

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
First Session — Fifteenth Legislature
45th Day

Thursday, April 8th, 1965

The Assembly met at 10:00 a.m.
On the Orders of the Day.

STATEMENT REGARDING OBJECTION TO PREMIER'S REMARKS IN NEWSPAPER REPORT

Mr. J. H. Brockelbank (Acting Leader of the Opposition, Kelsey): — Mr. Speaker, before the Orders of the Day are proceeded with, I would like to rise to object to the statement made by the Premier and published in last night's Leader Post. It said:

We have spent all morning on two items. If the opposition is going to obstruct that way, we can't possibly finish before Easter.

Well, I would like to point out that the two items referred to were the first two items of the Department of Public Health. This is a department with a gross expenditure of over \$76,000,000, Mr. Speaker, and I think you can expect, where there is expenditure like this, that the first two items on the estimates is going to take some particular time, and I want to correct the Premier that there certainly was no obstruction. There were good questions asked for information on these items and there has not been any obstruction. As far as I am concerned personally, I do not care if the legislature stays in session until June, but I know that some members do not want to sit that long. We are now in the 45th day. We have 87 bills before us. I would like to make two suggestions for the sake of expediting the business of the house. The first is that the Premier should not attempt to help his ministers get their estimates through. The second is serious, and that is that if there are a lot of bills to come in yet, and this is the talk that I hear, we do not want to hurry through with any of these bills. We want to give them the consideration and criticism which they deserve and should have.

I would seriously suggest that if we cannot finish by Easter, there is no reason why the house could not adjourn at Easter and meet again about the end of May, after seeding, and finish up the job. This would give the government time to pull things together. I know they have been very busy. It would give them time to catch up on some of the returns that the members have asked for, as well as the legislation. I make this suggestion for the serious consideration of the government, Mr. Speaker.

Hon. W. Ross Thatcher (Premier): — I thank the hon. member for Kelsey (Mr. Brockelbank) for his viewpoint. Of course, this government has expected all along that we would sit into May. If we finish sooner, we will be very pleased but we really do not expect to. I may tell the hon. member that all bills, we think, will have been presented to the clerk, at least for notice, by Friday. Unless there is some difficulty with printing, all bills proposed this session will be in this Friday.

Generally speaking, we are quite pleased with the way the house is going despite a rather weak opposition, Mr. Speaker, we are making a lot of progress, getting a lot of legislation passed, getting our estimates through, so if we have to sit until May, we will do it, but we will not be prepared to adjourn the house as the member has said. Again, he must remember that he is not the government now. We are the government now and we will sit here until the business is finished.

Mr. Brockelbank (Kelsey): — Mr. Speaker, just a supplementary question. If the Premier is fairly well please with the progress that the house is making, why make statements like this and give them to the press? This is quite misleading. I still hope that if this legislation he talks about is not too much, that with good co-operation we will be able to get through by Easter, and I would remind the Provincial Treasurer that he has not got his estimates through yet.

Mr. Thatcher: — Mr. Speaker, the hon. member for Kelsey (Mr. Brockelbank)

is doing his worst. It is such a fine financial record that after having put through twenty CCF ones, we will not have to worry.

Mr. E. Kramer (The Battlefords): — Mr. Speaker, just a question. Is the hon. Provincial Treasurer going to take his estimates through himself?

Mr. Thatcher: — I may have my Parliamentary Assistant do it. I haven't made up my mind.

ANNOUNCEMENT OF NEW OIL DISCOVERY

Hon. A. C. Cameron (Minister of Mineral Resources): — Mr. Speaker, before the Orders of the Day are proceeded with, I would like to read a press announcement which I have just given to the press, which I think will be of interest to the members of the legislature. I will read the press announcement as it will appear in the press.

A major oil discovery, the first in Saskatchewan since 1957, was announced today by me and Scurry-Rainbow Oil (Sask) Limited.

The discovery is in the Midale oil field in southeastern Saskatchewan, near Halbrite, some twenty miles southeast of Weyburn. It is the first to result from the provincial government's new incentive program to encourage oil activity.

The importance of this find is emphasized by the fact that eight years have gone by since the last oil discovery of consequence in Saskatchewan. It opens a brand new oil horizon, a zone of which we were not aware before. Under former regulations, this well would not have been drilled. This important discovery is a direct result of the new incentive program offered industry since the change of administration. Prior regulations and practice in posting lands for crown sales only permitted the earning of rights to certain fixed depths as set out in the sale notice.

Officials of Scurry-Rainbow Oil also said the government's incentive program encouraged the drilling of the well.

The new incentive regulations permit companies to elect to drill to any depth they so choose and to earn rights to the total depth drilled. Previous administrative practices would have limited the company here to rights to the present producing horizons which are approximately 1000 feet above the new discovery. Under these conditions this new discovery would not have been made.

This new discovery will probably spur a whole new look at the Midale Steelman and Weyburn fields to fully evaluate this deeper horizon, Mr. Cameron said. The new discovery well will qualify for the enlarged leasing rights under the incentive program, but will not qualify for the royalty-free period since the discovery is not below the top of the Devonian.

The new well is in the Bakken Sand, a Basal Mississippian formation. Its significance is that it is about 1000 feet below the Mississippian horizons now producing oil in the same general area, Mr. Cameron said. At present, the closest production from the Bakken Sand is 85 miles to the west, at Roncott, and 90 miles to the northeast at Rocanville.

The discovery well, Scurry Canso Midale, 11-1-7-11-W2, obtained 41 degree API crude in a drill stem test at a depth of 5,600 feet. The test yielded 800 feet of light gravity oil. Production

casing has been set and completion operations will be carried out shortly.

I want to re-emphasize that the significance of this is that it is 1,000 feet lower in the whole Mississippian area. We have found what looks like a whole new producing zone which could not have been found under the old regulations in this area.

Some Hon. Members: — Hear! Hear!

Mr. Brockelbank (Kelsey): — Mr. Speaker, I want to take issue with the Minister of Mineral Resources (Mr. Cameron) because I am sure he is quite wrong when he stated that this could not have happened under previous regulations. The companies, Mr. Speaker, if they want to know, the companies with all the government has given to them, will say pretty nearly anything to please the government. There is no question about that.

Mr. Thatcher: — They are glad to get rid of the Socialists.

Mr. Brockelbank (Kelsey): — The member was not correct in a statement he made about the previous regulations, and I want to bring that to the attention of the house.

Mr. Thatcher: — Sour grapes.

Mr. Brockelbank (Kelsey): — No, it is not. I am happy about this and there have been other discoveries in the last eight years, just as good as this one too.

Mr. Cameron: — On a point of privilege, Mr. Speaker. I want to point out that I can bring the regulations to the house. Our present sale, coming up April 13th, has the same regulations, the rights which they purchase, which on a bonus bid, they may secure is to the present producing horizon. The same regulations, and those regulations are still in effect, but we amended a second regulation which says "while you obtain the rights of these horizons, you may go below and obtain lower rights by drilling." It is this second regulation which permits them to drill below the rights which they have obtained and thus earn the rights as they go down, and they did not have it before. They could not have found this well without this change in regulations.

Some Hon. Members: — Hear! Hear!

ADJOURNED DEBATES

SPEAKER'S RULING RESOLUTION NO. 12 — FARM PRICES — FARM COSTS

The assembly resumed the adjourned debate on the proposed motion of Mr. Larson (Pelly).

Mr. Speaker: — Hon. members will recall that on April 6th last, a point of order was raised alleging that an amendment moved by the member for Elrose (Mr. Leith) to the proposed resolution no. 12 was out of order by reason of the member aforesaid having, in the same debate, seconded a previous amendment which was ruled out of order. Citation 165 (8) and (3) from Beauchesne's Parliamentary Rules and Forms, 4th Edition, were referred to in support of the point of order. Citation 165 (8) reads as follows, and I quote:

A member who has moved or seconded the adjournment of the debate which has been negated, cannot speak to the original motion.

Although a strict interpretation of our Standing Orders would require a seconder for an adjournment motion, it has never been the practice of this house to so require. A search of the Hansard record does not show the member for Elrose (Mr. Leith) as either moving or seconding an adjournment of this debate. Citation 165 (8) is therefore not applicable to this case.

Citation 165 (3) of Beauchesne was also cited, to which I think, (though not mentioned at the time) should also be added for concurrent consideration, Citation 165 (4) and Citation 165 (1). Citation 165 (3) states in part and I quote:

By moving or seconding an amendment a member,

if he utters a few words, actually speaks to the main motion.

Subsection (4) says:

The member who makes a motion may give the name of his seconder, who will, if necessary, lift his hat as evidence that he had intimated his consent, and the seconder will then be allowed to speak on the question. But if the seconder should rise and say only a word or two — for instance “that he seconds that motion”, he is precluded from again addressing the house.

The whole case for or against the admissibility of the amendment of the member for Elrose (Mr. Leith) hinges upon whether or not the member for Elrose (Mr. Leith) did indeed actually speak at any time in the debate prior to moving the amending motion. The Hansard record does not show that any words were uttered by the member for Elrose in connection with the seconding of the amendment which was ruled out of order. That being the case, I rule the amendment moved by the member for Elrose (Mr. Leith) to be in order.

The debate is now on the amendment.

Mr. Brockelbank (Kelsey): — Mr. Speaker, I thought probably the member over there was going to speak to his resolution now that it is ruled in order, but if he is not going to speak I would like to say a few words on it.

Mr. Speaker, I would just like to point out what the amendment does, and this is not just what is in the amendment but what the amendment strikes out. The amendment strikes out the request that was in the original motion to the government of Canada, to implement immediately a comprehensive program of guaranteed farm prices, maintained and fixed relationship to farm costs, and the amendment, of course, says nothing about this principle at all — of guaranteed farm prices, fixed in relationship to farm costs. This is where I find fault with the amendment. The amendment talks about a lot of other things which have some merit, but it has the effect of dodging the real issue.

For that reason, I certainly cannot support it. I would appeal to the members in this house to support the motion as originally moved, because what we need, what the farmers of Saskatchewan and western Canada, and all Canada need, is lots of pressure on the federal government to try to persuade them to put in a system of guaranteed prices in relation to farm costs, and . . .

Some Hon. Members: — Hear! Hear!

Mr. Brockelbank (Kelsey): — . . . of course, a federal government will do this some day. They will do this when they get enough pressure, and this is the practical thing to do, because no longer does the operation of the free market-place work, with any justice at all, for the unorganized producers. In every case, unorganized producers, in this highly organized corporate society, have had to take refuge in some devices to strengthen their position, and the only device in a country that is as wide-spread as Canada, from one ocean to the other, with great variation in the types of agriculture that are carried on in this country, but all, more or less, and pretty near at all times, suffering from the same disability. The fact that the farmers as a group have no control over either their costs of production or their income. Every other successful enterprise has control over at least one end of the business, but with farmers they do not control either. Therefore, if we are going to maintain this very important industry, not just important for Canada, but for the agricultural industry of the world, then we should take steps to see to it that they do have the necessary protection — if they are not going to be able to control their costs of production, that they will get prices that will stand in a proper relationship to those costs. I do hope that we can in the interests of Saskatchewan farmers, stand together and turn down this amend-

ment, not because there is anything bad in it, but because it takes out of the resolution the main basic request for action which is necessary for the farmers of Canada today.

Mr. I. C. Nollet (Cut Knife): — Mr. Speaker, I too, would like to comment on the amendment because it is not specific — it is just as hazy as Liberal policies have been in the past in regard to agriculture. It is very hazy. It calls on the federal government “to continue to develop a program to increase farm income and assist in the establishment of economic farm units.” It says “to continue”! Why, Mr. Speaker, the Liberal government at Ottawa, and well supported by the Conservative government, has ruined the agricultural industry in Canada. It has created such vast problems that now the Liberal government in Ottawa, in the Throne Speech, say it is going to make a war on poverty, emulating President Johnson’s program. Much of this is going to be directed toward the agricultural industry where poverty truly exists. But they will not commit themselves, Mr. Speaker, specifically, to doing the one thing that will improve the income of our farm people — that is increase the prices to our farmers, this is very plain now, Mr. Speaker. It is true to Liberal form — hazy election promises and lack of fulfillment.

The resolution on the Order Paper was not put there by this side of the house for any political purposes. It was put there, Mr. Speaker, to specifically point up the problem affecting the agricultural industry. The hon. member for Canora (Mr. Romuld) was his usual comical self when speaking to it. He did not say one thing in stating that the resolution was not a good one, or that the resolution was not pointing specifically at the problem affecting the farm people of Canada. He went off and said all of the usual Liberal excuses, “oh, this is just a Socialist dream. It is part of the Regina Manifesto. It is a scheme to regiment the farmers, and had they not had parity prices in the United States they would not have the surplus problems there.” What utter nonsense, Mr. Speaker. What utter nonsense! If there are any surplus food commodities on the North American continent, it is because governments have failed completely in bringing in policies that would take our food surpluses to the areas of the world where they are greatly needed.

Some Hon. Members: — Hear! Hear!

Mr. Nollet: — I notice now, at long last, President Johnson is talking about a \$1,000,000,000 war on poverty program for Southeast Asia. It is too bad that it was not started many years ago, and we would never have had to be afraid of surpluses. It has been my argument right along, Mr. Speaker, that both old parties here — all of them that are dedicated to private enterprise — fear surpluses. They fear surpluses, because they believe in the old out-worn law of supply and demand, that in order to improve farm prices, we must reduce the possibility of surpluses, that, in fact, we must reduce prices to a level that will discourage production. This is what they have been doing and they have ruined the agricultural industry.

I would like to know what policies, specifically, the Liberal government at Ottawa has been carrying on is the past, that have improved farm income. Had it been deliberately planned, they could not have been more effective in reducing farm income.

Mr. Speaker, I want to speak at some length on this matter. It is not a political matter to me at all, or to anyone on this side of the house. It is a simple matter of at last bringing economic and social justice to our farmers.

I know the hon. member from Milestone (Mr. MacDonald) cannot understand that because he is a pure and simple politician. He cannot understand any logical solution to a problem and his debates in this house pretty well prove that conclusively, as far as I am concerned — a smooth talker, without logic, without fact behind his argument.

Mr. Speaker, the need for implementation of a comprehensive program of guaranteed fixed farm prices in relationship to farm costs, is beyond logical dispute. Maybe our hon. friends opposite do not like to face obvious facts. Mr. Speaker, the de-population of rural areas has gone far beyond the limits of merely jeopardizing local community life.

Hon. J. W. Gardiner (Minister of Public Works): — It is your fault.

Mr. Nollet: — If the hon. member will sit in his seat and stay quiet,

I will present my arguments as to why you should not vote for this amendment, as to why you should not have brought the amendment in at all. You should have supported the original motion.

Mr. Speaker, the de-population of rural areas has gone far beyond the limits of merely jeopardizing local community life. It has now become a matter of great national concern, in terms of shrinking employment opportunities, rural poverty, and unjust discrimination against a class of Canadian citizens who provide the basic substance of human existence on this earth planet.

Above all else, Mr. Speaker, if democracy is to survive, it must provide economic equity and social justice to all its citizens with special advantages to none. Never in the annals of democratic history has a solid group of citizens been so hoodwinked and exploited at such a high level, as has been the case in Canada. Never have so many been promised so much and received so little.

Some Hon. Members: — Hear! Hear!

Mr. Nollet: — Here we go again. More promises, and receive so little. This is the dastardly record of the Liberal party, Mr. Speaker. Never has a group so efficiently produced such an abundance of food and received so little for its efforts. Never has any group in a democratic society paid such high prices for the implements of production and received such comparatively low prices for the products produced by those machines, in terms of labor and rewards.

We have witnessed the spectacle of two mass delegations of farmers and businessmen going to Ottawa to plead — in the first instance with a Liberal government; and in the second instance, with a Conservative government, to give the economically unprotected and defenceless farmer his fair share of the national income, as a full-fledged citizen in what we choose to term a democratic society. All to no avail, Mr. Speaker. Since the first mass delegation went to Ottawa, some 46,000 farmers were unjustly cost-price-squeezed off the land they loved in this province. No one can gainsay this. This is a fact. Since 1949, in Canada as a whole, 263,000 farm operators were liquidated because of low prices and high costs of goods and services required by them.

We are now witnessing the making of a third mass farm delegation going to Ottawa to plead some more for simple logical justice. Why is this, Mr. Speaker? What will the likely outcomes be unless the federal government implements the resolution before this assembly? There is only one inevitable answer — bankruptcy of the agricultural industry, and liquidation of more family farms, and a lot of people, Mr. Speaker, are beginning to accept this as an inevitable trend. I say that this trend is not an inevitable one, that it arises out of policies powered by the successive federal governments over the years, and this trend can be reversed and it must be reversed.

Let us first look to the fundamental causes, Mr. Speaker, yet unremedied, that gave rise to this situation. Since 1949, farm costs in Saskatchewan have gone up about fifty per cent while farm prices have gone down. The results on farm income are conclusive because, since 1949, total realized net farm income dropped by thirty-five per cent. Yet the hon. members opposite said, "We will ask the federal government to continue policies to improve farm income." They have dropped thirty-five per cent!

The oft quoted gross and cash farm income found in the daily press does not accurately picture the farmers' real net income position because it fails to deduct appropriate amounts for increased operating costs and other goods and services including taxes, all of which are fixed costs and constantly escalate to higher firm levels year by year while farm prices go down.

Some people seem to think that some tax concessions are the answer. These are not the answer to the fundamental problem. Not the answer, in fact, they aggravate an already bad situation.

The public has often been, deliberately or otherwise, completely mislead regarding the farmers' real income position as related to those in other segments of the economy. Mr. Speaker, for a moment I would like to place some matters in this regard before the house. May I repeat, that this disparity between prices and costs is the real reason why so many farmers have been cost-price-squeezed off the land. It is not a matter of productive efficiency and between large and small farmers at all. This viewpoint is merely an irrational alibi used by economic conformists and politicians to

divert attention from the real cause of rural de-population.

As if to add insult to injury, farmers are now being told by the gentlemen of the old school that they must become bigger and bigger to obtain efficient economic units and more income. Let us look at this illogical thesis for a moment in the light of the agricultural industry as a whole. In 1931, Canada's agricultural labor force represented 32.5 per cent of Canada's total labor force. By 1961, it dropped to 10.2 per cent. Between 1946 and 1958 the number of persons with jobs in agriculture declined from 1,186,000 to 692,000 — an average decline of 38,000 per year and the trend has since continued with the prediction that agricultural employment will drop to less than 500,000 by 1979. This is in accord with the Canada Department of Labour report.

What about increased income to those remaining on large farms? Let us look at that. Let us look at it objectively. What about increased income to the bigger farm operators who are being told that the only salvation is to become larger, bigger, and that you are therefore more efficient if you become larger? A good deal depends, Mr. Speaker, as to what we mean by efficiency. Do we mean efficiency in terms of increased volume of production? If this is the logic, then the smaller unit will produce more in terms of volume per acre. But if we mean competition with a bad economic situation, which it is, then the solution cannot be found in the trend to increase farm sizes.

What about those remaining on the larger farms? In 1949, realized net farm income in current dollars for Canada was \$1,513,000,000. It declined to \$1,410,000,000 in 1963. When these income figures are adjusted to constant dollars and price changes, we find that while Canada's farmers received \$1,500,000,000 in constant dollars in net income in 1949, this dropped in 1963 \$986,000,000 in constant dollars. Therefore, the realized net income from 1949 to 1963 dropped by \$527,000,000. Yet our friends opposite ask us to support an amendment that says to the federal government, "please continue this trend in the future. Please continue it in the future."

But, Mr. Speaker, on this same basis with fewer farmers and larger farmers in 1963, the average income for farm operators of \$2,283 in 1949 made only a slight rise to \$2,462 in 1963, or an average increase for farm operators of only \$179. These are the facts, Mr. Speaker. Facts speak much louder than some of the political nonsense that I have listened to in this house and that I have been subjected to over the years by federal Liberal politicians.

Mr. Speaker, the reason that realized net farm income has not increased in relationship to the greater volume of production from more acres and larger farms is quite simple. The larger farmer is still subject to the cost-price-squeeze because the larger farmers require bigger and much more costly machines. Even though these machines save the cost of hired help, it is a very expensive way of eliminating the need for hired hands. Indeed, costly farm mechanization, in substitution for hired help, has not even provided a modest wage return for the farm operator. A careful study of farm management club reports for Saskatchewan conclusively proves this observation to be correct. The number of farmers enrolled in these farm management clubs was 455 when the analysis of their well maintained records was made in 1959. I should mention at once, that these farm management club members represent the better and larger than average Saskatchewan farms. Their total investment for farms was nearly double the average farm investment for the province as a whole. The average cultivated acreage was 766 acres. The twenty smallest club farms in each soil zone were about the same size as the average for Saskatchewan.

The analysis covered two average crop years. The results showed only fifteen or sixteen per cent of these farms earned enough to cover all costs, including a modest wage allowance for the operator and unpaid family help. Net operator returns for his work and investment was only \$36,090. If wages were considered there was no return on investment and vice versa. The analysis also showed a very small increase in the operators' labor income and farm size increased which bears out the previous statistics that I quoted to the members of this house. This indicates clearly the high cost structure of commercial mechanized farming. Capital investment and replacement costs absorbed much of the increased net income hoped for. As indicated previously, as farm size increases farm costs too have gone up and will continue to do so but no prospect under the existing situation that farm prices will not continue to decline. Particularly, Mr. Speaker, if we go into mass production of specialized farm commodities. This could very easily again lead to surpluses as it already has.

Mr. Speaker, the Gordon Commission left no doubt that it expected

these trends to continue in the future when it indicated that by 1980 the labor force in agriculture would account for only about seven per cent of Canada's total labor force compared to fifteen per cent in 1955. These are serious problems that we must face up to. It is not only a matter of finding more gainful employment in the agriculture industry but it is tied in also with the growing problem of unemployment in the years ahead.

Surely, Mr. Speaker, this is bad from every point of view. Particularly, from the point of view of great numbers of farmers who could be effective consumers by appropriate increase in farm prices and income, thus also allowing many more people to become gainfully employed in the agricultural industry. It is here, Mr. Speaker, and may I suggest again, that the implementation of this specific resolution could reverse the existing trend and start a trend towards getting more people gainfully employed on the land. I think this is good from every point of view.

The resolution speaks of costly farm machinery. Well, Mr. Speaker, why has farm machinery increased in price so sharply in the post-war years? One of the fundamental causes is increased prices and profits originating with the steel companies. Wages in the steel industry have been blamed, Mr. Speaker. Let us look at the facts. In 1957, wage costs per ton of steel, in the steel industry was \$27.52. In 1963, these wage costs per ton of steel had dropped to \$22.16 — a decline of \$5.36 per ton.

What about steel profits, Mr. Speaker? In 1957, the profits of the Steel Company of Canada was \$21,157,000; in 1964 it zoomed up to \$43,630,000, an increase of 106 per cent. So it is sheer nonsense for anyone to argue that labor, in the case of farm machinery, was a contributing factor to increase costs. This is not true.

Mr. Speaker, the Liberal government of this province says a special tax concession will ease the farmers cost-price-squeeze. This is not solution and I think they know that it is no solution. It is probably, at best, a political gesture and this is all it is. I say that the federal government's unwillingness to control inflationary profits and high farm costs is the major contributing factor. The second, is the federal government's complete disregard for maintaining farm prices in fixed relationships to farm costs. These are the real root causes of the farmers' desperate economic situation. And, in all sincerity, I call on the members opposite to support the original resolution. It is specific. It points out the real problem and as the hon. member for Kelsey (Mr. Brockelbank) says, "Let us focus the attention of the federal government, whether they are Tory or Liberal" — (after another election it makes no difference) — "but let us focus attention on the real cause for a change." Let us quit this nonsensical talk. I have heard it from hon. members opposite that a price increase is no solution to the farm income problem. What in tarnation is the solution then? Can you tell me? Can you provide a better one? Yes, the Minister of Agriculture (Mr. McDonald) goes along with the old school. Sure, the sow must be more efficient. She must have more little piglets now to beat this cause. And the dairy cow has got to produce more milk. And we have got to have better farm management and all the rest of it. This is a bunch of sheer unmitigated nonsense. There is no efficiency on the part of the farmer — his hen, his sow, either his bull, or his heifer, or his milk cow that will be . . .

Hon. D. Steuart (Minister of Public Health): — What about his bull, Toby?

Mr. Nollet: — We heard plenty of bull from the members opposite. I am going to give them some good solid beef to get their teeth into for a change.

Some Hon. Members: — Hear! Hear!

Mr. Nollet: — Mr. Speaker, the federal government's failure in this regard is the fact, as I stated previously, that both old political parties are dedicated to private enterprise. But only for one class of people — for the big boys, for the steel companies, for the lumber companies, for all the rest of them. But this philosophy, Mr. Speaker, does not apply to agriculture. It does not apply to agriculture. Is not this strange? The agriculture industry is not supposed to make a profit. In fact, they are supposed to operate in the red and gradually disappear from the scene and still they say, "Aw, this is a cause beyond our control. It was inevitable. It is the supply and demand." Sort of a ghostly law. No one knows who invoked it — but it's a convenient excuse for the hon. members to dodge what are simple, logical facts.

It is historically proven beyond doubt that lower farm prices do

not result in scarcity and then subsequently higher farm prices. This is not true. It never has happened. If a farmer is producing, this is his living. No matter what the price is, he will have to produce. This was true in the 1940's. I ask the hon. members who were here then. Wheat down to 25 cents a bushel — oats down to six cents a bushel. Could you quit raising oats and wheat? No. You were stuck with it and you just simply had to keep on. And, of course, the only remedy available to the farmer as an individual to beat this situation, was to try to grow bigger and he endeavored to do this. If he was lucky, he was able to acquire some additional holdings. But again, I say, this was no answer to the farm problem. Let's face it realistically.

Businessmen in small urban centres should be greatly concerned because of rural de-population. We think communities are drying up now. If the trend continues, a lot of the local communities will completely dry up. My hon. friends opposite used to blame the provincial government for this when we were the government on this side of the house. We have done everything we can to try to make rural community life attractive.

The hon. member talks about purple gas. I talk about the rural electrification program that we brought to our farm people to try to encourage them to remain on the land against adverse economic conditions — water and sewerage for towns and villages and the family farm improvement program. These are the things that farmers want, and farmers want money in their pockets to pay for all of the services required by them. This is what they want more than anything else. They do not want any special concessions. They want at long last, a solution to their adverse economic position.

Mr. Speaker, may I say that manipulating prices is a very cruel way of trying to direct production or to curtail or encourage production. It is a very cruel way and an unsound way. It is a regressive, outworn economic theory. Its result is rural poverty and dissipation of rural community life and business activity. This we know. Let us be logical and consistent for a change. Everyone of you know that when the farmer has not the income, if there is a crop failure or a price failure, business activity goes down. Well, let's improve business activity and stabilize farm prices and farm incomes as well.

The other thing, Mr. Speaker, is this. Pushing prices down in an endeavor to discourage production has another effect. There is no economy can progress on the basis of restricting production. This is practically my sole argument. If it is good to increase the production of potash and oil and minerals and lumber and everything else, why isn't it equally good to step up agricultural production? We will need to change our entire attitude to our basic agricultural industry and quit giving this lip service to the family farm. The only way we will save the family farm is to give farmers more income so that they do not need to work their eyeballs out farming six or seven sections trying to make a living and in fact, working for the machine companies more than for anyone else. It is silly.

So, Mr. Speaker, if we are to progress we must not curtail but produce more and more foodstuffs and provide correspondingly increased income to both rural and urban workers. To achieve this objective, the federal government must provide price and income incentives by maintaining farm prices in fixed relationship to farm costs. This is sound logic.

What about surplus food if we do have it? What about it? Mr. Speaker, there is an unlimited demand by a hungry world for all we can produce and more than we can produce. I am sorry time will not permit me to outline in greater detail a . . .

Mr. Brockelbank (Kelsey): — You have no seeding to do.

Mr. Nollet: — I have no seeding to do, no. But there are certain guide lines the need to be followed to implement the specific resolution directed at the federal government and I would just like to mention briefly some of the guide lines that I think are vital to comprehensive national farm income and marketing program.

It must, first of all, be committed to achieving desirable social objectives for farm and non-farm people alike. When I say this I mean that we must think in terms of human beings and providing greater employment opportunities — in terms of providing people with stable incomes. This is supposed to be part of the new Liberal program at Ottawa and I wish they would be specific when they come to the people so we know what it is. There

is only one way you can eliminate poverty and that is to improve income on the part of people for producing something, for doing something. I agree with the view that we should not have growing social aid and this sort of thing but we do need alternative employment opportunities at a remunerative level. So such a farm policy must be committed to achieving desirable social objectives.

Two — it must be a vital part of national fiscal policy directed mainly towards a solution to the growing unemployment problem and consumer needs. You cannot ignore the fact that increased farm prices and income will have an effect on food. It will. It will call for very generous consumer subsidies. There is no doubt about that, in order that all people, regardless of their income level, have ready access in monetary terms to the basic necessities of life.

Three — it must deal effectively with the total farm problem — which is a matter of income, not a matter of price. Price is merely the technique that determines the level of income that a farmer will receive. That is all it is. Just a technique. Income is the ultimate. And when I say this, I think in terms of a farm income policy that will involve fixed prices for farm commodities in relationship to farm costs; that it will provide a means by which a fund can be set up to maintain income — not crop insurance. We have been dealing with the farm problem in a piecemeal manner. For a time, everybody would be excited about hogs. We are going out of hog production. What can we do to stimulate our hog production? Next it's eggs. Then it's chickens or something else. But we have got to deal with the total problem and essentially the total problem is one of income. That is it.

Four — it must deal effectively with the total problem of farm income on a comprehensive, one-package basis. It must be based on the principle of rewarding farmers for productive labor. Let's never talk anymore about acreage payments. There is no way in which you can reward farmers fairly by trying to pay them on a acreage basis. We must pay them for the thing that they produce from those acres. This is the only fair and equitable way to measure the amount of income that anyone should receive.

Five — the total yearly farm income for the agricultural industry be maintained in equitable relationship to the industry's total farm costs. All I am say is that the basis of the pricing formula should be the total costs of the industry as a whole. These figures we have for all of Canada. We know the number of tractors the farmers have, the value of machinery, we know their operating costs. Let's determine what the costs are for the entire industry and then let's establish prices that will achieve sufficient income to meet their total costs. It is that simple. The price technique is a vital element in determining the level of income for farmers as self-employed workers to achieve this objective and see that prices be related to current yearly production costs for various kinds of agricultural field and horticultural crops. If we began to establish prices on a basis of the total cost of the industry, essentially we must start at field crops. This is the basis, and work on from that. So I say, that prices for livestock, dairy, and poultry products, be maintained in equitable relationship to feed grain and forage crop prices. This would give you a good balanced agricultural economy. It would give an opportunity to farmers and a great encouragement to them to diversify their farm activities.

Six — that provision be made for a farm income stabilization fund to provide income insurance against crop failures due to natural hazards. Mark, you, Mr. Speaker, I said income insurance. I didn't say crop insurance. I said income insurance. The suggestion here is that when farmers receive their payment, they would be at a parity level. (I don't use that expression, it's a bit hackneyed), but a proper cost-price level for their farm commodities that should then bring in a substantial system of making appropriate deductions at the time of marketing and based on the volume of marketings and increased percentagewise in the contribution made by those who market the greater volume of products. In this way, we could build up a very substantial income stabilization fund, without injury to anyone. Certainly the PFAA contribution is out of date. It is too small and it is not equitable and fair. Under a plan of this kind, a farmer would have a guaranteed income, sufficient to maintain a family in a respectable manner. This would correspond with this minimum income that we have in the non-agricultural sector, and on behalf of which we pass legislation. The hon. member for Yorkton doesn't need to smile. Something must be done for agriculture and it can be done.

Previously the excuse has been, "we can't do for the farm worker what we do for the industrial worker, because he is self-employed." This is not true and there is no argument that it cannot be presented that it is true. This will give a stimulus to production and this is what we want, Mr.

Speaker. As I say, if we want to progress, we must produce. It is also true, we must find markets for our surplus food commodities and I said a while ago, two-thirds of the world's population goes to bed hungry every night. Now, we have heard this — this has been ringing in my ears for twenty years. It is about time that we do something about it. Maybe President Johnson has taken the first step, and I suggest that this is an appropriate function for the United Nations. If we really got busy on feeding the world and concerned ourselves with the world-over, we would be so preoccupied by nations I doing good, we would not have time to think about fighting and creating hysteria, and all that goes with it.

So, as a start, I would suggest that even if other nations do not want to go into a world food distribution scheme, that Canada itself should provide long term credit — by 'long term' I do not mean nine months but fifteen, twenty, and thirty years — to great countries in the east like China, India and Ceylon. These people do not want something for nothing but they do need credit — credit which will enable them to pay us the price we require for our wheat and other commodities.

There has been another old bogey, Mr. Speaker, and that is that we Canadians with our high standard of living cannot produce food as cheaply as some other countries, and that this is the reason we cannot compete in the world market. This is not true. When one looks over the list of countries and prices that are maintained in those countries for agricultural products, they are far higher than ours, so this is no argument at all.

I say, Mr. Speaker, that it is more in the realm of possibility and doing good to implement the kind of program outlined specifically in the resolution, than it is to do nothing. I know many objections will be raised, all kinds of them, to any plan that is put forward, but anything would be better than what we have. The sort of situation where we are rapidly completely de-populating rural areas, at a time when automation and cybernation are gathering speed and when all of us know that it is only a matter of time until we will have huge unemployment problems. As I said often on other occasions, the private enterprise sector is not going to solve that problem. This is not their business to solve it, but it is the business of governments to give leadership and direction towards finding a solution to the problems that lie ahead.

We are living, Mr. Speaker, in the twentieth century and the twentieth century is rapidly drawing to a close. The nineteenth century is a thing of the past. Well, I would . . .

Mr. Steuart: — That is right, Toby.

Mr. Nollet: — . . . hon. member's mentality will come up and proceed apace with the circumstances of the last period of the twentieth century. Mr. Speaker, I again, ask all hon. members of the house, for heaven's sake, let's stand unanimously on the original resolution. There was no need to have amended this resolution at all. Everyone deep down knows that this is the only answer to the farm income problem.

Some Hon. Members: — Hear! Hear!

Mr. H. A. Broten (Watrous): — Mr. Speaker, I was very surprised when I saw this amendment. In fact, I did not think it possible that anyone from a rural area, especially since there is a federal election coming up, would have ever passed an amendment such as this.

Mr. Coderre: — Resign and we will . . .

Mr. Broten: — I would like to. I would be only too happy to fight the next provincial election on such a basis as this. The issue would be leaving out this guarantee farm prices in fixed relationship to farm costs. I think the farmer has too long been asked to solve his problems by efficiency. I think this has to come to an end, and I believe that the situation has to be solved realistically. This can only be done by federal policies which will take into consideration the farmers' costs. What has happened to farmers costs in this last while, Mr. Speaker, is that they have gone up from 123 points (DBS figures taken 1935 to 1939 as a base), to 299. This is away over double and in that period the price of grain has only gone up ten cents a bushel whereas his costs have gone up over 100 per cent. I think, Mr. Speaker, that these things should be taken into consideration, but then you take away the responsibility from the federal government to do something about it.

What have the senior governments done in other countries? In Austria, the price of grain to the producer is \$2.88 a bushel. In Belgium, it is \$2.86 a bushel. In Britain it is \$2.12. In West Germany, it is \$3.26 a bushel. In Ireland, it is \$2.38 and in the Netherlands, it is \$2.90 a bushel. Here we are trying to get along on about \$1.70 to the farmer. These people are subsidized in order to give them a decent return for their labor and investment.

What have exporting countries done in some instances? France is an exporter and it gives the farmer \$2.59; Italy gives \$2.89; the United States, up until a little while ago, gave \$2.16; Australia gives \$1.79 — but the Australian dollar is much more potent in buying power than ours, so this will be much over \$2.00 in our purchasing power. What ground have we got that the federal government should pick-up responsibility in this area? Well, for one thing the federal government does place trading policies on the books — fiscal policies and tariff policies — and these affect the farmer to a very large degree, so the government has responsibility to the farmer as such because of these facts.

What has the federal government done for the car industry? It has been given a subsidy this year of \$50,000,000. We took off this tariff from the United States so they can charge the amount that they did charge before and have a mark-up in excess of \$50,000,000. I think this is a direct subsidy to the automobile industry in Canada, and that we as farmers need consideration along this line.

If we did subsidize the farming population to the extent of a few million dollars (we'll say \$200,000,000 or \$300,000,000) much of this would come back to the government in the form of taxes and increase activity all over the country. So it may be that the real cost to the government, in the final analysis, would be less than one-third, so these things are not as serious as it may look on the surface.

I maintain that the policy of guaranteed farm prices and fixed relationship to farm costs has got to be maintained in any farm policy that is worthwhile. I do not have anything against the farmers and the government or any other people demanding efficiency from the farmer. The farmer has demonstrated that he has probably moved in this area with more dispatch than any other industry in Canada but this comes to an end at some time or other. I think that when we have seen so many farmers disappear from Saskatchewan and Canada as a whole in the last fifteen years it is time that we did something about it.

I would say that now is the time. The member from Canora (Mr. Romuld) spoke the other day regarding the United States getting into trouble with subsidies. One thing that the United States did (and I think that we should take this into account when we talk about this) is that they gave subsidies to the farmers without giving them any responsibility for storage. If a farmer increased his yield, they guaranteed to take all the grain that he raised on a certain acreage — and it is true that he had to reduce his acreage — but if he reduced the acreage that did not grow too much in the first place, it made a very ineffective means of reducing the yield or the total output and I maintain, that the reason that they got into trouble was that they never gave the farmer any responsibility for storage. If they had done this, they would not have gotten into trouble. We do not propose a policy whereby the farmer would not have some responsibility in this area, and so comparisons cannot be made with any justice because of this reason.

We could have gotten into trouble here too, a long time ago, if we never gave the farmer any responsibility for storage and the surplus on his farm, and if the government had taken the whole problem of storage and delivery, as a government responsibility. We would have had a problem here long ago too, as far as the total amount of grain on the farms or in the country is concerned.

I maintain, Sir, that it is time that this is brought into the open — what the Liberal party does stand for regarding farm costs. Other people in our society, such as the shoemaker, the shoe manufacturer, the clothing manufacturer, the machine manufacturer, have increased their prices, in many cases by 200 or 300 per cent. I bought a drill not too long ago for which I paid \$2,200. In 1949, I paid \$990 for the same press drill. This is one hundred per cent increase and they have had to have this increase probably by reason of increased costs. Well, I as a farmer, have had the same increased costs and when we take out parts of our resolution which demand attention to prices as such, I think that this is just utter nonsense. I would like the people of Saskatchewan to know this is being done by this

present Liberal party in the house. I would like to fight an election in my own riding on this issue. I am sure that I would never have a better issue to fight it on.

Mr. Coderre: — Resign and we will give it to you.

Mr. Broten: — I would like to have a debate in our constituency with the member from Canora (Mr. Romuld) on this issue at any time. I think that this is an issue too, that the farmer is understanding more every day. I am sure that this is an issue that should be brought to the floor at this time and I hope that every member on this side will have something to say about this because this is an important issue in our agricultural province.

I support the original motion.

Some Hon. Members: — Hear! Hear!

Mr. T. M. Weatherald (Cannington): — Mr. Speaker, I would like to say just a few words on this resolution and this amendment.

I listened with interest this morning to the hon. member from Cut Knife (Mr. Nollet), and as usual he was his very dramatic self. The other evening, while watching the 'Oscars' on television, I was convinced that those who were in the running would be glad that the member for Cut Knife (Mr. Nollet) was not in the contest. I am sure that he would have come off with most of the prizes.

Some Hon. Members: — Hear! Hear!

Mr. Weatherald: — However, Mr. Speaker, at the same time, I agree with some of the points which he has raised. We do have a difficult situation in agriculture today, in that costs are rising and prices have not shown any great improvement. However, I cannot find myself agreeing with his solution to the problem. In reading the resolution, I notice at the bottom, that it suggests a program of guaranteed farm prices, maintained in fixed relationship to farm costs. Well, Mr. Speaker, this is precisely what the American government has tried and resulted in one of the greatest messes in agriculture that the world has ever seen. They not only have a storage problem, but they have a problem of low income on the farms as well.

It has regimented the agricultural industry and failed to raise their income. This is what the hon. member for Cut Knife (Mr. Nollet) suggests that we, in this country, do despite the fact that our treasury is unable to do what the American government is able to do by way of subsidies. He also mentioned this morning that we had some pretty good members insofar as politicians were concerned.

In listening to his speech, I suggest that he has learned the lessons of politics rather well over the last twenty years. He ended up with better prices and higher income for farmers — a better deal for the small businessman because of these higher incomes — the hungry people of the world fed — and the only people that could possibly come off worse was the consumers, and he did not mention them at all.

Mr. Speaker, I suggest that there are two practical ways that we can approach this problem. Both of these, I suggest, the Liberal party is following and will continue to follow in the years ahead.

First of all, the provincial government has taken steps to reduce the cost of production to the farmers. The members opposite may laugh and sneer that purple gas does not make any difference. But it is a step in the direction of reducing the farmer's cost and if you reduce this cost, you increase his income.

We do not pretend to be able to solve a problem as great as this, in one year, but we have made a start, and I think, Mr. Speaker, that as long as we continue to move in this direction, that an improved income as far as farmers are concerned, will be eventually shown. At the same time, I am delighted to see that the federal government is attempting to reduce tariffs to widen the agricultural market, and I for one, am very pleased that the government at Ottawa is making arrangements with the American government to reduce tariffs between our two countries. Although the positive effects of this will not be shown for some period of time, eventually the lower prices

reflected to automobiles will be shown as far as our consumers are concerned, and this again will help improve our income.

At the same time, we in Saskatchewan must make a greater and greater effort, through negotiations, to improve our trade position with other countries.

It is very nice to be able to say that we should feed all the hungry people of the world and I agree that this is a very high ideal. Unfortunately, many hungry people of the world have no money to pay for this produce, and it will not help very much to give the food away unless someone is able to pay for it.

Our treasury in this country is not large enough to be able to make these large giveaways. The American government has a foreign aid program substantially higher than our total budget in Canada, yet they have been able to make no impact through giveaway programs. They have made absolutely no impact whatsoever, on attempting to feed the other people of the world. At the same time, through their giveaway program, they have not substantially improved the farmers' income either.

Anyone who investigates the situation in as far as American agriculture is concerned, can readily see that what the members opposite propose in a program of guaranteed farm prices, is simply not the answer to our agricultural problems.

I suggest, at the same time, Mr. Speaker, if we in this country maintain as a policy, as it has been maintained over the number of years, that it is in the best interest of the people of this country to maintain low food costs and that it is not realistic to expect the farmers of this country to subsidize the consumer through low prices for his products. I realize at the same time, that because of the low income of a number of people, that this has been a popular policy by the federal government. However, I for one, would suggest that if this policy continues, that the farmers of this country are entitled to a certain number of subsidies on agricultural products.

I am often dismayed, at the same time, that many of our consumers fail to realize that one of the reasons there are high costs for food, is not because of the cost that they pay to the farmer for his beef, or his eggs and so on, but it is simply because they are demanding more and more services for what they buy. We must begin to realize that we cannot demand instant tea and instant coffee and instant potatoes and just about anything that is instant, without paying higher prices. Often I find that consumers complain bitterly about the high cost of food, and yet they demand more and more services.

Mr. Speaker, I suggest that the Liberal party in this province, is taking steps to improve the farmers position and that the federal government will, through its means, make every effort to improve the prices by widening our market, and that we can also make greater efforts to improve our income by reducing our costs. I think that these steps are much more realistic than the regimentation and controls which the hon. members opposite suggest.

The farmer has always been one of the most free individuals in our society and if the experience of American farmers is anything to go by, I am sure that the farmers of this country will support us in what we are doing.

I take great pleasure, Mr. Speaker, in supporting the amendment, but I cannot support the resolution.

Some Hon. Members: — Hear! Hear!

Mr. W. J. Berezowsky (Cumberland): — When the original motion was brought in, I thought that this house would vote for it unanimously, but after the amendment was brought in and after listening to the youthful member who has all the answers, and talks like an economist, from Cannington (Mr. Weatherald) I thought it might be just as well for an older person like myself, who probably represents the real family farmer, to get up.

It seems strange to me that every time a good resolution is brought into this house, the Liberals, whether they are on the opposition or in the government, always try to avoid real solutions that are suggested. We have heard the youthful member speak about what is happening in the United States. I would like to suggest to him that over the past two or three decades, if

there were farmers in this western world who were able to get a decent living, it was the farmers of the United States. I have known a great number of them who came into our north with considerable money and these subsidies that were paid over the last few decades to them have been very helpful to them and they have done very well.

This cannot be said about the farmers of Canada, and the farmers of Saskatchewan. I do not need to mention the prices they receive for wheat in the States as compared to the prices that we receive here. Their prices received were much, much higher than anything we got in this province and as a result, these same farmers of the United States were able to buy the goods and services that they needed, because they had the money.

I think it must be pointed out that the real policy of the Liberals is the policy of free enterprise. They believe in supply and demand. I have an article here from the Leader Post of February 2nd, 1963, entitled "Production Controls Needed" and I will read a paragraph of it. This is the true philosophy of the Liberals in Saskatchewan, and probably in Canada. It says:

The normal procedure when there are surpluses is to permit the natural economic law of supply and demand to come into play. The greater abundance of supplies induces lower prices which clear out the surpluses, and lower prices and encourage producers to reduce production.

There is the whole answer of the Liberal party right here in this editorial, and the hon. member from Cannington (Mr. Weatherald) touched on that point.

Mr. Speaker, I must remind the house that some eight or nine years ago, there was a committee that sat here in this house studying farm costs, and why farmers were hard up then. We tried to find the answer and I recall the Public Relation Officer from the packing industry, saying that he knew the answer. He knew the answer to the farm problem, and it had to do with supply and demand. I remember asking this gentleman why the farmers who were growing grain, were hard up. He replied that they were growing too much wheat and they should get into cattle. I came back with a very simple question. I asked, "And if there are too many cattle, what then?" He said, "Well, they can go back to growing wheat." What nonsense!

This is the kind of philosophy that is being proposed here today by the Liberals opposite. Instead of facing the situation and doing something about it, they are going to talk to us about supply and demand. When you grow too much wheat, then go into cattle. Then, if you have too many cattle, go into wheat — or the hon. members here are going to go ahead and see to it that there are more hogs in Saskatchewan. They are going to have an oversupply of hogs — the prices will go down as pointed out in this article here, and then, of course, farmers are in a dilemma once again.

What do you have to do about it? I will tell you what you have to do about it. You have got to do in this private enterprise economy, what is being done for other people. When the shipping industry in Canada found it difficult, what did the dominion government do? They turned around and said, "We will give you subsidies. We will help you to build these ships, because we need ships." Today, and for the past ten or so years, the governments of Canada, be they Conservatives or Liberals, have paid subsidies to this industry to the extent, I think, of around 50 per cent. Yes, the millionaire corporation can go ahead and build a ship worth a million dollars and the government of Canada will collect taxes from the ordinary people like you and me and turn around and pay half the cost of that ship to this corporation.

What have governments of Canada done for the mining industry, Sir? When the gold industry found itself in difficulty, the government of Canada enacted legislation to see that subsidies were paid to the gold industry, and these subsidies are paid today. But when farmers have deficits, ten out of twelve years, (and that is the experience and I know what I am talking about, and I can prove it) — there is no subsidy, and the hon. members in the Liberal party will say, "Oh, we cannot do that. Farmers are free men. They like to be free. They don't want to be helped." Well, I am telling you now that the time has come that the farmers who still remain on the land to want to be helped. If this country with its great and tremendous wealth, produced by farmers and by the farming industry, can go ahead and subsidize gold mining and shipping companies, and scores of others, including horses, such as Mr. Taylor's horse, I am sure the time has come when farmers should get a square deal too, and be subsidized during this period of stress.

Now, I know, Mr. Speaker, I am just a simple ordinary farmer. I know that by guaranteeing prices it is not going to resolve the whole problem of surpluses and markets. I know the time will have to come when we will have to help these underdeveloped countries to build industries so that more of these people go into industry, and so we will be able to supply them with the primary products that they need, and when that time comes we will not have the problem that we have today. At the present time, we have to be realistic, we have to help these people, whether it is giveaway or whether it is by subsidies to farmers, or any other way, because first of all we have to protect ourselves here — the farmers.

I would like to suggest, Mr. Speaker, as a farmer, every time I come to the city, I see these things. This is my perspective. I see the banks in the cities. I can see the schools. I can see the streets. I can see rich people, wealthy people. And when I think back, how you were able to build this kind of thing, I say to myself, it must be the prime producer. He produced the wealth and all these others including the hon. member from Milestone (Mr. MacDonald) who teaches school, he even paid for his services. We pay all of this — the farm producers, and all of you have either a decent wage, or a good wage, or a good standard of living, and the only ones that are depressed are the farming producers. Somebody has to speak for them, and it is time that we speak for them. This house should go unanimously on record to see that the farmer does get a subsidy. I don't care what you call it — a decent return for his work so that he can make a decent living too just like teachers and others.

I have an article here that was taken from the Wakaw Recorder, March 31st, and it points out that we are getting prices now that we got during the depression times. Let me read a paragraph or two for you:

Let us see what poultry and eggs are worth. These following are facts from the Wakaw district during the past couple of weeks.

A farmer shipped 57 hens to a plant in Saskatoon, he got grades as follows: 29 of them were A, 22 were B, 5 were C, and one was a cull.

Only one was a cull, Mr. Speaker. For these the statement came to only \$14.66. Then ten cents each was deducted, except for the cull, for killing charges, and this was \$5.60 for 57 hens, leaving him \$9.06, and the member for Milestone (Mr. MacDonald) and the member for Cannington (Mr. Weatherald) will get up and say how well the farmers are doing. They want to be free. Free from what? Well, I will tell you what we want to be free from — we want to be free from this kind of thing. We want to be free from poverty. We want our children to be dressed as well as other children are dressed. We want our children to have an education — all the things that this country can provide and should provide for the people of this country. Farmers are no worse than anybody else. You cannot do it with this kind of situation — with supply and demand.

Organized labor, teachers, professions, all can set prices for their services. The farmer is the only one that has to come with his product which was produced with his hands, and say, "What will you give me for this?" He cannot say, "I want \$5 or \$6 a bushel for wheat." He is begging for \$2.50 and he cannot get it because farmers are at the mercy of free enterprise society. Yes, it is people like these public relations men, that set prices on cattle and he admitted it when I asked him who sets prices on livestock. "Well," he says, "We do in the packing industry." I said, "Who sets the prices for the finished article that goes into the retail stores?" and he said, "We do, who else should?" I say it is about time, if the farmers cannot say what they should get for products, I think governments, which are supposed to be some kind of instrument of human welfare, should see to it that the farmers get a decent deal.

Let me just read one paragraph from the Atlantic Community Quarterly. I remember reading this some time ago, and on page 132, there is a very good article on the crisis in the west. It has to do with the production of grain, cattle, and so forth, and in this paragraph it mentions that a very prominent economist, Pierre Urie, expresses the problem in this way:

Subsidies are preferable to the weakness of prices which are too high.

He mentions that subsidies are necessary. He sets three conditions:

They must first be subsidies of income.

And that is what this resolution asks for, that farmers get a reasonable income, and this has been said in the United Nations, through publication from the United Nations.

We know the problems are not going to be resolved, as I said before, but what we do want is some concern by the government at Ottawa to see that the farm industry is not destroyed completely. Let us just take a look for a moment at what has happened to the farmers. Back in 1931, we find that we had 136,472 Saskatchewan farms — what has happened to farms now? In 1964, it is estimated only 93,310 farms remain. Farms have got bigger, I admit, (this is in the National Retail Statistics, take out of D.B.S.). What has happened? Somebody mentioned that the farmer must produce at lower cost — we have been doing that. The average farm in 1931 was 408 acres. Today the farmer is working twice as much because today the farm is 700 acres on an average, and yet what happened, Mr. Speaker?

My friends come to me and I do their income tax — these half or three-quarter section farmers. They have ten deficits out of twelve. There was a good crop year last year. The prices were not too bad and they had a little bit of a surplus, but over the past twelve years, I can honestly say that about ten years were deficit years. How long can you continue despite the fact that you are working two or three times as much land as you did ten years ago? This is the problem and I would suggest that this resolution has a partial answer, and not the amendment that was brought in, and I would suggest that every member of this house should show where he stands on this resolution, and if the Liberal party believes, as pointed out in this editorial, in "The supply and demand" they might just as well vote against the motion. I think there are some members opposite who are concerned with farm industry. They know quite well that this law of "supply and demand" is outdated. It is not the kind of philosophy that we can accept in this day and age and I hope at least those will stand up and vote for the motion and against the amendment.

Mr. Leonard M. Larson (Pelly): — Mr. Speaker, I want to spend a few moments saying a few words on this amendment. I am rather surprised that the members opposite would bring in this kind of an amendment. I am not sure what they are trying to do — what they are trying to present here. I want to remind them that bringing this kind of an amendment in is absolutely destroying the intent of the original motion. This amendment has no bearing at all on the main purpose. It takes out of the motion anything meaningful and it makes it look silly. It says:

to continue to develop a farm program.

I ask you, Mr. Speaker, what farm program? What farm program has the Liberal government of this country, in the past, presented to farmers? Is it a program to allow costs to rise, prices to decline? Is this the kind of thing we want? And then it continues:

to assist in the establishment of economic farm units.

Well, Mr. Speaker, this must be a very vague thing because the only course we have in existence in Saskatchewan today insofar as farm units are concerned, is the ability for me to gobble up or to be gobbled up. Is this what we want?

The fourth point:

in conjunction with farm organizations, develop policies that will increase security and opportunity.

Well, there is not too much wrong with this, but it is really only lip service. No one can quarrel with this as being very basically wrong. The other point I want to make is to refer to some of these statements that have been made by the speakers opposite. There is a reference to purple gas. I am going to quote someone that is respected in the farm organizations of this province. He is respected throughout the length and breadth of Canada. He is even respected by the Liberal and Conservative governments at Ottawa. I am referring to Alf Gleave, former national president of the National Farmers Union, C.F.A. Board of Directors, and many, many agricultural connections. At a recent conference he had this to say:

Farmers must raise their sights in regard to farm income and farm policies. Why should

farmers spend their time and effort persuading provincial governments to remove the tax on gasoline used in farm trucks? It is really a small thing after all and brings only negligible relief in comparison to other farm costs.

Now, this is Alf Gleave speaking and members opposite are trying to create the impression that this tremendous taking off of this tax on purple gas or gas used in farm trucks, is going to really solve this problem. This is fallacy, Mr. Speaker. This is absolute nonsense!

Mr. E. Kramer (The Battlefords): — So did Pearson . . .

Mr. Larson: — Yes, so did Pearson. Very recently, since this resolution hit the Order Paper in this legislature, there has been a new Throne Speech. This Throne Speech again enunciates what this resolution originally stands for, and why members opposite want to drag in an amendment that will destroy the intent completely is beyond me to understand. Surely you are not ashamed of the Throne Speech that was delivered in Ottawa! Surely you don't disagree that agriculture is entitled to a better deal! Surely you don't say in Saskatchewan that what is good for other farmers, we don't want here! This, in essence, is what you are saying by dragging in this amendment. I am sure, Mr. Speaker, by now you know I cannot support this kind of an amendment.

Mr. A. Thibault (Kinistino): — Mr. Speaker, I notice that most of the members on this government side are not in the house, so I do not think they are too interested in the resolution or maybe even the amendment. Perhaps they are living it up, I don't know.

Mr. Speaker, in the interests of brevity and wanting to be out before Easter, I am not going to trouble the house by spending too much time. My only comments are that the amendment is a shabby one. It is a very poor excuse to try and get the federal government off the hook, and I want to emphasize that bread would be much better than lead for world peace. And I say, let's get on with the job.

I heard the member for Cannington (Mr. Weatherald) ask, "Who's going to pay for it?" Well, I want to tell the member for Cannington that we often heard that what is physically possible will be financially possible, and can be financially possible, and I think the time is long overdue when we should start thinking a little less of money than we do of our soul. Thank you.

Some Hon. Members: — Hear! Hear!

Hon. A. H. McDonald (Minister of Agriculture, Moosomin): — Perhaps I should say a word or two on the resolution before you put the question. I am not going to weary the house in answering many of the proposals or suggestions that have been made by my friends opposite. I think this is the 18th occasion that I have listened to the same speech by the ex-Minister of Agriculture (Mr. Nollet) and the only improvement has been that it is more ridiculous today than the first time I heard it. If we were to follow the thinking of our friends opposite, then perhaps we would find ourselves in an even more difficult position than we are at the moment. The suggestions that they have made to this house from time to time, even during those days when they sat on this side of the chamber, I suggest, are more out-dated at this time than they probably were some few years ago.

I would suggest that they are not new suggestions either in this house, or suggestions that have not been implemented in some other part of the world, and all I want to do is to ask my friend to look at the problems that such policies have created in the nations of the world where they have been implemented. Many of the policies that my friends opposite have advocated are the reason for starvation among millions of the people of the world today. What is happening to even the agriculture economy of the Soviet Union which has followed such policies virtually since before the first World War? And what is the Soviet Union doing today? All one needs to do is look in the

Soviet press to find out, and one finds out that private enterprise is gaining respectability in the agricultural economy of the Soviet Union. Because the Soviet Union, under the policies that are advocated by my friends opposite, has been unable to feed its own people, it is turning to the policies that have been adopted and practiced in Canada for many years.

Mr. Speaker, let us look at this motion. What does it say? I am only going to read that part which we have asked should be struck out and replaced:

To implement immediately a comprehensive program of guaranteed farm prices, maintained in fixed relationship to farm costs.

Is this new? Is this policy in effect in other parts of the world today? Yes, it is, and what are the results? This policy is in effect in that great country to the south of us. And what has been the result to it? My friends are worrying about the small farmer. Eighty-seven per cent of the subsidy that is paid to the American farmer is paid to eight per cent of the farmers. Is that what you want? You talk about preserving the family farm. You implement this program and there will not be a family farm in western Canada — you are going to have business corporations producing all of the agriculture products in western Canada. Is this what you want? On one hand, you stand in your place and you condemn this government and other governments for implementing policies and programs that will increase agricultural production in Saskatchewan and Canada, then you conclude your remarks today by saying there is an unlimited demand for all of the foodstuffs that we can produce.

Then my friend from Cumberland (Mr. Berezowsky) stands in his place and says, "Why, these terrible Liberals here in Saskatchewan are going to produce an over supply of hogs." The gentleman that sits in front of him wants us to produce more agricultural products at the end of his speech. At the beginning of it, he does not want us to. Then his colleague gets up and says we should not produce any more agricultural products.

Mr. Speaker, what utter economic nonsense my friends across the way talk! Certainly, we have lost a lot of farmers off the land in Saskatchewan and other parts of Canada, over the past twenty years. Why did we lose them? Why did we lose them?

An Hon. Member: — Liberal policies.

Mr. McDonald (Moosomin): — Yes, you are about stupid enough to think that.

Mr. Nollet: — Nuts.

Mr. McDonald (Moosomin): — We lost these farmers for the simple reason that if you take the total gross agricultural income, and we will talk about Saskatchewan, that is available to our farmers and has been over the years, and divide it by the number of farmers that were employed on the land in Saskatchewan, then there was not adequate income to go around. My friends opposite seem to think that you can solve this problem by increasing prices of agricultural products.

Mr. Speaker, this is garbage. The great bulk of agricultural products that are produced in Saskatchewan have to go on the world markets to be sold. How could a million people in Saskatchewan, or 18 million people in Canada, consume the vast agricultural products that are produced in an agricultural country such as Canada? These products must go on the markets of the world and they must compete with agricultural products from other parts of the world. Mr. Speaker, in my opinion, this lack of farm income can be solved quicker and more successfully if we implement farm policies and programs that will allow our farmers to produce more agricultural products, which the ex-Minister referred to at the close of his remarks. There is a market in the world today, but his market is at a price which many Canadian farmers have not been able to compete with . . .

Mr. Nollet: — Nuts.

Mr. McDonald (Moosomin): — Ah, nuts. You are the fellow that is nuts. Let's take a look at beef. What does it cost to produce a pound of beef in Saskatchewan? Do you know? I know, it costs 17 cents a pound to produce it. What does it cost to produce the same amount of beef in the winter wheat and winter

barley area of the United States? It costs 4 cents a pound. What does it cost to produce the same pound of beef in the corn area of the United States and the corn areas of Ontario? Eleven cents a pound. We have problems here which we must solve — or we are not going to be producing beef at all. If we don't find the answers to some of these problems . . .

Mr. Brotén (Watrous) — Why does the farmer . . .

Mr. McDonald (Moosomin): — You just be quiet at the moment and you will learn something. You don't know anything at the moment. These are the approaches that this government and the federal government are attempting to tackle at this moment. My friends across the way have said, "What are these terrible stories in Ottawa and what are these terrible Liberals doing?" I have in my hand a document that will mean an expenditure of \$175,000,000 over the next five years on a War on Poverty. This program was implemented originally by a Tory government in Ottawa. It has been carried on and broadened by a Liberal government in Ottawa. This program makes provisions for the expenditure in Saskatchewan of something over \$14,000,000 on war on poverty programs in Saskatchewan, over the next five years. These are good programs. To be fair, I think the provincial Department of Agriculture, over the years, has implemented some excellent programs, as far as trying to change the pattern of farming in Saskatchewan, and in endeavoring to bring higher income to many of our farmers.

Then the member for Cut Knife (Mr. Nollet) tried to impress this house by using two sets of figures. He compared farm income in 1949 with farm income in 1963, and said, "Why, over this period of time, farm income dropped by \$527,000,000." Who are you trying to kid? Who are you trying to convince? I can take another set of years and show that farm income has gone up, not \$527,000,000, but \$1,527,000,000. It depends on the years you take.

Mr. Nollet: — No, no.

Mr. McDonald: — It certainly does. If you want to take a good year, twenty years ago, and a poor year recently, you can prove most anything. But if I want to take a poor year in the 1940's and compare it to 1964, I get the exact opposite. You know maybe figures don't lie, but sometimes figures do.

Then the ex-minister went on to say that this meant that we had less . . .

Mr. Nollet: — Mr. Speaker, this is an imputation, and I would like to inform the hon. member that they are not my figures. They are D.B.S. figures.

Mr. McDonald (Moosomin): — I don't deny that, but if you had taken any other pair of years, you would have got the exact opposite answer. This is utter nonsense that you have been trying to impress this house with.

Then he went on to say that despite the fact that we had fewer farmers in 1963, the farm income had only gone up on an average of \$179 per farmer. I challenge my hon. friend to take the year 1948 and the year 1964, and see what the answer is. You have the direct opposite answer to what you gave the house today.

Mr. Nollet: — Mr. Speaker, I have been challenged on this. I have not compared one year with another at a certain period and another period. These are average for lengthy periods.

Mr. McDonald (Moosomin): — You average no such thing. You have taken 1949 and 1963 and compared them . . .

Mr. Nollet: — A good average, yes.

Mr. McDonald (Moosomin): — You have taken the highest and one of the lowers — that makes a pretty good average for your argument.

But I want to repeat that if you take another set of years, either 1948 or 1950, and compare them to 1964, you wouldn't have a drop in income of

\$527,000,000. You will have an increase of \$1,500,000,000. This is the political nonsense they say, and the economic nonsense of my friends opposite.

Then they go on and they talk about steel, and here a while ago my friends were talking about this new automobile production agreement. Well, again, I cannot understand the thinking of some of my Socialist friends opposite. Certainly, the steel industry has been making profits, Mr. Speaker. What has happened to those profits? Were they paid out to the shareholders? Were they? About four per cent was paid to the shareholders. Where did the balance of the profits go? My friends opposite have no idea how industry performs and how this country has grown and will continue to grow to provide employment, to create wealth to be invested to build new factories, to start new mines, to build new railroads, etc. This is where the profits went. Are you opposed to the Steel Company of Canada today employing ten times the people they employed ten years ago? Are you opposed to this?

Mr. Allan Blakeney (Regina West): — Would the hon. member repeat those figures?

Mr. McDonald (Moosomin): — Yes, the steel industry of Canada today employs virtually ten times as many people as it did ten years ago. What has happened to the iron industry that goes into our steel mills? Look at the tremendous development in Labrador and in Quebec — let alone other parts of Canada.

Where did the money come from to develop these resources? It came from profit of industry. What my friends opposite do not seem to understand is that if industry does not make a profit, that this whole country and any country would stagnate and die. I want to repeat this. The steel industry is no different from most other large industries. They have used their profits to a great extent to develop new mines, new mills, to create new jobs and to create new wealth. A few days ago, my friends were crying about the fact that Canada had entered into an automobile agreement. As a result of that agreement, even today, Chrysler Corporation have announced that they will be building this year in Canada, 80,000 automobiles to be sold in the United States. Is not this good for Canada? Are you not happy to see Canadians producing automobiles to be sold to another nation?

Mr. Brockelbank (Kelsey): — At what prices?

Mr. McDonald (Moosomin): — For the same price they are sold to Canadians. Where you have a policy that is creating thousands of new jobs in Canada, are you people, who claim to be labor experts, opposed to this type of development?

Mr. Nollet: — Why shouldn't agriculture make a profit too?

Mr. McDonald (Moosomin): — Well, you know some people have made a profit in agriculture. I don't know, but I don't think you made much when you were in farming. But there are several farmers in our country and many of them that are making a profit, and I think they deserve a lot of credit for it.

Mr. Nollet: — The master farmers.

Mr. McDonald (Moosomin): — Then my friend, the ex-minister (Mr. Nollet) went on and talked about some of the programs that his government had implemented, which were helpful to our farmers, and I agree. I don't think there is a farmer in Saskatchewan that opposed those programs, but let us never forget that he contributed a lot of the construction costs himself. I think he appreciated the program of farm sewer and water. But don't tell me that he hasn't appreciated the moves that this government have made in ten months on his behalf. Don't tell me that he doesn't appreciate the fact, that he can now use purple gas, that his education and health tax is cut by one per cent, that there are 43 products that the farmer buys that are no longer taxable at all. Don't tell me that he doesn't appreciate the fact that he doesn't have to pay mineral tax on his land today, not knowing if there are any minerals there or not. This is the first time, for twenty years, that the government of the province of Saskatchewan has done anything designed to lower the farmers' cost of production, and no one on this side of the house, no one, on this side of the house would say for one moment that these moves have solved the financial difficulties in which many of our farmers now find themselves.

But I want to say to this house, Mr. Speaker, the there is one move that the national government of the provincial government can make that

may solve all of the farmers difficulties. They will only be solved through the implementation of many policies and many programs, both new and in the future.

Then my friend went on to say in the close of his remarks, that deep down, the opposition and the government members knew that this was the only answer to the problem.

Mr. Speaker, the government and the members sitting on this side of the house, and I think I can speak for them, know full well that if this policy were implemented as outlined in this resolution, it will hand every farm family in the province of Saskatchewan, without exception, you would have big corporations in here producing all of the agricultural products rather than the family farm. This government, and I am sure the government in Ottawa, both Conservative and Liberal, have been interested in preserving what is known as a family farm and not getting into statism, as has been promoted by my friends who sit across the way.

What does the amendment to the resolution suggest? To continue to develop a program to increase farm income. Well, Mr. Speaker, I suggest the documents that I referred to a moment ago, and which I hope can be signed tomorrow, will be helpful in this regard. The document that will mean the expenditure of \$175,000,000 in its effort to solve some of the problems insofar as rural poverty is concerned — assistance in establishing economic farm units. This program again, will help to do that, and federal credit legislation, I suggest, has been helpful. New legislation that will be brought before this house a year hence, will be helpful in this direction, and to continue to co-operate with farm organizations, to develop policies that will increase security and opportunity for those presently engaged in the agricultural industry. Mr. Speaker, I suggest that the amendment is a good one, and I suggest that if this house and if the members in this house, have a real interest, not a political interest, but a real monetary interest in endeavoring to improve the monetary return of our farmers, the amendment will do far more than the original motion.

Some Hon. Members: — Hear! Hear!

Mr. McDonald (Moosomin): — I will conclude by reminding my friend again, that in those countries where subsidies have been paid, as suggested in this resolution, they are not paid to the family farm — they are paid to the corporate farm, and I don't think that is what we want in Saskatchewan, or in Canada. We want policies and programs where the benefits will go into the pockets of the jeans of the average farmer. This will do nothing for the average farmer, but force him out of agriculture. I cannot support the motion, but I will support the amendment.

Some Hon. Members: — Hear! Hear!

Mr. R. H. Wooff (Turtleford): — I would like to ask a question. If the kind of policy that the minister has just enunciated is the policy of the Liberal party, just why do they make the kind of promises at election time that they do?

Mr. McDonald (Moosomin): — What is the question?

Mr. Wooff: — With regard to the \$2 wheat. What about the promise of the \$2 wheat that you talked so much about?

Mr. F. A. Dewhurst (Wadena): — Mr. Speaker, I would like to say a few words on this motion and I see that my friend over there, a freeloader from Milestone (Mr. MacDonald) is quite interested because I would like to say a few words on this motion.

Hon. Mr. D. T. McFarlane (Minister of Municipal Affairs): — On a point of order, Mr. Speaker. I don't think the member should get away with casting aspersions like that. I don't think the member from Milestone (Mr. MacDonald) is any freeloader and I would suggest that the member from Wadena withdraw that remark.

Mr. Dewhurst: — The remark, Mr. Speaker, that I refer to is one to the Premier, but if it offends the Minister of Municipal Affairs (Mr. McFarlane) I will withdraw the statement, but I intend to use the statement that the Premier

used, on . . .

Hon. Mr. D. V. Heald (Attorney General): — On a point of order. I think the hon. member should withdraw the statement without qualifications. He is hedging it in with qualifications. Either he withdraws it or he doesn't.

Mr. Speaker: — Order! Order!

Mr. R. A. Walker (Hanley): — Mr. Speaker, on a point of order, the statement was made by the Premier, and it was objected to and the Premier was not asked to withdraw it, and it seems to me, that the rules ought to be the same on both sides of the house.

Mr. Speaker: — Well, whatever took place in regard to the Premier, it is something that is over the river and down the hill. That is done with and I think that calling anybody a freeloader in unparliamentary, and I think it is high time that we just try to avoid those things in this house as far as possible.

Mr. Dewhurst: — Well, Mr. Speaker, I said that if that statement offended the member, I was prepared to withdraw it. I do not know what more he wishes.

Now, the motion that was placed on the Order Paper a few days ago, by the member for Pelly (Mr. Larson), I believe is a motion which deserves serious consideration by the members of this house and members of other organizations through the length and breadth of this country. Agriculture in Canada today is the basic mainstay of our country. The party which sits opposite, Mr. Speaker, are not interested in agriculture. They are not interested in the plight of agriculture. The way they get up and walk out of this house when we discuss agriculture resolutions is pure indications of their interest in the financial plight of the agriculturist.

The farmers of Canada today represent approximately 12 or 13 per cent of Canada's population — people directly and indirectly engaged in agriculture, that is the farmers and the farmers' hired help. Yet they only receive roughly 5 per cent of the national income. How long do we expect any segment of our society to receive less than half of their fair share of the national income and to be able to continue insolvency? It is true today that some of the statistics show that the farm income is up, when they take into consideration the inflated values of farms, of the land price and the inflated prices. But a farmer who has a half section of land or a section of land hasn't got any control over that inflated price, but the inflated price does show that he is better off than he was a year before. He may be better off if he were selling out and liquidating all his holdings, but if he is continuing to stay as an active farmer, then he is not better off.

An Hon. Member: — Take a look at those figures.

Mr. Dewhurst: — I recall, Mr. Speaker, at the end of the last war, when the federal government and the provincial government, not only the provincial government of this province, but the provincial government of our two neighboring prairie provinces, were introducing policies to repatriate the veterans on the farms, the soldiers and sailors returning to this prairie land of ours to set them up in agriculture. A survey was made of what was an equitable farm unit. At that day, around 1945-1946, an equitable farm unit was considered to be a half section of our better land or three quarter sections of the land which was not of our top quality soil, or more if it was of a marshy nature. Many farmers were set up after the war years on a half section farm. They were given a half section of land, park land or bush land, but they had terrific expense in trying to make that land produce, to clear the bush, to make the land ready for production.

As they were doing that, the cost of machinery and the cost of production was increasing, but the returns from their products were declining. Consequently, the only way those farmers could survive, was to try and get more land — to go from a half section to three quarters — to a section — to a section and a quarter — it becomes a mad race. As the old story of Alice in Wonderland, a farmer had to run like the dickens to even stay where he was — to keep up to the inflation which was plaguing him.

The member for Cannington (Mr. Weatherald) who spoke this morning, went around in a circle in his speech. If I ever say anyone lost in his own

tracks, it was the member for Cannington (Mr. Weatherald). He didn't seem to know where he had come from on the farm problem, where he was headed to, or how he had got where he was. He was absolutely lost. His main statement was that the farmers have their freedom and therefore, one would have to assume, that the fresh air paid them for all the work and expense that they had. That was about the summary substance of his speech. Then his comment, when the member for Cumberland (Mr. Berezowsky) was speaking about the parity prices was, "Well, what did you do about it?"

Mr. Speaker, you and I and every member in this legislature knows that provincially, we can do nothing about guaranteeing an income to agriculture. We know that agriculture is the responsibility of the federal government, as far as income goes. Provincial governments assume responsibility for productions, but the federal government must assume the responsibility as far as income and price are concerned.

We know, when we follow the report from the world organizations, the Food and Agricultural Organizations of the U. N. or the other organizations, that if all the people of the world had all the food they could eat, that the world would be only a few weeks away from starvation unless we could produce more food.

Our problem today, in this country, is not the problem of production. They tell us we must produce more and more. Our problem is not the problem of production. It is the problem of distribution and it is up to the federal government, through the Department of Trade and Commerce, and International Trade, to find ways and means of distributing our goods. It has already been mentioned earlier today that subsidies are paid to shipbuilders, subsidies to gold mining, subsidies to the railroad companies, subsidies to big business of all kinds, and yet we hear the same guys who stand up and say they believe in free enterprise and the farmer should stand on his own feet and be the victim of all these big corporations who are subsidized by the federal treasury.

A little over two years ago, Mr. Speaker, I, like you this past year, had the privilege of attending the Commonwealth Parliamentary Association. I went to Nigeria which is a country of some 40 million people and it is only a small part of Africa. When the delegates arrived in Nigeria, we found that there was a bakers' strike on. The bakeries of Nigeria were on strike because they could not get Canadian wheat. They said they could not make a good grade of bread from the type of wheat which was being imported into Nigeria. There is many a person in Nigeria who does not know what bread tastes like. The government of Nigeria told us that one of their main problems over there was meat. They could not get enough fibrous food for their people. They were seriously contemplating importing rabbits into Nigeria, in order to produce meat. The delegate from Australia and New Zealand warned them very strongly against importing rabbits because they knew of the rabbit plague of Australia. This shows the plight of the people of Africa and their need for food.

But, we will take the 40,000,000 people in Nigeria alone. If they had one slice of bread per meal, per day, the amount of wheat that they would consume per day would be in the neighborhood of 200,000 bushels of wheat; or 60,000,000 bushels of wheat a year, to give these people one slice of bread three times a day. I know that the members across the floor think it is funny because the people of Nigeria did not have bread. They have no bread. They have no meat. They just live on vegetables and roots.

An Hon. Member: — What subject are we discussing?

Mr. Dewhurst: — The people over in Africa are really short of these foods, but they have surpluses of commodities which they are producing. They have surpluses of their fruits and palm oil. They are exporters of cotton, of peanuts and a number of other commodities and they tell us that there are other commodities they could produce if they could trade it to the western nations. I think, Mr. Speaker, we have got to evolve a policy whereby (we don't say that we are going to demand from the other governments of the world \$2 a bushel for our wheat or \$3 a bushel for our wheat) but we will set up exchange boards to exchange our commodities for their commodities, if we are going to allow our internal economy to become so inflated that in order for a farmer to have a fair share of the national income he has to receive \$2.50 a bushel, on the average, for his wheat. But on the world market wheat can only bring \$1.50 a bushel. We should trade our wheat to Ceylon or India or wherever the case may be, for their goods or to Africa for their goods. Assuming that we traded a bushel of wheat, which costs \$2.50 a bushel here, for five pounds of tea to India or Ceylon, then when that tea comes back here, that tea would be worth 50 cents a pound. When it comes back here, and its

a matter of exchanging goods for goods, and it could be worked out if the government of the day at Ottawa would be prepared to do so, but they are not prepared to do so.

The Minister of Agriculture (Mr. McDonald) stood up and said you can look at the policies of Russia—that the policy that we are advocating is the policy which Russia has been advocating. Mr. Speaker, the policies of Russia and the policies that we advocate on this side, are entirely different but it shows how narrow-minded they are in their thinking. They don't understand the problems of the agriculturalist.

Mr. Nollet: — They don't want to.

Mr. Dewhurst: — Russia's problem this past year or two was the same problem that we in this country had back in the thirties, crop failures. They had crop failures and the only reason why the agriculture income in this province shows an increase in these last two or three years, was due to the fact that the communist countries of the world, Russia, Czechoslovakia, Poland, and other countries were short of food stuff, and for the first time in the history of this country, our federal government was prepared to sell grain to those countries. A lot of it was for cash and a lot was for long term deals, and the first long term deals on credit were not made by a Liberal government to these nations which we do not agree with as far as their political ideology is concerned. Those agreements were made by the federal Tory government to start with, and not by a Liberal government.

Mr. Nollet: — Shows what could be done.

Mr. Dewhurst: — But it shows that where there is a will, there is a way and something could be done to increase the income of the farmers or solve this cost-price-squeeze.

Now, I know, and I can agree, that if we had to say that it cost \$2.50 a bushel to produce a bushel of wheat so, therefore, we will guarantee all the farmers \$2.50 a bushel for their wheat, that we could have a serious over-production of wheat in this country, and of wheat which is not of a good quality or good grade, as it is in the United States. I think, Mr. Speaker, we have to adopt a policy along the line of say, that we are guaranteeing an income to the farmer, as the member for Cut Knife (Mr. Nollet) has mentioned. We could easily institute a policy whereby the first thousand bushels of wheat that was produced on any farm would be paid \$3 a bushel. The next 1,000 bushels could be pegged at \$2.50 a bushel; the third thousand, at \$2 a bushel; and so on. Thus you would balance the number of producers with the amount of grain that you thought you could dispose of through the world economy, then over and above a guarantee on these initial prices, the balance could be on the world free market, it may come down to 75 cents or one dollar a bushel. We would not see farmers trying to gobble up their farmer neighbors. We would see more people on the land and more farmers enjoying a living. We would see more of our small towns and communities in a position whereby the businessmen of those towns and communities would be serving more farmers instead of fewer and fewer. We would see a thriving developing economy.

The proof of this, Mr. Speaker, is that a couple of years ago, when we were able to make these huge sales of wheat to the communist countries, we saw an up-turn in the economy throughout the whole of Canada. Car production went up. The sale of the cars were up. The sales of household appliances, refrigerators, T. V.'s deepfreezes, all down through the line—we saw the economy of the whole of Canada increased. The only way to increase the economy of Canada, is to put money into circulation—to put it into our basic industry which affects us from coast to coast, and that is agriculture.

To vote for this amendment is to vote against giving our basic economy of Canada a fair share of the national income. To vote for the amendment is to say that we want the big business to dominate agriculture. I cannot understand any member sitting to your right, Mr. Speaker, saying that he is representing agriculture in this house, who has the interest of the farmer at heart, and yet will say that the ship manufacturers, the gold diggers and others, should be guaranteed a price. They should be paid a subsidy, but agriculture should be forced to produce on a lower and lower price each year.

Mr. Speaker, I cannot support the amendment, but I will support the motion.

Some Hon. Members: — Hear! Hear!

Mr. E. I. Wood (Swift Current): — Mr. Speaker, I certainly do not wish to prolong this debate. I would like to see things wound up as quickly as anyone, but the hon. member from Moosomin, the Minister of Agriculture (Mr. McDonald) made some statements a few minutes ago to the effect, that if the member from Cut Knife (Mr. Nollet) had used the years 1949 and 1963, the results of what he pointed out would be entirely different. I would just like to put on the record to clear this matter up, Mr. Speaker, a few words that were taken from the speech by Mr. T. C. Douglas, on Tuesday, September 15th, 1964, in the House of Commons. Just a few of the things that he had to say on this very matter:

One has only to look at two sets of figures to realize how serious the farm income problem is. The Dominion Bureau of Statistics have made all the figures available and the last figures just came in this morning. If one looks at the index of the prices of agricultural products, one will find that the index commodity figure in 1951 . . .

This is in regard to the price.

. . . was 296.8. That figure has been declining steadily until in 1961 it reached 261.2. By 1963, it had declined to 259.3. The figures that were just made available today, show that, as of January 1st, 1964, the index figure for agricultural prices was 252.1, from the base year of 1951 to 1964, the agricultural price industry, have dropped by 44.7 points. That is a catastrophic drop in prices which the farmer receives for the products which he has to sell.

During the same period there has been an alarming increase in the prices which the farmer has been required to pay for the commodities and services which he must buy in order to produce. The Dominion Bureau of Statistics shows that in 1951, the index commodity figure for the goods and services which the farmer produced at 230. By 1962, this figure had risen to 290.8 and by 1963 it had risen to 298.7. As of January 1st of this year, the figure was 299.6. This represents an increase from 1951 to 1964 of 66 points in the index commodities figure for the price of goods which the farmer must buy in order to stay in business.

Now, this is in regard to prices. In regard to income, if one looks at the income figure, the Dominion Bureau of Statistics prices, one finds some very interesting facts. The Canadian Federation of Agriculture in July, prints these figures and makes some comments thereof. They say that:

The return of the average Canadian farm operator for labor and for his capital investment,

and it is only slightly higher, 7.8 per cent in 1963, than in 1949, while real wages to the wage earners have gone up by 40 per cent. They go on to say:

that the prices of commodities and services used by the farmers have gone up consistently since 1949, but in 1963 farm costs showed an increase of about 40 per cent over 1940.

Now, while this report says the average Canadian operator had received 7.8 per cent more in 1963 than it did in 1949, this is in current dollars. If you look at the table put out by the Dominion Bureau of Statistics, you will find that the realized net farm income in current dollars in 1949, was \$1,513,900,000. In 1962, — I have just one sentence . . . In 1962, this has declined to \$1,490,700,000. The estimate for 1963, \$1,410,000,000.

Mr. Speaker: — Being 12:30 I now leave the chair until 2:30 this day.

The assembly recessed at 12:30 o'clock p.m.

The amendment was agreed to on the following recorded division.

Yea — 28

| | | |
|---------------------|------------|------------|
| Thatcher | Gardiner | Romuld |
| Howes | Coderre | Weatherald |
| McFarlane | McIsaac | MacLennan |
| Cameron | Trapp | Larochelle |
| McDonald (Moosomin) | Grant | Asbell |
| Steuart | Cuelenaere | Hooker |
| Heald | Gallagher | Radloff |
| Guy | Breker | Coupland |
| Lothen | Leith | |
| MacDougall | Bjarnason | |

Nays — 22

| | | |
|----------------------|-----------|------------------------------|
| Brockelbank (Kelsey) | Whelan | Broten |
| Wood | Nicholson | Larson |
| Nollet | Kramer | Robbins |
| Walker | Dewhurst | Brockelbank (Saskatoon City) |
| Blakeney | Smishek | Pepper |
| Davies | Link | Pederson |
| Thibault | Wooff | |
| Willis | Snyder | |

Motion as amended agreed to.

SECOND READING

Hon. D. V. Heald (Attorney General) moved second reading of Bill No. 79 — An Act to amend The Companies Act.

He said: Mr. Speaker, these amendments proposed in this bill are of a rather minor and inconsequential nature.

This bill to amend the Companies Act does two things. First of all, it amends the name of the Registrar of Joint Stock Companies to simply “Registrar of Companies” as the words “Joint Stock” appear nowhere in The Companies Act except in the name of the Registrar. The amendment is made at this time because two new acts, The Direct Sellers Act and The Cemeteries Act will in the future be administered by the Registrar of Companies if these amendments pass. New forms will be printed and it was felt that this would be a good time to make the change.

Secondly, a new title is created. Assistant Deputy Registrar of Companies is being created rather than a new position. It is a name. We do not propose to hire any new people. Instead of providing, by Order in Council for an acting Deputy Registrar of Companies, we considered it preferable to do so by legislation, calling him Assistant rather than acting Deputy Registrar of Companies. The Assistant Deputy Registrar will be able to sign documents and so on, in the absence of the Registrar and Deputy Registrar. This is a small department and it was felt that this would perhaps aid in the administration of the Act.

With that brief explanation, Mr. Speaker, I move second reading of this Bill.

Motion agreed to and bill read the second time.

Hon D. V. Heald, (Attorney General) moved second reading of Bill No. 80 — An Act to amend The Saskatchewan Election Act.

He said: Mr. Speaker, in rising to propose second reading of this Bill to amend the Saskatchewan Election Act, I am going to endeavor, in the course of the next few minutes, and I am going to be as brief as possible, I will endeavor to outline the changes in principles that we are pro-

posing in this Act. Of course, the Act, as you know, or the Bill, is very voluminous insofar as the amendments are concerned but there are not really too many basic changes that we are proposing in the Act.

First of all, the first change that I would like to discuss is the fixing of election dates. Changes have been made in the mechanics of fixing election dates. At present the Act provides that polling day shall be on a Wednesday, not less than thirty-four days, nor more than forty-four days from the date of the writ of election. Nomination day presently is the Monday which is the sixteenth day before polling day except when that Monday is a holiday, in which case the nomination of candidates shall take place on the following Tuesday.

Under the proposed system, as set out in section four of the bill, election day and nomination day are fixed in relation to the Monday in the week during which the writ was issued. At present, nomination day is fixed where the Monday is a holiday as in the present Act. Polling day will still be on a Wednesday as in the present Act.

Under the present method of fixing polling day, polling day is not less than thirty-four days nor more than forty-four days from the date of the writ of election. Under the proposed amendment there will be a minimum of thirty-one days and a maximum of thirty-five days between the day of the issue of the writ and polling day.

Under the proposed method of fixing nomination day, there will be a maximum of twenty days or a minimum of fourteen days between the day of the issue of the writ and nomination day.

Mr. Speaker, the present method of fixing polling day has given rise to difficulty because of several possible interpretations of the expression "not less than thirty-four days nor more than forty-four days from the date of the writ of the election", and this is an attempt to clarify any confusion which may have existed before.

Provision is made in the new bill for holding advanced polls in all constituencies and the days of polling have been increased from three days to five days to give a better opportunity to vote to those persons, who for various reasons, will be absent from their constituency on polling day. Advance polls will be open on Wednesday, Thursday, Friday and Saturday in the week preceding the election week and on the Monday in the week in which the election is held. Wednesday and Thursday have been added and voting on these days will be between the hours of seven o'clock to ten o'clock mountain standard time, in the evening.

The next change is in respect of the addition of votes. At present, the returning officer is required by clause F of Section 39, to add up the number of votes cast for the several candidates by the voters not required to make the declaration on the fifth day after polling day, and by Clause H of that section to count the number of votes cast for the several candidates by the voters required to make the declarations, and make the final addition of the votes cast for the several candidates on the twenty-first day after polling day.

Mr. Speaker, under the proposed amendments, there will be no preliminary count. The returning officer will make one count only and that on the Monday that is the twelfth day after polling day. This is clause F of the proposed section four.

Under the proposed changes, the returning officer's only count will be on the twelfth day, whereas under the present legislation, his final count was on the twenty-first day. The count will thus be a little better than one week earlier than at the present time.

Under Clause G of the proposed section four, there is a requirement that the return by the returning officer must be made on the Friday, that is the twenty-third day after polling day, subject, of course, to recounts. Under the present act, the return is made thirty-one days after polling day. Therefore, you can see that under the new provisions the return by the returning officer subject, of course, to recount, will be some eight days earlier.

An important change is the elimination of province-wide absentee voting. The absentee voting provisions are being retained only in respect to patients in sanatoria and hospitals. It will be recalled that the presence of absentee voting provisions at the recent election did cause some difficulty

and there was quite a bit of indecision until the final count by the returning officer some twenty-one days after polling day because of the closeness of the result in a number of constituencies.

To compensate for the elimination of absentee voting, there may now be advanced polls in all constituencies and two additional days, as I have pointed out, Wednesday and Thursday, in the week preceding the week of the election, are now days in which advance voting may take place.

The method of voting by patients in sanatoria and hospitals, will be similar to the present absentee voting provisions. That is a form of declaration on a ballot envelope will be completed by the patient, the ballot placed in the envelope and the envelope deposited in the ballot box.

The method of handling these votes, has, however, been considerably altered in the interests of insuring that these ballot envelopes are handled expeditiously and that the ballots are counted at an early date. The locked ballot boxes will be sent to the chief electoral officer. I am talking now about the sanatoria and hospitals — the locked ballot boxes will be sent to the chief electoral officer, who at ten o'clock in the forenoon of the Tuesday following polling day, that is the Tuesday following Wednesday, shall with respect to each locked and sealed ballot box received by him from a D.R.O. who conducted a poll in the sanatoria or hospital, and in the presence of such representatives of the candidates as are in attendance, arrange to distribute the ballot envelopes to the constituencies to which they relate. These ballot envelopes will be dealt with by a returning officer on the day that he makes the addition of the ballots cast in the election, that is the Monday that is the twelfth day after polling day. I suggest, Mr. Speaker, that it is important to note that with the elimination of absentee voting generally, that the increase in advance polling days and the related changes respecting advanced polls and the method of handling ballots cast in sanatoria and hospitals, we have some important changes.

Firstly, ballots cast at advanced polls will be counted at the close of the polls on polling day. Ballots cast at the sanatoria and hospitals will be counted on the twelfth day after polling day rather than as at present, on the twenty-first day after polling day.

With respect to resident qualifications of voters, a special provision relating to residence requirements of members of the armed forces has been repealed in this bill. The result is that the residence requirement of members of the armed forces will be determined on the same basis as other persons living in the province. The present method, in the view of the government, is regarded as a cumbersome and unworkable method of determining the residence of members of the armed forces and we believe it has had the result that many members of the armed forces have been prevented from voting for the reason that, being unfamiliar with the requirements, they have, in many cases, failed to file a statement of ordinary residence pursuant to the Canadian Forces voting regulations contained in schedule three of the Canada's Election Act.

A change has also been made in the paragraph respecting the resident requirements of persons who leave their place of residence to pursue a course of study at an educational institution. At present, such a person may vote at his ordinary place of residence. Under the new provisions or the revised provisions, such a person may continue to vote at his ordinary place of residence, and in addition, if his is, on polling day, in another constituency for the purpose of pursuing that course of study, he may vote in that constituency. Under this latter provision, he has a choice and may vote in either constituency.

The next change is in voting by declaration. The use of the declaration in connection with voting is continued and will be used:

- (a) Where a persons' name does not appear on the voters' list.
- (b) Where a person's name is on the voters' list but his vote is challenged.
- (c) By all persons voting at an advanced poll.
- (d) By all patients voting in a sanatorium or hospital.

Another change is in respect to marking of ballots. At present, the voter, according to the act, must use the black lead pencil supplied for the purpose of marking his ballot. Under the proposed change, a voter has a choice. He may use the black lead pencil supplied or a black or blue ink pen or ballpoint pen. It is to be noted, of course, it is now the proviso

that permits a ballot marked other than by an X to be counted, has been retained. There is no change in that and is now included as Clause B of the new section 111. That is referred to in section 63 of the bill.

Another change, Mr. Speaker, is in respect to appointment of returning officers. The bill provides that returning officers are to be appointed on a continuing basis. Unless he ceases to be a resident of the constituency, a returning officer may continue in office during pleasure, until he reaches the age of sixty-five years and he may be continued in office beyond that age by order of the Lieutenant Governor-in-Council

Now, Mr. Speaker, the bill as printed, states that a returning officer's requirement for residence is in the province. This is a typographical error, and I intend to introduce a house amendment in committee, specifying that the returning officer has to be a resident of the constituency. There is not change in that regard. That is the same as in the existing act.

There is another change. Additional persons are disqualified from holding election offices. The judges of the magistrates' courts, the chief electoral officer and the assistant chief electoral officer, are added as persons disqualified from holding election offices. There is a change also with respect to additions to voters' lists. At present, in the present act, an enumerator, if fully satisfied from representations made to him by any creditable persons, and that is the wording of the act, he may add the name of a qualified voter to the list. Under the proposed revision of this section, the person seeking to be added to the voters' list must make an application on a prescribed form which is similar in wording to the declaration taken by a voter at the polls. It is felt that a voter himself should place his signature to the request. We think this is an improvement.

Another change which has been made is in elimination of the terms "official agent" and "agent". The term "official agent" in the old act has been replaced by the term "business manager". And the term "agent" has been replaced by the term "representative". This change, we feel, was indicated by the fact that the term "agent" carries certain definitions or implications at law, certain legal definitions, by its very nature, whereas a person representing a candidate in an election has only those duties and functions assigned to him by the statute. We feel that in this change in terminology, we are not changing the duties but we are changing the terminology, and we hope it will, perhaps, avoid some confusion.

Provision has been made also for the appointment of an assistant chief electoral officer. It is considered desirable to have the statute provide for the appointment of an additional person, who in the absence of the chief electoral officer, for any cause, may carry out the duties of the chief electoral officer.

Provision is also made for the appointment, with the approval for the chief electoral officer, on an additional poll clerk in those cases where the amount of work at a poll so requires.

Now, Mr. Speaker, those are the highlights or the main points of change that we are proposing in this bill. There are others, of course, which we will get into in committee, if the bill passes second reading. There is the disfranchising of magistrates, judges of the magistrates court. It is felt that this is desirable to put them in a very similar position to the federal judges who cannot vote in provincial elections.

Mr. Speaker, I would say in conclusion, that this is a constructive effort to make changes. I know that we all, on both sides of the house, all representatives of all parties, want to make this Election Act work just as well as we possibly can. We and the officials in the office of the chief electoral officer have spent a great deal of time and effort in coming up with these changes. Many of the changes that are proposed in the bill are changes which have been suggested to me by the chief electoral officer as a result of his experience in the last few years. We think that these changes will make the act work better. We have shortened the time. We hope we have made it easier to run the election. We hope we have made it easier for the officials at the poll level to operate the act.

With that brief explanation, Mr. Speaker, I would move second reading of the bill.

Mr. A. E. Blakeney (Regina West): — Mr. Speaker, I just want to add a few words to the explanation of the Attorney General (Mr. Heald). I thank him for the careful way in which he reviewed the main provisions in the bill.

I think that all of us are aware that the Election Act, which is being amended, requires amendment. The act was drafted by persons who went to very great lengths to put in provisions which they thought were fair and which provided for fair solutions to a great series of problems. The difficulty which has now been revealed is that the solutions which were thought to be fair, and which I think for the most part, are fair, are also very complex. While the act worked successfully in 1952 and 1956 and 1960, I think that we must admit, that in 1964, it creaked under the strain. It is no answer to say that it worked successfully in three elections, if in a fourth election it did reveal defects. Certainly, the minimum requirement for appropriate election machinery is that it will work when put to a severe test and not that it will work generally or most of the time. I think, therefore, we must concede that the act which had served us in the previous elections indicated infirmities and defects in the 1964 election, and infirmities and defects which called for attention from the government.

I noted their solutions to the problems. I commend them for the additional advanced poll provision. These compensate in some measure for the removal of the absentee voting provisions. I would urge the government to look at the advanced poll provisions to see whether they might not be strengthened, either legislatively or in practice, to ensure that there are two or three perhaps, advanced polls in most ridings because, if in fact, some of the rural ridings are big, and if in fact, we are not going to provide for absentee voting, and if we want to achieve the objective of giving everybody possible the opportunity to vote, and I think these general objectives will be accepted by all, more is going to depend upon the advanced poll than was intended in the past.

The provisions with respect to changes in the local declared voting are, I think, on balance, good changes. The old method of putting them in the ballot envelopes was designed to give an opportunity to dispute eligibility before the vote was counted and this is very important, of course, in any case where an election might be open to controversy. This new provision proposed by the government might itself lead to difficulties if in a close election, fifteen, or twenty, or twenty-five people are found to have made declarations in error, and they are not eligible. Then, suppose there were twenty-four, even though twelve of them voted in one way and twelve of them voted another, and the majority turns out to be twenty, the election will be capable of being controversial because we will not know how these people voted. Here is a problem which surrounds the solution which the government has chosen. But no solution is going to work for every situation. The old solution which met effectively this problem of knowing whether a voter was eligible or not before his vote was counted, led to all sorts of complex problems in dealing with ballot envelopes. It just became obvious that you could not staff or man polls with people who could understand all the provisions of the local declared ballots. So, on balance, I think the solutions suggested by the government of having people take the declaration and then put the ballot right in the box, is probably the best one. Although in a tight election this in itself can lead to problems which the old system did not.

I regret the passing of absentee voting. I think it was a real attempt to provide that everyone enjoy the franchise. But it again was complex and there were real problems in staffing every poll in the province with people who understood the absentee voting requirements. I think that, on balance again, it is probably just as well to see these provisions go.

The same objections do not apply to hospitals and sanatoria because the people who staff hospitals and sanatoria will become proficient at dealing with this because the same people will have to do it over and over for a good number of people. And indeed if it were possible to staff every polling place in the province with people who would be as skilled as these people in hospitals and sanatoria will become I would be in favor of keeping the absentee ballot. But since that is not possible, and since it is possible in hospitals and sanatoria who have to deal with this problem every time an election comes up and more than once, I suggest that the compromise found by the government is an acceptable one.

The changes with respect to students and armed forces again fall into the same category. Efforts being made to find the fairest approach of having the members of the armed forces elect as to where he wanted to regard himself as a citizen of, for voting purposes. This proved to be complex and difficult to explain.

The provision with respect to students which had them vote in their home poll, and that essentially is the right solution — they should vote in their home poll — but this again is a problem with respect to the increasing number of married students who are not quite sure where they live, where they

would call their home. If they moved to Saskatoon and have an apartment, and a wife and a child, they begin to think that Saskatoon is their home, and I am not surprised at that. Since there is obviously a problem in deciding this and since it was clearly drawn in the belief that all students were single students who simply went away to varsity and went back to their home and regarded their parent's home as their home base, and since this is increasingly not the case, again we had a complexity for which a solution had to be found, and the government has said, "Well, give them an option." This is, in a sense, an unfair advantage for students, but on balance, it is the best solution I suggest, for this problem.

There are a couple of problems which arise that I will refer to the minister in committee and more particularly the position of poll workers who are outside their ordinary poll. I participated in one myself and watched for the ballpoint pens, the same way as everyone did, in Turtleford and again in the 1964 election.

On balance then, while I regret the fact that the provisions which I think were eminently fair, have been found to be too complex to be thoroughly workable under the strain of a close election. I must admit that it is a fact in many constituencies. I commend the government for tackling these problems. For the most part I am in general agreement with the principle of the bill and will raise small points of difference I may have more appropriately in committee.

I will accordingly be supporting the bill.

Motions agreed to and bill read the second time.

Hon. D. V. Heald (Attorney General) moved that Bill No. 74 — **An Act respecting Direct Sellers** be now read the second time.

He said: Mr. Speaker, it is the right of free men to engage in legitimate business. The National Better Business Bureau of New York pointed out the importance of the direct selling industry in the economy of the United States. According to this bulletin, some 3,000 companies in the United States are engaged in the direct selling business. These companies employ workers to manufacture and distribute merchandise to over 2,000,000 direct salesmen. Direct sales were estimated in the United States to aggregate over \$7,000,000,000. In Saskatchewan, the direct selling business also plays an important role in the economy.

In recent years, more and more products are being offered to the consumer by direct sellers or door-to-door sellers. Steel buildings, aluminum siding, various kinds of equipment and appliances are among the newer items being offered by this industry. Contracts often amount to very large sums of money. The volume of direct sales in dollars, in one segment of this industry alone, reported sales in the month of November, 1964, in excess of \$200,000. In Saskatchewan last year, 2,600 persons were licensed to sell directly to the consumer under the Commercial Agents Act, which was the act we are now proposing to introduce a new act to replace, and we have changed the name of it to the "Direct Sellers Act".

The number of persons expected to be licensed this year should exceed last year's figure by at least 20 per cent.

Often direct sellers are thought of as itinerants or transients, but this, of course, is not so. The majority of persons licensed are not itinerants in the areas or communities in which they carry on their work. Those who do travel provide revenue for such businesses as hotels, restaurants, service stations, in the same manner as other commercial travellers. On the other hand, the persons who fail to become licensed have been found, in most cases, to be itinerants.

A great majority of licensed direct sellers in Saskatchewan are good, honest citizens, and I want to emphasize this, Mr. Speaker, in introducing this bill — people who welcome the regulations of the direct selling business, including themselves, in order to curb unscrupulous operations. However, it is because there are purveyors of shoddy merchandise in the direct selling field, and because there are unscrupulous salesmen, and I repeat, they are a very small minority, who over-sell, misrepresent, and operate in a fraudulent manner, that the government feels there is a need for greater consumer protection. The number of complaints received and investigated by the department supports the need. Many of these complaints arise as a result of dealing by two categories of individuals in our society — minors, people under twenty-one, and people at the other end of the scale, persons

over seventy years of age — though of course, persons of all ages and occupations have had unfortunate experience with direct salesman.

With the enactment of the Commercial Agents Act in 1958, consumers in Saskatchewan were provided for the first time with much needed protection in their dealing with door-to-door salesmen, and I pay tribute to my predecessor I this regard. The main protection was provided through bonding requirements. Persons licensed must be either bonded as individuals or covered by a bond filed by their employer company — the bond serving as a guarantee of performance. Prior to the enactment of the present act, there was little recourse for the victim of the direct sale when the vendor was financially irresponsible. The bond, however, we have been finding out, in some cases has merely provided a false hope of security because of the legal problems involved in getting hold of the bond money or the settlement of the claim.

Similarly, the license in some cases has given a false sense of protection. The fact that a salesman is licensed does not necessarily help a purchaser who has entered into a bona fide contract in his home, from not having first taken the time to investigate or consider fully the merits of the transaction. He is bound by the contract, even though he changes his mind within a few minutes after the salesman has left. It is hoped that the bill now before the house, the Direct Sellers Act, will overcome some of the problems with which consumers have been confronted. The bill contains three important provisions which we feel will benefit the consumers.

First of all, the bill extends the scope of licensing so that a consumer should not have to call his lawyer or refer to a copy of the act to know whether or not the salesman at the door requires to be licensed. We have widened the coverage under the act.

Secondly, the bill makes it easier for the consumer to obtain settlement from the proceeds of the bond if it should happen that the direct seller fails to fulfil the terms of the contract.

Thirdly, there is provision for revision or cancellation of the contract. The bill provides for a period of four days which is referred to as a cooling-off period. It provides for a period of four days in which the consumer may cancel any deal with the direct seller and obtain the return of any monies paid. We feel that such a measure will be a most effective curb on irresponsible and high-pressure selling tactics. On the other hand, if the deal is a good deal and will stand the light of day, I am satisfied that the legitimate door-to-door salesman will have nothing to fear from this provision because if he is selling a good product, and the price is reasonable, the customer will want the goods just as much after the four days or five days as they did the day that the contract was entered into.

Mr. Speaker, with reference to the scope of the bill, it will be noted that both goods and services are to be included under the act. Services have been included and this is a change, because of numerous complaints arising out of sales involving services only, in some cases, both services and goods. This change will bring persons offering services for sale, such as painters, chimney cleaners, chimney repairmen, roof repairmen, asphalt driveway installers, grave repairmen, and so on, under the act. I mention these types of services because it is in these areas that the public have suffered apparently serious losses through certain types of operators. This is on the basis of complaints which we have received in the department.

In the case of persons selling goods, exemption, which was in the old act, has been removed for persons selling magazines and tombstones. Under the act now, magazine salesmen and tombstone salesmen will be covered. As a result of this change, many of the abuses reported in the sale of grave markers, grave covers and grave servicing, we think, can be corrected. Also, the selling methods used by groups of salesmen travelling across the province taking orders for magazines, should be curbed by bringing these salesmen under the act. In the department we have received very many pitiful letters from old people, particularly, who have been obviously victimized by this type of high-pressure selling.

Now, a person selling bibles or books of a religious nature will also require to be licensed under the act. It is, of course, not the intent of the act to discourage the sale of bibles or books of a religious nature. The change is being made, therefore, not because of the product sold, but because of the unsavory selling methods used by some unscrupulous salesmen, working strictly for personal gain. Clergymen have been known to warn their people against the purchase of unnecessarily expensive bibles and books of a religious nature. There will, of course, and I want to emphasize this, there

will, of course, be no license required by any church or religious organization (as was the case in the old act) for selling bibles or books of a religious nature, whether on a door-to-door basis or otherwise. It should be noted too, Mr. Speaker, that the exemptions presently contained in the act for farmers, implement dealers, motor dealers and merchants, remain unchanged in the present act.

Mr. Speaker, the bonding provisions were not written specifically into the existing Commercial Agents Act, but they have been written with some particularity in this bill, this Direct Sellers Bill. The bill provides that the bond shall be construed as a penal bond and the full amount thereof becomes payable to Her Majesty in right of Saskatchewan, where there is a breach of anyone of the conditions of the bond. The bond files under the present act, may be merely an indemnity bond, and if so, it might be necessary to obtain a conviction or judgment in respect of each separate transaction for which a claim is being made. There has been some difficulty in the past little while in getting the bond company under the existing act to pay the proceeds of the bond to Her Majesty in right of Saskatchewan. We think that we have tightened this up by declaring that this is a penal bond and it is specifically spelled out in the act.

The bill also provides that the purchaser of the bond or the principal named therein, or a salesman acting on his behalf commits an act of bankruptcy, it will not be necessary, as I think it probably is at the present time, for actual bankruptcy proceedings to be taken against the principal. The Committee of Enactive Bankruptcy will be sufficient for the bond to be forfeited and, of course, there is no problem as to definition of an act of bankruptcy because this is set forth in the Dominion Bankruptcy Act.

Special provision is also made for attachment of the bond where a person, having committed an offense, departs from Saskatchewan and remains outside the jurisdiction of the province, and there has been some of this. I suppose you would call these hit-and-run salesmen. They are in here. They get a bond and then they leave and disappear. There are provisions in the bill for forfeiting the bond in those circumstances. Any bond proceeds not expended in the settlement of the claim, shall be refunded to the bonding company.

Section 20 of the bill provides for revision or cancellation of the contract by the purchase giving notice thereof in writing, to the vendor within four days of the date of the purchase. It also provides for the revision of the contract within one year of the date of the sale, where the goods or services have not been supplied within 90 days from the date of the sale. This clause is designed to eliminate long term lay-a-way plans which are being sold extensively to young working girls, who sometimes make monthly payments for a year or longer without becoming entitled to receive their merchandise. We have many complaints of this type of operation, where they have been paying on a lay-a-way plan for a long time, and they cannot get the goods. There is also right of cancellation when the vendor or the salesman was not licensed at the time of the sale, or who failed to comply with any terms, condition, or restriction to which his license was subject.

Mr. Speaker, in concluding, I should like to mention that numerous direct sellers with whom we have had contact, have indicated that the foregoing provisions, with respect to revision of contract, should not present any problem to them, because of the long established policy of their companies to provide satisfaction to customers. Various comments have been received from the industry to indicate that the four day cooling-off period, in particular, will do much towards raising the standards of the direct selling industry in Saskatchewan and will, we hope, eliminate some of the fly-by-night operators. To do an effective job in cleaning up the province of disreputable salesmen, the co-operation of the public, law enforcement officers, municipal officials, and direct sellers themselves, will be required. I might say, Mr. Speaker, that in preparing the draft of this bill, we did circulate copies to some organizations such as the Saskatchewan Association of Rural Municipalities, the Saskatchewan Urban Municipalities Association, the Consumers Association, the Saskatchewan Chamber of Commerce, and the Direct Sellers Association of Canada, with their office in Toronto, and we have not received any adverse criticisms of the bill from any of these organizations.

The bill, if you were to generalize, Mr. Speaker, I would suggest, adopts the basic principles that are contained in the Commercial Agents Act which was passed a few years ago, as I referred to earlier. To that certain new principles or techniques have been added in an effort to strengthen what I feel is basically a good act in the first instance, but as a result of ex-

perience it has been found that the act did break down in certain places. These new techniques, the four day cooling-off period and the strengthening of the bond, and the tightening up on exemptions, I am convinced, are necessary in order to protect our people from a practice which has certainly been very disturbing to me.

In the department we have received very many letters and had complaints coming in all the time. Just yesterday, a letter came in from the city of Moose Jaw, from a lady who is having trouble with Encyclopedia Britannica. She states that the government should be commended for legislation of this type covering salesmen. We get his type of letter every day. It is an honest attempt on the part of the government, (I don't suppose we will ever stop this type of thing) but it is an honest attempt on our part to see that this type of unscrupulous selling and fraudulent misrepresentation is minimized to the largest possible extent.

With that explanation, Mr. Speaker, I would move second reading of the bill.

Mr. R. A. Walker (Hanley): — Mr. Speaker, I think that the Attorney General (Mr. Heald) described the bill correctly when he said that this represents the second major step in regulating door-to-door or transient salesmen. I think that the bill does a commendable job of extending the provision of the Commercial Agents Act, which was introduced in 1958 and which was the first comprehensive legislation on this subject in Saskatchewan.

The present act, as the minister points out, covers almost the same area, but it also covers the area of services, which were only covered incidentally under the other act, and I suppose this is a reflection of the increasing importance of services in our economy and I think it is important that they be brought under the act.

There are, I think, grounds to welcome the more effective bonding provisions, because admittedly the other act was not as specific about this problem as it might have been and this had been the cause of some difficulties, as I well know.

The new principle, which is new so far as I know, in this act, is a revolutionary principle, is the so-called cooling-off period. I cannot recall any other area of contract or private contract where one party may agree to the contract, concur in the contract, and then be able to void it, within a period of four days. I suppose this is recognition of the fact that the salesman is at an advantage over most of his customers, and this cooling-off period, gives the customer a chance to restore himself or herself, which is usually the case, to her former position before signing the contract.

The only area which I would draw to the minister's attention is that the Municipal Affairs Acts, city, town, village, and I think rural, provide for the licensing of itinerant salesmen, transient traders and these people are all those door-to-door salesmen as I understand it, who do not come under the provincial legislation. Now that the provincial legislation is extended in its application, it will affect a number of trades and callings which formerly came under the Municipal Acts. This may cause some misunderstandings in some of the cities and towns which have been accustomed to imposing their own particular brand of regulations on the transients and traders in their own community, and who will now be bound to recognize the validity of the license under this act.

I would recall to the minister that there were two cities in the province in which the Chambers of Commerce and the Councils objected very strongly to this encroachment upon their preserves in 1958. This will represent another erosion in their area of control and I hope that he will have better luck in satisfying these Councils than I did in 1958. I think the legislature should welcome the legislation, and I think the minister should be commended for having brought it here so soon after assuming his duties. I am confident that it will result in an improvement in the situation generally. I do think, however, that he should make a special effort to clear this with the municipal authorities. I recall, that eight years ago, the Urban Municipal Association was then circularized also, but apparently it did not come to the notice of the city councils until after it was passed and they ran into conflict over this licensing provision. It will be, to some extent as they said, an encroachment upon their prerogatives and they may object. I hope that you can sell it to them because I think it is a good step in this field.

So, Mr. Speaker, I will feel that I must support this bill because I think it is a good one.

Some Hon. Members: — Hear! Hear!

Mr. W. A. Robbins (Saskatoon City): — Mr. Speaker, I would just like to make one or two very brief comments. I too, would like to commend the government for introducing this bill. I think it is part of the opposition's duty to agree when it is evident that a bill introduced is one that will give protection to the consumer.

I am particularly pleased with respect to one section of this act in regard to lay-a-way plans. I often am called upon to give financial advice to people and find some pitiful situations arising. One, I recall, was a young married woman who was involved in one of these plans. Her husband was killed in a hunting accident and she was harassed, I think that is the only way you can describe it, for more than a year afterwards without having any of the goods actually delivered.

I think the minister and the government are to be commended for the introduction of this act.

Some Hon. Members: — Hear! Hear!

Motion agreed to and the bill read the second time.

The assembly adjourned at 10:00 o'clock p.m.