of our eggs go outside of Saskatchewan. Under normal marketing merchandising practices our eggs are usually stored in Winnipeg on the way to the East, their natural market. Well, you can imagine, people who ship eggs out of Saskatchewan for storage in Winnipeg in the event of a price slump, in December would get 38 cents a dozen for their eggs in Winnipeg. In other words they would lose the freight charges from Saskatchewan points to Winnipeg.

This is a defect and it was a very serious defect last year when we had the foot-and-mouth outbreak, and when normal marketing channels were very seriously disrupted. Under this condition we were bound to have disruptions. And we then had the example of the Rt. Hon. Mr. Gardiner running around this province during the Provincial election campaign suggesting that this province should build more storage facilities: an amazing statement, Mr. Speaker, coming from the Federal Minister. It would be just as amazing if he had told us in Saskatchewan that we had to build enough storage for all our wheat. Same thing; we export 50 per cent of our eggs. If we were to store them all here in Saskatchewan the storage houses in Winnipeg would have to

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close down. But I would like to say, however, that since this Government came into power, we increased our licensed quick-freeze locker and cold storage plants in various towns in Saskatchewan from 6 quick-freeze locker plants, to 200 at the present time. At the present time only Ontario has more locker plants than Saskatchewan has. So we have been doing something; the people themselves have been doing something about it.

Mr. Danielson: — Mr. Speaker, could I ask the Hon. Minister a question? How much have you paid towards increasing the cold storage capacity in the province of Saskatchewan?

Hon. Mr. Nollet: — How much have we paid?

Mr. Danielson: — Yes, how much have you paid towards increasing cold storage capacity?

Hon. Mr. Nollet: — The hon. member for Arm River knows as well as I do that assistance has been given by the Dominion Government for cold storage facilities ever since 1906.

Mr. Danielson: — Let me correct the hon. Minister — 1908.

Hon. Mr. Nollet: — All right, 1908 — two years do not make much difference.

Mr. Danielson: — Not to you, anyhow.

Hon. Mr. Nollet: — Since 1908. And, as a matter of fact, under the encouragement given under that policy, as the hon. member for Arm River should remember, in World War I we overbuilt our storage capacity . . .

Mr. Danielson: — Who's 'we'? — Saskatchewan?

Hon. Mr. Nollet: — . . . and to a point we had uneconomic storage. We had space that could not be fully maintained in Saskatchewan. I have had a survey made of our storage facilities since Rt. Hon. Mr. Gardiner made his observations, and I find that we have ample storage facilities in Saskatchewan.

There are some people I have listened to in this Legislature who have a fixation, and I think the Rt. Hon. J.G. Gardiner has certain fixations too. He has made certain statements during the election campaign, one of which was we should have more storage; the other one was that the provinces have the responsibility of enforcing his floor prices. There is no legal way under which these floor prices can be enforced; no legal way at all. The poultry producers at the present time are at a loss to understand some of Mr. Gardiner's observations. The poultry people referred a resolution to Mr. Gardiner very recently on this matter. In other words, Mr. Speaker, after having advocated a policy of delegating his jurisdictional responsibilities, he is now trying to say that the provinces should be responsible for enforcing prices. Now, I don't think any hon. member opposite can tell me under what provincial legislation we are going to enforce floor prices. It is hard to tell whether he means producer boards, or not, because he is very vague in his words. I often wish he were more clear, and I am sure hon. members opposite sometimes also wish that Mr. Gardiner would be more specific and clear in some of his pronouncements.

I have a letter from the President of the Poultry Association under date of February 16. He had received a letter under date of February 12 from Mr. Gardiner in reply to a letter which he sent to Mr. Gardiner in which he gave the substance of a resolution that was passed at the annual Poultry Convention. This resolution protested to the Government of Canada that increased costs were not taken into consideration by the Prices Support Board in setting the support price for eggs at a level that ultimate returns to poultry producers would at least cover their minimum cost of production. Mr. Gardiner replies to this and he makes some interesting statements. He says:

“We did not attempt to set a floor price which would prevail through the whole year. We attempted to set a price for eggs which are still in storage about the first of December,” . . . (which we all know) . . . “which would assure that at no time throughout the year would eggs drop to a lower price. This worked out perfectly the first year it was tried.”

Sure, because eggs never went down before, Mr. Speaker:

“This worked out perfectly the first year it was tried and eggs reached throughout the year a reasonable price for Grade ‘A’ large. The plan was so satisfactory that the Producers’ Association came back the following year and said they only had one thing to ask and that was to continue exactly the same plan as the year before. We did that and again there was a complete satisfaction, and the price ranged considerably higher than the year before.

“There never was any trouble with the plan until last year” (when all normal marketing conditions were completely disrupted as a result of provincial embargoes) . . . “and the only trouble there was in the Province of Saskatchewan. In my opinion any difficulties which you had in Saskatchewan last year could have been cured through action within the province and that there is no possibility of the kind of difficulty which you had in Saskatchewan being removed by action which could be taken by Ottawa.

“I can say quite frankly that we will not do this year what we did last year — go into Saskatchewan and buy eggs in the summer months. We did that last year in order to protect those who had eggs to sell in British Columbia, whereas Saskatchewan eggs were being used to beat down the price. If that happens next summer, we cannot take the same line of action as was taken last year without establishing a practice which would break down the whole system. I trust, therefore, that producers in Saskatchewan will be able to go to authorities in their own province and have them use the stabilizing influence which the plan gives as a protection to them, as it gives to every one else, against

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the price going unreasonably low. There is a very simple device by which this can be done, which has been recited to the Saskatchewan Poultry Association on a number of occasions . . .”

What the device is, I do not know — nor does the president of the Poultry Association. I would say, Mr. Speaker, that Mr. Gardiner has finally reached what must be to him the height of political success, by thoroughly confounding himself and every one else in the exuberance of his own political verbosity; and, believe me, Mr. Speaker, that is no mean achievement for a man of Mr. Gardiner’s discriminating political tastes because, judging from this correspondence, it is rank discrimination to suggest that any condition occurred in Saskatchewan that did not occur elsewhere last year, or to even suggest that this province could do something about it. He apparently feels sorry because he had to step out and buy some eggs, last summer, and because he could not as usually buy them at the end of the year, in December when there is a glut of eggs on the market. Is there anything wrong with that?

Here is an extract from other correspondence in reply to a letter that Mr. Phelps sent, that is even more pertinent. He said:

“The first difficulties we had in the operation” . . . (of the floor price on poultry products) . . . “in the operation of the plan were last year, and all the difficulties we had were in Saskatchewan.”

Funny, isn’t it? He is getting ready for the Federal election, but the hon. Minister of Agriculture at Ottawa does not know that he lost the Federal election at the last provincial election when he showed up in Saskatchewan. “Those difficulties arose,” he says, “from the fact that buyers went out in Saskatchewan, and bought apparently run-of-the-nest eggs at 10 to 15 cents per dozen, graded them, and sent the graded eggs to British Columbia where they undersold the price which would have been established through the plan which we have been following for three years.”

I have made inquiries; I have written to every produce house in Saskatchewan and their replies have come in, and every one tells me that they did not go out and buy undergraded eggs for the simple reason that they are required to grade all eggs, and all eggs that are exported from this province must be graded. If Mr. Gardiner knew of any instance, in his own stamping ground or anywhere else, where there was any one going out, buying run-of-the-nest eggs, he had an obligation to see one of his own Dominion employees who do the grading of these eggs and report any infraction to us under our complementary legislation, and we would have taken action, but it has not been revealed that this was done at all.

Now, what about British Columbia? Did Mr. Gardiner expect that we were going to keep eggs in Saskatchewan indefinitely? That the produce people could store them all? Quite naturally, they were going to send them to British Columbia, and they did not send them there to undersell the established floor price at all. These are simply fictitious reasons. As a matter of fact, in the early fall, as a rule, we get the lower grade eggs from British Columbia in Saskatchewan and they undersell our market. I’m not complaining, but there is only one thing wrong, Mr. Speaker. This kind of talk just indicates a fundamental weakness in the floor price structure

in that the price is not guaranteed to the producer at all, but it is merely purchasing the product from the produce company at a certain time of the year, in this case at the end of the year. How can one expect any plan to hold up under those particular circumstances? If the hon. members opposite would like me to table some of this correspondence, I would surely be glad to accommodate them, Mr. Speaker.

What I have said, pretty well illustrates the weakness of these floor price policies and, as I stated at several points in my address this afternoon, there is no justification for floor prices when our nation is simply bursting with prosperity and when there are more jobs than can be filled. In my own opinion, and this is shared by many farm leaders, a sound marketing scheme would be one in which we have participation between the Federal and Provincial governments, where each fits into a plan and participates in a manner that will permit the jurisdictional authority of both to function in such a scheme. The Wheat Board principle has given us relief it has proven to be constitutional, and I do not see why it cannot be applied to other agricultural commodities as well. If that is done and a scheme is set up under proper legislation, we will then have a government agency assuming the responsibility for pricing agricultural commodities. I believe this is as it should be. I have said on many occasions in this House, this is so important not only to the national economy, the provincial economy, to the stability of municipal services, but to the living standards of farmers — it is so important that we can justifiably ask governments to assume the responsibility for pricing, rather than leaving it willy-nilly to this law of supply and demand that no one ever seems to be able to find or lay a finger on.

If this is done, Mr. Speaker, we will not only be guaranteeing to the farmers of Canada and Saskatchewan their fair share of the national income, we will also be putting a sound economic foundation under our entire structure of municipal and provincial service. On a federal level, it will certainly be the best guarantee of continued national prosperity that I know of. Everyone is always prepared to give lip service to the farmer — ‘What a great fellow the farmer is; he is the basis of our whole life. Life comes from the soil and the farm furnishes the food to the industrial worker.’ He is quite an important boy in the community until you start talking about giving him economic justice, then you find some of these opposed interest — there is press too, that gives the same kind of lip service, ‘slap the old boy on the back!’ But if you want to give him more, he is going to rob the consumer or else he is going to rob the worker, or something of that kind. We then get this divide and rule type of propaganda really going. Now I think I have said quite enough on this . . .

Mr. Tucker: — Mr. Speaker, the hon. Minister was going to illustrate in what way the floor price policy had kept down prices; he mentioned butter which is the specific policy in that regard — to keep prices from ‘skyrocketing’ in the winter and slumping in the summer. Has he got any other illustrations besides butter?

Hon. Mr. Nollet: — O, sure! I was just trying to be brief. We will take by way of an example, Mr. Speaker — I did not mention it. ‘Jimmie’ Gardiner says our export markets are not lost: they are straying around some place in the world, but anyway they are not home, Mr. Speaker. We have no more export markets for our agricultural commodities other than wheat. Well, now we are facing a situation where the price of beef is going

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down too. Of course the price of pork is already down. Last Fall, Mr. Speaker, you will recall that it was announced that the price of hogs would be dropped by \$3 a hundredweight, January 1st. Isn't that deliberately forcing prices down? And what was the reason? The Minister said the reason was because he expected they would be lower after January 1, so to make sure, he put the floor price down by \$3 a hundredweight, dressed.

Mr. Danielson: — He was right again!

Hon. Mr. Nollet: — Yes, he was right again. Now we will take, for example, beef prices have been going down very drastically. Of course, the price to the consumer has not been going down quite so fast and an accumulation of meat has been taking place, both beef and pork. What happens to the surplus pork? Does he take it into the export field? The hon. member from Shellbrook just read a clipping from a newspaper which says "5,000,000 pounds of pork advertised for tenders." Where is it going to go, and what is the price bid going to be on it? We are expected to eat it in Canada, and if are expected to eat all of these food surpluses and all of the increased production that Mr. Gardiner talks about, which took place since the prewar days, naturally, we are going to have a reduction in price. And to make sure that the consumer is well satisfied, what did he do in the case of pork? He subsidized the price of pork to the consumer at the rate of about 12 cents a tin, thus making sure that the consumer would be well satisfied. There is a limit to the amount of food anyone can eat. I would not be surprised but that he is planning to ram it down our throats regardless. We can only eat so much meat, even if it were given to us. We have said, and say consistently, that the only way to make price support effective is to take these surplus foods off of the domestic market. When we all have sufficient and our appetite is satisfied, there is only one place for surplus food and that is to the export markets of the world. Even if we had to subsidize it to the people of India or elsewhere, it would be a far better investment from the national viewpoint than subsidizing a surplus far in excess of home consumption.

There are some ways in which price supports have been used to keep prices down to the consumer at home and unjustifiably low to the farmer.

Mr. Danielson: — Mr. Speaker, I would beg leave to adjourn the debate.

Mr. Speaker: — Before we proceed to the next Order, it is my sad duty to inform the Assembly that word has been received of the death of our beloved Queen Mary. I am sure the House would desire to pay its respects to this great Lady by standing and observing a two-minute silence.

The Assembly adjourned at 6.05 o'clock p.m.