

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fourth Session – Twelfth Legislature
4th Day

Tuesday, February 14, 1956

The House met at 2:30 o'clock p.m.

DEBATE ON ADDRESS-IN-REPLY

The House resumed, from Monday, February 13, 1956, the adjourned debate on the proposed motion of Mr. Brown (Last Mountain) for the Address-in-Reply to the Speech from the Throne.

Mr. A.H. McDonald (Leader of the Opposition): — Mr. Speaker, firstly I would like to say a few words with regard to the students from the Parliamentary Forum in Saskatoon who are attending this sitting of our Legislature. I want to say how pleased I am that the students have again found it possible to be with us here this afternoon. I sincerely hope that they will be able to gather something from the discussions in their students' Parliamentary Forum in Saskatoon. I might say that during their last Session in Saskatoon, I had the honour and the privilege of sitting in on that Session, and I can only say that I enjoyed it very much, and I sincerely hope that we here, this afternoon, can help you. To those students who will be with us tomorrow when the Premier will be speaking I hope they will be able to get some basis for their arguments in Saskatoon.

At this time I want to thank the Minister of Social Welfare (Hon. Mr. Sturdy) for first having conceived the idea of inviting members of the Parliamentary Forum in Saskatoon to come to Regina to spend one day with us. I think it was a very noble thought on the part of the Minister, and I want to congratulate him at this time for having started this practice. I sincerely hope that it is something that will be continued down through the years. I understand that we will be having a banquet with the students this evening, and I hope to have a few words with them at that time.

Mr. Speaker: — Before the hon. member proceeds with his speech, do you find it too hot in here?

Premier Douglas: — Not yet, Mr. Speaker.

Mr. McDonald: — Mr. Speaker, I object to that question; I think I am being framed!

With reference to the Speech from the Throne, Mr. Speaker, I am not just too sure what happened to it. I don't know whether the south winds blew in some rust and it was rusted out, or whether the grasshoppers have eaten it up, or whether we just had a drought and the thing never materialized. But when we have listened to the cries coming from the opposite side of this Legislature over the past summer, it seems to me that we ought to be prepared to do more to help with the situation that we find

ourselves in at the moment in the province of Saskatchewan.

We have heard nothing except the chatter from Government members that there is declining farm income and the costs of farmers' operations are continuing to rise; and we have continually heard members on your right asking Ottawa to do all sorts of things to help us out in this matter. Personally, I believe that Ottawa ought to do everything humanly possible to help with this problem that we have in western Canada, but I also believe that we, as a Provincial Legislature, ought to be prepared to do everything we can from the financial resources of this province to help out in this particular matter.

I note in the Speech from the Throne that declining farm income and accumulating surpluses of agricultural products are now a matter of grave provincial and national concern. I suggest to you, Sir, that this provincial government has done nothing to help out in this regard other than to heap insult upon injury in the tax burden that they have created and set upon the shoulders of the farmers of this province, and I want to refer to some of those taxes.

First of all, we can take a look at the gasoline tax. When this Government came into power we had a tax of 7 cents a gallon. Today it is increased to 11 cents, or an increase of 57 per cent. We have an increase of farm truck licences from \$10 a truck up to a maximum of \$40 today. We have the compulsory automobile insurance which varies from year to year depending on whether there is going to be an election or not, and I will refer to insurance rates later on in my remarks. We also have the \$2 increase in drivers' licences caused by the compulsory insurance sales. We have the increase in the insurance premiums for farm trucks, amounting to anything from \$8 to \$10 per truck. We have increased royalties on lumber and forest products. We have increased the grazing fees in forest reserves as high as 25 per cent. We have increased the hay-cutting fees in forest reserves up to 100 per cent. We have created a new tax known as the mineral tax, that amounts to \$19.20 per section of land per year. Not only have we asked the farmers to pay the \$19.20, but in many instances we are asking them to pay double that amount. The reason I make that statement is that many of our farmers have leased their mineral rights to oil companies in and outside the province of Saskatchewan. In some cases the oil companies are prepared to pay seven-eighths of the mineral tax, but we find that, in leasing their oil rights, many farmers retain the rights to coal and valuable minerals, so we find that they are taxing the farmers double – in other words, 6 cents an acre instead of 3 cents.

We have an increase in the retail sales tax from two to three per cent. There are numerous increases in fees and licences on business establishments in the province, on tradesmen and contractors, and we find that in many cases this increased tax is passed over to the farmers in his cost of operation.

I was rather amazed, yesterday, to hear the hon. member for Last Mountain (Mr. R. Brown) make a statement in regard to the acreage municipal tax in the provinces of Saskatchewan, Manitoba and Alberta. I understand that, according to his figures, the average tax in Alberta is 27.2 cents per acre; in Manitoba, 43.7 cents per acre, and in Saskatchewan, 22.2 cents per acre. Well, I have taken the last annual report for the Department of Municipal Affairs here in the province of Saskatchewan, and I find that the

average tax in the province of Saskatchewan is not 22.2 cents per acre, but it is 49.88 cents per acre; in other words, the highest in the three prairie provinces.

I want to tell you, Mr. Speaker, how I arrived at those figures. The figures are taken from the annual report of the Department of Municipal Affairs tabled in this Legislature, last session. In the province of Saskatchewan there are approximately 62,936,000 acres of taxable land. From that the rural municipalities receive \$31,393,000, and if you break that down to the tax per acre it is approximately 50 cents per acre. Now I wondered, when the hon. gentleman made his statement yesterday that our taxes were only 22 cents per acre, just how many farmers who were listening to him took their pencil and figured out what 22 cents on 160 acres would be. It would be around \$35. I would like to know if there is any farmer in or outside of this Chamber who would believe you if you said the taxes on farm lands averaged \$35 a quarter. The average tax in this province, Mr. Speaker, is about \$80 per quarter. If you want to add the land that comes under the L.I.D.'s to that under municipal government, you will find that the tax rate per acre drops to about 47½ cents per acre. I sincerely wish that the hon. gentleman would correct his arithmetic and inform this House at a later date.

Mr. Cameron (Maple Creek): — He doesn't intend to correct it.

Mr. McDonald: — Not only are we getting figures on this particular occasion that are misleading, or one might even say untrue, we are often using figures in this Legislature to prove certain points, and later on in my remarks I am going to refer to several sets of figures that the hon. gentleman quoted yesterday.

In Saskatchewan as well as in other parts of Canada, and I think especially here in western Canada, we have found that one of the great reasons for increased municipal taxation was the failure of this Government to implement the promise that it made to the people of this province in regard to education. This Government, or this political party that are now the government of this province, promised the people of Saskatchewan that they would accept the sole responsibility for education. If that promise was never made I wish that the Premier or someone on that side of the House would stand up and deny it.

Premier Douglas: — I will deny it instantly, Mr. Speaker.

Mr. McDonald: — Well then I want to read to the Premier and to this House his own statement. He said this:

“The British North America Act, which is Canada's constitution, placed education in provincial, not municipal, responsibility. All along the provincial government has been evading its duty. It has made grants to schools, outlined courses of study and provided for inspection of schools, but it has left the main burden of maintaining school services upon the municipalities and local school boards. The main burden does not belong there. A. C.C.F. government will accept the responsibility laid on it by the Constitution and take steps to provide adequate schooling for all children, irrespective of the part of the province they may happen to live in.”

February 14, 1956

Some Govt. Members: — Hear! Hear!

Mr. McDonald: — Mr. Speaker, “a C.C.F. government will accept the responsibility laid on it by Canada’s constitution.”

Premier Douglas: — And we have.

Hon. Mr. Kuziak: — We have accepted it.

Mr. Cameron: — Not, it’s a lot different.

Mr. Speaker: — Order!

Mr. McDonald: — When this Government came into power, Mr. Speaker, there was approximately 20 per cent of the total cost of education being paid out of provincial revenues. After 12 years in office we find that they are now paying about 26.6 per cent, according to the Dominion Bureau of Statistics.

Now had that promise been kept it would not have been necessary for the increases in our rural municipalities, towns, cities and villages to have taken place in regard to the cost of education. I find that since this Government came into power, the municipal taxes for school purposes have increased 125 per cent in our cities, 144 per cent in the rural areas, 150 per cent in the villages, and 240 per cent in our towns.

The present Government also promised the people of the province of Saskatchewan that they were going to build some junior colleges scattered about the province. Well, now, I don’t know. I suppose perhaps the Premier will deny that. Just in case he has it in mind I would like to read to you what he said. He said they were going to set up junior colleges scattered about Saskatchewan so that any children or young men or young women who wanted to go on and take an academic course or vocational training could do that without having to go to our Universities. Now what is the case, Mr. Speaker? Here in the capital city of our province, a city of some 83,000 to 85,000 people, this Government has refused to make possible a degree-granting college to this city. We have approximately one-tenth of the population of the province of Saskatchewan residing here in the city of Regina. Equal education opportunities! Is it very equal educational opportunities, Mr. Speaker, when they refuse to give our major city, the largest city in our province, a degree-granting college? Not only that, but when they refuse to meet a delegation who wanted to present a brief to the Government with regard to a degree-granting college for the city of Regina.

Premier Douglas: — Mr. Speaker, I . . .

Mr. McDonald: — Talk about colleges in . . .

Premier Douglas: — Mr. Speaker, on a point of privilege. The Government met a delegation with reference to this matter in November, 1954. The recent request from the City Council came, as the hon. member ought to know, two days before the House met. My hon. friend hardly expects the Government to discontinue the sittings of this Legislature to meet a delegation.

Mr. McDonald: — Mr. Speaker, no one asked the Government to discontinue the sitting of this Legislature; but surely to goodness the Government had an hour or half an hour to listen to a brief! Delegations are going to this Government and to other governments across Canada almost daily, whether the Legislature of the House of Commissions is in session or not, and in my opinion, this Government ought to have extended the courtesy to listen to this particular brief which was prepared, and I understand it would only have taken approximately 15 minutes to present to this Government. So rather than having colleges scattered about the province now they refuse to give one to the city of Regina which, as I mentioned a moment ago, is a very large city.

From the records of this Legislature we find that school grants, over the years, have not kept pace with the revenue that is available to this Government from the School Lands fund and from the Education Tax. Well if we are not prepared to put more money into education than the Provincial Government have been putting into education in the last two years, then I am afraid that the educational standard of the province of Saskatchewan is going to degenerate rather than improve. Probably it is one of the greatest responsibilities of any provincial government to see that the people of our province are given the best of education that the financial resources of this province can support. So far as our own political party is concerned, we are prepared to accept a far greater share of the educational costs as a provincial responsibility. I am not going to say that a Liberal government would be prepared to pay 1000 per cent of the total cost, because I doubt very much . . .

Mr. Cameron: — That's their propaganda.

Mr. McDonald: — . . . if the revenues that are available to this province at this time are large enough to support 100 per cent of the costs of education; but I sincerely hope that, over a period of years, we can eventually arrive at that point, where 100 per cent of the cost of education will come from provincial revenues. It has always been my contention that municipal taxes, or the only field available for municipal taxes, namely, property taxation, fluctuates too much to depend on for the support of education, and I believe that educations should be supported from more general revenues, the type of revenues that are available to provincial governments. We find here, with a Socialist government in Saskatchewan, we are paying less towards the cost of education out of provincial revenues than any other province in the Dominion of Canada.

Mr. Cameron: — Quite a record, boys.

Mr. McDonald: — There is also some mention in the Speech from the Throne with regard to flooding. I said yesterday that the flood that took place in the province of Saskatchewan . . .

Mr. Loftson (Saltcoats): — It's their tears!

Mr. McDonald: — . . . last spring, was just a little different from the floods that have occurred either in Manitoba or British Columbia or Ontario and the difference is this. The floods in Manitoba along the rivers and in British Columbia were 'flash' floods that came down the river and you had flood conditions on your hands before you knew it. What happened in

this province? The great part of the province that was flooded, last spring, has been receiving excess moisture now for 13 years. I made the remark, yesterday, that it took 13 years for this flood to arrive, and I am convinced that that is the case. The water table in the province of Saskatchewan was continuously rising for some 13 years until a year ago this past fall, we found that the water table was almost on the surface of the ground, and we found that every pothole and slough was full to capacity. So it took very little rainfall, last spring, to create a flood condition in the province of Saskatchewan.

I, personally, want to thank this Government, on behalf of my own constituency (if for no other reason) for the action that they have taken in regard to flooding; but in my opinion, had those actions been taken when the people from my constituency and other constituencies were asking this Government to do something, two-thirds of the flooding that happened last spring would never have happened. If we had put the drainage ditches in before the flood arrived, I doubt very much if a lot of the land that was under water last spring would ever have been under water.

I have a few photographs here of different areas of the province, and I am sorry they are so small that you and the members of the Government side of the House are unable to see them, but they were taken in different flooded areas of the province of Saskatchewan and from these photographs you can see the devastating effect of floods on farm lands. Now I know that, under the P.F.A. Act, there are certain compensations for flooding, providing the area is large enough to come under the Act; but unfortunately flooding is just a little different from losing a crop through drought or rust or some of the other menaces we face. The difference is that in flooding, Mr. Speaker, you get many small areas that are broken up, and consequently you cannot get a large enough area in any one particular location to come under the P.F.A. Act. I believe that, in a case such as that, some responsibility should lie on the shoulders of this Provincial Government to compensate farmers for not having been able to raise a crop on account of floods. Surely to goodness we are prepared to accept some responsibility! The Federal Government, under P.F.A.A., as I have said, have accepted responsibility where they consider it is beyond the ability of a provincial government to deal with the situation; but we find there are smaller areas where the provincial Government has refused to give any compensation to the farmers in this province who have lost crops on account of flooding.

We have been asked, in the Speech from the Throne, to set up a Select Special Committee on marketing. As a matter of fact, the Speech says:

“You will be asked to appoint a Select Special Committee of this Legislature to inquire into and advise the Government on matters relating to serious marketing problems confronting Saskatchewan agriculture.”

Well now, Mr. Speaker, back in 1952 we set up a Commission on Agriculture and Rural Life that was to study this particular problem and make some recommendations to the Government with regard to what we could expect in agricultural development over the next 25 years. This Commission was appointed in 1952. They have worked for 3½ years. They have cost the people

of this province \$370,000. The 8th Report has finally come to light, and this report deals with agricultural markets and prices. Now, after an expenditure of \$370,000, apparently the Government is not prepared to accept the recommendations of this report, so they are asking a Committee of this Legislature to deal with the problem and advise the Government. Mr. Speaker, is this Government not prepared to take a stand and accept responsibility for anything? Do they want to involve the members of the Opposition in some sort of a proposition to the people of this province? Certainly we will sit in an agricultural committee, and probably we will bring in a report that will only be supported by the Government members. What on earth good will a Legislative committee be when we have already had a Royal Commission that cost us \$370,000? I don't know, Mr. Speaker, I am sure.

This Provincial Government say that we should have a conference between the Federal Government and provincial governments in regard to marketing. Well, didn't we have a conference, last December? Was not the province of Saskatchewan represented, the same as all other provinces across Canada? As I understand it, the Minister of Agriculture from Saskatchewan and his officials were at that conference; J.H. Wesson, the President of the Saskatchewan Wheat Pool was at the conference; J.S. Phelps, Vice-President of the Inter-provincial Farm Union, was at that conference. I understand that similar delegations attended the conference from other parts of Canada. I understand that the Federal Minister of Agriculture was there, and that there were officials of his Department there, officials from the Department of Trade and Commerce and others. According to press reports, we were told that discussions took place in regard to the marketing of wheat, coarse grains, flax, beef, pork, butter and eggs. Well, I think we have probably had a conference. I don't know what came out of it. I hope that the Minister of Agriculture will inform us during this session of the Legislature. As a matter of fact, I have a copy . . .

Mr. Cameron: — He likes conferences.

Mr. McDonald: — Here is a press clipping relating to his theories that he advocated at that particular conference; and now we find this Government asking to have another conference. Well, Mr. Speaker, I have continuously asked this Government to call a conference between themselves and the representatives of the urban and rural municipalities of the province of Saskatchewan. We have never had such a conference, but it is high time we had one.

Mr. Cameron: — Hear! Hear!

Mr. McDonald: — We should have had a conference of this type before any policy was laid down in regard to this grid system of roads that we propose to build., We should have had a conference between the municipal governments and the Provincial Government before this Government ever adopted a gas policy for this province. We should have taken our junior governments into our confidence, and we should have discussed these problems with them before we adopted any policy that was going to affect the length and breadth of the province of Saskatchewan.

I want to remind you, Sir, of one of the remarks of Mr. Phelps at this agricultural conference in Ottawa, when he said that "criticism will

not help sell wheat". I think probably that is one of the best statements of this year – "Criticism will not help sell wheat"; and I am convinced that, if some people who have been making a lot of statements in regard to the marketing of wheat had remained quiet, probably the sale of wheat would have been much higher over the past year than it has been.

Now what about this system of main market roads, or this grid system? We have a provincial government, Mr. Speaker, who, according to themselves, have made every effort to decrease the burden that is being carried by our rural municipalities. As a matter of fact, the Mover of the reply to the Speech from the Throne mentioned something along those lines, yesterday, when he said that this Government had constantly found ways and means of easing the burden carried by municipalities . . .

Some Hon. Member: — \$30 million a year.

Mr. McDonald: — They have constantly found ways and means of increasing the burden that is being carried by municipal governments, both urban and rural. Now, lo and behold!, with this proposed grid system, I am very pleased to note in the Speech from the Throne that they say there is room for revision – I hope there is a lot of revision. What has happened? The Provincial Government are now asking the municipalities to accept half the responsibility of the secondary highways in this province. Secondary highways have always been built out of provincial revenues. Not only that, Mr. Speaker. This Government is now asking the municipalities to accept half the burden of the construction of certain highways in this province, and I can refer to one particular highway, marked on the map as a highway – No. 47. It runs from the north down into the town of Grenfell; then there is a blank; then it starts at Stoughton and goes on south. It was supposed to have been built, and should have been built years ago, by the Highways Department of this province. Now I understand they are asking the municipalities to pay half the construction costs of that road.

Hon. J.T. Douglas (Minister of Highways): — Mr. Speaker, I would like to ask the member where he sees that road marked on the map as part of the highway system.

Mr. McDonald: — Well, maybe it hasn't got No. 47 right on the little piece that is missing, but it has it here and there, and it is joined up in between with a nice little line. If it isn't No. 47 highway you are the gentleman who is responsible for it not being so.

The municipalities are burdened to death at the moment with the responsibilities that they have in regard to education and the municipal road system without asking them to pay half the construction costs of main market roads in this province and half of the construction costs of some highways.

The plan, as outlined by the Premier in August of this year, has told us that, over a ten-year period, this Government, in co-operation with the municipalities, hoped to build some 12,000 miles of roads at a cost of some \$50 million. Mr. Speaker, there are at least two-thirds of the municipalities in this province that haven't got a red nickel to put into a grid system of roads. There are two-thirds of the municipalities in this province

that are finding it almost impossible to carry the staggering load of education costs that this Government has thrust upon them and to carry the load so far as keeping roads open in the summer months so that people can get in to their local towns and villages with their farm produce and to do their shopping.

With regard to the revenues that are available to this Provincial Government, last year, in this House, we were told that this Government from two sources of revenue would have some \$19½ million, namely, from gasoline tax and from licence fees – that is, car and truck licences and drivers' licences. They gave back to the municipalities \$½ million, and said, "Aren't we your friends?" Mr. Speaker, out of revenues of \$19½ million this Government paid back to the municipalities \$½ million in road grants, and said, "You never had such a good Government as far as the farmers are concerned." That was nothing but an insult. How much did you get out of last year's farm truck licences alone? You collected \$1,148,000, yet the farmers received \$½ million in road grants.

Out of the revenues that have been available in the past from these two taxes (and I estimate that that revenue will grow considerably), it is estimated by the automobile trade that, in the next ten years, the number of automobiles on the North American continent will double. Well, if the number of automobiles is going to double in the next ten years, would it not be feasible to assume that the tax revenue to this Government will increase considerably over the next ten years? So we now find that this Government, rather than being prepared to build the entire 12,000 miles out of provincial revenue, are going to ask the municipalities – and I repeat again; they are going to ask the municipalities to pay half the construction costs of part of the secondary highway system, and pay half the construction costs of what should be the highways in this province. I maintain that the revenues which are available to this province today will allow us to build the entire system out of provincial revenue with no expense to the municipality.

The Speech from the Throne seems to take a lot of credit unto themselves in announcing they are going to have a reduction in the automobile accident insurance rates. Well, I predicted in my speech on the Budget in 1954 that this is exactly what would happen. I want to review with you, Mr. Speaker, our automobile accident insurance from 1949 up to the present date. At the end of 1949 we had a reserve of approximately \$1 million out of the automobile accident insurance fund. At the end of 1951, this reserve had dwindled to a little less than \$½ million. Would it not have seemed obvious to you, Mr. Speaker, that we should have probably increased the rates for automobile insurance at that time? It was obvious that our nest egg was dwindling away. But apparently this Government was very conscious of the fact that we were going to have an election in 1952, and it probably would be 'unwise' to raise the rates just prior to an election, so they continued and at the end of 1952, we find that our million-dollar surplus had disappeared, and we had created a deficit of \$800,000 from 1949 to 1952. After 1952, when the election was over, they said: "Well, it will be safe now to put our rates up good and high, so that we can create a big surplus, and then get them down nice and low before the 1956 election". That is exactly what has happened.

So what happened? In 1953-54, the rates for automobile insurance were increased. They were increased from \$10 up to \$12, \$16, and \$20 on the

newer automobiles, and they were increased in lesser amounts on the older automobiles. But we find that that did not cure the province, because at the end of 1953, we had a deficit of \$1,800,000. Well, they said: "We've got to get a lot of money in the pot fast, because we wouldn't dare increase these rates about 1955 or 1956; we've got to be taking them down then". So what did they do? They increased the deductibles from \$100 to \$200, and in doing so they have prevented themselves paying any damage to an automobile that has \$200 damage or less. That means that on somewhere between 80 per cent to 90 per cent of the automobiles that are involved in accidents in this province there is nothing paid under the automobile accident insurance plan.

What was the result of that action? The man who juggles the figures is the Provincial Treasurer. Whether he helped my hon. friend from Last Mountain juggle his or not, I don't know; but he certainly made a good job of juggling this time, because at the end of 1954, we find that from 1953, when we had a deficit of \$1,800,000 at the end of 1954 we have a surplus of \$2,370,000. Mr. Speaker, I ask you, is there business ability in a concern that is operating in that manner? In my opinion, none whatever.

This year, because we are approaching an election, we are going to have a decrease in rates. I predict, Mr. Speaker (I hope it never happens, but I don't think it ever will), that if these people were re-elected, we would have a big increase in the insurance rates in 1957, if the election is this year. So anyone who is looking at the automobile insurance premium rates of this year, and think that they are receiving something for nothing, you had better wait until you see them next year.

At this time I would again like to say a word or two about some of the traffic regulations in this province. If we ever had a 'Gestapo' at loose in the province of Saskatchewan, they are loose now! Do you know that it is hardly safe for a lot of people to drive their car into their local shopping centre? There is a policeman hiding behind every corner. If you refuse to stop at a stop sign, you are just as liable to lose your licence. I don't know what on earth is going on, Mr. Speaker. I complained here a year ago of the treatment of the farmers in my constituency when they are trying to get into the town of Moosomin and pass the weigh scales at the edge of town. We have many people on the farms without cars, and they use a half-ton truck as a means of communication between their farm and their town. Every time they come to town they have to go to the weigh scales and be weighed. When you want to go home, you have to go in and get weighed again. Sometimes there isn't anything in the truck other than his wife; at other times he might have a can of cream or a crate of eggs, but he still has to be weighed. Why should the farmers at Moosomin be compelled to do that when the farmers at Fleming, Whitewood, Wapella and every town between here and Wapella are not compelled to do it? There isn't any weigh scale.

Mr. Speaker, some of the officials in the Highway Traffic Board have taken authority or someone has granted authorities to them that no individual ought to have. There is no appeal from some of the decisions that have been handed down by the Highway Traffic Board, and I think it is about time that a little discretion was used with regard to the taking away of drivers' licences from some people in this province. Undoubtedly, the Provincial Treasurer will get us and say that he is not going to allow drunken drivers to

-11-

run all over Saskatchewan, and run over people and cause bodily harm. I am not referring to drunken drivers. I believe that if a man or woman is caught under the influence of alcohol while driving an automobile, they deserve to be prosecuted; but I do believe there ought to be more discretion with regard to taking people's licences away from them for reasons that, in my opinion, are no reasons at all.

Yesterday some mention was made of the policy that we have advocated with regard to rural electrification in the province of Saskatchewan. My hon. friend has said it is an impossible scheme. Well, the Liberal Government in Manitoba have not found it impossible, and I believe that if this Government were prepared to do something in regard to cheaper power for the province of Saskatchewan, it would have many beneficial effects, and I am going to deal with power as it concerns the whole province, later on. Only at this time do I want to refer to the rural electrification programme. Mr. Speaker, the Liberal Party are committed, upon election, to take rural electrification into the farms of this province without initial cost.

Mr. Cameron: — Hear! Hear!

Mr. McDonald: — We are also committed, upon election, to refund the money to those farmers who have already paid their \$400, \$500 or \$600 to receive the services of rural electrification. It can be done, and it will be done.

Mr. Speaker, not only is this Government robbing the farmers blind through the distribution of rural electrification, but their rates are exorbitant. On the average, electrical rates in the province of Saskatchewan are 70 per cent higher than they are in the province of Manitoba. 250 kilowatts of electricity in the province of Manitoba will cost \$5.85, and in the province of Saskatchewan, that would cost \$10.05.

Mr. McCarthy: — Yes, that is the reduction.

Mr. Walker (Hanley): — Bunk!

Mr. McDonald: — But we take great pride in the fact that we have reduced the electrical rate on everything over 300 kilowatts by ½ cent. Mr. Speaker, how many farmers in Saskatchewan consume 300 kilowatts in a month? I don't know, but I hope they will answer the question. If it is not on the Order Paper, it will be there shortly. It has little or no effect as far as the farmers are concerned, and do you know why? Because, through the policy of this Government, you broke every farmer in this province when you took the \$500 away from them, plus the cost of wiring his house and his out-buildings, and he had nothing left to buy appliances with, so he could be a large consumer of electricity.

Some people have said in the country — some C.C.F.'ers, that is — that in Manitoba there is a land tax to support rural electrification. That statement is not true, and never was true. Some people are going about the province of Saskatchewan, and some are writing letters to the daily press — some are writing letters to this rag, "The Commonwealth" — and they are stating there that in Manitoba you have to buy \$400 to \$500 worth of appliances. In the province of Manitoba, Mr. Speaker, you do not have to buy one dollar's worth of appliances . . .

Mr. Brown (Last Mountain): — I beg your pardon!

Hon. J.T. Douglas: — That's not right.

Mr. McDonald: — And if there is any gentleman here wants to argue that point or dispute it, I wish he would stand in his place and do so. In the province of Manitoba, they pay a deposit of \$65. If you have any appliances when you receive the services of electricity, you can get the \$65 back in cash. If you haven't any appliances, you can apply it to your monthly bill — at least, apply your monthly bill to the \$65 until it is used up. There are many farmers in Manitoba, and many people who are living in the rural areas, who are only using electricity for light, and they are getting their \$65 refunded over a period of time.

I believe that if some of the political propaganda that emanates from the Saskatchewan Power Corporation were restricted, they would probably reduce the rates more than we suggest they reduce them at this time. What do you find? Every time you turn on your radio there is somebody nattering about the Power Corporation.

Mr. Cameron: — And on television, even.

Mr. McDonald: — So I got rid of my radio, and bought a television set, and bingo! There they were again. The Saskatchewan Power Corporation, Mr. Speaker, is fast becoming one of the political arms of the C.C.F. Party, and I say it is too bad when you have to use such an important service as that of electricity to spread political propaganda throughout the province of Saskatchewan.

Now what about this mineral development? According to the speaker yesterday, and to the Premier of this province, one would think that we had a mine every four or five miles scattered around the province. They are continuously telling us about the number of mining claims. The Speech from the Throne in 1953 says: "More than 4,100 mineral claims were recorded", and they went on to say that: "this record has more than doubled the previous high established in 1951." That is the Speech of 1953.

The Speech of 1954 said more than 18,000 mineral claims were recorded; then the Speech of last year said that the highest record of mineral claims staked was experienced, with 7,290 claims recorded. Claims in good standing continued above 20,000.

Mr. Cameron: — They don't read back.

Mr. McDonald: — This year in the Speech from the Throne we are told increases were noted in the number of mining claims and leases in good standing. Mr. Speaker, last year we asked the question: how many new mines there were in the province of Saskatchewan. The answer was "two". We have 20,000 claims but we only have two mines. There is a great difference between taking out a mining claim and having a producing mine. Two mines have been brought into production from when this Government came into power until the answer to a question a year ago in this Legislature.

Hon. J.T. Douglas: — How many were there in 1944?

Mr. McDonald: — Just about all this industrial development that we talk about here in the province of Saskatchewan? When we listened to my friend, yesterday, and to other members of the Government and supporters of this political party, one would think that the whole of this province of Saskatchewan had suddenly become industrialized. I know, and admit freely and gladly, that we have a nice little oil and gas industry in this province; potash is coming along. We've heard a lot about it for a long time, but I do believe that, before too long, we will have a revenue-producing potash industry in the province of Saskatchewan.

We also have sodium sulphate, which I hope will continue to show improvements again, this year, and we will know when we get the report of that particular corporation. Then we have some small secondary industries that are coming into Saskatchewan, and there is no one more happy and proud than myself to see them here.

Mr. Walker (Hanley): — You just can't keep them out, eh?

Mr. McDonald: — But I want to correct an impression or two that was left here by my hon. friend, yesterday. When he talked about the amount of money that was used and invested in the province of Saskatchewan, (I believe it was the Premier in 1954), he said: "Capital investment totalled \$475 million, compared with \$440 million in 1953." That is taken from the Regina 'Leader Post' dated August 18, 1954. He was quoting from a book that I have right here, and the name of this is "Private and Public Investment in Canada – Outlook 1954", which is published by the Dominion Department of Trade and Commerce. But when the Premier refused, or overlooked, or something – anyway he did not tell the people of the province of Saskatchewan that this \$475 million figure includes not only investment in industry, but includes all the money which was spent on schools, churches, hospitals, houses, farm machinery, farm buildings, and many others.

Premier Douglas: — Mr. Speaker, on a point of privilege, I don't want to interrupt my hon. friend. I sued that figure, if my hon. friend will remember, in the Budget Debate, and made it clear that it was public and private investment, and I broke it down as between public and private, and will do it again for my hon. friend tomorrow if he wants.

Mr. McDonald: — I agree with you entirely, Sir. I agree with you that that is when you said it, and what you said; but you should have gone on and told the people of this province the amount of money in the \$475 million figure that was made up out of schools, churches, hospitals, housing, farm machinery and farm buildings. I think, if we are going to discuss manufacturing in the province of Saskatchewan, that rather than quote one big figure like \$475 million that I doubt very much if even the Provincial Treasurer could understand, we should talk about the investment in capital in Saskatchewan compared to our two neighbouring provinces.

The investment in manufacturing in Saskatchewan, taken from the same report, amounts to \$23,500,000. Remember that figure - \$23,500,000. In Manitoba it was \$39,100,000; in Alberta, \$65,900,000. On a per capita basis, it would mean in the province of Saskatchewan it would be \$26.77 per capita, \$47.22 per capita in Manitoba and \$63.43 per capita in the province of Alberta.

I think perhaps a better way to indicate whether we are getting the development in manufacturing on a comparable basis to our neighbouring provinces would be to take a look at the number of people employed in the manufacturing industry in the three prairie provinces. In Saskatchewan in 1954 there were 11,750 people employed in the manufacturing industry; in Manitoba 411,204; in Alberta, 32,686. I doubt very much, Mr. Speaker, if you can have much manufacturing in a province where there are only 11,750 people employed in the manufacturing industries in this province, compared to some 32,000 in Alberta and over 41,000 in Manitoba. I ask you, does it look as if Saskatchewan is getting her fair share?

However, Mr. Speaker, I have found in the short time I have been in the political field that it is almost possible to prove or disprove anything, if you get the right figures, and apparently these people will come up and use a set of figures that only tell half the story. As far as I am concerned, if you are going to tell the story, then tell it all.

Yesterday again, my hon. friend, when he was talking about the value of base metals produced in Saskatchewan (I have heard him make the statement dozens of times), he says it is larger than in Manitoba and Alberta put together. What about the province of Saskatchewan compared to Manitoba? My hon. friend yesterday mentioned figures. He said that there were \$9 million worth of copper produced in the province of Saskatchewan back in 1944, and that had increased to \$24 million, and then he went on to use similar figures for zinc. But, Mr. Speaker, what he failed to tell you was that never since this Government has been in power has there been as much of either zinc or copper or base metal produced in the province of Saskatchewan as was being produced when they came into power.

Some Opposition Members: — Right, right!

Premier Douglas: — Oh, oh!

Mr. McDonald: — All right, you can say “Oh” if you like; but here is your own report taken from the Mineral Resources Department of this province, and what does it say? “In 1943, Saskatchewan produced 182,300,000 pounds of base metals, and Manitoba produced 85,800,000 pounds.” In no year since this Government came into power have we had the equivalent of 182,300,000 pounds of base metals. Under this present Government, the production of base metals fell to a low in 1951 of 116,449,000 pounds. According to the last report that was made to this Legislature, it has increased to 160,841,000 pounds.

Admittedly, the values of copper and zinc are much higher today than they were prior to 1944; but the thing is, why come into this House and use one figure that would indicate the production of base metals has grown in the province of Saskatchewan, when in fact it has almost gone down to half of what the production was prior to this Government coming into office? We are still 21½ million pounds short of the production figure for 1943.

The same story is true in regard to gold and silver. Taken from the same report printed by the Department of Mineral Resources – the Hon. Mr. Brockelbank’s department. The production from gold and silver in 1953 was 2,989,000 ounces. In 1953-54 it was 1,343,000 ounces.

Mr. Danielson: — How do you like that?

- 15 -

There is a great deal that could be said about industrial development, but I would just like to refer you, Mr. Speaker, to the pamphlets that were issued by the Trade Information Service with regard to each of the larger centres in the province of Saskatchewan. I understand these pamphlets were prepared to show what industries we have in Saskatchewan, and in an endeavour to attract more industry to our province. But to indicate to you what industry we have, Mr. Speaker, I would like to refer you to these pamphlets. You can take Swift Current. It contains a picture of a dual generating plant in the city of Swift Current – a picture of their main street, and a roadway; no industry. You go to North Battleford and you have a main street with a few cars on it; no industry. You go to Prince Albert; they have a box factory. You go to Saskatoon; under industry they have a new park, a school, a hospital, a swimming pool, and a few other things. You go to the city of Regina, you have the Legislative Buildings, Simpson's-Sears, the Ford Plant, Canadian Industries Limited, and Co-operative Wholesales.

Then here is one of the whole of the province of Saskatchewan. More industry emanates from the picture on the front page, which is a picture of the Premier, than emanates from the rest of the pamphlet. The only thing contained here is a picture of a plant in Saskatoon that is manufacturing land packers. Then, in Moose Jaw, we have the British American Oil refinery; a picture of the C.P.R. and C.N.R. railway yards, a picture of a combine and some grain elevators, and a man hunting. Then in Weyburn we have a picture showing the industrial development down there. We have a picture of the Lake of the Woods Milling Company, an elevator (we have one in Fleming, too) – we have two pictures of that; and then we have a picture of the Flour Mill in Weyburn.

Mr. Walker (Hanley): — Get somebody to read you the words.

Mr. McDonald: — In Lloydminster we have a refinery – very nice refinery in Lloydminster, and there is also a Sidney Roofing and Paper Company.

Mr. Lopton: — Does it happen to be in Alberta?

Mr. McDonald: — Well, I think they were perhaps standing on the Saskatchewan side of the border, but of course the refinery is in Alberta; I forgot that.

Mr. Lopton: — Cameron is going to cross the border, you know!

Mr. McDonald: — Then in Yorkton, Mr. Speaker, another of our industrial centres: we have Broadway Street in Yorkton facing the main street, and there is a man standing here behind a ruined automobile. So apparently that is the extent of the industry that exists in Yorkton.

Mr. Cameron: — That's a salesman.

Mr. McDonald: — Now, Mr. Speaker, as I said a moment ago, there isn't anyone in or outside of this province who would like to see more industry in Saskatchewan than myself, and there isn't anyone who would do more to attract industry in this province, if it is humanly possible, than myself; but, I don't think it is necessary to produce figures or to produce these pamphlets or anything

else, to indicate to the people of the province of Saskatchewan that industries are not coming to Saskatchewan. During my short life I have had the opportunity of visiting all the industrial areas of Canada and most of the industrial areas of the United States; all of the industrial areas of Great Britain, and most of the industrial areas of Western Europe, and I believe I know what an industrial area looks like. I don't have to go and look up the records to find out whether there is any or not.

When you are approaching an industrial area, whether coming in by sea, land or in the air, you know the centre is industrialized or whether it is not by the look of it. What do you find? When you are approaching an industrial centre the first thing you notice is a big cloud of smoke. You get a little closer and notice the smoke stacks underneath, and a little closer still there will be a refinery, or a smelter or some manufacturing plant at the base of the chimney. Now I ask you, Mr. Speaker, where are they in Saskatchewan?

Why have we no pulp industry in Saskatchewan? There is one in Manitoba and one in Alberta.

Some Govt. Member: — Liberal freight rates!

Mr. McDonald: — Liberal freight rates! That's just the bait I was looking for. Just exactly what I was looking for! Now, when the Anglo-Canadian Pulp and Paper Company decided they were not going to continue, or at least go ahead with their operations in Saskatchewan – wait a minute, we'll go back and tell the whole story. As I understand it, the Anglo-Canadian Pulp and Paper Company are a large British firm that are actively engaged in the pulp and paper industry in many parts of the world. I understand that this Company took an option on a berth of timber in the Candle Lake area of this province but, lo and behold!, they dropped their option this past summer and took off. I don't know for sure who it was that asked the Premier, but I think probably it was the daily press, why the Anglo-Canadian Pulp and Paper Company had left Saskatchewan. He said the freight rates were too high.

Mr. Speaker, do you – you're an Englishman; do you mean to tell me that a shrewd British firm would come over to the province of Saskatchewan, take out an option on a timber berth and not know what the freight rates were before they left Great Britain?

Premier Douglas: — Did you ever hear of agreed charges?

Mr. McDonald: — Mr. Speaker, why on earth would they continue to build pulp and paper mills in the northern part of Alberta if the freight rates are too high for northern Saskatchewan? The great consumption for pulp and paper is in the eastern United States and in the eastern provinces of Canada. If the freight rates are too high from Prince Albert or the Candle Lake area, why on earth wouldn't they be too high from the north of Edmonton? When I went to school it was further from Edmonton to New York than it was from Prince Albert, and I think it still is.

Mr. Lopton: — Answer that one.

Mr. McDonald: — Mr. Speaker, why have we no petro-chemical industry in this province? We have one in Alberta and one in Manitoba. Why have we no steel industry in this province? We have one in Manitoba and one in Alberta. Yes, Mr. Speaker, we are getting little secondary industries, but we are not getting the major industries that are so necessary, if this province is going to have a diversified income over the next 50 years, which in my opinion, we must.

There are reasons, in my opinion, that we are not getting the industrial development that our neighbouring provinces are. One of the great reasons is the climatic conditions that we face in this province. Our climate is definitely a hindrance to us as far as industrial development is concerned. Some of the actions of this Government have been a detriment in regard to attracting industry to our province. The old bogey, the 'Regina Manifesto', this great political document still in existence – if they would bur it, they would do more to attract industry to this province than any one act they could perform.

What do they say in the 'Regina Manifesto'? They say: no C.C.F. Government will rest content until such time as the principal means of production and distribution have been brought under the control of the people, or the Government, or somebody. And then they go on and say "until capitalism has been eradicated." How on earth, Mr. Speaker, can you expect capital to come into Saskatchewan, when the political Bible of this Government says that we are going to eradicate capitalism? I don't know.

On the other hand, one of the major necessities as far as industry is concerned is a cheap source of power. We have no cheap source of power in this Province. We have a Government that has taken a monopoly on the only two sources of power available to industry or anybody else in this province, namely, electrical energy and natural gas, and what have they done?

I referred to what they have been doing as far as electrical energy is concerned. We have one of the highest rates on the North American continent. What are they doing with natural gas? Here in the city of Regina, I understand the city is very interested in getting gas as soon as possible; but the Provincial Government apparently are bent on a programme or policy that would mean the cost of natural gas to industry or to private concerns in this province would be away out of line in comparison to the price of natural gas in similar centres in our neighbouring provinces.

I want to quote again, when I talk about cheap sources of electrical energy and heat, from the preliminary statement of manufacturers. And you will note on page 2 that, in Manitoba it cost approximately \$10 million for fuel and electricity to produce \$116,169,000 worth of earnings. But in Saskatchewan it cost \$7 million for fuel and electrical energy costs to produce \$33 million worth of earnings. Mr. Speaker, we cannot expect to get major development in the industrial field of this province facing that type of competition from our neighbouring provinces. We must be prepared to give a competitive rate for electrical energy, natural gas, and other sources of fuel from our other provinces.

Hon. Mr. Sturdy: — Thank the Liberals for that!

Mr. McDonald: — There has been considerable talk in regard to some of the new smaller and secondary industries that are coming into Saskatchewan, and as I said, I am glad they are here. I hope four or five times as many come into our province in the next year. It would help relieve some of the tax pressure that has been placed on the shoulders of the farmers of this province. But I note that the approximate number of employees that will be employed by the concerns that are coming into our province will be able 250, but, lo and behold! — we are eventually able to get 250 jobs for 250 people, and with another swing of the axe we chase 250 employees out. The Pas Lumber Company just picked up and left, and have gone into British Columbia. There were approximately 250 employees employed by this lumber company.

Mr. Cameron: — Just left, yes.

Mr. McDonald: — When the Pas Lumber Company pulled out of Saskatchewan, the manager of a plywood factory in Prince Albert made a statement, and I want to read it to you:

“A Prince Albert manufacturer of plywood from poplar said his company’s expansion programme may have to materialize in other political points. He said the Provincial Government’s policy with regard to a clear-cut availability of reserve timber for his factory was difficult to understand.

“W.D. Smith, manager of Nesbitt Plywood Company, said his firm was contemplating expanding the factory whereby it would raise its present assimilation to some 8,000 cords from 3,000 to 4,000 cords, ‘but we are unable to work out a long-term policy with the Provincial Government. If necessary, we may even consider moving out to Manitoba’, he said. He stated that ever since his factory opened up to manufacture plywood out of poplar just north of the city, there had been a continuous cold war with the Government in trying to obtain the sufficient amount of poplar stands. Mr. Smith said there are sufficient stands of poplar, but ‘we have found the Government evasive in granting poplar leases. We feel there is a distinct lack of understanding and sympathetic hearing by the Government, of our requirement’, he said.”

That was taken from the ‘Prince Albert Herald’ of Wednesday, January 25, 1956, and it appears to me that we could do a lot more to attract industry to our province.

Some reference was made yesterday to the two mining areas that are in existence in this province, namely, the Flin Flon area on the eastern boundary of the province, and the Beaverlodge area in the north-western corner of our province. But what do we find? We find that those two areas are being serviced, one through the province of Alberta and the other through the province of Manitoba. In the two mining centres of this province, the only time we know we are in Saskatchewan is when you notice the licences on a car or a truck, or if you go into the beer parlour to buy a beer! The licences are Saskatchewan, and it is Saskatchewan beer. Apart from that, every penny’s worth of business is done in the one case in the province of Manitoba, and in the other case in the province of Alberta. If we are going to continue to

allow the province of Manitoba to rob us blind on one side, and the province of Alberta rob is blind on the other side, what is going to happen to Saskatchewan?

I am convinced, Mr. Speaker, that there is probably as much or more wealth in the northern half of this province as there is in the south. Some people have said: "Well, what did you fellows do about it?" The southern half of this province was developed to where it stands today by the different governments that have been in power – Liberal, Conservative and C.C.F. But today, Mr. Speaker, we must turn to the other half of our province which we have not utilized up to this date, and if we expect to be able to provide the services that the people of Saskatchewan need and require, then we have got to turn to new sources of revenue.

When this Government was first seeking office, they were going to get revenue by building all kinds of Crown Corporations and getting into all sorts of businesses. They have failed, and failed miserably. I say, Mr. Speaker, give private enterprise the opportunity to do in the northern part of Saskatchewan what they have done in the south, and I am convinced that the future will shine brighter as far as our province is concerned than the past has produced for us.

I note from the Speech from the Throne, for instance, that we have information in regard to a forest industry. In view of The Pas Lumber Company having moved out of Saskatchewan, and in view of the complaints of another industry, the plywood factory, I hope that the forest inventory will be made available to all members of the Legislature just as soon as possible.

I also note from the Speech from the Throne that this Government will continue to press for a comprehensive system of health insurance covering all health services. In one instance, as far as education is concerned, they are now telling us they are going half as far as they promised to go 12 years ago. Now they are not prepared, apparently, to accept any more responsibility as far as their promises in regard to public health are concerned. They say they will continue to press. Mr. Speaker, this Government promised health services, complete health services, to the people of the province of Saskatchewan, and I have that one here too, if anybody wants me to read it to them.

Mr. Cameron: — Without cost?

Mr. McDonald: — Yes, maybe I had better read it to them.

Mr. Cameron: — Yes, I think so. It will refresh their memories.

Mr. McDonald: — Under 'Health' – this is a statement the Premier made after he had made the original statement in regard to education. He said:

“Just as we have made education available to all, the time has come when we must make all the benefits of medical science available to all without money and without price. By supporting the C.C.F. you can make this right of health and happiness the lot of every man, woman, and child in Saskatchewan.”

Without money and without price; complete medical services! They were going to provide a complete system of socialized health services, with special emphasis on preventable diseases, so that you and every other resident in Saskatchewan will receive adequate medical, surgical, dental, nursing and hospital care, without charge!

Mr. Speaker, I would like to have had the opportunity of preparing the Speech from the Throne. It would have contained those things that the people of the province of Saskatchewan are asking this Government to do. This Government has failed to provide the requirements of the people of this province. There is no forecast of legislation that will do for Saskatchewan what they promised they would do some 12 years ago. How could anybody support such a Speech from the Throne. I shall not support the motion.

Premier Douglas (Premier): — Mr. Speaker, I should like to join with my hon. friend of the Opposition in extending a most hearty welcome to the students from the University of Saskatchewan who are our guests here today. I may say that I hope they have enjoyed their visit, and if they have not in the last hour and a half added to their stock of knowledge, I hope they will be able to supplement it in the hours they have left while they are here.

I would also like, Mr. Speaker, to extend to you on my own behalf, and I am sure on behalf of all the members of the House, our hearty congratulations on the fact that you have held this high office you now fill longer than anyone else who has ever been Speaker of the Legislature in Saskatchewan.

I would also like to extend my congratulations to the mover, the member for Last Mountain (Mr. R. Brown), and the seconder, the member for Kinistino (Mr. H. Begrand), on the very able speeches which they made yesterday in opening the debate on the Speech from the Throne. Both of these members are serving their first term in the Legislature, and I would like to say to them and to their constituents that they have made a useful contribution to the work of this Legislature, and that they have done a distinct service introducing this debate on the high level which they demonstrated yesterday.

I was a little concerned when the Leader of the Opposition was taking to task the member for Kinistino simply because of the fact that the latter adhered rather closely to his notes.

Mr. McDonald: — Mr. Speaker, on a point of privilege, I was not taking the member for Kinistino to task. I only drew to your attention something that happened here yesterday, and I did not have the member for Kinistino in mind any more than I had several other members — not only yesterday, but on many occasions during previous sessions of this Legislature.

Mr. Speaker: — I might remind the hon. Leader of the Opposition that he referred very much to extended notes also. The member for Kinistino is not very conversant with the English language, and he did pick up his notes and read them.

Mr. Walker (Hanley): — He wrote them!

Mr. McDonald: — Mr. Speaker, I would like to send you a copy of my notes. You can read them, and you can have them.

Premier Douglas: — Well, Mr. Speaker, I didn't intend to get into an altercation with my hon. friend. I shall accept his correction, of course, that he drew attention to the fact that the member adhered rather closely to his extensive notes. I could not help wondering, though, when the Leader of the Opposition was making his remarks, how he would manage if he were trying to make a speech in French without notes and I felt that, like myself, he wouldn't do very well. Today I found he could not even do very well in English with notes. However, I agree with the Leader of the Opposition. I certainly think we ought not to have any speeches delivered in this House which are prepared by anyone outside of the House, and I do not think anyone has been delivering speeches in the House prepared by anyone outside. I would hope, however, that probably the Opposition would apply this principle even to radio speeches, and deliver only those radio speeches which they prepare themselves. I am sure if the Leader of the Opposition and his colleagues adopt that principle, Mr. Staines would probably become unemployed.

Mr. Danielson: — Pretty cheap.

Mr. McDonald: — Who writes yours?

Premier Douglas: — I write my own, Mr. Speaker. I will say, however, that if the Leader of the Opposition does hire anyone to write his speeches, he is entitled to a refund.

Mr. McDonald: — Any speech I ever make, I write it myself, and you know it. You've got hundreds to write yours. It should come from the heart — not from the Bureau of Publications.

Premier Douglas: — Mr. Speaker, reference has been made in the Speech from the Throne to the fact that, last year, Saskatchewan celebrated its Golden Jubilee. I think all the members will agree that we had in the province probably one of the best celebrations this province has ever had, and probably one of the finest recognitions of a public anniversary which any province in Canada has ever had. The people of the province entered into the celebrations with a spontaneity and an enthusiasm which shows that our people are proud of their province and are confident of its destiny.

At this time I think it would be proper for me to extend the thanks not only of the Government, but of the members of the Legislature and the people of the province, to those who gave such excellent leadership in making these celebrations the success which they were. I would like to make special mention of the Chairman of the Golden Jubilee Committee, Mr. Justice Culliton, who did excellent work. He spent long hours and gave much thought and time to the work of the Golden Jubilee Committee. I also would like to mention my colleague, the Minister of Education (Hon. Mr. Lloyd), who was Vice-Chairman of that Committee. I would also like to make mention of Mr. Fred McGuinness, who was the Executive Director. Mr. McGuinness came to us from the province of Manitoba, and brought with him outstanding gifts and training in public relations. I think we can say that without his valuable assistance the Jubilee celebrations would not have been the success which they were.

February 14, 1956

I would like to extend our thanks to all members of the Golden Jubilee Committee, and particularly to the members of the sub-committees, who worked so hard in so many varied aspects of the Jubilee programme. Above all the main credit goes to the local committees who planned and carried through the local Golden Jubilee programmes. Some of these programmes lasted a day; some extended into an entire week. We had hoped, when the Jubilee programme was started, that we might have celebrations in at least 100 communities; but it is characteristic of the Saskatchewan people that once they start something, they never do it by halves. We ended up with over 500 local Golden Jubilee celebrations.

I would like publicly to acknowledge our thanks to His Excellency the Governor General, who came to the province to take an early part in the Jubilee celebrations by officially opening the Museum of Natural History. We are grateful to him because of the fact that he drew to our attention those cultural values without which all the material progress we can enjoy would still be meaningless.

It was also our pleasure to have, during the Golden Jubilee celebrations, a visit from the Rt. Hon. the Prime Minister of Canada, and former Premiers of Saskatchewan. I think that all who were privileged to attend the celebration on September 5th will long remember that day. I think it is somewhat significant that many of the pioneers who were our guests on that occasion could carry their memories back to the day when Sir Wilfred Laurier, in September, 1905, formally inaugurated Saskatchewan as a province. It was appropriate that another great French-Canadian statesman, the Prime Minister of Canada, should be with us on our 50th anniversary. I can only express the hope that many of the young people who were privileged to be at the celebrations in front of the Legislature Building on September 5, 1955, will live to celebrate our centennial celebration when it is held in the year 2005.

I would also like to say a word about the work of the Royal Commission on Agriculture and Rural Life. This Royal Commission has undertaken a work which is more extensive and more intensive in terms of doing a complete survey of rural and agricultural problems than has ever been undertaken by any Royal Commission that I know of in the Dominion of Canada, and I doubt if it can be equalled anywhere on this continent.

I am sorry I cannot accept the compliment which the Leader of the Opposition paid me when he suggested at Saskatoon at the Liberal council meeting that I had written these reports. I would be very proud to have been able to write them, and to have the knowledge of municipal affairs and sociology, of economics, agriculture and education, and all the various topics which have been covered by this group. But, Mr. Speaker, while it was a compliment to me, I think it was an insult to the men and women who make up that Commission.

Yesterday the Leader of the Opposition spoke about men in public life who make great sacrifices to conduct the public affairs of this province. I feel that what he said is right. But there are other citizens who do not sit in the Legislature, or Parliament, or on City Councils, who also from time to time are asked to make sacrifices and to discharge public functions. Here is a group of citizens who, for nearly three years, without any compensation other than their out-of-pocket expenses, have devoted hundreds of hours studying

some of the most baffling problems that face the people of Saskatchewan, and trying to formulate policies and recommendations by which we can find a solution to these problems. It seems to me a poor return for their faithful discharge of a public duty which they were asked to assume, for the Leader of the Opposition to suggest that these members of the Royal Commission are so subservient that they would sign a report which I had written or which I had dictated.

As a matter of fact, if anyone will take the trouble to examine the personnel of this Royal Commission, one would see how much difficulty I or anyone else would have in telling them what kind of a report they should submit to the people of Saskatchewan. Perhaps the Leader of the Opposition has forgotten that the very first report which they brought down was one which he highly endorsed, because it criticized our administration of agriculture in the north-eastern part of the province. When it did that, of course, he claimed it was a very good Commission. But when they brought down some reports with which the Leader of the Opposition didn't agree or could not understand, then he thought I must have written them.

Look at the personnel of this Commission. The chairman was Professor W.B. Baker, who is principal of the School of Agriculture at the University of Saskatchewan – a man whom I know personally has been offered at least half a dozen important positions in other parts of Canada because of his outstanding knowledge in the field of rural sociology. There is Mrs. Nancy Adams, who was for many years not only provincial President of the Homemakers' Clubs but Canadian President of the Homemakers' Clubs and at the present time is on the executive of the Country Women of the World, an international organization of farm women. There is Mr. Charles W. Gibbing, a director of the Saskatchewan Wheat Pool; Mr. J.L. Phelps, former provincial President of the Saskatchewan Farmers' Union; Mr. H.L. Fowler, Secretary of the Federated Co-operatives; and there is Mr. T.H. Bourassa, who for many years has been associated in Saskatchewan with the work of the Saskatchewan Credit Union League.

I want to express to these members of the Commission our thanks for the tremendous work which they have done and for the courage which they have shown in facing up to the many problems which we placed before them in our terms of reference.

Some mention was made this afternoon of when they would finally get around to presenting the report. Mr. Speaker, this Commission has been covering the entire social and economic life of rural Saskatchewan. They have now presented six reports. The balance of the reports will be made available to the members, I think, between now and the month of June.

I have already indicated to the municipal associations, both rural and urban, that when those reports have been made available to us, and when we and the local governing bodies have had an opportunity to study those reports, it is the Government's intention to convene a conference of the local governing bodies of the province with a view to examining these recommendations, to deciding which of the recommendations are practicable for immediate implementation, and to discussing the ways and means by which those recommendations can be put into effect.

Some reference was made, this afternoon, to the fact that this Commission was studying the question of farm prices and marketing, and the Leader of the Opposition suggested that that should be an end to the matter and that nothing more should be done about it. But there is on the Order Paper a resolution suggesting that that report ought to be referred to a special committee of this House. Why? Because this Commission of very able, intelligent and industrious people would be the last to claim infallibility. They have studied a series of problems; they have made certain specific recommendations. We would now like the members of this House – not just the members of the Government but all the members of the House – to study that report, to look at the recommendations, to listen to the options and views of farm organizations and any other groups they choose to call in as a result of their study and examination, and to make such reports back to this House and such recommendations as they may deem fit.

Mr. Speaker, surely that is the very essence of democracy. Surely the very basis of democracy is not that small groups of people make decisions. Small groups of people are necessary to study a problem and to focus attention on that problem. Small groups of people are necessary if we are going to put down in concrete form suggestions and recommendations. But those recommendations can only become effective if a sufficiently large number of people who are vitally concerned have been brought together and have concurred in what action should be taken. This Government has no intention of accepting recommendations without so much as examining them or consulting with anybody else, and deciding that these recommendations must be implemented. We want the benefit of the opinion of every member of this House, and every farm organization, and every rural organization which has an interest in the questions that have been studied by the Royal Commission. For that reason, Report No. 8 on Farm Marketing will be referred to a committee of this House. The members will then have an opportunity of studying its recommendations, and listening to the views and opinions of farm organizations with respect to it.

Now, Mr. Speaker, I do not think I will commence at this time to discuss the remarks which have been made by the Leader of the Opposition. I think I prefer to leave that until tomorrow, and, therefore, I would beg leave to move the adjournment of the Debate.

Debate adjourned.

SELECT SPECIAL COMMITTEE ON MARKETING AND FARM INCOME

Moved by the Hon. Mr. Nollet, seconded by Mr. Brown (Bengough):

“(1) RESOLVED, That this Assembly supports the request of the Provincial Government for the convening of a Federal-Provincial Agricultural Conference on marketing and farm income.

“(2) Recognizing it is expedient that the views and advice of this Assembly and of farm and other

interested competent organizations and persons be available to the Provincial Government for presentation to such Conference on the following matters:

“(a) declining farm prices, coupled with increasing farm costs and accumulating surpluses of agricultural products which have resulted in a drastic decline in farm income and which pose a serious threat to Saskatchewan’s economy, adversely affecting farm living standards, business activity, rural community life and the provision of municipal and provincial services, and

“(b) methods and procedures required to cope effective with these problems,

“ORDERED, That a Select Special Committee be appointed to inquire into markets, marketing and price policies as they relate to the urgent and pressing farm income problems in Saskatchewan, the said Committee to examine all relevant information, particularly the recently published Report No. 8 on the Royal Commission on Agriculture and Rural Life, ‘Agricultural Markets and Prices’; to report from time to time the results of its deliberations, with such recommendations as it may deem advisable; to have power to send for persons, papers and records and to examine witnesses under oath, and to engage the services of counsel and such assistants as it may deem necessary;

“(3) That Standing Order 46(1) be suspended in order that the said Select Special Committee may consist of the following members of whom 10 shall be a quorum: Messrs. Brown (Bengough) Chairman, Bentley, Berezowsky, Brown (Melville), Cameron, Danielson, Dewhurst, Erb, Feusi, Heming, Horsman, Howe, Kramer, Kuziak, Loptson, McCarthy, McDonald, McIntosh, Nollet, Thair, Walker (Gravelbourg), Walker (Hanley), Wahl, Wellbelove, Willis (Melfort-Tisdale), Wooff.”

Hon. I.C. Nollet (Minister of Agriculture): — Mr. Speaker, in moving the resolution which appears under my name on the Order Paper, I will have to make reference to figures very considerably, because I do want to place on the record of the Assembly reasons why it is imperative that we have a Select Special Committee of the House investigate all matters relating to marketing and farm income. I hope that in the course of my reference to these figures, the hon. Leader of the Opposition will not get up and suggest I am reading a speech.

Many Federal-Provincial conferences have been held in the post-war period on various matters dealing with fiscal policy, unemployment and the constitutional matters, and taxation agreements, etc.

No conference has as yet been held to deal with the very important matters relating to the basic industry of Canada – the agricultural industry. In view of the problems now confronting the agriculture industry in Canada, acknowledged by authorities everywhere, it seems necessary now that we have a Dominion-Provincial Conference dealing exclusively with agricultural matters. For the benefit of the Leader of the Opposition who suggested that we have been having annual conferences, I would say to him that the conferences that are held annually are conferences that deal with agricultural production problems and refer principally to commodities that are consumed on the domestic market. Mr. Gardiner has repeatedly reminded the annual production conference that his department does not deal with commodities that pertain to export. He has repeatedly suggested to the conference that export matters came under the Department of Trade and Commerce.

In addition, the annual Federal-Provincial Agricultural Conference does not deal with marketing problems. It is merely a review and outlook conference, Mr. Speaker; a conference that reviews the experience of production over the past year, and then endeavours to make some forecast as to what we might expect in terms of agricultural production for various commodities in the coming year. Those are the definite limitations to this particular type of conference, Mr. Speaker.

Premier Douglas: — There are no representatives of the Department of Trade and Commerce present.

Hon. I.C. Nollet: — There are no representatives present at the production conference other than the Federal Minister of Agriculture. There are no representatives at this Conference from Trade and Commerce or from Justice or any other branch of the Federal Government that has to do with agricultural marketing matters.

Certainly various problems are discussed at the annual production conference and have been discussed, but it is not a conference that deals with marketing problems. As a result of that situation, a general atmosphere of complete frustration has prevailed at the annual production conference for the lack of a conference at which recommendations could be made regarding agricultural marketing problems, and at which practical steps would be taken to maintain farm income.

As a result of that situation, the provincial Ministers of Agriculture have agreed several years ago, to meet together in annual conference for the purpose of discussing problems of mutual interest, and then going to the Federal Government with the conclusions arrived at. This year at the annual conference, the provincial Ministers of Agriculture agreed that we would ask the Federal Minister of Agriculture to use his good office to have a conference between the representatives of the Federal Government, the Provincial Governments, and farm organizations, in order to discuss the urgent problems facing Canadian agriculture.

I should also mention, and draw to the attention of the House, that Resolutions have been passed in this Assembly, on three successive occasions, asking that such a conference be called. I note that a motion presented to this Legislature in 1954 was carried unanimously. Therefore, Mr. Speaker, I expect the full support of the House for the motion now being debated.

Mr. Loptson: — What became of that?

Premier Douglas: — Ask Mr. St. Laurent.

Mr. Speaker: — Order!

Hon. Mr. Nollet: — The western farm organizations who met the Government on October 11th, last fall, in connection with the emergency cash shortage situation in Western Canada, also requested the Federal Government to convene a Federal-Provincial Conference at an early date to deal with the long-term problems affecting the agriculture industry, with a view to devising and implementing a comprehensive agricultural policy for Canada, because this is a shortcoming we have in Canadian agriculture. We do not have a comprehensive marketing policy for the Dominion of Canada. We have been endeavouring to deal with the problems of agriculture on a regional basis, and everyone attending the Federal-Provincial Conference now realizes and has pointed out the fact that our agricultural problems cannot be dealt with successfully on a regional basis, and that a comprehensive overall policy is required, because what is done in Western Canada is bound to have reactions on agriculture in the Central provinces and the Maritimes as well. So, we have all asked for such a Conference as is suggested in the motion before the Assembly. The Premier of this province has, in conformity with the wishes of this Assembly, also requested a conference of this kind.

It was the general opinion of those attending the annual production conference, this year, that, in a country like Canada, with a sparse population and a very extensive agricultural area, we must look to surpluses of food commodities as being inevitable, and, that these problems of surpluses must be dealt with on a national basis; that they are definitely a national responsibility, and that we must look to our national government for a solution. It was felt, too, that if the problem of surpluses could be solved, the depressing effect of surpluses on domestic prices would be removed, and on this basis it was generally agreed that a conference was necessary to deal with these matters.

There are further reasons why it is necessary that we take a look at the agricultural situation.

First, I would like to make reference to the so-called cost-price squeeze, Mr. Speaker. Farm costs present a serious outlook for the western farmer. Ever since 1951 the cost-price relationship for this farmer has steadily worsened. The problem did not immediately come to the front, because we have in the past four or five years experienced either the most bountiful crops in our history, or we have in that period of time marketed above normal grain crops. The index number of farm prices fell from a high of 268.7 points in 1951 to 200.9 points in 1954 – a drop of 68 points, based on 1935 and 1939 equalling 100. On the other hand, farm costs, which stood at 225.5 points in 1951, went up to 234.4 points in 1954. Therefore, farm costs now stand 34 points above farm prices compared to 1951.

Mr. H.H. Hammond, President of the Canadian Federal of Agriculture, in a statement to the last production conference on December 5th, pointed out that the Canadian farmers' 110-point parity position of 1951 has been dropping continuously ever since, and that it has now dropped

to 80 points, which is in relationship to 1940.

This is the fundamental problem facing western agriculture that cries aloud for a solution. The difficulties presently experienced by our farm people and the declining business activity in rural communities and the more serious problem of maintaining rural services can only be corrected by increased farm income, and I commend that solution to the hon. Leader of the Opposition, if he cares to look at it.

I don't know, Mr. Speaker, how a provincial government, or a combination of provincial governments could furnish enough additional income to our farm people to overcome the burdens of cost that have been imposed on them in the post-war period, or make up the loss of income that has resulted from the decrease in farm prices. It is not reasonable to suggest that somehow, by some mysterious means, the provincial government could subsidize agriculture to this extent, or subsidize municipalities to enable the farmer to pay his taxes, which, Mr. Speaker, I consider to be part of the farmers' operation costs. The whole suggestion when it is scrutinized becomes ridiculous to an extreme.

Everyone is worried about the cost-price squeeze. Even the Searle Grain Company, which recently published figures, shows that the purchasing power of a bushel of wheat in 1955 was lower only in two of the past 60 years. These two years were 1931-32, when wheat was 61 cents a bushel, and 1932-33 when it was 58 cents a bushel. It is significant that these were depression years, and that, in October, 1955, the purchasing power of a bushel of wheat was placed at approximately 61 cents, nearly the same as the depression year of 1931-32. In all other years, back to 1890, excepting 1931, 1932 and 1933, the price was lower than it has been in 1955.

In addition, it must also be borne in mind, when reading these figures, that farmers now have 10 times as much invested in farm machinery as they did in the 1930's, and 20 times as much as they did in the 1920's. In other words, the burden of capital investment in farm machinery has gone up to that extent. The burden of cost of maintaining and repairing this machinery has gone up to a similar extent. It is self-evident, Mr. Speaker, that this increased burden of cost cannot be carried by the farmer at existing prices. All items making up the goods and services associated with farm operations have sharply advanced in price and cost, all the way from barb-wire to combines, from freight rates to local services generally.

It is for this reason, Mr. Speaker, that taxes have also gone up. It is self-evident that action must be taken soon to raise farm income correspondingly to meet these added farm costs. Reference to Dominion Bureau of Statistics figures clearly reveals diminishing net farm income trends for Saskatchewan. For example, in 1951, net farm income in Saskatchewan was \$533 million; in 1952, our best year, \$566 million; in 1953, \$468 million; in 1954, \$126 million; and in 1955, it is estimated that it will be some \$310 million.

Mr. Loptson: — I read that last week in the paper.

Hon. Mr. Nollet: — It is true that farm income because of inventory changes will be up in 1955, but I suggest to the House, Mr. Speaker,

that in terms of purchasing power the farmer's dollar is now only half of his 1940 dollar, and the increased net income we can expect in 1955 is still some \$241 million less than it was in 1952. So by no stretch of the imagination will we be out of our difficulties, even though we market all of the grain that is now on the farms with a good portion of next year's crop included.

Mr. Loptson: — What are you going to do about it?

Hon. Mr. Nollet: — There is little possibility of any decrease in the cost of farm operation. This is indicated by the recent increase in the cost of farm machinery and further prospective increase in freight rates.

Mr. Loptson: — How do you propose to stop . . .

Hon. Mr. Nollet: — If the hon. member will just sit down a minute until I get through, Mr. Speaker, he can then get up and make his speech.

Mr. Loptson: — I've said all I . . .

Hon. Mr. Nollet: — It is a very peculiar thing, Mr. Speaker, the hon. member for Saltcoats, like the Rt. Hon. J.G. Gardiner is always on his feet when agricultural conditions are bad, suggesting that they are not bad, and every time these two gentlemen talk optimistically, if I didn't use any figures at all, we would still have a pretty good criterion that things are not good in the agricultural world.

The figures I have quoted reveal a very depressed situation. It has been suggested that figures are often misleading and conditions not as bad as they appear to be. However, one must at the same time consider that downward trend in net farm income revealed in the figures mentioned occurred, despite the fact that above normal cereal grains were marketed in the past five years. To me this demonstrates that the figures are not far out, and accurately reflect the farm situation.

I might mention, too, Mr. Speaker, that the seriousness of diminishing farm purchasing power is emphasized by the fact that retail sales of farm machinery registered a drop of 65 per cent in 1954 compared to 1953. Now what about farm price trends? I have been talking mostly about farm costs, Mr. Speaker.

A brief review of farm price trends, other than grain prices, since the peak year of 1951, deserves special attention. Cattle prices provide the best example, because next to grain it is Saskatchewan's largest source of farm income. The price of good steers up to 1,000 pounds on the Winnipeg market in 1951, was \$31.96 per cwt. . . .

Mr. Loptson: — I likely read that, too.

Hon. Mr. Nollet: — . . . compared to \$17.63 per cwt. in 1954, the lowest since 1948. Changes in inventory farm values for cattle in Saskatchewan is even more significant.

For example, in 1951 the total number of all cattle in Saskatchewan was 1,275,000, with a total value of \$241 million. In 1954, the total number of cattle in Saskatchewan was 1,387,000 head, an increase of 112,000 head; but despite the increase in numbers the total value of these cattle was only \$141 million. This represents a decrease in inventory value of nearly \$180 million, taking into consideration that the additional 112,000 cattle were valued at approximately \$70 per head. No other business could withstand such a large loss in inventory in such a short time and remain in business. I am aware of the fact that cattle prices were unusually high in 1951, but this clearly illustrates the serious economic dislocation that results from rapid price fluctuation. Forecasts for 1956 indicate increased cattle production and indicate, too, that there will be a further decline in the price of cattle.

Now, what about floor prices? The Select Special Committee will have an opportunity to carefully analyze our experience with floor prices for certain agricultural products such as hogs, butter and poultry products; and determine the adequacy or otherwise of the present price supports for these products. I am certain that a careful scrutiny of floor prices will reveal that floor prices do not take into account increased farm costs, and do not move with increased farm costs. Floor prices remain inflexible, and they are at a level far below the required price to provide sufficient income for the farmer to remain in business, or even to remain in production of the particular commodity to which floor prices apply. The surpluses under a floor price system are inclined to accumulate when prices are attractive and above the floor, thus creating exportable surpluses, with the result that the prices again drop to the floor with the effect of both the result that the prices again drop to the floor with the effect of both reduced production and farm income. I am now referring particularly to poultry products. Our experiences then has been that we either have peak production or very low production accompanied by violent fluctuations in prices and farm income.

The crux of the problem seems to be that the surplus products that Canada can so easily produce must find an outlet into the export markets of the world. For example, Mr. Speaker, during the war years, when Canada had good export markets for hogs, Saskatchewan had a record hog population of over 1½ million hogs. In the post-war period, when export markets for hogs disappeared, Saskatchewan's hog population dropped well below 500,000 for three consecutive years and for only one year did our hog population come back again over the 600,000 mark. Forecasts for Canada in 1956 reveal that we will again have peak hog production and lower prices.

I should mention that certain policies including such things as the subsidies of feed grain, have discriminated against hog production in Saskatchewan and livestock production generally. The reduced hog production in the Western Provinces that occurred was made up by increased hog production in Ontario and Quebec, so that the overall picture for Canada at the present time is that we will have a surplus of pork products in the country in 1956. Similar forecasts are made for poultry products for 1956. I mention these factors again to point out the close association between surpluses and depressed prices.

With reference to the floor price on butter, this floor price has proved to be more satisfactory than similar floor prices for other

agricultural commodities. There is a historical reason, Mr. Speaker, because historically Canada has not produced butter in excess of domestic consumption with the exception of the summer months, when the butter is usually stored to provide for the deficiency winter period when dairy production declines. However, we have a surplus butter situation at the present time because, since the restrictions on the manufacturers' sale of margarine were removed as a result of the decision referred to the Supreme Court by the Federal Government, margarine has now taken over about one-third of the butter market, so that at the present time we expect to go into the heavy production summer season with a surplus of around 60 million pounds of butter. I mention this merely to indicate the need for a comprehensive marketing policy and an appropriate government agency that will take some of the food surpluses into the export markets of the world.

When one examines the problem of stabilizing farm income on the basis of past experience, it is immediately clear that price determination by commercial marketing practice based on the so-called theory of 'supply and demand' has failed completely, and that price support of this type of marketing system is undesirable and impractical from every point of view. I hope the Select Committee will inquire very carefully into the various marketing schemes and systems that we have had experience with, particularly in the post-war period.

It is significant, Mr. Speaker, to make a notation of the fact that, with the exception of the Honey Marketing Board in Saskatchewan, no producers in the prairie provinces have established provincial marketing agencies. This perhaps can be attributed to the fact that the prairie provinces are large exporters of major agricultural products and that matters of inter-provincial and export trade place serious limitations on the successful operation of such provincial marketing boards.

The difficulties experienced by such provincial marketing boards in the Maritimes, where export commodities are handled, seems to substantiate this assumption. By contrast, Mr. Speaker, it is notable that Canada's largest agricultural export commodity, wheat, originating in the same three western provinces, is marketed exclusively through the Wheat Board, a national marketing agency. It is also timely to note that the Wheat Board has proven its merit as a marketing agency, and that this system of marketing exportable surplus agricultural commodities is now firmly established. I believe that is very significant. While the Committee is examining various marketing systems and schemes, we will perhaps look at the Wheat Board marketing system. There may be certain deficiencies that can be overcome. Perhaps attention should be given to the matter of improving farm storage facilities for . . .

Mr. Lopton: — Are the C.C.F. going to . . .

Hon. Mr. Nollet: — . . . farm-stored grain, and ways and means of providing the farmer with some immediate cash income, some practical means, until the Wheat Board has an opportunity of marketing this commodity on the export markets of the world.

Certainly, Mr. Speaker, the principle of Wheat Board marketing needs very careful study with reference to marketing other exportable farm products under a marketing agency similar in principle to the Wheat Board.

At the outset I mentioned that there is general agreement among agriculture leaders that a country like Canada, with a relatively small population and a large expanse of agriculture land, affords tremendous opportunities for expanded agriculture production, and gainful employment to an increasing number of people. Historically the Canadian economy was built on the export of food commodities. There is now a much greater potential market throughout the world for surplus foods than there was in the initial stages of the development of this country. Practically all other countries are extending every effort to produce more food in an attempt to feed their increasing populations. There are in reality only five countries in the world that have large quantities of foodstuff surplus to their domestic requirements. There is, therefore, Mr. Speaker, great actual stomach demand. This demand is unlimited. We must now realistically determine world requirements, combine our efforts and bend our wills towards increasing the export of our agricultural foodstuffs by setting up appropriate export agencies that will find markets abroad for Canada's great potential food production, at least at the same level of export volume as the other non-agriculture commodities that are now being annually exported from Canada. It is unrealistic to expect that we can restrict Canadian food production to domestic demands. This has been federal policy in the post-war period, but it has failed completely. We have endeavoured as a national government to restrict our production to domestic needs, but we have failed now in practically every food commodity and have wound up with surpluses. This is understandable, Mr. Speaker.

In this connection, and in connection with our position in the export market in relation to goods and commodities of a non-agricultural nature that are exported from Canada, Mr. Hannam pointed out, in his statement to the Federal-Provincial Conference last December, that the productivity of Canadian farmers has reached the highest point in history and that this record has been achieved with the smallest farm labour force in many years – actually 33 per cent below that of the pre-war years. It was also pointed out by Mr. Hannam that this was only made possible by the heavy increase in the farmers' investment in machinery and equipment and expenditures for production supplies. I mentioned a moment ago, the increased machinery investment that took place, as far as Saskatchewan is concerned, being 20 times more than in the 1920's, and 10 times more than the 1930's. But, despite the added productivity resulting from these machines and the record output of food commodities in Canada, the farmer is not at present receiving his fair share of expanding income and prosperity enjoyed by the country as a whole. Canadian agriculture finds itself caught in the cost-price squeeze while world trade in non-agricultural goods is 40 per cent above pre-war world trade, and export of farm products are at about the same level as in the immediate pre-war period. While domestic and export demand was good for farm products during the war and the post-war period, farmers felt that by 1951 practically every major farm product reached the point where supply began to overtake demand and as a consequence farm prices began to fall.

Now, Mr. Speaker, that seems to pretty well sum up our experience. Therefore, I feel that the motion before the House is timely. It is an opportune time to examine very carefully the position of Saskatchewan agriculture, and I can assure all members of the House that the Government is very conscious of any further declines that might take place in farm income in this province, because we depend predominately on our basic industry for our economic survival, as well as for all the services that are furnished by the Provincial Government,

and municipal governments that the Leader of the Opposition likes to refer to so much. The solution to the problem of providing improved public services will depend on a high level of farm income in this province, Mr. Speaker.

I can assure the House, also, that this Select Committee is not being appointed to do a superficial job. We expect, as has already been pointed out by the Premier, to examine carefully the report on marketing submitted by the Royal Commission. It is good to have the opinion of many people on these matters, and the Government is seeking the opinion and advice of the Members of the Legislative Assembly as to what they would like to see incorporated in a comprehensive marketing plan to bring stability to our basic industry. I am quite sure that everyone in the House will agree with the spirit and intent of this motion, and I have great pleasure to move the motion, seconded by the hon. member for Bengough (Mr. A.L.S. Brown).

The question being put, it was agreed to.

The Assembly then adjourned at 5:15 o'clock p.m.