

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session - Twelfth Legislature
36th Day

Thursday, March 31, 1955

The House met at 3 o'clock p.m.

VOCATIONAL SCHOOLS ASSISTANCE

Moved by Mr. Wooff, seconded by Mr. Thair:

That this Assembly urge the Federal Government to continue and extend the financial assistance available under the Vocational Schools Assistance Agreement 1945-54, and to introduce such flexibility in the terms of the Agreement as to make it of maximum value in a province such as Saskatchewan whose major industry is agriculture.

Mr. R.H. Wooff (Turtleford): — Mr. Speaker, I believe that the motion before us is one of the more important motions that have been before this present Legislature, and I am very sorry that it has been detained to almost the close of the House. I hope that, for a few moments, Mr. Speaker, I might crave your indulgence if I should not keep too closely to the motion.

I think as long as nations have existed, their people have been their greatest asset. Just as any raw material is of little value to a nation until it has been processed or prepared, so I think it is with our people, especially our young people. If the ability of our people for applied arts and skills, sciences and techniques, is going to be made available to the nation even in a very limited way, then by one means or another, there must be opportunity not only for those with ability and (may I say) the inclination for an academic and intellectual education and training; but we must by all means continue to improve the opportunities and possibilities of training and development for those with natural talent, that particular group who do not desire and have not been perhaps endowed by nature with talent which fits them for an academic school career. Yet these are the people who bear the burdens of daily toil and produce a great amount of the nation's wealth and are responsible for feeding our people. Too often, through lack of training these people are compelled to toil at work they either dislike or are not naturally gifted for. I would just like to read a quotation from the annual report from the Department of Health, Education and Welfare in our good neighbour to the south. It is under that department that vocational training is carried on in the United States. I will read just one brief sentence: this is speaking of the Federal act under which vocational training is administered:

“This Act and subsequent federal vocational education statutes recognize that the welfare and economy of the nations are based on the productive capacity of its workers.”

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That, I claim, is the very foundation of our vocational training schools. I am convinced also that not only is the nation losing much of its undeveloped talent of many of our people, for the simple reason that they cannot enter many of the fields of occupation; but I am sure it is just as true that we spend much time and money in social welfare work and mental health and physical health, trying to cope with problems which grow out of the frustrations of many of our people, who are working merely for a living at tasks that they hate, or at best working with their minds and hearts and latent talents crying for expression in other fields.

From this point, Mr. Speaker, I will endeavour to stay at least within arm's-length of the motion. There appears to be two schools of thought on the subject of vocational training. The one group are anxious to put training within the reach of those who never will, as I said before, take an academic education, a training which will fit them to live normal and contented lives, and make their greatest contribution to the life of our nation and our province. The other group are somewhat alarmed lest vocational training schools gain an unwarranted popularity, so that many students, well suited and endowed with capacity for secondary schools and university careers, should be attracted to what looks like an easy path to a remunerative job and then realize when it is too late, that they have made a mistake. I think there are real dangers, perhaps, in that connection. I think there are safeguards, also, which can be taken to prevent too many of those casualties. I don't care what paths we pursue, there are always dangers regardless of how careful we may be in the course pursued. That is true, I think, of all worthwhile undertakings and objectives; but surely, we are not prepared to do nothing for this group for whom so little has been done over the years, simply because we are afraid of a few academic casualties by the way.

Having lived through the pioneer period in the province amongst the very people we are honouring this Jubilee Year of Saskatchewan, I have been painfully aware of the many, many young people who not only missed training for the special talents which they possess, but who, all too often, because of the necessary battle of even the survival of the physical, missed even their elementary education. I say that, because of first-hand knowledge of this situation, I am concerned about the young people of today who, regardless of what anyone or any group may say, are not being educated far beyond the public school level, and for whose special talents, I repeat, little has been done over the years.

It is true that the history of vocational education does reach back to the early years of the centuries, but it is not with the history of vocational training or vocational schools that we are concerned with today. The problem at the moment is the Federal Government's apparent change of mind regarding renewal of the vocational training agreement. This agreement has been negotiated evidently to the signing point, by December 1954. Vocational training was initiated by the Federal Government and the Provinces have been encouraged over the years to participate in the scheme. In December 1945, the Vocational School Assistant Agreement was signed by the province, and that agreement terminates today. It covered a period of ten years, and I would like to cover that agreement briefly. I am going to read it in order that I do not make any mistakes.

Under this particular 10-year agreement, the Federal Government

was to pay the following grants in the amounts to the Province under the Vocational Training scheme:

“(a) An annual grant of \$10,000; (b) an annual grant of \$163,900 for operational and maintenance costs of vocational schools.”

following the census of 1951, this particular grant was reduced from \$163,900 to \$127,500, and:

“(c) a grant for capital expenditures totalling \$858,200,”

which was to be divided on the basis of 75 per cent for buildings and 25 per cent for equipment. The annual grant of \$10,000 was an outright contribution from the Federal Government. The grants for operational costs of \$163,900 annual and for buildings and equipment of \$858,200 were allotments which the Province had to match on a 50/50 basis before they could be used. Then, to continue:

“Saskatchewan has used the matched and full allotment of the Federal Government each year in the light of the agreement. A total of \$1,287,300 has been spent on new buildings for vocational training, and \$429,100 has been spent on new equipment for these buildings. In addition, the full extent of the annual allotments for operational and maintenance costs has been utilized. This amounts to approximately \$2,300,000. A portion of this operational grant has likewise been used for capital expenses.”

Also, I would like to cover the situation as at present a little later in my remarks. The Department of Education's policy regarding these vocational schools has been one of decentralization of vocational school services. That is to say, they have scattered them around the province. Some 30 different projects have been developed in as many different communities. They have been scattered from Meadow Lake to Eastend and from Nipawin to Estevan. Most of these new developments have taken the form of composite high schools in which grade 12 diplomas may be obtained as well as technical training for those who wish to take training in trades and business courses, and home economics. I might say to anyone who is vitally interested in vocational training, to step into one of these well-equipped composite high schools is really a thrill. It has been my pleasure on two different occasions to visit composite high schools in comparatively small communities, and it was a real pleasure, nothing less, to go through those institutions.

In recent years there has been a demand for agricultural courses within school units. Three units have undertaken such courses, providing basic skills and information on agriculture. One of the interesting features of these courses has been that they have not been confined merely to the students of the school, but young farmers in some of these communities, actually operating farms, have also been taking the courses. There is room in the province for many, many more composite high schools, if the rural young people are going to be reached and given a chance for technical education.

Many of these centres which desire to develop a composite high

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school have not been in a position, during the ten years of this agreement, to take advantage of the construction grants, owing to the great backlog in the construction of public school and high school institutions, plus the terrific rise in construction costs. Some of these centres are now prepared to start laying the foundation for composite high schools. Perhaps those who find themselves in the worst position today, due to the fact they are not sure what is going to happen to this agreement as of tomorrow, are those who on the strength of getting grants, started the construction of composite high schools, last year. These communities are indeed finding themselves in a difficult position.

Quite apart from the interest in composite high schools, there is also a growing demand throughout the province for training facilities for tradesmen and semi-professional workers. Included in the group are apprentices, nursing assistants, pipe welders and farm mechanics. At present this Canadian Vocational Training School is carried on in buildings which seem to be totally inadequate. The old Airport buildings are used as makeshift class and shop-rooms, which were abandoned some 10 years ago by the Air Force. These buildings are neither convenient nor conducive to good study, or worth repairs. In that connection, I would like to quote from a report from the Vocational Training Council, or committee:

“The Canadian Vocational Training School is housed in seven temporary frame buildings formerly used as an air training school in Saskatoon. In the Administration Building are the offices, the nursing assistance, classes in beauty culture and two classrooms formerly used by the commercial school.

“Hut No. 1 are the barbers, the electricians, the farm mechanics classroom and a general classroom.

“In Hut No. 2 are the central stores.

“In Hut No. 3 are parts of the motor mechanics facilities.

“In Hut No. 4 are the bricklayers, shop and class-rooms.

“In Hut No. 5 is the farm mechanics shop.

“In Hut No. 6 is the farm mechanics main classroom, and in the drill hall are the shops and classrooms for woodworking, sheet metal, plumbing and motor mechanics.

“There is neither rhyme nor reason to the manner in which classes have to operate when faced with these conditions. Student groups are constantly on the move from one hut to the next, seeking space that may be vacant at the time. Many of the areas are small and dingy and poorly lighted and ventilated, and very difficult for the instructors to make use of. One of the more serious problems arises in the field of administration. It is very difficult for the head instructor to properly supervise the various classes under his charge. It is even more difficult for the principal to maintain an orderly school. The buildings were originally set up on a temporary basis to meet a war emergency. They are of light frame construction, finished on the inside with fibreboard. Since the war, ownership has been acquired by the Department of Social Welfare. One condition of the purchase was that the Canadian Vocational Training School would retain possession of its quarters as long as there was need for this programme.

“These buildings are practically worn out. The expense which is required to rebuild and renovate them as a more permanent arrangement could not be justified.”

That gives us some idea of the conditions under which this Canadian Vocational Training School is being carried on. And this, let me say, is the phase of vocational training that I am most concerned about, our Canadian Vocational Training School. First of all, because, from a standpoint of hundreds or thousands of young people who will never take a purely academic education, or for that matter a technical or composite high school training, this type of training given in the Canadian Vocational Training School at Saskatoon, is the only training that hundreds of our young people will get.

The second reason for my concern is that the vocational training that is being carried on at Saskatoon is, I feel, very necessary to our province at this particular time when it is expanding so rapidly, and is in need of trained personnel in so many different fields. I have intimated my interest and concern of vocational training and education as a whole; also the need for expanding this work both in the field of composite high schools and a C.V.T. centre which at present operates under what I would say were deplorable conditions. What then, is the situation of the agreement at present?

I would like to remind the House again that a vocational training scheme as a whole was initiated by the Federal Government, and it was at their suggestion that the provinces became involved in what I believe to be a very good and a very important part of our educational policy. Just that there be no doubt as to what has been done within the scope of the Federal Act covering vocational training, I want to read one subsection of the Act, and that is subsection (c) of the second Section:

“Vocational training means any form of instruction the purpose of which is to fit any person for gainful employment, or to increase his skill or efficiency therein and without restricting the generality of the foregoing, includes instructions to fit any person for employment in agriculture, forestry, mining, fishing, construction, manufacturing, commerce, or in any other primary or secondary industry in Canada.”

I think you will all agree that there is no suggestion in the Act that what has been undertaken by the Provincial Government and by the Minister of Education is contrary to the Act. I think that our Minister of Education is to be complimented on the part he has played in this vocational training scheme.

I would like just to cover briefly the situation of the agreement at the present time. Early in 1954, the Federal Department of Labour began a serious study of a proposal for the renewal of the Vocation Schools Assistance Agreement. The proposal and draft form was carefully studied by the Province and by the vocational training advisory council. Amendments were written into it which made it acceptable to the provinces. The Federal Minister of Labour sent to the Minister of Education in July last year, what he considered to be the final draft proposal for the new agreement. At a

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meeting of the vocational training advisory council in Ottawa in November, the proposed agreement was reviewed and turned over to the Minister of Labour with a recommendation for its adoption. However, on December 27, 1954, the Federal Minister of Labour sent a letter to the Minister of Education advising him that the Federal Government had decided that no new agreement would be offered to the provinces in 1955, and that the present agreement would continue in effect for one more year. This means that since all the capital allotment under the old agreement has been spent, the only funds available for the present year will be grants for operational purposes, and provincial development in the form of composite and technical schools must remain at a standstill.

Just in case that we might think vocational training is at a standstill everywhere, I would just like to quote the total figures for vocational training as allocated by the Federal Government in the United States. In 1954, it was \$25,811,591; in 1955, it is \$30,811,591. Then again, so that there might be no question in our minds as to the worthiness of vocational training and no doubts left as to whether students are availing themselves of this training, I would just like to cover the number of students involved. First, the enrolment in technical high schools is 2,500; second, enrolment in composite high schools is 8,500; at the Canadian Vocational Training School, Saskatoon, in various courses for different lengths of time during the past year, there were approximately 850 students attending.

I am sure that there is no need for me to press this question very much further. I feel sure that we are all aware of the seriousness of the situation, if this agreement is not renewed. It is a serious situation from the standpoint of the province; it is a very serious situation for those areas which undertook to put up technical high schools last year, and find that they must either finance them some other way or that they stand still this year. I feel that most of all it is a serious setback for many of our students, and potential students, of our Vocational Training School. These students see that part of our education system which held out real promise to them for training and development of their natural talents being definitely curtailed.

In viewing our whole agricultural picture, I think one factor is evident. I think it evident to any observant resident of the province that there are fewer and fewer farmers going to carry on in the years to come. Units are going to increase in size and farm units decrease in number. I think that that means two things; One, that those that are going to farm on a larger scale need to have better training if they are going to carry on skilled agriculture on an efficient basis. The other factor — and I think this is just as important, or more so — if the first is true then there are many of our rural young people who are going to be faced with fitting themselves for other careers. I feel that every avenue should be open to allow them to train themselves and fit themselves to make a happy and useful life of benefit to themselves and to our province. To that end, Mr. Speaker, I wish to move, seconded by Mr. Thair, the motion standing in my name.

Mr. Wm. S. Thair (Lumsden): — Mr. Speaker, as has been pointed out by the mover of the resolution, one of the main objectives is to introduce, if possible, some changes in the aims of vocational training regarding agriculture

in its widest application, and also, we hope, an increase in the coming new agreement with the Federal Government at Ottawa and a greater contribution by the Government of funds to be used for the extension of vocational and other forms of education in Saskatchewan.

I believe there are some 60 superintendencies in this province, some 26 of which do not have a competent composite or technical school within their borders, or immediately adjacent. The federal assistance of the former agreement aided in building some 17 new schools and some 13 extensions. If the remaining some 26 superintendencies are to be favoured with the opportunity equal at least to the average of those already provided, it will mean a capital expenditure perhaps of over \$4 million. Obviously the assistance of the Federal Government would be a great and needed help to the capital cost and operational expenses.

I think the mover of the resolution has indicated to you something of the terms of the Dominion-Provincial Vocational Schools Assistance Agreement. I might repeat perhaps one or two points. The Agreement came into force in 1945 and will end this next year, 1956. We hope for a renewal of it, with greater contributions. I am going to outline briefly the provisions of the Agreement: (a) \$10,000 of a straight grant to each province; (b) an annual grant of \$163,900, to be matched by the provinces and (c) a capital grant of \$800,000 which was probably needed more than any type of grant on a 50-50 basis.

The three technical schools at Regina, Saskatoon, and Moose Jaw and the composite high schools in the province as I mentioned before and, of course, the University of Saskatchewan School of Agriculture, have perhaps all benefitted under this agreement. The amount of the grant under the agreement has been reduced even this year because of our population, and probably under the present terms may continue. At the present time the Department of Education can claim each year from the Dominion Government a maximum of \$137,000 for vocational administration costs, a share in salary and expenses of a director of vocational education and an amount of capital building and equipment grants and so forth. As I said some 26 superintendencies out of the 60 do not have any composite or technical schools. The federal assistance of the former agreement aided in building 17 of these schools and 13 extensions and, if the remaining 26 superintendencies are to be favoured with the same opportunities, the province will face, a capital expenditure of from \$4 to \$5 million on a 50-50 basis.

The assistance available under the agreement made it possible by the provision of facilities for some vocational training to be given at many small centres throughout the province. Eleven of the new school were built in small towns and 6 others acquired extensions. The composite schools offer a minimum of vocational electives and the courses are established in order that students who graduate have sufficient academic or general classes that they are fitted to go on in education. Because of this, a balance of the classes, vocational and academic, of composite schools are not financed wholly out of the vocational assistance from the Federal Government.

I would like to quote at this time from a very important survey of school finance in Canada, of the Canadian School Trustees' Association, the Research Director, Dr. Lazerte of Edmonton. I might say

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that this is Canada's first comprehensive national survey of school financing, and it contains a recommendation from this important group for an annual grant from the Federal Government for elementary and secondary education of \$150 million. This is a very lengthy report, and I would like to close my few remarks with one or two quotations from this important research work of study. I quote from page 219, the summing up, or the recommendations of this important work:

"The economy of the prairie provinces is less stable than other provinces. A table shows that in 1931 to 1936 average personal income in Manitoba, Saskatchewan and Alberta dropped to about 52 per cent of what it was in 1926, while in other provinces variations were very much less. The Federal assistance would stabilize school revenues in provinces where a major income is from highly specialized industries, such as wheat growing. The complexity, however, of our present economic society is such that not only the Federal Government can tax the wealth wherever found to pay for educational services where needed, and it is almost impossible for the provincial governments to undertake this.

"Municipal costs are increasing due to expansion of existing services. Welfare costs are increasing. The increase in automobiles and the growth of long distance hauling by van have created new problems in highway construction and maintenance. Provincial grants to municipalities increased some 150 per cent, according to this report, from 1936 to 1951. These increased grants came mainly from gasoline, automobile and alcohol revenues, because a great deal of the increased cost of municipal government comes from general rather than from local services. This cost should be borne in part by revenues from personal income and corporation taxes, and customs and excise duties and taxes, and that is out of Federal funds."

Just another paragraph here, in closing, which I think is very important.

"Very much of the cost of local schools is due to a national demand. Schools and schoolings must be provided for immigrants and their families. National defence demands that the basic education in all parts of the Dominion be thorough and extensive, and the development of Canada as an industrial nation can continue as it should only if local schools provide the basic education for scientifically trained personnel. The technical education must be provided for an increasing number of youths. The mobility of a population is so great today, that no sooner have children completed their education at a local level than they move from rural to urban centres and from province to province. Schooling has taken on a national significance. A child's education should not be dependent upon the community or province in which he happens to be born and receives his school."

In closing, Mr. Speaker, I would say, just to sum up, that my contention is, from reading all these articles, that not only should the financial

assistance by the Federal Government as provided by the Vocational Assistance Agreement, 1945-56, be continued, but that it should be extended with special consideration to the following circumstances:

(1) The present formula as now based on the number of 15- to 19-year-olds in the province is not equitable in a province so predominately agricultural as Saskatchewan.

(2) They believe that the advisory vocational committee should be established with authority to decide, subject to provincial regulation and supervision, just what type of vocational training is best suited to each specific area. With such a programme, more courses should be made available to the young people whose desire is to follow agricultural pursuits.

I believe that financial assistance should take into account the present inflationary trend in costs, the growing demand for new types of training, and the principle of the quality of opportunity with reference to areas in which the ratepayers cannot afford the cost of specialized education. I shall support the motion, and have pleasure in seconding it.

Hon. J.H. Sturdy (Minister of Social Welfare): — Mr. Speaker, I should like to add one or two observations to the very thoughtful addresses given by the hon. members for Turtleford (Mr. Wooff) and Lumsden (Mr. Thair).

It is quite evident that the Federal Government's interest in vocational education arose out of wartime experience. The Agreement was entered into in 1945, it is true, but Canada discovered that in the technical war that was being waged overseas in the 2nd Great War, a great number of men, a vast majority of them in fact, were quite untrained in many of the techniques desired and necessary in modern warfare. From 1941, a very considerable amount of money was expended in Great Britain in training soldiers and air force men, too, to a lesser degree possibly, and naval men also, in the various trades such as motor mechanics, diesel engineering, and other types of trades, carpentry, construction and so on, that were necessary in this day and age of technical warfare.

It has occurred to me, Mr. Speaker, that if such assistance is forthcoming from Ottawa when this country is at war, in order to train our young people in very desirable trades, it is just as necessary, if we are going to provide for an expanding economy during peacetime and have a well-adjusted and sound country, then this programme, instead of being cut out completely, as it appears it is now going to be, should be expanded.

I observed, when I went overseas in the last Great War, another field in which the Federal Government became very, very interested, viz. academic education, through the Department of National Defence. There were over 1300 soldiers from the various provinces of Canada over there, who were completely illiterate, who could neither read nor write, and it was part of my responsibility to set up a basic education school for such men, and for the training of these 1300 in the simple procedures of reading and writing. They were fine men for the most part, and, to me, it constituted a disgrace that 1300 men overseas in our armed forces were unable to read even the simplest messages and interpret orders. They become completely

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frustrated. Promotion was impossible; and, as a matter of fact, they were relegated to second-rate soldiers and put into pioneer battalions whose duty it was to dig ditches, work on roads, trenches and so on.

I was surprised over there that in both the vocational education (that is trade's training) and also in basic education how many Indians and how many Metis people there were who went to those schools to receive training, and it does occur to me, as Minister of Social Welfare, that if we are going to do a job in assimilating the Indian and the Metis population into the general stream of our society, one means by which it can be done is through vocational education. The tendency of Metis and Indians, too, is to drop out of school when they reach school leaving age, and when they have attained Grade 8; but many of them have expressed the desire of taking up trades if it were possible for them to do so. Here is another manner in which Ottawa can assist in a very necessary and desirable forward step.

Hon. W.S. Lloyd (Minister of Education): — Mr. Speaker, I don't want to add much to what has been said, and indeed what has been said has been so well said that there isn't much to be added.

I do, however, want to identify myself with the resolution and to say what I think of those who have already contributed to the discussion. As has been pointed out, the present agreement, which, incidentally, expires today, was signed in 1945. Had I been asked one year ago now what I thought about the prospects for a new agreement this year at this time, I would have said with great promptness that I was sure there would not only be a new agreement but a better agreement available today than there was as that time.

As has been mentioned, there has been some considerable discussion with regard to a new agreement and we had thought we would have one as offered to us, but it was withdrawn. What has been offered to us at this point, is that the present agreement, which expires today, will be extended for a period of one year. What happens one year from today, we have no knowledge. While I am still very hopeful that there may be a new agreement providing more money, perhaps providing more flexibility, I must confess to considerable apprehension with regard to what may happen. For that reason I do want to express the hope that all members of the House will be able to support wholeheartedly the resolution now before us.

As has been mentioned, there are several areas of work in which this money can be used. Reference has been made to the composite high school development throughout the province. Most of the members at least will be familiar with the kind of work which is going on in those schools. They have been successful in doing several very important educational tasks. They have been successful, first of all, in retaining students in the schools for a period longer than they would have been retained had there been only academic classes to offer. There were students who would have quit in grade 9 who stayed in grade 10 and 11 and so on. This is very important.

They have also been successful in providing important vocational guidance opportunities for many of the students. They have been able to discover what skills and interests they have in the vocational field. Certainly they

have been successful in providing for many students, not efficiency in trades, but at least the basis for efficiency which later trade training can provide.

I would like to emphasize that these composite schools are, it seems to me, an extremely essential part of educational development in a province such as this. They are not wholly technical; they are not meant to be trade schools. They are schools which emphasize a good general education, along with some opportunity in certain manual fields. They provide opportunities in shopwork in both wood and metal. They provide some opportunities sometimes in the field of motor mechanics and commercial work, and in home economics; not necessarily all of these at one point, but sometimes all of them, and some of them at many of the points mentioned. Secondly, the present agreement has made it possible for the Dominion and the Province to assist in the extension of some of the larger vocational schools in the province.

Reference was made by the member for Turtleford to the conditions under which we are now operating at our Canadian Vocational Training School. He did go on, and could have gone on further in expanding some of the possibility in that particular field of training. I need not emphasize, I think, the need there is today, whether it is in agriculture or any of our other primary industries, or in industry, for more people who are better trained.

I would like to emphasize that, when the time comes when we are in a position to have an adequate institution of that kind, it would be my hope that it would be more than just a straight trades and technical institute. I think one of the things in vocational education that must be borne in mind always is that people are more than just workmen. One of our early and very great educational philosophers said of his pupil — “My pupil will not first of all be a priest or a soldier; he will first of all be a man.” I think we must keep that in mind in any of the plans that we make in regard to vocational education.

May I add just this one further plea and it is that this is an important part of the economic opportunities of the country. It is an important aspect of the problem of maintaining high and full employment. I would like to read in that connection a paragraph from an editorial in the ‘Financial Post’ of March 12th, which, I think, is extremely pertinent. It says:

“One characteristic of the present variety of unemployment seems to be clearly established. The untrained, uneducated worker is the one with the most trouble. A Post survey published two weeks ago showed that in the Toronto area, job applicants with University education or with high school and technical training or experience can be placed within a few weeks. The real placement problem is with the unskilled worker. This pattern is confirmed with reports from other national employment offices.”

It goes on to have reference to other categories of people whose skills have been superseded by the introduction of dieselization, and workers in the textile industries and so on. Both of these groups need training or retraining to supply them with saleable skills.

I am afraid there is, on the part of many people, a tendency to think of expenditures on education as being expenditures which are not in any way self-liquidating. They look at the account book with regard to education and think all the money goes out and none comes back. I think we need to realize the fallacy of that. I think we need to realize that one of the ways in which we can adequately do the job of not only developing our resources, but developing our people, is by this type of co-operative arrangement we have had with the Federal Government. It seems to me correct that arrangements of that kind which do share financial problems and which do, as a result, provide greater opportunities for Canada and Canadians are an indication that the country is growing up. The more we agree to put all our resources at the disposal of all of our people, the more mature we actually are. I hope we may look forward to the time when we have an agreement which is more effective than even our present agreement has been.

Mr. A.H. McDonald (Moosomin): — Mr. Speaker, I think that anything I have to say in regard to this motion would be the thoughts of the members on this side of the House, and for once I can associate myself with most of the things that have been said by the members on your right.

I realize that the general education that many of our young people have received from this Vocational School Assistance Agreement has been a great thing for our province, and I was very interested in the editorial to which the Minister of Education referred a moment ago. It indicates that an education certainly helps one trying to find employment, especially in days such as we are facing at the present time.

I am rather disappointed that we couldn't have had an agreement extended for more than one year. I hope that in the near future we will have an agreement that will be continued either from year to year, or based on a five- or six-year period. I do believe that in the province of Saskatchewan, we could probably extend the services and better equip our young people to cope with the situation which we have in this province.

I have every confidence that our Federal Government, in co-operation with all the provincial governments, will do everything they can to extend the benefits and the services under this agreement, and I hope the motion will have the unanimous support of this Legislature today. I hope it will have the unanimous support of the legislatures across Canada, so that we all may have the benefit of the agreement as we have had in the past. As I say, I sincerely hope that it will be extended in an ever-widening field to cope with the problem as we see it, especially here in Saskatchewan today.

The question being put on the motion (Mr. Wooff), it was agreed to unanimously.

TAX RENTAL AGREEMENTS

The Assembly resumed the adjourned debate on the proposed motion of Mr. Walker (Hanley):

“That this Assembly deplores the recent action by the Government of Canada in undermining the system of Federal-Provincial Tax Rental Agreements by destroying the principle of uniform taxation, in offering a reduced level of taxation to any Province not coming under the Tax Rental Agreements.

Mr. R.A. Walker (Hanley): — In closing the debate, Mr. Speaker, I want to start out by giving the assurance that I don’t want to be responsible for keeping the Legislature convened here after Easter, and for that reason I will not attempt to reply to all the apparent misconceptions that prevail on the other side of the House.

I should perhaps apologize to the House for having failed to put my argument across clearly to hon. members opposite. I have one consolation, however. Not only did I fail to get my arguments across to hon. members, but apparently the fact of what happened has also failed to get across to them. My hon. friends apparently don’t seem to understand my arguments, but they don’t even seem to know what has happened, judging by some of the remarks which they made here yesterday.

First of all, I think perhaps, after hearing the hon. member for Arm River (Mr. Danielson) ask what we were complaining about: “Why,” he said, “in Quebec they levy an income tax and they 90 per cent of it over to the federal authorities and only retain 10 per cent for themselves. After all, what are we complaining about?” As a matter of fact, my hon. friend from Arm River doesn’t comprehend what has taken place. If he thinks that this is a tax imposed by the people of Quebec who pay 90 per cent of it over to the Federal Government and keep 10 per cent for themselves, he just does not know what is happening. I suggest to my hon. friend that in this province 100 per cent of the tax is going to the Federal Government, not just 90 per cent.

Mr. Lopton: — We’re getting 100 per cent back, too.

Mr. Walker (Hanley): — I noticed that the Leader of the Opposition and some of the other members were apparently under the impression that the amount deducted from the federal tax depended upon the payment of a provincial tax. I don’t expect them to accept my word for this, but I would say to him the word of the Rt. Hon. Louis St. Laurent, speaking in the House of Commons on January 17th last. He said:

“I have accordingly advised the Premiers of all the provinces that we propose to ask Parliament to amend the Federal Income Tax laws in order to make a reduction of 10 per cent for all taxpayers of any province where a provincial tax is levied.”

And that, Mr. Speaker, is a 10 per cent reduction for all taxpayers in the province of Quebec, as it now stands, irrespective of whether they pay a provincial tax or whether they don’t. So the reduction is not contingent upon the payment of a provincial tax.

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If the hon. member for Arm River believes in what he says, then he believes in a very quaint doctrine indeed: that the people of Quebec ought to be able to decide for themselves to pay only 90 per cent of the federal tax collected, to the Federal Government. Certainly we on this side of the House do not subscribe to the doctrine that Canada comprises a nation within a nation, a sovereign state within a sovereign state. We on this side of the House believe in one Canada and not a Canada made up of sovereign nations within its boundaries.

I hope my hon. friends realize that this 10 per cent reduction in federal tax that we are complaining about, is not something which was done by the province of Quebec. This 10 per cent reduction in income tax in that province was not something done by Duplessis. It was something done by their party in Ottawa; it was something done in the Federal Parliament: A 10 per cent reduction in the burden of income tax in that province.

Mr. Loptson: — When was that done?

Mr. Walker: — It is being done at the present session of Parliament.

Mr. Loptson: — You are saying it was done; it hasn't been done yet. As a matter of fact you are out of order.

Mr. Speaker: — Order, Order! He has answered your question.

Mr. Walker: — The Prime Minister has said "We propose" . . .

Mr. Cameron: — "Propose." Yes.

Mr. Walker: — " . . . to ask Parliament to amend the Federal Income Tax law in order to make a reduction of 10 per cent for all taxpayers of any province where a provincial income tax is levied."

That has been introduced and passed by Parliament, and is now awaiting Royal assent.

Premier Douglas: — And is retroactive to 1954.

Mr. Walker: — And is retroactive; it includes last year, Mr. Speaker. Now, is my hon. friend going to suggest that the Federal Parliament is going to repudiate the policy of the Prime Minister? I would suggest to him that, as long as there are 170 subservient, docile members of the House of Commons, the Prime Minister is going to get his way. If I am to interpret what my hon. friend has said as being a repudiation of that policy, or a statement that the Federal Liberal members are going to repudiate that policy, I want to congratulate them here and now. I hope that my hon. friend will vote for this motion, that he will put his repudiation right on the record.

My hon. friend from Rosthern (Mr. Carr) said that I did not succeed in proving to him that this policy would injure the Dominion-Provincial agreements. Well, I don't know if he would qualify for jury duty or not, but I hope if I ever had to convince him of anything that I would succeed in doing it. I really did not expect to convince him, Mr. Speaker, but I think that the people of Saskatchewan, who are perhaps a little more judicious, might be more

easily convinced. I don't suppose it is possible to prove by facts that are already in existence that this policy is going to destroy the Dominion-Provincial agreement; but I suggest that, if the only things we are going to believe are the things that we have seen, if my hon. friend's ancestors had been like that, he would still be living as a primitive caveman today. I suggest that human beings have got to anticipate; human beings have got to use some foresight; human beings have got to apply the ordinary experience of mankind to things which may happen in the future and try to determine what will be the result.

I suggest that this act of the Federal Government has succeeded in undermining the principles of the Dominion-Provincial Tax Agreement. And quoted in this debate was an extract from a speech by the Hon. R.D. Turner, Provincial Treasurer of Manitoba. He thought that it was a retrograde step.

Mr. Erb: — Is he a Liberal?

Mr. Walker: — I want to read something from the budget address of the Hon. Leslie Frost, Premier and Provincial Treasurer of Ontario, in his budget address in which he said, commenting on this reduction of 10 per cent on Federal Income Tax in the province of Quebec:

“So that there will be no misunderstanding of our position on this matter, I would like to make the following statement: "We (Ontario) entered the Tax Rental Agreement on April 1st, 1952, which does not expire until March 31st, 1957. We made this commitment for five years and we shall stick to it. I make this statement now for it is fair to our taxpayers that we should leave no uncertainty that might contribute to business instability. May I point out, however, that the 1952 Agreement was predicated upon the deductibility of 5 per cent personal income tax and 5 per cent corporation income tax and, therefore, in re-computation, based on the deductions allowed in Quebec of 10 per cent personal income tax and 7 per cent corporation income tax, completely alters the picture as far as this province is concerned.

Fiscal questions raised by these adjustments involve very careful study and consideration. A Federal-Provincial conference will be called this year, and we will review and assess our position.”

I suggest, Mr. Speaker, that that statement suggests that the Province of Ontario is no longer sure that it is willing to remain under the present tax agreement. While it is true, as the member for Rosthern (Mr. Carr) said, that Quebec and Ontario did not enter the agreement until 1952 and the agreement continued during those years that Ontario was not included, it does not necessarily follow that because Ontario drops out the same conditions will prevail. Prior to 1952, the Federal Government was entitled to assume that

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Ontario would soon join, that Ontario would have to join; and as long as the Dominion-Provincial Agreements were gaining in popularity, were gaining in momentum, they could, of course, limp along very successfully without a 100 per cent “sign up” — with only having 9 provinces in.

When the picture is the other way, however, when one province has not only refused to go in, but has received a bonus for not going in, and other provinces (if they do) start withdrawing, the situation is entirely different. The Federal Government will then be able to ask with some justification why they should defend a thing which is obviously dying on its feet. I suggest that there is justification for saying that this has threatened the very existence of the Dominion-Provincial Tax Agreements.

The hon. member said that the reason Quebec was asking for this proposal was because they needed the money. That is true; Quebec did need additional revenue. He also said Quebec would have made more money if they had come into the agreement. That, too, is true, and I suggest that if the Federal Government had the true interests of Canada in these tax agreements at heart, they would have said to Quebec “the only way you can get more money is to come into the agreement.” Instead, they said, “You can eat your cake and you can have it, too. You can stay out, and you can still have the extra money you would otherwise get by coming in.”

Some Hon. Member: — That’s what they do in Russia.

Mr. Walker: — And what is sauce for Ontario is sauce for Quebec. If it is good enough for Ontario, it is good enough for Quebec. The Province of Ontario hung back for many years and lost millions and millions of dollars in revenue because they refused to come in at the same time the other provinces came in, and the Government of Ontario realized that they could no longer nail their taxpayers to the cross in the interests of centralization. The province of Ontario finally agreed to become a full partner in Confederation, to share in the tax revenues of this country, and they no longer hold themselves aloof. The time was coming (and would have come very soon) when Quebec would have had to do the same thing. Now, of course, Quebec has been rewarded; Quebec has been rewarded for its obduracy.

Hon. members opposite tried to raise the argument that this really did not concern Saskatchewan. After all, this only concerns Quebec. Well, if ‘Uncle Louis’ and Mr. Duplessis can get into a huddle over this Montreal big deal, it does concern us too, if it involves our financial stability. They do concern us, and I will tell you why. First of all, in reducing Quebec’s income tax, it reduces the total revenue of the Federal Government. There’s no doubt about it. By reducing their tax burden by 10 per cent, they reduced the revenue of the Canadian Government, and you cannot reduce the revenue of the Canadian treasury without hurting the welfare of every citizen of Canada. It is either going to result in a higher tax burden for the rest of the country or a reduction in the standard of services provided by that revenue. It has to be one or the other. I know that my hon. friends, with their unorthodox views of finance, have not come to the point where they realize that you have got to pay for services out of tax revenue; but their colleagues at Ottawa ought to know it. So, in that respect, it does concern the rest of Canada when the Federal Government makes a tax rebate to the citizens of one province.

It concerns Saskatchewan in another way. As all hon. members know, the Federal Government has given the provinces, all provinces, the power to levy a corporation income tax of 7 per cent. Most provinces cannot afford to levy a corporation income tax just for the revenues of corporation income tax alone; but they can, at the same time, through their tax department, collect substantial revenues on personal income tax. Then it becomes economic and feasible for them to collect a corporation tax. And that is what is happening in Quebec. The province of Quebec is not only collecting personal income tax, but corporation tax as well, which means that every Quebec corporation doing business in this province is paying tribute to the Duplessis government. People of Saskatchewan who patronize corporations having their head office in that province, are paying tribute to the government of Quebec. One of the avowed aims of the Rowell-Sirois Commission and of the Dominion-Provincial proposals was to eliminate this uneven, unequal burden of taxation resulting in provinces that collected their own corporation or income tax.

If one of my hon. friends has a question, in view of the fact that I am closing the debate, I will be glad to hear it before I go on. I thought I heard something, from over there.

I hope that there is some difference between repeating the truth and repeating the same stuff that my hon. friend was repeating yesterday I hope that it will eventually have some effect.

So, Mr. Speaker, by doing what they have done, they have not only hurt the Federal revenue, they have also encouraged the provinces to do something against the interests of the rest of Canada, namely, to impose a corporation and personal income tax.

My hon. friend said the statement which I quoted and which the hon. Premier quoted, from Mr. Douglas Abbott, was not applicable to this situation. The Leader of the Opposition said that what Abbott meant was that he did not believe a province should be able to deduct more than a fixed allowance from its Federal tax. When you put that interpretation on it, and I don't believe that was the interpretation that was put on it at the time, then what does the record show? The Rt. Hon. Louis St. Laurent, speaking to the House of Commons on January 17th, said this — and I commend this to my hon. friends:

“Mr. Duplessis had, however, indicated in his letter that the probable yield from the provincial tax was equal to about 10 per cent of the total of the Federal Income Tax collected in this province. This statement led us to consider whether in some way which could be applied to any province, it would be possible to make room for the collection of a provincial tax which would yield 10 per cent of the federal tax of that province, without the necessity of any taxpayer having to pay a higher tax than he would have to pay for the same income in any other province.”

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That, of course, means simply that, if Quebec had had a tax that averaged 15 per cent, then 15 per cent would have been allowed off the Federal taxes. And this is the very principle which Rt. Hon. Douglas Abbott condemned in his address. That principle is — and the Prime Minister has admitted it — that he was prepared to allow whatever reduction would approximately equal what the province intended to impose. Since the provincial rate was going to average about 10 per cent of the Federal rate, that is how he arrived at that figure. That is what he said. If that isn't a case of ceding from the Federal Government to the province, whatever it demands, then I don't know what it is.

I don't propose to deal further with the arguments of my hon. friend except in respect to one more. One of the hon. gentlemen said that there may have been two or three reasons for the motion and one was, I think, that the Premier did not understand what the Dominion-Provincial Tax Agreements were all about, and I think the other reason was that the member for Hanley did not know what the Dominion-Provincial Tax Agreements were all about, and the third reason was that it might have been introduced for political purposes. I do not propose to answer the first two, but I do want to say something about the suggestion that this motion was introduced for political purposes. Oh, there is one other thing I want to say before I deal with that. In an editorial in the 'Star-Phoenix' commenting on this resolution . . .

Mr. Speaker: — I hope the hon. member is replying.

Mr. Walker: — Yes, my hon. friend from Rosthern (Mr. Carr) quoted from the editorial . . .

Mr. Cameron: — Tedious repetition!

Mr. Walker: — . . . which said that there is no such thing as the principle of equalized taxation, there was no such thing as uniform taxation. I thought that what the Rowell-Sirois Commission Report was aimed at, was to establish a uniform basis of taxation as between one province and another. I thought that that Royal Commission predicated its whole report on that principle, that there should be an equal burden of taxation and that income tax and inheritance tax should impinge equally on all the provinces of Canada. Of course, there is the well-established principle quite separate and apart from that, that when the Federal Government imposes taxes, they shall not discriminate as between one province and another. I realize the Federal Government does discriminate between the rich and the poor by taxing the rich more than they tax the poor. They do discriminate against some classes of goods, against other classes of goods. They may tax automobiles 25 per cent and refrigerators 15 per cent. There may be discrimination in those respects, but there has never before been a case of discrimination as between one province and another.

Premier Douglas: — Geographically.

Mr. Walker: — That one province should escape part of the burden of taxation just because the residents of that province live north of the Ottawa River while those living south of the Ottawa River should have no reduction at all; purely and simply on the basis of where they live they shall get a reduction in the Federal income tax. I suggest that that is

contrary to the well-established principle of justice and equity that has always prevailed in these matters.

That editorial is not particularly critical. I realize that they could not find very much to say to criticise this resolution and they, therefore, “praised it with faint damns” if I may use the expression. If there isn’t such a principle of equalization, then the Rowell-Sirois report was a waste of money; the Reconstruction Conference was a waste of money. There is such a principle, Mr. Speaker, and that is the principle this House should go on record as supporting.

My hon. friends opposite had something to say to the effect that my motives weren’t ‘pure’ . . .

Mr. Cameron: — Who is wasting money now?

Mr. Walker: — My hon. friends might have to get him back on the track. But, Mr. Speaker, regarding motives. Surely, a political party that has handed cash benefits of \$20 or \$25 million to the citizens of one province and that province turns in a solid political support for them year after year, and generation after generation, had better not attribute political motives. Those of us who believe that the wealth of this country should be equalized and distributed to the places where it would do the most good; those of us who believe that the natural unity of Canada should be based on more than electing the Liberal party year after year; those of us who believe that the national unity of this country depends upon a fair distribution of the sacrifices of nationhood, believe that the Dominion-Provincial Agreements must be preserved. We believe that one of the ways of preserving those agreements is for citizens in all walks of life, and all political parties, to express unequivocally their concern, their fear, when anything is done to interfere with or damage those agreements.

I think that not only Saskatchewan but other provinces should be going on record as being critical of this “sell-out” to the province of Quebec. I wish they would formally pass resolutions. When three provinces, Saskatchewan, Manitoba and Ontario have expressed concern, and British Columbia, I understand, also, then I think that it will be worthy of due regard by the Government of Canada. I think that those protests may have a salutary effect upon the delegation representing the Government of Canada when they go to the next Dominion-Provincial Conference. I think those protests would have an even more salutary effect if they went forward without any spirit of partisanship or partisan discord if they went as representative of all the people of Saskatchewan.

I hope that while my hon. friends may have thought and planned to make political speeches to justify what has happened at Ottawa, that while they may have felt they ought to defend their spiritual brothers in the Federal Parliament, I would not ask them to repent, Mr. Speaker, but I would ask that they reconsider the important public act which they are going to perform. They will have to say to the Government of Canada, to the other people of Canada, and particularly to the people of Saskatchewan — whether or not they are in favour of action which is dangerous, which is likely to hinder the principle of tax equalization. They are going to have to say

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whether they are in favour of special deals for special provinces, whether special privileges should be given to one section of the country as against another. They will have to say whether or not they are prepared to put the real interests of Saskatchewan ahead of the interests of the Liberal party. I shall be very much interested in seeing which loyalty they put first.

The question being put on the motion (Mr. Walker), it was agreed to by 35 votes against 7.

FEDERAL-PROVINCIAL CONFERENCE (Unemployment, etc.)

The Assembly resumed from 3rd March, the adjourned debate on the proposed motion of Mr. Erb:

That this Assembly call upon the Federal Government to convene a Federal-Provincial Conference for the purpose of devising ways and means of combatting growing unemployment and falling farm prices and implementing the proposals of the 1945 Reconstruction Conference, with particular reference to national health insurance and public investment as a means of maintaining full employment and a high level of national income.

Mr. A.H. McDonald (Leader of the Opposition): — Mr. Speaker, I don't know whether or not all I am going to say will warrant that faint applause.

There has been considerable said already in the previous debate, concerning the previous motion, that might also have been said about the motion that we are discussing at this time. I feel, too, that we have a lot of work ahead of us for the balance of this Session. We have millions of dollars to pass in the Estimates, and I think that that is very important work, and should be considered in this House before we spend a lot of time debating things of a political nature, things that really we here in the province can do nothing about.

I am going to support the motion because the Prime Minister of Canada has already written to the Premiers of our country asking them to come to Ottawa, next month, to draw up an agenda for a proposed meeting some time next Fall. So I think it is of little use to go into this motion any deeper than we have in the debate that has taken place so far.

The only thing I might say is that many of the proposals from the Reconstruction Conference certainly have been brought about in Canada. My hon. friend from Rosthern (Mr. Carr) referred to many of them in the previous debate, so I don't think that I should do it at this time. I would probably be called out of order if I were to proceed that way. I do believe that the members of this side of the House will support this motion; I know the ones on your right will support it. And I hope that, when the conference is called, this Fall, the different problems facing Canada today will be discussed by our different Premiers and Provincial Treasurers from across Canada, and that we can come to an agreement among all the provinces in the Dominion to face up to the problems that are facing our people today. I shall, as I said, support the motion.

Hon. T.C. Douglas (Premier): — Mr. Speaker, I would like to just say a word. May I relieve the House at once by saying that this mass of documents here does not mean that I am going to make a long speech. I appreciate the fact that we have a lot of work to do and that if members are going to get home by Easter, it is necessary to hurry along.

However, I cannot quite agree with the statement which has just been made by the Leader of the Opposition that, first of all, we should not spend too much time discussing a thing that is largely a political matter, and, secondly, since the Prime Minister has called a meeting in April to discuss an agenda for a conference, that everything is settled.

I want to point out, first, that this is not simply a political question at all. This is a resolution, which points out the necessity for a Federal-Provincial conference to deal with two very pressing problems, the problem of falling farm prices and the need for implementing the 1945 proposals for the purpose of maintaining full employment and a high level of national income. That is not a political question, because actually at these conferences the provinces tend to divide on geographical grounds and on economic interests much more than on political grounds. Oftentimes those who do not support the Liberal Government at Ottawa have found ourselves supporting the Liberal Government at Ottawa on some of the arguments which they put up, not because we support the Liberal party, but because we thought on some things that they were doing that which was good for the people of Canada as a whole.

I do not consider this a political question. I consider that this is dealing with problems of the most fundamental issues facing the people of Canada, next of course to the great overall issue of peace and war. Any country which is a federation, like ours, has constant problems of jurisdiction, problems of working together as between a federal authority, a provincial authority and a municipal authority. We have not got the simple form of government that you get in a country which has a unitary form of government such as New Zealand, or Great Britain. We have all the problems in here of a federation, such as you have in Australia and in the United States and in Canada. When Sir John MacDonald said that Canada was a difficult country to govern, that was a true statement then and is probably a hundreds per cent more true now. There are more provinces and our economic problems have been accentuated as governments have moved more and more into the field of social welfare and the welfare state has become a commonly accepted mode of operation. And so, this resolution, it seems to me, is calling upon the Federal Government and the Provincial Government to mobilize all their resources, to deal with some of the fundamental economic problems of Canada, mainly two of them, falling farm income and the need for maintaining full employment and a high level of national income.

That is something which we have been trying to get action on for a long time. I have brought all the correspondence here. I think I would only weary the members with reading it. Unless somebody takes exception to anything I say, I will not weary them with reading any of the statements, although I have marked a good many of them here. But, I can put the story very quickly. When the present Prime Minister of Canada took over from his successor, in writing to congratulate him on the great honour which had been done him by his party, at that time I suggested that

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I thought that since the Federal-Provincial conference on Reconstruction had been adjourned sine die that the initiative lay with the Federal Government to reconvene that conference. I pointed out at that time that there were a number of pressing problems which ought to be dealt with. One of the most pressing was, of course, health insurance. There were a number of problems having to do with social welfare and the extension of social welfare. As a matter of act, the conference was called shortly after that to deal with the matter of old-age security and the old-age assistance act.

One of the things I suggested in this letter was that while unemployment was not a big factor in 1949 and 1950, we ought to be laying plans, we ought to be organizing a public investment programme, and we ought to be co-ordinating public work projects; we ought to have them (as the Federal Government itself suggested in 1945) on the shelf so that when unemployment came in any particular place, we could take those projects off the shelf and apply the remedy wherever it was necessary. Every hon. member will recognize that the problems of unemployment cannot be tackled piece-meal. For instance, the South Saskatchewan dam, of which a good deal has been said, would not only help Saskatchewan. It would place orders all over central Canada for steel and cement and earth-moving equipment. On the other hand, a housing project put on in Ontario, would not only help Ontario, but would help Manitoba and Saskatchewan and British Columbia to sell lumber and would create employment as well for the people in the province of Ontario.

When the former Prime Minister of Canada was introducing the Federal Government's proposals, I want to point out that he made two things very clear. First, that no province and no group of municipalities by themselves could tackle the problem of unemployment. Secondly, that he considered it to be primarily the Federal Government's responsibility to co-ordinate the attack on this problem (and I am quoting from Mr. King's opening speech which is contained on page 6 of the verbatim report of the Conference.)

"Above all we aim at the maintenance of the high level of employment and income. In no field are the interests of the Dominion and Provinces more thoroughly one than in the maintenance at all times of a high level of employment. The fear of war is undoubtedly the worst fear of all in the minds of men today; but, next to the fear of war, the greatest fear for most men is the fear of unemployment. There are men and women who almost dreaded the coming of victory because they feared the depression and unemployment might come in victory's train. That fear we must all seek, in close co-operation, to remove.

"This is not the time to enter into academic or political arguments about the comparative merits of public and private ownership of production undertakings. The practical fact is in present

circumstances the bulk of employment must be provided by private and corporate undertakings. But, if we are to maintain a high level of employment and income in the period of reconstruction, the action of government — and by government I mean all governments — provincial as well as federal, must be such as to increase, not to decrease the opportunities for individual freedom and initiative.

“I say we believe the state (and by the state I say again I mean the provinces as well as the Dominion) should design programmes of public development and conservation which can be readily expanded or contracted to help in balancing the rise and fall of other sources of employment. We also believe that under modern industrial conditions the state has an inescapable responsibility to provide through unemployment insurance and assistance a minimum of livelihood to those who through no fault of their own find themselves without work.”

That was stated in the general terms laid down by the Federal Government. Now let me turn to their proposals as outlined on page 104. They set out first of all some of the things they propose to do about unemployment, the extension of unemployment insurance benefits:

“The provision of unemployment assistance . . .

And that is interesting because it says:

“. . . the Dominion would establish a system of unemployment assistance for able-bodied unemployed persons who have no benefit rights under the unemployment insurance act. This would be particularly valuable in the interval when unemployment insurance is being expanded. If ultimately unemployment insurance can cover all possible cases, it would be possible to dispense with unemployment assistance and in any event its scope would diminish to the extent that unemployment insurance is dropped.

“In the case of an insured person who has exhausted insurance benefits or who lacks the full qualifications for insurance benefits, the scale of assistance would be approximately 85 per cent of the insurance benefits to which such person’s contribution class previously entitled him or would in due course entitle.”

So there are to be two things. First, there is to be an extension of unemployment insurance and then, for those who could not be covered by unemployment insurance or whose unemployment insurance had expired, or they had used it up, there was to be unemployment assistance which would be roughly 85 per cent of what they would get under unemployment insurance. That, of course, is one of the things that has not been done, and has not been set up. The next thing that was to be done was that

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they were to set up a programme of public investment. The public investment was set out and the various grants which were to be paid were set forth. There was to be the planning grants to enable the provinces and the municipalities to draw up their plans, draft them, and put them on the shelf.

Hon. members will appreciate, when we talk about a programme of public works, it is ridiculous to talk about such a programme when unemployment has already appeared. I think the Minister of Highways, who was at that time the Minister of Public Works, will remember that, when we decided to build the bridge at South Saskatchewan Landing, we went to some of the best construction engineers and asked how long it would take to prepare plans for that bridge. I think we got a figure of something around a year. It would be necessary to draw the plans, make the specifications, order the material on the ground — a year. And the P.F.R.A., who have been working on the South Saskatchewan dam, of course will tell you the same thing with reference to the dam. After you get the go-ahead signal the time to draw the plans, make the specifications, order the material, put in a railway spur and do all that sort of thing would probably take 18 months to two years. So these plans, if they are going to be of any use, cannot be made after you have got unemployment. They should be made before. They recognized that at the '45 conference, and the planning grants were to be paid — planning grants not exceeding 7½ per cent of the cost of the project were to be paid to a province or a municipality to prepare these plans so that they would be ready. Then there were to be timing grants to encourage municipalities and provincial governments not to go ahead with projects, but to hold them until there was unemployment; so that they could be held back and they could feed these projects onto the economy as the economy required it. And there were to be Dominion programmes, projects which were outlined here and there were to be joint Dominion-Provincial projects, and they said the Federal Government was prepared to sit down with the provinces and draw up trust programmes.

That was the sort of thing that was envisaged in '45, and that is why I wrote the Prime Minister in '49 and again in 1950, and I have written repeatedly since, saying that we ought not to wait until the storm has broken. The moment there are danger signals on the horizon, we ought to have a conference — not that the conference is going to solve anything; but as a result of the conference, we would set up a secretariat, set up the planning staff and begin to draw the plans, and begin to put dates on those plans as to when they would go into operation, and then be able to carry out the public investment programme and public works when they were required.

I wrote the Prime Minister again this Fall, when the situation was bad across Canada. I think probably if I went over all these letters it probably means that I have written to the Prime Minister almost ever year. I mention that because I was somewhat disturbed by a statement which appeared in the press. This was a press report carried in the 'Star-Phoenix' of Wednesday, March 2nd, and it said:

“Labour Minister Gregg denied that the employment situation was deteriorating, etc. etc . . . Mr. Gregg also said that the Federal Government is willing at the coming Federal-Provincial Conference to discuss the problem of taking care of able-bodied jobless who are without unemployment insurance. He said the

central government is prepared to do this if the provinces requested it. So far no province has done so, though it was the primary responsibility of the provinces.”

Well, of course, Mr. Speaker, I cannot understand how the Federal Minister of Labour could say that no province had requested it, when, as a matter of fact, we have made repeated requests to Ottawa for a conference on unemployment. My last letter to Mr. St. Laurent on that was as early as this last Fall.

The Prime Minister has finally agreed to call a conference. I think it is only fair that I should point out that unless the purpose of the conference is broadened, there may be a good deal of disappointment arising out of it. The Prime Minister’s letter simply suggests that we shall have a meeting to discuss the date of a Federal-Provincial Conference, and that we should discuss the agenda. I have written to the Prime Minister and after the usual salutations (it is dated March 10th), I have said:

“Press reports emanating from Ottawa have indicated that there might be some discussion of the unemployment problem at the proposed preliminary meeting in April. I think most of the provinces would welcome an opportunity of discussing this question at the preliminary meeting rather than waiting for the Federal-Provincial Conference which is to be held later in the year. If there is to be any effective co-ordination of plans for the alleviation of unemployment and caring for those who are unemployed, then I think that discussions on this subject should be undertaken at the April meeting. I do not think we can afford to wait until next Fall to discuss this matter. Rather, I would hope that by that time plans will have been completed so that effective measures can be taken by all levels of government to deal with unemployment wherever it assumes serious proportions.”

I was somewhat disturbed in looking at the Hansard reports to notice that when the Prime Minister was asked if we were going to discuss unemployment at this meeting he said (I think I am quoting him fairly accurately) Well, he had no doubt that some of the provinces would ask for it to be discussed. Mr. Speaker, that is not good enough. Here in 1945 the Federal Government said it is the responsibility of the state (Mr. King said) to take steps to see that we maintain full employment and a high level of national income. In 1945 we were talking about all levels of government co-ordinating their efforts for a combined attack upon unemployment and economic dislocation when they appear, and now, with something over 600,000 reported as seeking employment in Canada, the Prime Minister says, “I have no doubt some of the provinces will ask for it.”

This problem, in my opinion, cannot be postponed until the Fall meeting. The Federal-Provincial Conference will be held probably in September or October — I hope it will be earlier, July; but rumour has it

from Ottawa that the Federal Government is going to suggest September or October. If this proposed session of the Conference is not going to be held until Fall, that would be too late to be discussing unemployment. Even if in next September or next October we could get agreement among the provinces to begin a public investment programme, a public investment programme could not be in effect until the next Spring. What we shall do when we go to this preliminary meeting in April is that we shall urge that not only shall we discuss as agenda for a coming conference, but that we shall discuss at this April meeting the steps that should be taken to prepare plans now to begin a full-scale major attack on the problem of unemployment and low farm income in Canada.

We are not going to be able to discuss that in a few days at Ottawa. We will advocate the setting up of a permanent secretariat, setting up planning machinery, between Ottawa and the provincial governments, but that we use every minute from the time this preliminary meeting is held throughout the Summer and Fall, to have the kind of planned projects that will be ready so that they can be taken off the shelf, put into operation next Fall and next Winter, whenever and wherever unemployment is menacing the welfare of this country.

I want to say that I am pleased to have heard the Leader of the Opposition say that the Opposition will support this motion. I think it is an excellent thing that there should go from this Legislature a unanimous request for a Federal-Provincial Conference, because, as I said the other night on another question, when we go to that Conference, we will not be going representing a political party. I, for one, as one of the persons going to that Conference, will want to go there believing that I am speaking for all the people of this province in asking that we work together to tackle these very serious economic problems. Nor will we go there to say to the Federal Government 'this is your problem, and what are you going to do about it.' All we shall ask the Federal Government to do is what we have asked them to do all along and that is to give some leadership, the kind of leadership they promised to give and they offered to give in 1945. If they give the leadership, we will certainly do our part, and if the other provinces will do their part, there isn't any reason why, out of that conference, we cannot see the dawn of a much better day for the Dominion of Canada.

As a matter of fact, when you think, Mr. Speaker, that this is a young country and with the almost unlimited natural resources we have, with the tremendous industrial potential we have built up as a result of two world wars, with an industrious and enterprising people, if the three levels of government in Canada are prepared to assume their responsibilities and to give leadership to the people of Canada, I think we can in this country see an era of prosperity that will be unequalled anywhere in the world and unequalled in our own history, and we shall see in our time the thing that the former Prime Minister of Canada talked about when he opened the 1945 Conference — the day when Canada will have full employment and a high level of national income, a country in which there will be security and opportunity for all its citizens.

Mr. A.C. Cameron (Maple Creek): — Mr. Speaker, I would like to say just a few words on this motion. We have expressed our thoughts on it, and we are going to support it.

Sometimes in our thinking of what is best in the interest of the country as a whole and of Saskatchewan in particular, we have thought that the best and strongest way of expressing that view is by unanimous voice from this Legislature. I think that that unanimous voice carries more weight and more prestige than a lot of speeches and talk that seems to surround these resolutions before they are put to a vote, when we know in advance that they are going to be voted on unanimously.

I would like to state that the Government of Canada should be commended for its foresight and advanced thinking in regard to the role that it must play, in partnership with the provinces, if this great country is to advance to its ultimate destiny. We have travelled a long way towards the idea of a partnership between the provinces and the Dominion, and a long way towards the idea that we should pool our thoughts and aims and ideas from time to time in a Dominion-Provincial conference. Much has been accomplished since 1945 when we had the first Dominion-Provincial Conference that was called with a definite purpose in mind to establish definite aims and to attempt to carry forth under the principles set out. I have no doubt that the Premiers from each province will take with them their staffs who have done a great deal of research work, and who are prepared to offer constructive suggestions and to pool their thinking on these great problems which we are facing, and in co-operation and partnership with those from the Federal Government, to lay definite plans and renew our determination to go forward with these plans.

The very idea that a conference has already been called and that our Premier will be going and the premiers from all other provinces will be gathering, is definite proof that not only the provincial governments but the Federal Government is fully aware of the problems that are existing, and are anxious, as we are, that some solution must be found to them and that some programme of activity must be laid down. I hope, when our Premier and his staff go, that they will concentrate on these economic conditions, and together with all other premiers, pool their thoughts and energies.

When we think of it, it is remarkable that these various premiers throughout the Dominion of Canada, of various different political beliefs and aims and aspirations, can meet with the Federal Government in an atmosphere of friendliness, determined to find solutions to the problems that face them. The fact that we have been brief in our comments is no indication that we are not fully aware of the situation facing us and are not concerned about it; but we have felt that by supporting something unanimously, that in itself is the strongest expression possible and one that is unnecessary to express our reasons why we support it.

With those few words I would like to state I personally am glad that this Conference is being called and that we are able to support a motion that will be carried unanimously to show, and put ourselves on record, that we are prepared to do our bit, together with the other provinces, in finding solutions to the problems that do face us at this time.

Hon. C.M. Fines (Provincial Treasurer): — Mr. Speaker, there is not too much further to be said, but I do want to correct one statement that was just made by the member for Maple Creek (Mr. Cameron) when he speaks of the great progress that has been made in this problem since 1945.

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May I say that that one of the things that concerns us very greatly is the fact that we have made no progress towards the solution of this problem since 1945. May I say that, 10 years ago, the Dominion Government did come out with some very definite proposals. Those definite proposals were:

“In addition to unemployment insurance, the Dominion will set up a system of unemployment assistance under which it will pay benefits equal to 85 per cent of unemployment insurance benefits to unemployed persons able and willing to work who are not entitled, or have ceased to be entitled, to unemployment insurance benefits.”

In other words, 10 years ago the Dominion Government stated that they would assume the responsibility for the care of the employable unemployed people, but in that 10-year period we have made no progress toward reaching that objective. May I say that the Premier of Ontario recently in his budget address, referred to it. For example, here is what Mr. Frost said:

“Another proposal of the Dominion-Provincial Conference of 1945-46 was that the Federal Government should assume complete responsibility for the relief of unemployed employable persons. Many authorities before and since that conference have held the same view. The Royal Commission on Dominion-Provincial Relations, for example, stated in its report of 1941, that unemployment relief should be a Dominion function. Later, the Marsh report of 1943 pointed out that aid for unemployed employables is logically a federal matter. It has been our conviction that this matter should be on the agenda of any discussion in formal conference or otherwise between the federal and provincial governments, and we are very glad to read of the announcement in the House of Commons by the Minister of Labour that unemployed employables would be placed on the agenda, if the provinces so requested it.”

There is no question about what our stand will be. May I say that, in the conference of 1951, this question was simply dismissed. It appeared on the agenda but disappeared very quickly, and we were told that this conference of 1951 was called merely to discuss the extension of the Federal-Provincial Taxation Agreement. We are still not sure, because, in spite of the assurance which was given by the Minister of Labour, since that time the Prime Minister has sort of hedged on it. On March 12th, for example, the question was asked, on Orders of the Day, if the Federal Government would consider suggesting to the provincial premiers if the agenda of the Federal-Provincial fiscal conference to be held later this year, would include the question of health insurance — No, that isn't the one. However, the Prime Minister said:

“I do not think it will be necessary to make any suggestions to the provincial premiers with respect to any matters that are of public concern at this moment.”

A similar statement was made by the Prime Minister in connection with the question of unemployment insurance, that he did not think it would be necessary to make any suggestions, but no doubt some of the provinces would raise the question.

I think this resolution has strengthened our hands, particularly when we can go to Ottawa with the unanimous support of the people of Saskatchewan. I was very interested in the comments made by the hon. member for Maple Creek, that he was glad we were going with our planners who had been working on this question. I was particularly interested, because it was just last Saturday, I read in the Star-Phoenix and in the Leader-Post something which grieved me very much. It was a statement made by the Leader of the Opposition in Saskatoon, at the 'Birthday Party' which was attended by the 120 people, to the effect that there were 100 planners, and every single one of them would be out of a job the day the Liberal party was returned to power. In other words, they do not believe it is necessary to plan; but I want to assure . . .

Mr. Cameron: — You have planned, that's for sure. You've talked for years about planning and planning.

Hon. Mr. Fines: — . . . the hon. gentleman, that planning is a very essential part, and may I say that we have been planning for the plans that were proposed by the Federal Government over 10 years ago. We have still been working on that plan, just as we have been working on plans for the South Saskatchewan dam during that period of ten years. I feel confident, however, that it will be considered when we get to Ottawa, particularly with the support that is coming from all parts of the Dominion. I noticed in Nova Scotia and New Brunswick, in both these Maritime provinces, they are suffering very greatly as a result of unemployment, and are insisting also that it be on the agenda at the conference. So I don't think there is any doubt but that the question will be discussed and that something will be done toward carrying out the original proposals that were made in 1945.

The question being put on the motion (Mr. Erb), it was agreed to unanimously.

P.F.A. ACT AMENDMENTS

The Assembly resumed, from March 24th, the adjourned debate on the proposed motion of Mr. Willis (Melfort-Tisdale)

"That this Assembly respectfully recommends that the Federal Government introduce the necessary amendments to the Prairie Farm Assistance Act to provide that assistance to grain growers be given on a more equitable basis, and specifically providing that:

- (1) the benefits under the Act be increased;
- (2) where Spring flooding has prevented seeding of wheat, the intended wheat acreage be taken into account along with the actual acreage

seeded to wheat in estimating the average wheat yield;

(3) the size of the area on which average yields are determined for payments be reduced.”

Mr. E. Kramer (The Battlefords): — Mr. Speaker, I will try to be as brief as possible in speaking to this motion, and to the amendment that I intend to introduce.

First of all, I want to say, again, that I wish to congratulate the mover and seconder on the very able manner in which they presented this motion, and the wealth of information that they brought forth in it, in substantiating their arguments for increased payments under the P.F.A.A. The tremendous amount of subsidy that was paid by the Federal Government into various other channels throughout Canada was brought forth by the hon. member for Melfort-Tisdale. It is tremendous, Mr. Speaker; and in view of those things it is surprising that we have not had an increase in the payment under the Act before now. The criterion that was used in 1939, when the Act was introduced, was on the basis of 53-cent wheat. For a number of years now, the Federal Government has been collecting one per cent on \$1.63 wheat. The returns from the farmers to that fund have been tremendous. Our cost of production has gone up due not only to inflation but to a complete agricultural revolution, and yet the Act itself has remained completely static. There has been, outside of a few minor changes, no increase whatever in the payments to farmers under the Act that would amount to anything.

In suggesting that more money is paid to farmers under the Act, one must consider how this money should be collected. First of all, it is quite obvious that some people would be quite willing to pay, in order to establish more security, a greater deduction. There would be some groups, in sure crop areas, who would object to that. I think something could be considered there. I think a great deal could be considered in providing more money; a great deal of money could be saved in the administration of the plan.

Under the present set-up, we have a plan whereby inspectors call on every farmer throughout a crop failure area, or a suspected crop failure area, and I would say, in our area up around The Battlefords, northwestern Saskatchewan, there are very few years in which P.F.A.A. inspectors have not toured the country to establish the extent of a crop failure or to establish whether or not there was one. A suggestion as to what could be done — rather than employ all these people to go from farm to farm — these forms that they have to fill out going from farm to farm, there is very little on the face of these forms (no questions) that would necessitate these people calling at every individual farm. The fact that many of them do not, proves my point. In fact, I know of an inspector who, for instance, stopped and picked up these reports, had them all signed and fixed up by stopping and talking to a road crew. Twelve farmers were busily engaged on a community project on a road, and he got all the information right there on the road and never called at the farms. I maintain that some centrally located spot, such as a municipal office, where an inspector could be stationed, or someone paid by P.F.A.A., could collect this information. It is largely already given in the Wheat Board Permit Books under the Canada Evidence Act, incidentally, — the same information requested here. The elevator men already have it. Shortcuts could be taken whereby a great saving in the administration of the Act could be made.

It is quite obvious that these savings could be made. I am not too concerned about the number of people who are employed by the P.F.A.A., but we, on this side of the House, at least, are very interested in a scheme such as the crop failure insurance scheme, or P.F.A.A. We felt, when it was first introduced, that this would be at least the beginning of a complete crop failure insurance scheme that would provide security to the farmer on the farm in western Canada; and that is something that we must have if we are going to go ahead from year to year and be able to meet these catastrophes that we so often do here in the western prairies. Regardless of how well a man may plan you are quite often faced with catastrophe that is beyond the means of the small farmer to cope with. If the Federal Government can step in, as they did in Ontario when 'Hurricane Hazel' devastated the farm area there, or when the apple growers were wiped out in Nova Scotia, or the farmers in the Fraser Valley, then I maintain that when a crop is wiped out by rust or any other act of nature, the end result is the same — the crop is gone. So I would say that we must move forward, and we must not bring this Act into disrepute by excessive administration costs.

So I say a saving could be made by looking over the administration costs and trying to take shortcuts by centralizing the inspection. The farmers would be only too willing and glad to come to some central place if they know when and where they had to come; and I suggest that probably the municipal office or their local elevator is a good central place, or any other spot that the administration, in its wisdom, could choose. There might be some excuse — some of them might say that they have to measure these bins and so on. I have already pointed out that I know of no one instance where a bin was ever measured, and that is the only thing that is not already on the files of the municipal office or the Permit Book.

I want to point out, too, that we have parallels to where existing agencies have already been used in similar plans. Our hospitalization scheme is the cheapest-run scheme anywhere in the world, simply because we did not pile up a lot of extra administration and overhead. We use the municipal offices, both rural and urban, to collect the hospitalization fee. We did not hire a lot of collectors to go around from door to door collecting hospitalization fees. We did not hire a lot of salesmen to sell the automobile insurance on a compulsory basis, and this Act that we are referring to, now, the P.F.A. Act, is just as compulsory as the automobile insurance or the hospitalization scheme ever was. The only difficulty, in many instances, is that those who have paid and paid for years, even when they suffer a complete crop failure, receive no benefits under the Act.

I want to bring out this other point. It has been brought to my attention, and I do not think it should be overlooked, that due to our provincial land policy, certain lands have been inspected by the Department of Agriculture, allocated to veterans, and they are being cultivated and farmed, today by veterans and some by non-veterans. These lands, due to an omission or the need of up-dating the Act, are not eligible for payments under the P.F.A.A. Therefore, I would move,

seconded by Mr. Brown (Bengough):

“That the following words be added to clause (1): “and be applicable to all Crown Land cultivation units.”

Hon. I.C. Nollet (Minister of Agriculture): — Mr. Speaker, I would like to say just a few words, particularly in connection with the amendment that has just been submitted, and principally by way of explanation.

The intent of the motion is to provide suggestions for changes in the P.F.A. Act which would result in increased benefits and a more equitable basis for the payment of P.F.A. benefits. I should mention that, very early on, provision was made in the Act that all lands that were either sold or leased, since 1940, would be ineligible for payment of the bonus. An amendment was however made to the Act, introduced in the House of Commons in 1950, under which certain exceptions were made of those lands that were disposed of since 1940, and the exceptions were to lands under sale or lease to veterans, and also to school lands. When these amendments were before the House representations were also made by the Alberta government to have lands in special areas made eligible for P.F.A.A. payments. I just want to call to the attention of the House that the lands in the special areas in Alberta are definitely submarginal lands and the exception was made, by amendment, in 1950, that these lands would become eligible for the benefits of P.F.A.A.; but, originally, the reason advanced that any lands that were made available for disposition either by sale or lease, since 1940, was because those lands had not as yet been occupied by homestead entry or otherwise, and it was taken for granted that all lands not disposed of prior to 1940 were unsuitable for cultivation, and therefore, the P.F.A.A. payments should not apply to those lands.

This was a very unrealistic attitude to take, and I found it very difficult to follow the reasoning of the Federal Minister of Agriculture when he made that general exception, saying that all lands disposed of since 1940 will not be eligible for P.F.A.A., with the exception of the special areas in Alberta, which were definitely submarginal lands, and, of course, with the exception of lands that were in the hands of veterans which applied in our case, to veterans who qualified under V.L.A. They received the benefits, and of course they could not except the school lands, whether the school lands were submarginal for cultivation or not, so the school lands were thrown in too.

At that time I went to Ottawa and appeared before the Agricultural Committee of the House of Commons and made representations to the members of the Committee that all Crown cultivation leases should be included, because our Crown cultivation leases are very carefully inspected before these leases are made available for cultivation. We are very careful not to lease land for cultivation that is not suitable for that purpose. We are perhaps more interested in land use and the proper use of land than the Dominion Government is, because, we too, have shared in the consequences of permitting people to settle on submarginal land. It is indeed a bigger problem to us perhaps than it is to the Dominion Government, in many ways.

However, we pointed out that all Crown cultivation leases were carefully inspected and we took inspection reports and made comparisons, gave legal descriptions and made comparisons of soil, and pointed out, too, that many privately-owned lands alongside of these Crown leases (not right alongside, but very near to them) were definitely submarginal and should not have been cultivated at all, but were receiving P.F.A.A. benefits. The Minister, at that time, promised me that he would bring in amendments at another session, but in the meantime he said we will just leave it go and we will make the payments.

Now I don't know how he was going to make the payments, because he did not have any legal authority to make the payments, and I pointed out to the Minister at that time that, although a veteran, receiving V.L.A. benefits, on one side of the road would get the benefits of P.F.A.A., a veteran on the opposite side of the road, who also had a lease and who did not come under V.L.A., would be denied the P.F.A.A. benefits. It was then that the Minister stated that he would overlook the matter. However, we had good crops since 1950, but now we have a complete crop failure, and the problem is right in front of us again.

I have a letter here (and I have had several) from a gentleman up at Chelan in the northern area, who is being denied and is ineligible for P.F.A.A. payment, whereas, just a few miles to the east of him, all the Crown leases are eligible for P.F.A.A. payments. Now mind you, this just does not apply to Crown leases. It also applies to any Crown land that was sold since 1940. However, in 1953, another amendment was brought in in which a line was drawn across the northern part of the province and the amendment said that all lands north of that line, regardless as to when they were granted, by sale or by lease, will be eligible for P.F.A.A. benefits; and in this particular case that I am referring to, the line just misses him; he is on the south side of the arbitrary line which was drawn.

So there is inequity and injustice. It means that all of the provincial Crown land below that line is ineligible for payment, and it involves approximately 500 units. This land, of course, is contributing to P.F.A.A. and receives no benefits. It is to the interest of both P.F.A.A., provincial administration, and, of course, in the interest of equity that all of these lands receive the benefit of P.F.A.A. I am sure every member of the House will support the amendment, and I propose to follow it up with another letter to Mr. Gardiner, hoping that the amendment will be adopted in the Act at this session of Parliament.

Mr. A.C. Cameron (Maple Creek): — Mr. Speaker, there are two things I would like to do. I would like to have the amendment read, if possible, so that we would know what it is as we haven't a copy of it. And then, knowing that, I would like to ask the Minister one question.

I would like to ask the Minister if, for instance, in a submarginal area where you have opened a quarter of cultivation, to a veteran or to someone else, that had been under pasture and then it is opened for cultivation; am I to understand that the man who cultivates and tends that quarter cannot obtain bonus on it in the event of crop failure?

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Hon. Mr. Nollet: — That is right

Mr. Cameron: — Everything after 1941 which was . . .

Hon. Mr. Nollet: — It doesn't make any difference whether it was previously in pasture or not. The fact is that any land under cultivation now, whether it was leased or sold since 1940 (that is provincial land) is not eligible for P.F.A.A. benefits.

Premier Douglas: — Even though it has always been agricultural land.

Hon. Mr. Nollet: — Yes, even though it has always been agricultural land, or is land that is suitable for cultivation. We do not expect application of the benefits to pasture land or submarginal land, or any land that is not suitable for cultivation.

Mr. R.A. McCarthy (Cannington): — The original intention of that was, if you will remember — at that time the municipalities were taking a lot of land out of cultivation and it was classed as submarginal land and, of course, the intention of the Act was that; but since that time we have found that a lot of the land that was taken out of cultivation at that time was probably a little too severe; they were looking at it through dark glasses and some of that land which was classified as submarginal a few years ago, turned out to be, with the amount of moisture we have had, not submarginal. I think it was a mistake in classification; but the reason for the regulation in the first place was quite apparent. They did not want people cultivating land that, by its past record, could not produce a crop. That, I think, was the reason for the regulation that was put in there.

It is true, as conditions have changed, we find that some of this land that was judged to be submarginal at that time has proven that it can produce crops and good crops, with additional moisture. I sometimes think that we are going too far the other way, and we are allowing land to be cultivated that really is submarginal under a normal rainfall; and I don't think you can expect this Act to work equitably if you want to include those submarginal lands in the scheme.

Mr. Speaker: — The Minister of Agriculture, of course, has exhausted his right to reply, but I think the hon. member who is speaking is under a complete misapprehension of what the Minister of Agriculture said.

Mr. McCarthy: — Oh, no, I think we agree. Mr. Speaker, I had not intended to speak on the amendment, but I would like to speak on the motion.

Mr. Speaker: — You are putting it in the form of a question so that . . .

Mr. McCarthy: — No, oh, no! I was just making observations. Will I have the privilege of speaking on the motion as amended?

Mr. Speaker: — Oh yes, I am not stopping you from speaking. I just want to point out that if you are making it as a speech and not as a question, then the Minister cannot reply. But if you are asking a question he can reply.

Mr. McCarthy: — I didn't ask any question. I was just making an observation.

Mr. A.L.S. Brown (Bengough): — Mr. Speaker, I am just going to take a moment. I agree with the member for Cannington (Mr. McCarthy) that no doubt the intent of the wording of the Act, back when it was originally passed, was for the purpose of denying payments being made to submarginal lands which should not be operated. I agree that that was the intent; but the Act did not state that. It stated in such a manner that it incorporated a lot of land that should be cultivated, and which properly is not submarginal land, and as such should receive the benefits of P.F.A.A. the same as any other lands.

I think this weakness also should be pointed out. The Act as it now stands (or will stand when what we have suggested is incorporated) would still not deny benefits of this Act being applied to some submarginal land that presently should not be cultivated. The Act in itself, even as it is drafted now, does not create the encouragement to take submarginal land out. I am not arguing that anybody farming submarginal land should be fully covered by the benefits under the P.F.A.A.; and it might not be necessary that that deterrent be put into the Act to take submarginal land out. I think there is a better means and a more effective means of taking submarginal land out of cultivation than through the medium of using an Act such as this. But I think we are all agreed on the principle that all land that is suitable for cultivation should be treated equally and alike, and as such should be entitled to the benefits under the P.F.A.A.

Mr. A.C. Cameron (Maple Creek): — Mr. Speaker, on the amendment, I think the point is that, in order to avoid payment on the Prairie Farm Assistance awards . . .

Mr. Speaker: — You spoke on the amendment.

Mr. Cameron: — No, I haven't spoken. I just asked a question. I have spoken to the motion, and I will now restrict my remarks to the amendment.

The purpose of drawing the line, in 1941, was to prevent the possibility of paying on submarginal land, with the thought that all land suitable for cultivation had been taken up prior to 1941. Then the Act was further amended to exempt any land, even after 1941, that was given to veterans, even though it may be in a submarginal area; and likewise, school lands. Then the Act was changed; I think the Minister said, in 1950. This Crown land clause was amended in 1950 to take into a payable area all Crown lands, I think, north of township 60 . . .

Mr. Walker (Hanley): — That was done in 1953.

Mr. Cameron: — . . . both in Alberta and British Columbia. It was exempt in Saskatchewan at that time. That amendment was made because it was found that there was much land north of this township which was not submarginal, and therefore could qualify. That was in 1950. Then, I think

it was in 1952 or 1953, a further amendment was brought in making the clause applicable to areas of northern Saskatchewan and areas of northern Manitoba, for similar reasons. Then if we are to open it up and make it applicable to all Crown land cultivation units, I think we should establish some responsibility on someone's shoulders as to classification of what land is submarginal and what land is not. I know there is Crown land in our district being operated that, in ordinary years, would be definitely submarginal, and yet in the past five years it has been growing better than average crops. The danger is that under these excessive rainfall conditions even areas that we definitely looked upon as submarginal and people had no thought of farming, today are being cultivated. A great amount of that submarginal land is making money as a result of doing that. But we may find ourselves in the position where, when that land reverts back, with less than normal rainfall, which it has a tendency to do, we will have established many units that we did not think were submarginal, which will prove to be a definite handicap to those who are farming it, and they should never have been encouraged to go on that land in the first place.

I would say that, if it is going to be applicable to all Crown land and cultivation units, then possibly the Act could read that the Department of Agriculture or someone would have to be responsible for re-classifying the land. I don't know where you will get your classification. I don't know whether I have made myself clear or not. If we make it applicable to all Crown lands — there are many Crown lands in submarginal areas which, today, are not considered submarginal from a standpoint of production; but we would have to have some authority which would exempt certain portions all through that area as definitely submarginal, and it would have to be reclassified if this is to be carried forward.

Hon. Mr. Nollet: — Mr. Speaker, may I reply? All of the lands which are allocated for cultivation now have been carefully classified by soil experts, and we are prepared to permit P.F.A.A. or any other administration to send in similar soil experts to check as to whether or not these lands are suitable for cultivation. They are not submarginal, and the productivity of the land and revenue has not changed because we have had wet years recently. The productive rating of the soil is based upon the long-term productivity.

The big problem is with the privately-owned lands that have been alienated long ago, perhaps, and have never been brought under cultivation until recently. There are millions of acres of that being brought under the plow, which is definitely submarginal. However, that land is getting P.F.A.A. payments and there is no discrimination against it, and I think we could make a good case for saying that P.F.A.A. should not be paid to it. The only way that we can get away from that is to make a careful inspection of all the land, in each municipality, that has been brought under cultivation since 1940, and classified and exempted for P.F.A.A. benefits.

The Question being put on the proposed amendment (Mr. Kramer), it was agreed to.

Mr. Speaker: — The debate is now on the motion as amended.

Mr. McCarthy (Cannington): — Mr. Speaker, there are one or two observations I want to make on this. I am not going to be very long.

The hon. member from The Battlefords (Mr. Kramer) said that this scheme was stagnant; that there had been no improvements made in it. Well, that may be his opinion, but he has not followed the history of the Act. When the Act first came out, it was a full township before they paid on it; they did not pay on hail damage, and there were a great number of restrictions. This was never put on as an insurance plan. It was put on as a result of the relief that was paid here in the 'thirties, and it was to prevent the paying of relief in a time similar to the time we had in the 'thirties. When we are discussing this, I think it would be well to keep in mind the time it was set out and the purpose for which it was set out.

It has been referred to as 'insurance', but it really was not set up for that purpose. If it had been, or if it is going to be set up as insurance, we must be prepared to pay a great deal higher premium on it. Like any insurance, it must carry a premium comparable with the loss that may be involved, and we have a period now where we know that fairly well. I think there is a lot of misconception in people's minds about this. We pay a one per cent deduction on it now, and a lot of people think that, if we paid two, we would get double the benefits from it. They lose sight of the fact that for every dollar we put into it through the deductions, over two dollars is put into it by the Federal Government. That, of course, must be taken into consideration, because, were we to raise our levy to double, it would mean that the Dominion Government would have to put up double what they are putting up now; and, as I said before, they are now putting up two to one of our dollars. I think that is something a lot of people don't realize.

Another observation made by the member for The Battlefords was in connection with the inspections. He thought that the municipalities could do it. Well, it shows that he has not had very much experience with inspections or municipalities, or he would not have made that suggestion. Municipal officials are busy people. They are set up for a purpose, and they have had a lot of things loaded onto them that are keeping them very busy. This Act requires certain things of certain people in order to keep it operating properly, and inspection is very necessary.

As to his statement that they do not go on the farms, well, that may happen once in a while; but I am going to say that, from my own experience, they do go on every farm. In fact, when it was started, you had to go on every farm three times. You had to go to inspect the crop when it was growing; you had to go out and inspect it when it was in the shock, and you had to go out and make an inspection after it was threshed. That was done originally. Certainly we have progressed. We have a better system of inspection now than we had then, and we are progressing; but for anyone to suggest that it should be turned over to the municipalities, shows a lack of experience in handling that kind of thing. After all, your municipality and your council might not be altogether impartial. They probably would want to have as much come into the municipality as possible, and I don't think it is practical to suggest that it should be done on a municipal basis.

Mr. Speaker: — Might I point out to the hon. member that if he wishes to

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continue the debate, it is getting close to 6 o'clock.

Mr. McCarthy: — Very well, Mr. Speaker. Call it 6 o'clock.

7.30 o'clock p.m.

Mr. McCarthy: — Mr. Speaker, I am not going to take up very much of your time. When I left off at 6 o'clock, I was replying to some of the gentlemen over on the other side who had suggested that there had not been any changes in this Act. I point out to you that, in 1939, it took townships to form a block, and if a man had over 3,000 bushels he was not eligible, no matter how much acreage he had. That is one change that was made.

In 1941, they changed it so that a quarter of a township could be made eligible; and then, by 1949, there were no township restrictions at all. It was brought down to a certain number of sections. You could take six sections out of one block and put six sections in another. Those changes have come down since the time this was formed, and I think they were probably all beneficial; but certainly, anyone who says there has been no change in the Act, doesn't know what he is talking about.

I wish the gentleman from The Battlefords was over there. He said there was no necessity for having these inspectors. Well, those inspectors are, in a great many cases, of great advantage to the farmers. Take, for instance, this year. There were a great number of farmers who said they had so much wheat, and where it was very close the inspector had to make a very close inspection. He went out and measured the bins, and I know a great many cases, in my own experience, where a man had a 12x12 bin and he knew that it held so many bushels under ordinary circumstances; but when the inspector got out and levelled it and measured it, took the dockage of it, he found it weighed 38 to 40 lbs. Just as a result of that inspection a great many townships were paid where, had they just taken the farmers' word for it, they would not have been paid.

He said the rural municipalities should do it. Well, that is foolishness. Another thing he said was that the inspectors were running around there looking around. Well, an inspector does not go into a municipality unless the municipality passes a resolution asking for him. We have had cases where the municipality did not think it was necessary and didn't even put in the application; but the farmers petitioned the P.F.A. and found that they were eligible. So they went to the municipality and suggested that they put in a resolution so that they could be inspected. The result was that they found that municipality eligible. That is another place where it was absolutely out of the question to try and load it on the municipality.

The hon. member said something about the hospitalization not having inspectors. Well, I want to point out to you, Mr. Speaker, in connection with your social welfare, if a person comes to a municipality and applies for relief, they accept him and send in to the Government. The Department doesn't even accept the municipality's word for that; they send an inspector out to check up and see whether the person is eligible. So I think that, all told, the gentleman over there made some very rash statements.

I do not intend to say any more on this. I am going to

support the motion. I am very much in favour of this thing. I always have been in favour of it, and I have done my best to try and see that it is worked, and worked properly. When we are talking about this thing, however, I think we should remember a few of those things: that it isn't an insurance; it was set up for the purpose of getting away from relief; it is the only workable thing we have had. True, it can be improved on. It has been improved a lot, and, as far as I personally am concerned, I would like to see it as a real crop insurance. Maybe we will come to that in due course. But we must not expect that, if we double our contribution, we are going to get double back, because that just would not work.

Mr. Speaker: — The mover is about to exercise his right to close the debate. Any member desiring to speak must do so now.

Mr. Brown (Bengough): — Once again, I do not intend to take too much of the time of the House, Mr. Speaker, but I think there are one or two things respecting this motion which I am afraid my friend from Cannington (Mr. McCarthy) may have missed.

In asking that the benefits be extended, asking that flood conditions be taken into consideration in arriving at the yield in respect to what might be considered a crop failure area, and in reducing the size of the area which can make it eligible for individuals to take advantage of this Act and receive the benefits of the Act, I think we have to keep this in mind. I agree with him when he says that the P.F.A.A. was not set up on the basis of crop insurance, but it was set up and can only be carried on if we have the co-operation of all the wheat producers in western Canada. That is to say, we must have the wheat producers in Alberta, Saskatchewan and Manitoba all under the scheme, and we are now in this position. Conceding that it has served a useful purpose in the past and can serve a useful purpose in the future, we are in the position that farmers of Manitoba, because they have not been able to receive the same benefits as the farmers of Saskatchewan and some of the farmers of Alberta, are indicating their desire to withdraw from the scheme. One way to ensure that we can maintain the farmers of Manitoba willingly under the scheme is to make it possible for farmers in Manitoba, farming under the conditions, which they have been, in Manitoba, at a time when they are in need of assistance from the P.F.A.A., to be provided with that assistance. It is suggested that, if areas in Manitoba which are subject to crop failure are smaller than the areas in Saskatchewan, and in those years when they do get a crop failure, they receive increased benefits under the P.F.A.A., they would be more willing to accept, and more willing to support, the scheme.

Secondly, in many areas in Manitoba, the first time in which they could justify asking for assistance, or expect assistance, under P.F.A.A., they were denied it because the conditions which created their crop failure were due to the fact that much of their land was flooded in the spring, and, as such, was not able to be seeded and, for that reason, was unable to produce.

Thirdly, while it is equally applicable to Saskatchewan, it is possibly more applicable to the province of Manitoba, that their areas of crop failure are apt to be small, and unless we can reduce the size of areas which can qualify for assistance under the P.F.A.A., we are in Manitoba and possibly greater in Saskatchewan, denying them the opportunity of taking

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advantage of this Act. It is only for the purpose of seeing that we here in Saskatchewan can make more effective use of the P.F.A.A., and that the Act become a more effective instrument in stabilizing the agricultural industry in Saskatchewan that we suggest in this resolution things that will give us a greater assurance that the farmers of Manitoba and, indeed, in parts of Alberta, will be more willing to support it, and, as such, give us the assurance that we will have such a scheme as the P.F.A.A. operating in the wheat producing areas of western Canada.

The question being put on the motion (Mr. Willis (Melfort-Tisdale)), as amended, it was agreed to.

The Assembly then adjourned, without question put, at 10 o'clock p.m.