

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fourth Session - Twelfth Legislature
35th Day

Wednesday, March 28, 1956

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

On the Orders of the Day

Time Extension For Purchase Of Licenses

Mr. Robert Kohaly (Souris-Estevan): — Mr. Speaker, before the Orders of the Day are proceeded with, I notice, according to all press and information reports, the transportation is going to be tied up in an unusual way, this spring.

If conditions are going to continue so, I wonder, in the light of that information if I might ask the Government if they would consider extending the time for the purchases of licenses, and for insurance provisions, for a period of time that would enable the people in the country to get in and get their licenses. I think it is going to be a tremendous burden on many people operating motor vehicles in the province to get to the licensing issuing centres, and the Government might seriously consider the possibility of extending the time for a period of two weeks, in the light of this rather unusual situation which has developed rapidly.

Premier Douglas: — We will take that under advisement, and if it is necessary we will see what the administrative possibilities would be of implementing that suggestion.

Motion Re Sitting Time

Moved by the Hon. Mr. Douglas (Weyburn), seconded by the Hon. Mr. Corman:

"That on and after Thursday next (March 29th) until the end of the present Session, the Assembly shall meet at 10:30 o'clock a.m. on each day except Sunday's; that in addition to the usual intermission at 5:30 o'clock p.m., there shall also be an intermission each day from one to 2:30 o'clock p.m.; that Standing Order 5 (2) be suspended to permit of evening sittings on Wednesdays as on other days; and that the order of business and procedure on Saturdays shall be the same as on Fridays."

Premier Douglas: — Mr. Speaker, I have no wish to dictate to the House in any way, but I have introduced this motion as a basis of discussion in an effort to expedite the work of the House.

March 28, 1956

I have no wish to press this motion unless it seems to suit the convenience of all the members concerned. As the members know, under the rules of the House we do not sit tonight; I believe most of the members have been invited to be the guests of the Horse Show, and that is why we have introduced no motion for the House to sit tonight.

The members will notice, too, that in the Votes and Proceedings I have already given notice of a motion that when we adjourn tomorrow the House will remain adjourned until Saturday, so that Good Friday will be a holiday. We had thought, originally, that we might adjourn Thursday night until Monday or Tuesday in order to give the members a long Easter weekend, but a number of members - some from each side of the House - have expressed the opinion to me that they cannot get home anyway, with the heavy snowfall, and to adjourn from Thursday until Tuesday would just mean they would be sitting around the city here for four days, and as far as they are concerned they would just as soon we continued with the sittings of the House.

Therefore, I am introducing this motion, but I am perfectly open to any suggestions or amendments which will better suit the convenience of the House. I am proposing here that we stood sitting in the mornings, as of tomorrow; sit tomorrow, reconvene on Saturday, and continue from now on with the House sitting in the mornings and sitting on Wednesday evenings.

Most of the Committees have finished up their work, I think, except the Crown Corporations (I believe the Law Amendments Committee are meeting at 5.30 tonight) - so I think most of the Committees have completed their work and we could begin sitting mornings. What we can do for the Crown Corporations Committee is, some evening, instead of recessing at 6:00 o'clock or 5:30, we could simply adjourn then and use the evening for the Crown Corporations Committee, whenever that suited the convenience of the members of that Committee.

Therefore I make this motion, seconded by the Attorney General (Hon. Mr. Corman).

Mr. A. Loptson (Saltcoats): — Mr. Speaker, I think that is rather drastic after such a heavy session as we have had, that we are not allowed to adjourn for the holidays. I realize that there are a number of members who probably are not able to get home, but I think most of them can, because I think the Hon. Minister of Highways (Hon. Mr. J. T. Douglas) will advise us tomorrow that most of the highways will be open for traffic, unless we get another storm.

I would suggest that a large number of members who are able to get home would be prevented from getting for those two days, as a result of sitting on Saturday. I think it is quite right that we should sit on Monday and I think even without sitting Saturday that we should be able to get through within the next week.

Premier Douglas: — It is whatever the members want.

Mr. Loptson: — Well, if it is a matter of an amendment, I would suggest that we adjourn tomorrow night in time for the members to catch their

train or bus, and that we come back on Monday morning.

Hon. J. T. Douglas (Minister of Highways):-I want to point out, Mr. Speaker, that there is a small possibility of many of the highways being open by tomorrow night. The report this morning is not good and over a large part of the province the snow is still drifting. I notice a number of the plows are standing by ready to go to work, immediately the drifting stops, but I am afraid I cannot make any promises as to conditions by tomorrow night. We will do the best we can, however.

Mr. Lopton: — Well, Mr. Speaker, if I may be permitted to suggest - supposing the motion went through, with the understanding that if the road conditions are such that a large majority of the members are able to go home, would the Premier consent to adjourn the House on Thursday, until Monday morning?

Premier Douglas: — Well, it is not a matter of my consenting, Mr. Speaker. If the majority of the members want to adjourn tomorrow night until Monday, we will have to, of course, bring in another motion; it would have to be by consent of the House, of course, because it would be too late, then, to give Notice; but I think it would be well if we had some expression from the members generally. I have no means of getting that expression of opinion, except through the Whips, and the general impression I have gathered is that most members would just as soon use Saturday as sit around; but it is entirely up to the members. To those of us who live in Regina it makes no difference one way or the other; what we want to do is suit the convenience of the members who have long distances to travel.

Mr. Kohaly (Souris-Estevan): — If I may be permitted, I would say that I have no particular feelings one way or the other, except that I feel we have had a rather long and strenuous session up to this point, and the Good Friday, Saturday and Sunday holiday is certainly welcome; it is most unfortunate if all of the members cannot get home, but by one means of transportation or another, most of them should be able to get home; and I feel that the amount of work that is yet to be done warrants continuing on into the week. If we are going to be here for Monday or Tuesday we might just as well be here Wednesday and Thursday and take our time over some very important legislation which remains, some important Committee meetings which remain; and obviously a great portion of the money which is to be voted this year yet must be passed and discussed and considered, I feel we should do it at leisure, rather than under pressure.

If there are some members who are unable to get home they will certainly enjoy the rest in this capital city, anyway.

Mr. A. C. Cameron (Maple Creek): — Mr. Speaker, I would like to say this, in support of those who have spoken. I know that some of us have been sitting on practically every Committee in the House and we have been going morning, noon and night; we have a tremendous amount of work yet ahead of us in regard to consideration of the report brought in by the Special Committee; most of the Estimates are yet to come, and if we are going to have to sit from 10.30 in the morning until 10.00 at night, beginning

March 28, 1956

tomorrow, and Saturday, and on into next week, then I feel that the members are being pushed to the point where you cannot do your work well enough, because you haven't the time to devote to it. We are finding it very difficult to give consideration to things that need attention because we are on committee work, then the House sits, and we are on committee again in the evenings, so that we cannot find time to do any homework. I think if we took the recess over the holiday it would give us time to catch up on our thinking, to do a bit of homework and come back refreshed, and to give much closer attention to the Estimates and this Report which is going to be presented. If it is possible, I would certainly support an adjournment over the weekend.

Mr. Speaker: — The mover of the motion is about to exercise his privilege of closing the debate, so anyone wishing to speak must do so now.

Mr. G. H. Danielson (Arm River): — Mr. Speaker, I can express my agreement with the other speakers from this side of the House.

As the member for Maple Creek (Mr. Cameron) said, we have been sitting night and day, either in Committee, or in the House; and I think perhaps I should say this - it is not a new thing, everybody knows it - but there are only a few of us on this side of the House and there is no means of escaping any duties so far as we are concerned; on the other side of the House, Mr. Speaker, there are a large number of members and they have the opportunity to slip out more, or take a half day off, or miss a meeting, if they have something more important to do. But that is not so with us.

So, I would like to concur with what has been said by the member for Saltcoats (Mr. Lopton) that we adjourn tomorrow night and come back on Monday morning, or Tuesday morning if it is the wish of the House; but I think we can all be here by Monday morning.

Mr. H Gibbs (Swift Current): — Mr. Speaker, I think I would like to concur with what the member for Saltcoats suggests - that we adjourned from Thursday night until Monday morning.

Mr. Maurice J. Willis (Elrose): — Mr. Speaker, there are some of us who haven't been home since we came down here and there are some of us who get home quite often. However, if we have this weekend - and if there are just three trains a week and no bus transportation in my area right now, and in all probability there will not be; so that if we have the holiday I am certainly going home, too, but I cannot get back here until next Wednesday; that is the earliest I can get back by train. I think some of the members on this side of the House have train service very similar to that. We haven't been able to get home, and consequently, if you want to be fair about it, why not adjourn until next Tuesday?

Mr. R. A. McCarthy (Cannington): — I am in much the same position as the member for Elrose (Mr. M. J. Willis); I don't live very far from here but I still can't get home. I managed to get home once and got stuck coming back in; I am not sure that I will be able to get home this

weekend but I still think it is reasonable to adjourn at the House until Monday. After all, it is snowing out, and the farmers cannot complain that they are going to be held up with their seeding. I think that in order to do justice to the business of the House - I don't know that I will be able to get home myself, but I still think we should adjourn until Monday.

Mr. E. H. Walker (Gravelbourg): — Mr. Speaker, just because some member lives in a frigid climate and is not going to be able to start seeding for a couple of months does not mean that we are all that unfortunate. Those of us in the 'banana belt' of the province may be seeding within a week or two, and as far as I am concerned I would like to see this Session cleaned up. I see no necessity for adjourning Saturday and Monday. There are so many of our members who cannot get home anyway, and certainly, unless we do take Monday off, I cannot see any justification for it. I am certainly going to support this motion.

Mr. A. H. McDonald (Leader of the Opposition): — Mr. Speaker, just before the Premier closes the debate, I want to say that I mentioned this to him yesterday, and in speaking to him I said that it was immaterial to me, and as far as I am concerned it matters not. I know there are members on both sides of the House, where some want it and others do not, but as far as I am concerned, it doesn't matter.

Therefore, I do not think I will vote either way.

Premier Douglas: — (closing the debate): — Mr. Speaker, in closing the debate I will repeat what I said in introducing this motion - there is no desire to force a sitting of the House if the members want to go home; on the other hand, we do not want to inconvenience members who cannot get home.

I am going to suggest that we pass the motion, because mainly what this motion does is provide for sitting mornings and for sitting Wednesday nights. There is a motion coming up tomorrow, which is already in the Votes and Proceedings, and that motion says that when the Assembly adjourns today (that will be Thursday) it do stand adjourned until Saturday. I would suggest that between now and tomorrow, when this motion comes up, if the Whips will concur, and the general consensus of opinion seems to be that we should adjournment until Monday, then I would simply have someone move an amendment to this motion that I am bringing, making that Monday instead of Saturday.

If the general feeling is, after it has been discussed between the Whips, that we should sit Saturday then we will leave the motion as it stands, but I would be quite agreeable to changing that to Monday if that seems to meet the wishes of more of the members.

Mr. Speaker: — Might I point out that, irrespective, you make it possible to sit, but that doesn't make it mandatory. At any time you can adjourn the House, by consent.

Premier Douglas: — This motion, Mr. Speaker, will mean that we have to meet at 10.30 in the mornings, if it passes.

March 28, 1956

Mr. Speaker: — Yes, but as far as adjournment is concerned, it does not make it mandatory that we sit on Saturday.

The question being put, it was agreed to, by voice vote.

Moved by Mr. Brown (Bengough), seconded by Mr. Walker, (Gravelbourg):

"That the Final Report of the Select Special Committee on Marketing and Farm Income be now concurred in."

Mr. A. L. S. Brown (Bengough): — Mr. Speaker, in presenting this report to the Legislature, I realize and appreciate that I am reporting back from what I consider to be one of the most important committees ever established by this Legislature. Important not only within the scope in terms of reference, but also in the magnitude of the problems which were delegated to this committee to study, and to make their findings and recommendations on.

However, before dealing with the report as such, there are one or two general remarks I wish to make, and one of them is that I do want to take this opportunity to express my appreciation for the co-operation which I received as chairman, from all the members of the committee during our public hearings. I did feel that the members of the committee are to be congratulated upon the fact that they undertook in a sincere manner, and a sincere effort, to obtain as much information as it was possible to obtain from the people who appeared on that committee.

I wish to take this opportunity also, to express my own appreciation, and I think the appreciation of the committee, for the co-operation which we received from the press. I do feel that the press gave to this committee a coverage to which unquestionably it was entitled, but I do feel that they gave the comprehensive coverage to the workings and to the activity of this committee, and as such, I feel that the hard-working press staff are to be congratulated upon the fact they were able to give the coverage which they did.

It was mentioned in the report which was tabled here yesterday in the House, our acknowledgement of our thanks and appreciation for the services rendered by our council, Mr. Mervyn Woods, and our technical adviser, Mr. Charles Schwarz, and I, on my own behalf, want to assure this House that without the hard work and co-operation which these two people gave to myself, it would have been an impossibility to have brought forth a report such as we were able to bring forth.

In addition to these two gentlemen, I wish to pay my tributes to the hard-working staff who associated themselves with us. There was a reference a day or two ago in the paper, referring to the hard-working helpers that I, as chairman, had working with me. I want to suggest, Mr. Speaker, that that was an understatement in many respects. If it had been not been for the fact that we received the co-operation from these people, and the fact that they were prepared, and did give unstintingly of their time and worked

not only during the working hours of the day, but also during evenings, Saturdays, and occasionally on Sunday. It was only through their efforts that it was possible to bring forth this report at this time.

I also want to express my thanks to those organizations which, as was suggested in the report that was tabled yesterday, at much inconvenience at times to themselves, and certainly on short notice, were able to bring forth and express their views and opinions in the manner in which they did. I realize these organizations are busy people, but I think they did realize and did appreciate that we were sincerely and honestly endeavouring to find some solutions to the problems which face agriculture at this time.

I also wish to take this opportunity to express our appreciation to the Saskatchewan Wheat Pool, to the Northwest Line Elevators Association, and the Canadian Wheat Board for much of the statistical material which they made available to us, particularly in respect to grain deliveries in the crop year of 1955, or rather 1954-55 and up to the present in the crop year 1955-56.

While in this report we do not suggest that we have brought forth a perfect document, or a document which will be received with agreement in every detail, I do feel, and I think the committee has a right to feel, that in bringing forth this report they have undertaken within the terms of reference to draft what might be considered as a blueprint along which we can work to the point of bringing to agriculture a greater security and greater stability.

I think possibly, Mr. Speaker, some reference should be made in this Legislature to the methods which I, as chairman, undertook to prepare this report which was considered by the committee. The members of the committee will recall that we held our last public hearing on Wednesday, March 14, and at that time I intimated to the committee that I was prepared, as their chairman, to undertake to prepare a draft report which I would submit to the committee, in order that all members of the committee would have an opportunity to pursue this, and to be able to discuss intelligently, when they appeared to consider it as a committee. I, with the co-operation once again of the people who are working with me, was able to prepare and have distributed a draft report on March 17, and the ones that were not distributed on March 17 were distributed on Sunday, March 18.

Then we undertook to consider this report in camera on Wednesday, March 21. I realized that to some extent, possibly I was setting a precedent insofar as I did make a draft report available to the members of the committee that much ahead of the official meeting of the committee, but I do think that by so doing it did serve a useful purpose in the discussions which we were able to hold, insofar as the final drafting of this report, and I think this justified the action which I took at that time.

The committee members will further recall that when I suggested that I would undertake to prepare this draft report, I did also intimate that I, as chairman, and which I was satisfied the committee would also concur in, that anyone else could undertake to prepare a draft report and submit it to that committee, and that it would receive the same consideration as the one which I had undertaken to prepare.

March 28, 1956

As I have mentioned, I do not suggest that this report is perfect in every detail, but I do think the fact that when the vote in the committee was taken on this report, as it is finally on the members' desks today - I am pleased and proud to be able to report to this Legislature that it was accepted in that committee without one dissenting voice.

In this report, Mr. Speaker, we have attempted to undertake to attack this problem in two reports. First, there was the immediate problem, and secondly there was referred to us the drafting of what might be construed as a long-range programme. We have attempted to divide the report into those two sections, dealing with those problems which we feel can be remedied, and which in our opinion must have some action taken immediately, unless we are prepared to see the agricultural industry go into immediate bankruptcy, particularly in some areas in this province and in some parts of Canada.

In making our suggestions and findings and recommendations in respect to these problems we do not suggest in any way, shape or form, that the farmers as such, or the agricultural industry as such, should be placed in a preferred position, but rather that the farmers as a part of our Canadian society, and agriculture as a part of our Canadian economy should be placed upon an equal basis with other classes of people, and with other industries.

In this report, I think what we are trying to suggest is that for the farmers we desire economic justice, and that for Canadians as a whole we are suggesting that they should be entitled to abundance, and to the hungry peoples of the world we are suggesting that we should undertake in our way, and in our means, to provide them with enough food.

In the terms of reference under which this Committee was set up, it was pointed out that a conference had been asked for by the Provincial Government - a conference on a cabinet level with the Federal Government, and with other farm organizations, and it was our task to prepare a submission from this Legislature which could be presented to such a conference when it is called. I feel no one can make the accusation, or even the suggestion, that we in this committee were it anyway, or in any respect, duplicating the work which was undertaken by the Royal Commission when it prepared its report on agricultural markets and prices, but rather that this work which this committee did was complimentary and supplementary to the work which the Royal Commission did. The fact that we had before us the Royal Commission report expedited the work of this committee, and I do feel that it made it possible - the fact that they had done this preliminary study, particularly in respect to the long-range programme, - that it did make it possible for us to bring down a more comprehensive, and I suggest, a more intelligent report.

In undertaking a study of the general economic situation in this province, I think the evidence which was presented to that committee indicated very clearly that there has been a drastic decline in farm income during the past few years, and in the immediate past few years, I think that the cause which was evident to the committee was that it was the result particularly of a decline in prices, rather than an increase in costs in the immediate past year or two. For instance, we have seen evidences presented to the committee which indicated, in the case of wheat, where we had been receiving an average farm return for a bushel weight approximately \$1.60,

that in the crop year 1954-55 it had declined to a farm return of approximately \$1.00 per bushel. Now, it is true that that might possibly be supplemented by the final payment when and if it is announced, but generally speaking a drastic decline in net returns to farmers on that basis could do nothing else but create a serious and drastic decline in farm income.

This was further accentuated by the fact that there was a slow delivery of grain, not only in the crop year 1954-55 but particularly severe in the early part of the crop year 1955-56, and it has created indeed a serious cash shortage, particularly in many areas. It is true there are some areas in the province which would indicate that the cash shortage was not so great as it was in some of the more regional areas. We might classify them in that term of areas in which they had either a poor crop in 1954, or a complete failure in 1954, and had very slow delivery in the 1955-56 crop year.

In taking a survey which was conducted through the municipal secretaries in an endeavour to find the impact which this decline of farm income had upon the municipalities, upon schools, and the impact which it had upon the farmers generally, I think one significant factor emerged, and one which I think should be reported to this Legislature. On the basis of the questionnaire submitted to these rural municipalities, it was indicated that just slightly or 40 per cent of the farmers in the province of Saskatchewan could finance, if their deliveries were confined to only one bushel per specified acre. That means that unless there is more than a one bushel delivery per specified acre before spring seeding operations commence, 60 per percent of the farmers in this province will find themselves in an indeed difficult cash situation.

Even if you take it up to the point where they could deliver three bushes (and I suggest that that will be an absolute impossibility to have deliveries of three bushels in very many areas of the province before spring seeding operations), only 74 per cent could finance the seeding and spring operations. Which means that even with the delivery of three bushels, 26 per cent of the farmers in this province will be unable, without additional financial assistance, to undertake their spring seeding operations. I suggest that that does, in itself, indicate the seriousness of the cash shortage in this province, as it relates to the farmers, and it does indicate in my opinion, and in the opinion of this report, that agriculture is in a precarious position, particularly for the immediate and in the same respects, on the long-range view.

The same thing is true in respect of business activity in the province. There has been a decline in retail sales over the last year; a decline in the province of Saskatchewan where you have an overall increase in the Dominion of Canada. I think possibly the most significant factor or item which you can relate to farm income, and how it reflects in retail sales, as in the farm implement business. In 1953 there was approximately \$90 million of farm implements sold in this province. That declined in 1954 to approximately \$40 million, indicating once again that the shortage of cash in the hands of the farmers was having its impact felt upon that business particularly and having its impact felt upon the general business activity of the province as a whole.

March 28, 1956

In addition, I think from evidence submitted it is found that this is also having an impact upon the municipalities of such. That the municipalities are finding that their arrears of taxes are increasing in some cases, very rapidly, due once again to the inability (on the one hand) to deliver grain, and on the other hand to a decline in farm prices. Tax arrears have increased from some \$12 million in December, 1954 to approximately \$17 million at the end of the calendar, 1955.

I think, Mr. Speaker, what I have said in respect to the rural municipalities was equally borne out; that it had the same effect on school districts, and their operations, as was indicated by those associations connected with the educational facilities of this province, that it was indeed having a serious, and very serious impact upon their activities. The same is unquestionably true insofar as the Provincial Government is concerned.

In undertaking to make recommendations in respect to the immediate problems, we had naturally to take into consideration the question of some means of obtaining immediate cash to put into the hands of the farmers. I understand, Mr. Speaker, that there has been a debate in this House on the question of cash advances and bank loans. I don't know whether I dare bring up such a controversial subject, or to revive such a controversial subject, but nevertheless, your committee did give serious thought to both this question of cash advances and also to the question of bank loans.

Your committee realized that there might be arguments advanced on both sides; that there might be some convincing arguments advanced on both sides. But your committee does find that in this present situation, cash advances as such would not only have been more popular, but would have met the immediate situation much more effectively than would the means which would be undertaken through the medium of bank loans. And as such, we are recommending that even now cash advances be implemented to take care of the spring seeding operations, and to take care of the situation until such time as the farmers are able to deliver their grain.

We do not discount that government-guaranteed bank loans have a place in our credit facilities in this province, but we do suggest and recommend that bank loans be resorted to only at a time when the farmer, as such, has no grain on hand, and no apparent means of obtaining security other than having it guaranteed by some agency other than the institution from which he might be obtaining his loan. But in situations such as we had last fall, and in situations which may re-occur in the future, in which the farmer has the wheat in properly stored facilities, he should rightly be able to obtain cash for that wheat or that grain which he has produced, and for which he needs the money.

We are recommending that this system be made a permanent feature of our marketing scheme, but that it be implemented only at times when situations occur such as they did last fall. It is not unforeseeable and possibly not unlikely that the same situation will occur in the fall of 1956, so we are suggesting that means be implemented of a system of cash advances immediately, and it be made a permanent part of our marketing situation, but we make this one reservation in our suggestion, that it be only applicable to that portion of the crop which will be deliverable within that crop year. Because of that, I do not think that anyone can suggest that we

Are not being fair, or that we are asking for the wheat producer anything that anyone else in any other occupation does not receive, and is entitled to.

In respect to the question of farm storage, we find that there was much merit in the suggestion that payments be made for storage of wheat on the farm, and as an immediate suggestion, we are recommending that there could be implemented a means by which advances could be paid on farm-stored grain at the same rate as presently being paid to grain in commercial situations. This is not something new; this was done, I think back in 1941 or 1942, when we had a somewhat similar situation, and it was justified by the Minister of Trade and Commerce in his remarks in Hansard.

While commending the Federal Government for the action which they have recently taken, in undertaking to pay the storage in excess of what they term a "normal carry-over", we suggest in this report that the Federal Government has responsibility to maintain a stockpile of grain, and we are recommending that the Federal Government undertake to pay storage on all grains held over and belong to the province here; that that should no longer be a burden on the farmer, and he be required to pay the storage costs. Once again I suggest, Mr. Speaker, we have made one step in the right direction in asking that one additional step be taken to bring all of the grain under that same category, in which that grain in excess of 178 million bushels presently finds itself.

As far as the grain delivery situation exists at the present time in this province, we do find (and I think with justification) that there was not the movement of grain off the farms, or out of the country elevators this year, to the same extent that there was last year even, and certainly not to the same extent that there was in the past four or five years. There has been indeed a delay in the movement of grain out from the country elevators.

We had appear before us in committee Mr. Roy Milner, as Transport Controller, and he gave to the committee, I think, an excellent explanation of his work and the means by which he did work. But we suggest, Mr. Speaker, that in spite of the exonerating circumstances which Mr. Milner was able to place before that committee, (and we do agree that there were certain reasons why more grain had not been moved out of the country elevators) we realize that the Canadian Wheat Board had not been making the sales; that there had not been the clearance of export markets; and there was possibly some justification for the desire to have more additional storage, or to obtain more effective storage space at the terminals. We realize that some of these reasons may be justified, but they all, in themselves, do not explain the fact that there was some 82 million bushels less wheat moved out of country elevators this season, as compared with previous seasons; that there was, too, a drop of some 41 million bushels in export sales and export cash; that there still remains some 40 million bushels of space which could have been filled had the facilities been made available for it.

So I think we were on very safe grounds when we did find there was indeed a boxcar shortage in western Canada, this past fall, and that there is, even yet, a boxcar shortage. In making this recommendation, Mr. Speaker, I find we are once again in good company, for the Wheat Pool, after hearing Mr. Milner's evidence, arrived at exactly the same conclusion as did your committee, and did find that there was indeed a boxcar shortage. I am certain

March 28, 1956

there was no intent to pass any reflection on Mr. Milner as Transport Controller. I think it should be reported to the Legislature that the committee was alarmed at a situation which appeared to be developing in the administration of the Transport Controller. While I am only too willing to agree that there are times when persuasion and discussion are better than formal orders, but once having undertaken to discuss matters with organizations such as the railways, the Canadian Wheat Board, or the Board of Grain Commissioners, or with whomever those discussions may have taken place, I think the least protection which we are entitled to, and other industries would be entitled to the same protection, is that formal degrees to be issued.

It does appear to me, and also the committee, that there was a situation developing there which indeed needed relegating. The committee did find that boxcars which were made available were not, in their opinion, being distributed among the various areas, and to the various elevator companies in a manner which would meet with their entire approval. Realizing that there must be some means by which the Canadian Wheat Board can undertake to obtain the grain from those areas from which that particular grade is more plentiful, and can be more readily moved into marketable position; we feel there could be a means of boxcar distribution worked out in which the preference could be worked back to the primary producer himself; that a car scheme could be established based upon the indication of the producer as to his preference of the delivery of the grain.

Your committee realized that cash advances as such, might meet the immediate situation; that more boxcars might, to some extent, relieve the cash shortage, but it does realize the final answer lies in getting this wheat on to the markets of the world. For as long as it remains in our hands, rather than being an asset as it should be, it could develop into a liability, and we are suggesting that there are certain immediate steps which could be undertaken by which we could get a greater markets for our wheat.

We suggest that there could be sales made on the basis of loans and credit, it is true, and we commend the Federal Government for the steps which they have taken in this respect. But we suggest that it could be carried even further. It could be the means of accepting foreign currency for our product; it could be the acceptance of the principle of barter trade. Barter Trade taken in its broadest sense, to be interpreted, not necessarily as trade between one commodity directly for another commodity, but rather it could be over a given period of time, in which we, as an exporting country, agree to export our grain over a given period of time, and that we in turn would be prepared to accept their goods over a similar given period of time.

We feel that our approach should be to having more liberalization of our trade policies within Canada, and with other countries, so that we can more readily move our products on to the markets of the world. In addition to that, we suggest that immediately we can undertake to move such, or some of this grain at least, into the place in the world where it can be used through the medium of relief and emergency aid programmes.

Before I leave this point, Mr. Speaker, I wish to reiterate I think, what every farm organization has stated, and which the committee certainly wishes to go on record in that we endorse the Canadian Wheat Board as a marketing organization, and that we unquestionably reject the situation by the Winnipeg Grain Exchange that more flexible prices would sell more of our wheat.

It was indicated to the committee that we had a drop in prices of wheat on the world market from anywhere from 31 to 53 cents a bushel, and it did not succeed in moving any more grain on to the markets of the world, and we rejected in its entirety that suggestion as a means of expanding our markets, and of expanding our sales.

In endorsing the Canadian Wheat Board as a marketing organization we also want to go on record as indicating our support for the International Wheat Agreement as a stabilising influence upon world markets for wheat.

These are some means, Mr. Speaker, which we suggest could be done immediately to relieve and to assist the agricultural industry, but as I suggested at the outset, we realize that the implementing of all those would not, and could not in itself, solve the problem; that there is a long-run problem that faces agriculture, and we must undertake to provide a comprehensive marketing programme, and a policy for agriculture; a marketing programme and a marketing policy which will not place agriculture in a more favoured position than any other industry in Canada, but the full impact of declining markets should not be reflected back upon the individual farmer, as such; that he is entitled to the protection which society might be able to give him.

One of the means by which you can - which is part of a marketing policy and a marketing programme - one of the means by which you can undertake to provide that security and that stability in agriculture is through the medium of support prices, and we suggest that the implementation of support prices as such is justified not only on the basis of economic needs of the producer, but it is justified upon the basis of a social necessity.

In advocating a support price for agriculture, we took into consideration experience as we have seen it, in the United States, where they have been operating a price support policy for some number of years, and it was in the United States, I believe, where the first parity concept developed, and where the first parity concept was actually written out in legislative terms.

While it is true that here in Canada (and once again we must commend the steps which have been taken) there has been some progress made in an endeavour to put a support price under agricultural products, we do suggest that there are certain failings in our present price support policy in Canada. There is first of all, the question of lack of prominence. By no means and no form is it a permanent means of price support for our products, and the basis of support is, while it may be related to parity, certainly not on the basis of arriving at support, it is not on the basis of parity, and certainly not on the basis of parity as we interpret it. Possibly one of the greatest weaknesses of our present price support in Canada is the lack of forward pricing in it, and that the producer of any one given commodity which might come under the Price Support Act, is not given sufficient assurance as to his price in the future, and for price supports to work effectively in retaining farm income, and at the same time to some degree at least directing production, then you need a means of forward pricing or assurance to the producer that at some future date he will receive a given guaranteed return for the products which he produces.

March 28, 1956

Another failing as we find it in our support programme here in Canada is the lack of support for all of the grades. As members are aware, the price supports which are implemented are generally on the top grades of the product concerned only, with the net result that there is no support under the other grades. There could be others outlined, some of the failings or weaknesses of our present price support in Canada, and we as a Committee are suggesting that there can be improvements made in our present policy and in our present programme of a support for agricultural prices. In our ultimate desire, or our ultimate objective, I think that we have laid down here in our recommendations a blueprint upon which an entirely equitable price support could be inaugurated and could be implemented. We realize I think, Mr. Speaker, that in advocating this, it is something that cannot be done overnight. We are advocating as the ultimate desire in a price support programme, that a price support programme be applied to all agricultural commodities, and that it be applied at all times; that it be on the basis of parity at a normal period of employment, and normal marketing be used as a base for establishing the parity price.

We are suggesting that the market price and the support price be synonymous. In other words, Mr. Speaker, as an ultimate objective in our price support programme, we are suggesting that the farmer should be removed from the price fluctuation that presently exists, in which you can have, as with the price of flax go up to \$5.00 or \$6.00 a bushel, and then a year or two later go down to \$2.00 or \$3.00 or \$4.00 a bushel. We suggest in the ultimate aim that these fluctuations should as far as possible be removed.

Now in arriving at this ultimate objective we realize that there will have to be a number of changes made, not only in our marketing policy, but also in our general overall economy in Canada. And, therefore, we are suggesting that this point can be reached by taking certain steps, and in making our recommendations in this respect, or as I suggested at the offset, we have before us are the Royal Commission's recommendations, and while we do not entirely accept the Royal Commission's recommendations as they are advocating in our development. But we have, I do feel, to undertake as one of the initial steps in establishing our ultimate for price support, and one of initial steps which we must undertake is to place all agricultural commodities within the scope of the agricultural price support. That we undertake to use as the Royal Commission recommends the means and a system of forward pricing, particularly in respect to livestock. We reject the idea that you can apply the forward prices to wheat as such. In respect to wheat, we suggest that in the development stage that wheat be placed on a full parity basis, rather than on the basis of guaranteed forward prices.

In our interpretation of guaranteeing forward prices, we interpret forward prices to be the figure which would be arrived at taking into consideration the potential, the assumed markets, and the assumed supply, so that we undertake on that basis to guarantee a certain percentage of what we think the price would be at the end of the given period. In our development stage we are not removing entirely the price fluctuation. If the price to the producer went above the guaranteed forward price, the producer would receive that benefit. He would be guaranteed against having any decline below that which was guaranteed based upon the potential market in the future.

We realize and appreciate that you cannot in all instances use this means of forward prices. I referred a moment to the question of wheat. Wheat is one commodity which to a very limited degree, the production is reflected by changes in price. The reflection as far as changes in wheat price is concerned is generally an income change. You cannot, very readily at least, take acres out of wheat production and transfer them into the production of some other commodity, so that a decline in wheat prices or forward pricing for the purpose of attempting to adjust production as far as wheat is concerned we are prepared to say will not work and it is for that reason that we say in respect to wheat that it be placed entirely on the basis of parity, and that wheat be incorporated in a re-vamped agricultural price support act.

Just while I am dealing with this question of prices for wheat, Mr. Speaker, we did (and I will have to go back a little bit to dealing with the question of immediate problems again, because this is related to the future policy as far as wheat is concerned) did accept the recommendation of the Saskatchewan Wheat Pool for the two-price system for wheat, but we did so as an immediate step which could be taken. The price of wheat on a domestic market we suggest would be \$2.05, which is the ceiling under the International Wheat Agreement, and incidentally is the parity price for wheat or very close to the parity price for wheat as arrived at by the Canadian Federation of Agriculture. And we further recommend that with the implementation of a two-price system that that could be used as one means to guarantee to the producer of wheat that he will receive not less than \$1.56 a bushel for his 1954-55 crop, and for his 1955-56 crop - that that be the guaranteed minimum floor placed under his return. It is true to do that it may require some subsidization by the Federal Government. It is true that it may, but I do think that placing wheat on the domestic market at \$2.05 any direct subsidization that would have to come from the Federal Government would be indeed small, for the utilization of the two-price system for wheat to that extent. We are further recommending that the initial payment remain at \$1.40 a bushel, and that it be announced on that basis for the ensuing crop year, as a means of assuring that the present inadequate floor which we have got under agriculture at the present time will remain there. But on a long-term policy as far as wheat is concerned, we say that all wheat should receive a parity price as far as the producer is concerned.

We did give consideration and study to the question of marketing boards and agencies in respect to wheat, and I have already intimated our recommendations which are that the Canadian Wheat Board be retained as a sole marketing agency and that its scope be extended to include all grains, including flax and rye. As far as marketing agencies for other commodities, particularly livestock, we are recommending a national board on a national level, controlled and operated by the Federal Government. I say that is particularly true in respect to recommendations on livestock. We feel and we have found that livestock as such cannot be undertaken to be marketed successfully by a producer marketing organization, and certainly cannot be undertaken to be marketed by a producer marketing organization operating within one province, or within even two or three provinces, and that to make a price support effective under livestock, it is necessary in our opinion that we have a national Federal constituted livestock marketing board.

March 28, 1956

As far as the marketing of poultry and eggs is concerned, we do suggest that there is possibly scope in here for the utilization of producer marketing boards, with a co-ordinating agency on the Federal level for the respective producer organizations throughout the rest of Canada. As a means of expediting trade, we suggest that we utilize a means of export and import boards, so that we are able to put our products on the market in an orderly manner, and be able to undertake those we suggested could be undertaken, that is barter deals, loans and credit, and the utilization of foreign currency could be better expedited through the medium of export and import boards, rather than that which is presently being used.

Now, Mr. Speaker, I do not wish to delay the House too much longer, but I do want to suggest that we have an enormous market for our products if we will only undertake to explore these markets. We have markets within Canada, we have domestic markets that can be expanded, and that we have markets in the foreign countries, once again on the basis of need, which can be expanded and to which we should undertake to provide them with food. So we have I am convinced, as this report indicates, we have markets for all that we can produce at the present time, and that we should undertake to assure ourselves that we do have the markets for an expanding production in agricultural products.

Now, Mr. Speaker, I would like to draw the Legislature's attention to this fact, that as they go through this document they will find that every one of the findings, every one of the recommendations, is well documented as to where the evidence came from, is documented as to submission, testimony and other data which was filed with the Committee. As I suggested in my opening remarks, Mr. Speaker, I am not suggesting that this is a perfect document, but I do suggest that it is a basis upon which I hope we can get unanimous approval of this Legislature. I do feel that by us speaking with one solid voice that we can have more of an impact upon the powers that be, rather than if we divide on some minor detail and as such lose the effectiveness of speaking with united voice.

We as a Committee, are concurring in the original motion which suggested that we were supporting the request of the Provincial Government for this conference upon a national level. We are recommending that this Committee be called immediately. We realize that there is one being called for April 19th, but we are suggesting that the one, from press reports at least, that is being called for April 19th, does in no way meet the requirements or at the request which was made by the Provincial Government, and which we are relaying in our report to this Legislature, a conference to be called on a Cabinet level, of all Departments concerned with agriculture; that it include the provincial governments as well, and that farm organizations have representation at this conference.

The need for a comprehensive marketing programme is becoming more apparent every day. It does appear that unless we are prepared to speak with one voice, and unless we are prepared to work out a comprehensive programme for agriculture, that agriculture will be once again whipped into an economic depression, while the rest of Canada will be having somewhat of an industrial boom.

Now unquestionably there are forces at work to see that agriculture is kept in this depressed condition, because they feel that it is through that medium that they might be able to improve their own economic status, or their own particular industry. I could refer you to a submission which was made by the chemical plant to the Gordon Commission on a recent date, as reported in the "Leader-Post" of Friday, February 24, 1956 in which they raise the question of having a tariff boost, and which I suggest an increase in tariffs will once again decrease the markets for our agricultural products, and the remark of the man who is making the submission may be pertinent to our discussion. When asked if he thought a tariff boost would be good for Canada, he was asked if that was an intelligent approach, and he said: "Perhaps it is not intelligent, but it is my idea." So there is unquestionably a move on foot to have a boost in our tariffs, and unless we can get a comprehensive agricultural marketing policy, a tariff boost will reflect once again back on the economic welfare of the farmers. And this chemical plant indicated that one of the reasons they haven't got greater economic security within their own industry is that the freight rates are too high on their particular products, and they suggested the reason the freight rates are so high on their particular commodity is because the railways are carrying a lot of wheat at a loss, and they go on to say that somebody has to pay for it, once again intimating that there is a move on foot to have an increase in the freight rates on grain and agricultural commodities, moving out of Western Canada. And there is a move on foot, unquestionably, to have a greater intensification of industry within Canada, and that can be justified on the basis of the needs within Canada, but I do not think, as the Textile industry suggests, that we should not establish manufacturing industry for the sake of a few more foreign raw material markets, once again referring to agricultural products.

So it becomes abundantly clear I think that there is a need for us to have drafted and developed here in Canada a comprehensive long-term agricultural policy which will place agriculture on an equal footing with any other industry within Canada. As I suggested at the start, our aim should be to bring to the farmers economic justice, to bring to all Canadians abundance, and to bring to the world enough food.

Therefore, Mr. Speaker, I make the above motion, seconded by Mr. Walker (Gravelbourg).

Mr. H. C. Dunfield (Meadow Lake): — Mr. Speaker, in October of 1953, the Government of Saskatchewan appointed a Royal Commission on Agriculture and Rural Life, to undertake a broad study of rural conditions for the guidance of future rural developments. Some 20,000 citizens of this province appeared before this Commission, and it was also presented with some 2,000 Briefs on rural matters, Briefs compiled by provincial organizations, departments of Government, and Colleges of the Provincial University, and out of this wide-spread study came some 15 volumes dealing with almost all aspects of rural life in Saskatchewan.

Then, early in this session of the Legislature, the Government appointed a Special Select Committee on Agriculture and Farm Income. On Page three of the prepared draft report of the Select Committee is to be found this statement:

March 28, 1956

"This Committee did not seek to duplicate in any way, the work of the Royal Commission. Rather it felt that the two studies might complement one another. The Select Special Committee concentrated on immediate pressing problems.

"At the same time it decided, in line with its terms of reference, to review and evaluate the Royal Commission's findings on long-range matters involved in price supports, markets and marketing policy. The result of combining this evaluation with its own findings, it was hoped would be a balanced and integrated farm programme with respect to farmer marketing and income problems - a programme that would command fairly general support in this province, and which would help to strengthen Western agriculture bargaining power in any future Federal-Provincial conferences."

The Special Select Committee on Agriculture and Farm Income was selected from members on both sides of the House, and to obtain reliable opinion and data on the urgent problems of farm income, the Committee invited representatives from many organizations throughout the province and beyond the boundaries of the province, among whom were representatives from the Saskatchewan Wheat Pool, the Saskatchewan Marketing Board, the Saskatchewan Federation of Agriculture, the Saskatchewan Farmers Union, the Winnipeg Grain Exchange, the Transport Controller and many others. And out of these current representations the Special Select Committee was to compile its report on present and urgent agricultural income problems and present it to this Legislature for discussion.

Since many of the members of the Legislature were not on that Committee and had no opportunity of hearing the day to day presentations of various witnesses, I think it would be only right that all members of this House on both sides should have some time to review the findings stated in this report before asking us to vote upon it.

This report was placed on our desks only yesterday afternoon, but we sat last night in Committee, we sat this morning in committee; we have had no time to refer to it at any length. The members of the Opposition who were not on the Committee certainly do not feel justified, at least on this side of the House, in making a snap decision on such an important question as we have before us today.

I do, therefore, Mr. Speaker, move leave to adjourn the debate.

(Debate adjourned)

SECOND READING

Bill No. 72 - An Act to provide for a Plebiscite on the Time Question.

Hon. L. F. McIntosh (Minister of Municipal Affairs): — Mr. Speaker, the Act to provide for a Plebiscite on the Time Question is a simple little piece of legislation, and it is all

contained on one page.

The principle of the Bill is to give the Government the authority to take a plebiscite at a time when a municipal election is held.

Mr. Speaker, with those very few surface remarks, I move second reading of Bill No. 72 - An Act to provide for a Plebiscite on the Time Question.

The question being put, it was agreed to, and the Bill referred to a Committee of the Whole at the next sitting.

The Assembly adjourned at 5:30 o'clock p.m.