

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Third Session – Thirteenth Legislature**  
**11th Day**

**Thursday, February 26, 1959**

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

Before the Orders of the Day:

**PRESS CORRECTION**

**Mr. D.T. McFarlane (Qu'Appelle-Wolseley):** - Mr. Speaker, before the Orders of the Day are proceeded with, I would like to draw your attention to an article in 'The Leader-Post' of February 25, 1959, concerning a statement made by the hon. member for Touchwood (Mr. Meakes). It says this:

"D.T. McFarlane, Liberal M.L.A. for Qu'Appelle-Wolseley, had complained that the Government had given orders to use Co-op products as much as possible."

I want to give the correction on what I said in this debate. It says this:

"Another item that I took particular notice of was the item in regard to co-ops. There is to be an extension of co-operatives in this province, and I fully agree with the figures that have been presented of the tremendous increase in those belonging to co-ops; but I would like to point this out to the Government on behalf not only of the people in my own seat, but the people in other constituencies in this province who have brought to my attention (and I imagine they have brought it to other members' attention) the fact that, in some cases, orders have been sent out by certain departments of Government to those travelling throughout the country, that any construction work that is being done in certain areas, these Government departments have given orders that their men do business with the co-ops . . ."

"I think that possibly an order of that kind would have a reflection in an increase in business being done with certain co-ops. I have

no axe to grind with that, but so far as I am concerned, I would like to point out that all my produce is marketed through co-ops – eggs, milk, grain, livestock, etc. A great deal of my purchasing on the farm is done through co-ops; but I think we must keep in mind that in these towns we have some of our best citizens. We have mayors of our towns who are probably engaged in private business; we have hardware merchants, storekeepers; they are paying taxes not only to the towns, but taxes also to the Provincial Government . . .”

**Mr. Speaker:** - Order! Order! I think the hon. member has adequately replied to the statement.

**Mr. A.T. Stone (Saskatoon City):** - Mr. Speaker, before the Orders of the Day are proceeded with, I would like to bring to the attention of the members of the House a group of some sixty young students from the city of Saskatoon, Grades VI and VII in King Edward School. I hope they will enjoy their stay in the city, and trust it will be profitable.

### **CANADA-WIDE AGRICULTURAL CONFERENCE**

Moved by Mr. Dewhurst, seconded by Mr. Thurston:

That this Assembly, recognizing the inadequacy of present national agricultural policies, requests the Government of Saskatchewan to again urge the Government of Canada to convene a conference of federal and provincial governments and farm organizations to discuss and initiate comprehensive and effective national policies that will insure stability in agriculture and a fair share of the national income to the Canadian farm population.

Mr. F.A. Dewhurst (Wadena): - Mr. Speaker, the motion which I am going to move here, this afternoon, resembles very closely a motion which was placed on the Order Paper a year ago by myself, with the difference that, last year, there were a number of (a) and (b) clauses, and so on, to it. At that time we were requesting a Federal Agricultural Conference. This resolution again this year asks for the same thing, without the (a) and (b) clauses inserted, because we want it to include agriculture throughout the whole of Canada. I feel there is a case for agricultural problems to be discussed not just within the prairie provinces but throughout the whole of Canada.

In order to show in my argument here, this afternoon, that agriculture has not been receiving a fair and just price for their products throughout the years, I would just like to spend two or three moments running over a little bit of the early history of agriculture.

The problems of farmers in western Canada have not just originated in the past decade or two decades. When you look back in the history of agriculture for the west, you find that, as early as 1893 farmers in western Manitoba and some of the farmers who were farming across the line in what is now Saskatchewan, were dissatisfied with conditions of their day. They formed the Manitoba Northwest Farmers' Union. At that time it was due to trouble with the railroads, the Grain Exchange and the line elevator companies, etc. It seems to be the same battle which they are having today. In 1899 (a few years later) the Federal Government appointed their own Commission to look into the farmers' complaints. The findings of this Royal Commission supported, in general, the farmers' complaints, and then, in the following year, 1900, the Manitoba Grain Act was passed, which a few years later became known as the Canada Grain Act, to try and guarantee a little more security and a little more rights for agriculture.

The trouble was not ended there because, when the farmers had a load ready for the platforms, they could not secure cars at the platforms. So, three years later, the Manitoba Grain Act was amended to bring in a car order book, so that the farmers could get cars on the basis of the car order book, somewhat similar to the way we have it today for the car order book. In 1901, we had the Territorial Grain Growers' Association, whose first president was W.R. Motherwell, a man who is well-known to the west, and a man who had given considerable leadership in the early days of farm organizations.

**Mr. Cameron (Maple Creek):** - He was a Liberal, too!

**Mr. Dewhurst:** - Eventually he was. He was not in those days, but eventually he became one. In 1903, as I say, we got the car order book. Even then the farmers couldn't get the justice they desired, so, under the leadership of a man by the name of Mr. E.A. Partridge, the farmers started looking to the possibility of owning their own elevator system. Later came the Co-op Elevators which, in the early 1920s gave way to the Pool Elevator Companies of the three prairie provinces, as we know them today. The farmers were trying to obtain some control over their produce. We have also had the United farmers of Canada, Saskatchewan section, as a farm organization in the past. In later years it has been reorganized and called the Saskatchewan Farmers' Union. In 1942, also, we had the Ottawa march – the march of western farmers to Ottawa to try and obtain some redress for the problems which they were facing at that time, back in 1942. By the time 1946 came along, we had then gone through five or six years of price controls; agriculture was receiving a little closer to its share of the national income. We find that in 1946 the average price for a bushel of wheat to the Saskatchewan farmer was \$1.62 a bushel, and yet in 1958 it had dropped to \$1.29; so the price of wheat has gone down. In 1946, you could buy a self-propelled combine, f.o.b. Regina, in round figures for \$3,200. In 1958, a 12-foot self-propelled combine, f.o.b. Regina, in round figures again costs \$7,200,

an increase between 1946 and 1958 of some \$4,000.

What does this \$4,000 mean? It means that, if a farmer's assessment on his farm is \$10,000, that combine in terms of taxation is costing him an additional 40 mills per year for a period of 10 years – to pay for that combine. Or, if he paid for it in one year, and took the expense all at once, it would be the equivalent to a tax of 400 mills for one year.

I could give the same statistics on one-ways, plows, discers, seed drills, and so on; but I think the example on a combine shows that, while the farmer's price has been going down, his costs have been going up. It's no wonder that the farmers feel they need a new deal for agriculture.

This last few years we feel the cost-price squeeze on farmers is growing steadily worse. Taking Canada as a whole, we find that from 1951 to 1958, the farm cost index has risen by 12.6 per cent, yet at the same time the farmers' prices have declined by 18.5 per cent. For eastern Canada, we find it is a little below the national average for the same year. From 1951 to 1958 the farmers' costs have increased for eastern Canada by 11.3 per cent, while the price to them has declined by 15.4 per cent. In western Canada, the same two years, 1951 to 1958, farmers' costs have increased 13.8 per cent, while their prices have declined by 23 per cent. This does not include the cost of the farmer's living. It is exclusive of living costs. I am sure we all agree that if a farmer is going to properly operate his farm, he has to eat as well as anyone else. When we analyze the statements of the various corporations, their labour bill is included before their profit is declared; but in these statistics I have just given you, the farmers' living cost isn't included.

As a matter of fact we have a situation developing where the farmer is selling his food below the cost of production. This is a statement by Dr. Andrew Stewart, Chairman of the Royal Commission on Price Spreads, who made the following statement, November 12, 1958:

“When the farmer said he was selling his food below the cost of production, he was telling the truth. That was one thing the Commission on Price Spreads learned during the hearings throughout the country.”

Dr. Stewart explained how the farmer was able to do this: “How did the farmer do it? By sheer persistence, tightening his belt, forgetting about depreciation and living on his capital. Such persistence is something you don't often find in other fields.” This is taken from the ‘Western Producer’, November 27, 1958, page 32.

Prior to the election the present Government at Ottawa said they had a new deal for agriculture, and among other things promised was a parity price for new proposals. It is obvious that our farmers are nowhere near obtaining their fair share of the national income. The agricultural prices under the Farm Stabilization Act is

deficient in many respects; it excludes western wheat and coarse grains. The base period in the Agricultural Prices Support Act is not necessarily a period in which farm prices and farm costs were in a reasonable balance. Supports have no relationship to parity price, and the Federal pricing feature promised by the Federal Government is a real misnomer. More recently, Mr. Harkness, the Federal Minister of Agriculture, stated that certain surpluses were appearing in milk, butter, poultry and hog production, which could force down support prices. He stated:

“Surpluses are beginning to appear in some price support commodities. If they continue to rise, the price cannot be maintained and the support prices will have to be lowered. The whole support price idea could be ruined. Producers could help save the system they have long wanted; they can voluntarily reduce production of surplus commodities.”

This is again a statement taken from the ‘Western Producer’ of November 20, 1958.

We are told we must become more efficient. How does a farmer become more efficient? In my estimation there is only one way any organization, whether it be farm or any other, can become more efficient. When they have a fixed overhead cost, in order to become more efficient, they must produce more units of good without increasing their overhead cost. So the only way the farmer can become more efficient is to produce more commodities, more bushels of grain, more eggs, more pork, more beef, or whatever the case may be, in order to try to become more efficient. But, as soon as they do that, they are told that they are going to break the prices support and will have to quit producing too much or the Government will have to lower the support price. The moment this is lowered then great has to be the volume of production in order to have that same take-home pay again.

Let’s look at it another way. If we took the whole of the province of Saskatchewan as one large farm, what are the official statistics for 1957? They show that the gross sales of the Canadian Wheat Board, the payments of the P.F.A.A., etc., have totalled \$538.9 million. This would be on the income side of the ledger. Income in kind – the value of farm products consumed on the farm – would be another 37.1 million, or a total gross income of \$586.1 million. On the other side of the ledger, when we analyze the expenditures, we find that the total operating expense – tax, rents, machinery, fertilizer, etc. – would be \$233.9 million; depreciation expenses on buildings and machinery, another 70.9 million; interest on total capital invested estimated at \$3 billion at present market prices, would be another \$150 million. In the labour cost, calculated on the basis of \$103,000 farms, the operators received the same return as the farm labourer namely \$1575 per year (the average figure for western Canada). That would cost another \$162 million, and the depreciation in the value of inventory change would be another \$95 million. In other words, the total expenditure would be some \$711.8 million. When you take the income from the expenditure,

you have a net loss to Saskatchewan farms of \$125.7 million.

At the present time, the farmers of western Canada are going to Ottawa again to ask for deficiency payments for a maximum of \$1,500 per farm. Even if this request were granted, all the farmers would not obtain the full \$1,500, because that is the maximum, and only the larger farmers would get the maximum. Supposing every farmer did qualify for the whole \$1,500, what would his position then be? The income throughout the whole of Canada, on a per person basis, was \$1,395 each, and, since there is an average of .7 persons per family throughout Canada, that makes the family personal income throughout Canada some \$5,160. So the maximum average in 1957 per family income was \$5,160. But if the farmers get the \$1,500 they are asking for, plus the \$1,575 they got (according to the statistics, for 1957, of western farm labour), they would only be getting \$3,000 per farm family, which still would be only 60 per cent of the national average. So, if the farmers get all they ask for, they are still only getting 60 per cent of Canada's national average of an income.

We can take a look at the farmers' share of the national income through another angle. In 1946, 25 per cent of Canada's working force – that is, including agricultural workers, industrial workers and all other workers; 25 per cent of Canada's population was engaged in agriculture. But the 25 per cent of Canada's population engaged in agriculture only received 12.5 per cent of the national income; in other words, just about half of what they should have had, had they been on the national average. In 1951, we find that percentage of Canada's labour force engaged in agriculture had declined to 18 per cent of the national population, and we were still holding the same percentage of income at 12.7 per cent of the national income. In 1956, the proportion of the population engaged in agriculture had declined to 14 per cent, and we were then getting 7.1 per cent of the national income – only half again what we should have. In 1957, some 13 per cent of Canada's population was engaged in agriculture, but they only received 5.2 per cent of the national income, or just slightly better than one-third.

I think the members of this House will be bale to see quite easily that progressively the picture for agriculture is growing worse, the picture is getting darker.

Sometimes, when we talk of the cost of living, we think that the farmer is responsible for the increased cost of living and of foodstuffs being increased and so on. I would tell the hon. members of this House that this is not the case. I have here in my hand a copy of the statement of a shipping bill of a neighbour of mine, who shipped some poultry last fall. My neighbour shipped 20 fowl to a processing plant, and the total receipts he got back for his 20 fowl, after paying the ten cents per head for dressing and paying for freight - he received \$6.54. These were not a bunch of old hens that were no good, Mr. Speaker. Eight of these fowl were Grade A birds, seven were Grade B, the other five were

Grade C. The return to him for the 88 pounds of fowl was an average of 32 7/10ths cents per bird.

A week or two ago, I had company coming to my place for dinner, so I went to the butcher shop to buy a chicken for Sunday dinner. It wasn't a spring fowl; it was what is commonly known as an old hen. That bird cost me, in the butcher shop in Regina here, \$3.04. Yet my neighbour sold Grade A birds, and Grade B and C, for an average of 32 7/10ths per bird! I think that should be positive proof that it isn't what agriculture gets that puts the cost-of-living up. On the other hand, I am equally certain that it is not the cost that is paid to labour organizations which puts the cost up. If paying low wages to labour and industry, and elsewhere, was the answer to farmers' problems, then, Mr. Speaker, in the 1930s the farmers should have been well off, because you all recall back in the 1930s, labour got little or no wage whatsoever. In fact there was a period of time when the Government paid the farmers \$5 per month to keep a man – and bet you \$5 a month you could not keep him all winter – and yet the farmers were in a very bad plight in those days. So, it isn't the cost of wages. The whole thing is that there is too much cost some place between the price at which the farmer sells his products, and what the cost is when they reach the consumer's table. I have just illustrated that by the shipping bills on that 20 pounds of fowl which my neighbour sold.

**Mr. Nicholson (Nipawin):** - Would the hon. member permit a question.

**Mr. Dewhurst:** - Not now, Mr. Speaker. Radio time has been allocated, and other speakers are yet to come.

In 1956, in this legislature we set up a Special Committee on Marketing and Farm Income, and I would recommend the reading of its Report to anyone who is interested in the problems of agriculture. You will see documented in this report a lot of good facts and figures relating to agriculture. We had 111 different briefs presented to that Committee in 1956, with 28 different organizations appearing before the Committee. It shows, from all the facts that were to be gathered from wide and far at this time, that, if we take 1945 to 1954 as a base period, the parity price for wheat in 1956 in Saskatchewan – that is No. 1 wheat at the head of the Lakes, should have been \$2.06, but we didn't get that much. If we use the 1945-1954 price as a parity, the parity price today on that same basis for No. 1 wheat basis Fort William or Port Arthur, should be \$2.26. That is what our parity should be today, but we are getting only 69 per cent of parity. Oats today, on the same base period, should be 96 cents, but we are only receiving 63 per cent of parity. Barley, on the same base period – we are now receiving 69 per cent of parity. On rye we are receiving now only 40 per cent of parity on the same base period, 1945-54; flax, we are now receiving 62 per cent of parity; eggs, we are receiving 50 per cent of parity; milk is handled by the Milk Control Board, so that is 99 per cent of parity on the same formula; steers we have heard a lot of people say that cattle are an exceptionally good price,

but you know, using 1945 to 1954 as the base period, steers today are just at parity. So if anyone thinks that steers are a good price, it is because the difference between steers and other products is so great. Hogs should be \$33.45, and they are only actually \$21.85. We are only getting 65 per cent of parity for hogs.

Mr. Speaker, there are lots more facts and figures I could give you, but no doubt some of the other members who wish to speak on this resolution will refer to them; so I shall not take any more of the time of the House. I just want to say, in closing, that I hope all members of the Legislature will press for this resolution to see if we cannot get a Dominion-wide conference for agriculture. Therefore, I move the resolution standing in my name, seconded by Mr. Thurston.

**Mr. G.H. Thurston (Lumsden):** - Mr. Speaker, it gives me great pleasure to second the motion which the member for Wadena (Mr. Dewhurst) has just moved. I believe all members will agree that it is very important that we have this conference called to try and formulate policies that will put agriculture on a sound basis.

In calling for this conference the mover outlined very fully many of the ills, and the reasons for the calling of this conference to deal with these ills. We of the C.C.F. have been asking for many years for a conference of this type to be called. We have seen the farmer's share of the consumer's dollar going down year by year. We know not only the small farmer that we hear so much about, but also the larger farmer, will go under, if something is not done to rectify these ills.

There is one problem which gives me a great deal of concern, and that is the matter of surpluses, particularly in reference to the statement, which the mover read, from Mr. Harkness speaking in Saskatoon, as reported in 'The Western Producer', dealing with surpluses and intimating that the Price Support Act was in danger if farmers did not curtail their production. He went on to say that farmers should voluntarily reduce their production. I wonder what the Minister meant when he said "voluntarily reduce their production." I wonder if he is suggesting, that if a farmer has six brood sows, he should only keep four; or does he mean that he should kill some of the young pigs. Or, speaking of over-production in milk and butter, is he suggesting that a farmer should only milk his cows every other day? The production of agricultural products is much different from that of industry. If a manufacturing industry has an over-production of goods, and when they begin to pile up on their shelves, they simply curtail production or slacken-off for a period. But you can't turn a cow on and off like you can a tap.

In my opinion, if we have these surpluses (and I am not convinced that we have), then it is ever more important that we have this conference that is being called for in this resolution. After a thorough checking of all the conditions, and if it is found necessary to reduce production, then it should be done in an orderly fashion, not on a



hit-and-miss plan as suggested by the Minister. If we have to reduce production, then we should always keep in mind the very important factor, the parity price policy. This should be applied to that portion that is marketed. If this is done, I can assure the Federal Minister of Agriculture that he will have the co-operation of the farmers. I must say that in any system, in this case, it is going to be very essential to have the co-operation of the farmer. It is just as the mover said: if we have to curtail production then we must receive a fair price for what we sell, or go under.

The farmers in the constituency I represent, to a large part, gain most of their income from wheat, and it is only natural that I would be interested in the price of wheat. I am not going to deal with deficiency payments, because there is a resolution on the Order Paper to deal with that. I am going to say that, in a conference such as we are asking for, the deficiency payments would hold a high priority on the agenda.

There is one thing I would like to deal with very briefly, this afternoon, and that is the two-price system for wheat, or, in other words, a price for wheat that is consumed in Canada. Farmers and farm organizations have been asking for years for the Federal Government to implement a policy such as this. The main objection to this proposal given to us by Federal authorities is that the consumer would not agree. I don't think that argument holds water. On many occasions the organized labour unions have said they will not oppose a two-price system for wheat. But what is happening to the bread prices in the last 10 or 12 years? Members know that, during the past 10 or 12 years, the price of wheat has declined by 21 per cent, or 35 cents per bushel. But what has the price of bread been during the last 12 years? I have here the D.B.S. figures showing the average retail price of bread for all of Canada, and it worked out on a pound, rather than taking it by the loaf, because of the variation in the loaf across Canada. In 1947, a pound loaf was 7.1 cent, or just under 9 cents for a 20 oz. loaf used in this city. It had a steady increase down through the years. In 1951 it had jumped to 11.7 cents; the 1954, the price had climbed to 12.8 cents; and by 1958, the price had risen to 14.8 cents, or 19½ cents for a 20 oz. loaf. This is more than double the price the bread was selling for in 1947, and, during the same period, the price of wheat had gone down by 21 per cent, or 35 cents per bushel.

The two-price system in Canada is not a new one, but it seems that every time it has been started, it has been to the disadvantage of the farmer. For example, the domestic price for wheat in 1943-44 to 1946-47 was pegged by government order at an average of 77 cents per bushel, while Class 2 price of wheat was \$1.42 to \$2.44 per bushel, No. 1 Northern at the lakehead. During this period, the Class 1 price ranged from \$1.25 to \$1.55 per bushel, and, to add insult to injury, the price differential of 7 cents per bushel which was established between Vancouver and the lakehead, and the domestic price dropped to the lower of these two levels. This is just another case showing that in every case the domestic price always takes the lower level of the price range.

I don't think a two-price system would encourage over-production. In 1953-54 it was estimated that 52 million bushels of wheat were consumed by Canadians out of the total marketing of \$395 million – that is, for the domestic and export markets. This only represented about 13 per cent of the total market. Had the farmers received 35 cents per bushel on the 52 million bushels consumed in Canada, it would have amounted to some \$18 million. I feel this could have been done without any, or with very little, increased price spread; and it takes about 60 cents a bushel to increase the price of bread by one cent.

I think it is high time something was done about the western farmer subsidizing the consumers of Canada in the matter of cheap wheat, particularly not when there is such a large amount of wheat in storage in the world. The Canadian Wheat Board is going to be hard-pressed to continue to keep the wheat at its present price. If the price of wheat is lowered it will still not reduce the price of bread, and again the farmers himself suffers. The domestic price for wheat is only part of the answer; exports may have to be subsidized, and that is where the deficiency payments would come in.

I think the consumers in Canada will not object to the farmer getting his fair price for the wheat consumed in Canada. As I said a moment ago, labour has given its approval, and I feel all consumers, or at least the majority, will also agree.

There are many other problems that I would like to discuss on this resolution, some of which were mentioned in the Speech from the Throne. I would like, for instance, to have dealt with crop insurance and farm credit. I think if we as farmers and, certainly the provincial government, are going to be asked to join in this plan, we should have something to say about such a plan. I would like to have dealt also with the problem of freight rates, livestock marketing boards, and the Board of Livestock Commissioners, but time does not permit, and I am sure other members will possibly deal with those subjects.

In closing, I am sure this is a reasonable resolution. The farmers in Canada are entitled to this much. We were not able to get it under a Liberal Government, but if the Conservative Party really means to implement their election pledge to the farmers in calling an agriculture conference as asked for in this resolution, this will be a good start. I take pleasure in seconding the motion.

**Mr. E. Kramer (The Battlefords):** - Mr. Speaker, in rising to speak on this motion, I certainly want to say that I am in accord with everything that has been said regarding grain and marketing by the two previous speakers. We are facing in western Canada the unfortunate situation today, where we are facing an agricultural depression in the midst of national prosperity. We recollect that we have been warned many times that this would happen, and the statements have been

pooh-poohed by both Liberal and Conservative parties in Canada. However, I believe the present situation points out that we are definitely in the midst of an agricultural depression and a conference of the type that is called for in this resolution is one that is urgently needed. We are facing today a ridiculous situation, after having sent sixty members, as members of the present Government, to Ottawa last spring, we are now faced with a situation where the farmers of western Canada have to band together and send 800 more down there to tell them what to do.

My purpose in speaking to this resolution today is to bring forward a section of agriculture that has not been discussed to any extent thus far. That is the cattle industry. I believe it is timely to again bring up the matter and the question of national livestock marketing boards, and a Board of Livestock Commissioners. We realize that the cattle market today is good so far as the farmer and the rancher is concerned. However, the problems of cattle marketing still remain and the manipulation of the market still remains, the same as when prices were low.

It isn't good enough to say that the price of cattle is good now, therefore, why raise the point of a marketing board! The fact of the matter is that, in terms of losses to the farmer, the need for these boards is actually greater now than when prices were lower. It is much easier for processors and retailers to take much higher mark-ups at the present time than when the producer was receiving more depressed prices. The area which I represent, The Battlefords, and I want to speak for the entire area of western Saskatchewan, depends largely upon cattle markets for a livelihood. I am convinced that, throughout the years, returns from cattle have been the most important factor in keeping the farmers in business. I believe I would be remiss in my duties as a member, if I did not speak out for these producers, and against some of the market practices that are going on today, and that have been going on for some time.

The only reason we are enjoying a fair price for cattle today is because of the demand from the United States, and it is obvious that this is not permanent. Canadian people have consumed better than 90 per cent of their beef grown in Canada during the past 10 years, and it is obvious that this demand is mainly in Canada, and that our small margin of surplus cannot have a very bad effect on the market. Indications are now that an increase of eight per cent in the cattle marketing today would have a depressing effect on the cattle market.

The resolution which I am speaking on calls for that National Government to provide more stability to agriculture. I believe that the Federal Government at this time should give us the assurances and promises – and live up to them – which were made on TV and other media, and proceed to establish livestock marketing boards. These promises were made on many occasions last year, during both elections, by the Hon. Alvin Hamilton, now Minister of Northern Affairs, and other Conservative speakers. You will remember that Mr. Hamilton was erstwhile leader of the Conservative Party in Saskatchewan. We realize that Mr. Hamilton may have some difficulty in convincing some of his fellow Tory members on the question of marketing boards,

especially the Federal Minister of Agriculture, who said recently that he would have nothing to do with a national marketing board for cattle, that this was Socialism, and it was certainly no part of Tory policy.

I think it bodes ill for the Canadian Wheat Board and co-operative marketing throughout Canada, when we have a Minister of Agriculture who takes that attitude. Yes, Mr. Hamilton may have difficulty in convincing his fellow Tory members; but the need of the cattle industry for long-term stability certainly warrants notice by the Federal Government now. The question may be asked, "Why the need for these Boards?" I am sure that every farmer who has given any thought to it will agree with me that the present market, even though it is reasonably good on the average, is still unfair and discriminatory. You still have all the unhappy situation in all our livestock markets, where there can be a fluctuation of anywhere from two to four cents on the same quality livestock in any week.

There has been a great deal of talk recently about high taxes and the high cost of living. I would like to cite the example of Farmer Brown who marketed 10 steers at approximately 1,000 pounds. His neighbour Jones also had 10 steers of exactly the same quality. Brown sells his on Monday morning for 8 cents per pound; Jones markets his three or four days later for 21 cents per pound. There isn't any doubt this can happen in any market any day of the week, anywhere in western Canada. There is no yard-stick by which these prices are administered at present except the yard-stick of daily instruction by the packing companies to the packer, representatives by telegraph, or long-distance telephone. These are the people who can set the price. If it were not for the American demand at the present time, they would still be continuing to do so, and it is in their interests to maintain a low price to the consumer which provides a good fluid turn-over and keeps their turn-over rolling. All this does not appear to be serious – a three cent spread does not appear serious. However, it amounts to \$30 a steer, and on 10 steers it amounts to \$300. This would go a long way toward paying taxes on the average farm unit in Saskatchewan, and paying the expenses of the producer in many other instances.

I suggest that a national livestock marketing board, coupled with a grading system, administered by a board of livestock commissioners, is the only method whereby we can bring about the necessary stability that the cattle market deserves.

I would like to give you a few more discrepancies and malpractices that obviously exist in the marketing of livestock products after they leave the hands of the producer. Members of this Legislature and the public will probably be surprised to note that, while the weighted average prices of cattle went up one cent per pound from August 1958 to December 1958, during that same period here in Saskatchewan, and specifically right here in Regina, the price to the consumer went up by 16 cents a pound. Well, Mr. Speaker, it does not cost one penny more to market an 18-cent animal than it does a 19-cent animal, and it is obvious that the only honest increase that the processor can take is the obvious increase on the value of a dressed carcass, which would be, at the most, two to three cents per pound.

Our good friends across the floor, the Liberal and Social Credit Members, are forever damning labour. I wonder what they think, and what they are going to say, about these practices by their friends in the meat business!

Another strange thing I notice about retail prices in Regina is that, while the average steer is purchased from the producers here at two cents less than in Winnipeg, there is as high as a ten-cent higher mark-up here in Regina than Winnipeg. It is obvious that the farmer is not getting his fair share of the consumer dollar. We'll take another look at what is happening to the farmers' share of the consumer dollar. In 1951, he was receiving 71 per cent of the consumer dollar in beef; in 1956 he has gone down to 57 per cent. This is the latest figure from D.B.S.

We have heard a lot of criticism on labour. The hon. member from Moose Jaw (Mr. Davies) the other day mentioned that two-thirds of our labour is still getting about \$200 a month. Isn't it obvious that they have to get out and fight for themselves once in a while, in order to meet this exploitation by the processors of meat, which is part of their livelihood?

We cannot depend upon the American market for continuing to take our small surplus, and it would be tragic to the Canadian cattlemen if a surplus of anywhere from one to eight per cent of our total Canadian marketing should be allowed, once again, to have an impact on the price of cattle in Canada. The problems of handling beef products through a national livestock marketing board would not be nearly as great as the marketing problems of the Canadian Wheat Board, because of the fact that we can depend for a long time on having a very small surplus to deal with. It is obvious that we have 80 per cent of our surplus wheat to market, while we only have approximately five per cent of our surplus cattle.

I recognize that the beef storage problem is greater than that of grain; but the problem is not insurmountable because of the fact that our surplus will always be a small one. There is no doubt that if five per cent of our beef products had to be kept off the market by the National Government, they could be disposed of at a loss or given away to needy countries, and at the same time we would be maintaining prosperity among our beef producers.

I know that something must and should be done about the grain market. I agree with previous speakers that the situation is intolerable. It is not good enough to suggest, as the Federal Minister of Agriculture does, that we must diversify. It is obvious that, if a few more people start to get into the livestock business, we will have another marketing problem in livestock and all we would be doing is shifting the problem from one area to another. Therefore, I say once again the time is now, and opportune, for the Federal Government to bring forth this much-talked of

national Livestock Marketing Board and the Board of Livestock Commissioners to supervise the markets and grading, and see to it that fair and proper prices are received by the producer for certain quality products. We have had enough of this disorderly, unplanned marketing, and I hope at this time that this portion of the resolution regarding stability to agriculture will receive the close attention of the Diefenbaker Government. The Saskatchewan Farmers' Union, the Pool and organized farmers generally, have asked for this, and I think this Legislature, Mr. Speaker, should give its whole-hearted support.

**Mr. J.W. Horsman (Wilkie):** - Mr. Speaker, I had no idea of speaking on this resolution until about an hour ago, when my friend, the member for Saltcoats (Mr. Loptson) insisted that I take part in this. My speech as you see, has been written since I sat down here at my desk about an hour ago, so I won't keep you very long. I have no fault to find at all with this resolution. I understand, I think as well as any person in this House, the position that agriculture is in at the present time in this province. We hear a lot about the price-cost squeeze, and that is something that is very real. There are many people who have different remedies for these things, and I don't think anyone has hit on the proper remedy yet. Whether subsidies for farm grain would be the remedy or not, I am not prepared to say. It has helped us over the bump just now, but we find ourselves back in the same position again next.

We have a good many things in Saskatchewan that belong to the farmer. For one thing, we have the greatest grain handling company in the world, and we own it – the Wheat Pool. The Wheat Pool was formed a good many years ago, and I was one of the first members of that organization. Over forty years ago now I became a shareholder in the United Grain Growers as well. As I remember, at the time the Wheat Pool was formed, it was formed to market wheat at cost. It was formed by the farmers to market their own wheat at cost. We did that for a number of years, but got into financial difficulties, and for many years now our Wheat Pool has ceased to be a grain-marketing organization. It is just a grain-handling company now. I wonder if it is in our best interest that this great company, the greatest grain-handling company in the world, should cease as a marketing agency for our wheat. I am sure it is not.

There are a good many things I think could be done to help agriculture. I believe in a system of crop insurance for one thing. We have sort of a system of crop insurance now – P.F.A.A. It is of some help, in years when farmers have no crop, for instance. It seems by the brief which the Farmers' Union of Saskatchewan has presented to the Government here, that they believe also in a system of crop insurance.

They think it should involve federal, provincial and producer participation. I think that is right. Surely the Provincial Government is in a position to know better than the Federal Government, the conditions in our own province, and I think a hook-up of this kind, between the Federal and Provincial Governments and the farmers themselves or the farm organizations, could do much to alleviate the conditions they find themselves in now.

Farm credit is another thing that would be of some assistance, especially to young people who would like a start in agriculture. Established farmers need cash more than they need credit, and if the price of their products was anywhere near in line with the price of the things they have to buy, I don't think many of them would need credit – not in the ordinary sense of the word, that is. I believe they would get along fine and be able to pay cash.

Then, of course, we have all the natural hazards to contend with. That is one place in which crop insurance would help. Hail, grasshoppers, drought, particularly drought of the worst kind – all these things could be overcome to a great extent by a good, comprehensive system of crop insurance. We sell our grain, of course, to the market of the world. Our wheat is selling today for every cent that wheat is worth. Our Wheat Board is getting all they can get for that wheat, and when you get all the product is worth, you cannot increase the price, unless it is subsidized by the other people of the country.

I think the best way to go at this thing is to go at it from the other end somehow: to get other prices down somewhere near the cost, or the price or the values of primary products. It is evident to me that we cannot boost the price of wheat on the world's markets, and to boost the price of wheat to the farmer means a subsidy from the Federal Treasury of this country. The United States has a system like that which we are all very familiar with. They have run into considerable difficulties there under that system. Surpluses have piled higher and higher, in quite a different position to what we are, in that they have a population of about 170 million, and they use up at home or consume, 80 per cent of their wheat, and export about 20 per cent. On the other hand, we in Canada export 80 per cent of ours and consume about 20 per cent. It is a different proposition entirely, and I think that something will have to be done to level prices off, to get them down somewhere in the level of what primary products are worth.

There has been considerable assistance given to the farmers in the west over the years by different governments. The P.F.A.A. has been of great help to us. I mean, it is a small thing, but when you have no money at all – I remember a year ago when the \$2.00 or \$2.50 per acre (or

whatever we got) was very thankfully receive, and very sadly needed, but doesn't amount to so much now as it did ten, because costs are so desperately high. I said before in this House, and I am going to repeat it today, that we do not need to have a depression to cause hard times in Saskatchewan. All we need here is a few bad crops, and that is what will cause the biggest depression we can get here in this province. Sure, we have had considerable industrial development. I'm proud of that, too, and Government members are proud of it. I'm proud of the fact that Saskatchewan now produces a lot of oil, potash, uranium and so on. I'm proud of that, because I want to be proud of this province. I don't want to hear Saskatchewan referred to as a 'poor relation'. I never have liked that, because I don't think there is any need of Saskatchewan being a poor relation. We have resources in this province, I think equal to, and in many cases greater than those most other provinces have, and there is no reason in my mind why, with proper development and proper handling of things that we have, we should be called a 'poor relation'.

P.F.A.A. was only one thing that helped the farmers of the west. During the last few years, too, the Government at Ottawa have paid the storage charges on the surplus grain, outside the normal carry-over, which amounted to some \$30 million a year. They have set floor prices under some agricultural products. There is a question as to whether or not those floor prices are high enough, so we should look at this things from a broad angle. When we talk about something for agriculture, we must remember that Canada is a big country, and agriculture is carried on all the way across Canada. The average farm income was quoted by my hon. friend who moved this motion this afternoon. I don't just remember the figures – figures don't stay with me long; but I do know this: I came from eastern Canada many years ago, and I don't think conditions have changed very much there all during those years. Those provinces, Nova Scotia, for instance – I didn't come from Nova Scotia, but I believe the average cultivated acreage on the farms there are somewhere around 25 to 50 acres, somewhere in that neighbourhood. Naturally, a farmer on that much land could not have a very large income, although there is some diversified agriculture and some wheat producing there. But if we are going to do anything for agriculture, we must think of Canada as a whole. When we think of those small farmers, naturally I think (and I feel most of you will bear with me on this) that the farmers down in the eastern part of Canada never did have very much of an income from farming. Most of them, if I remember, went into the logging camps during the winter, and probably took their horses in there to haul logs, many years ago, to supplement what little they made off the farms. I imagine they are doing the same thing yet.

**Hon. Mr. Brown:** - Don't forget the fishing off the Grand Banks, too!

**Mr. Horsman:** - I hope that if this Conference that is mentioned in this resolution is called, that one thing which comes up at that Conference



is the Canadian tariff. Our manufacturers hid behind that tariff wall. It could be considered a subsidy to industry, I suppose – it's nearly the same thing. I remember as long back as I can remember (and I want to tell you, Mr. Speaker, that I have lived quite a long time, longer than I like to think, and I'd like to think I was 20 years younger; I'm living on borrowed time now; as far as I can remember back, and I always took an interest in public affairs, I remember them speaking about Canada's infant industries, and the reason these tariffs had to be on was to protect those infant industries of Canada. That was a long time ago, and it would seem to me, and I can remember back fifty years anyway, that Canadian industries certainly should be out of the diaper stage by now and able to stand on their own feet. I know that if tariffs were drastically reduced, and if foreign goods were brought into the country to a greater extent than they are now, it would be bound to hurt someone. But I think, the way I see this thing now, with prices going up and up and up, wages going up, everything going up, when is this thing going to stop? It looks to me that we might be headed for a crash; we'll price ourselves out of the markets of the world on everything else except agricultural products or primary products. I don't believe that we could sell the products that we make here now anywhere else in the world, at the price we have to pay right here in Canada for home-manufactured articles. I don't think we could.

What does that closed market amount to? It amounts to quite a bit here, but we have got ourselves in this position that we have to buy in this closed market, and well on the market of the world. So the two-price system as advocated here, this afternoon, by one of the speakers on your right, Mr. Speaker, I'm in favour of the two-price system too, and if I remember correctly we brought in a resolution here either last year or the year previous (I'm not sure which) asking for I don't remember whether we asked for a price, or whether we just asked for parity, on home-consumed grain. The motion was amended by the Government members, and of course there were many other things included in it. It passed the House: parity prices for all our products. Of course, we didn't have a chance of getting that at that time; I don't think we have now. I thought at that time that if that resolution had gone through the way it was, just asking for parity on grain consumed in Canada, we might have had a chance at that time.

I am very glad to say today that this idea was mentioned by one of the speakers on the other side of the House, and I'm all for it.

Now, Mr. Speaker, I don't think that I will say much more. I guess I have taken pretty nearly all of my hon. friend's radio time now; but I want to say that I am willing to support this motion, and I hope that, if this Conference is called, some good will come out of it. It would seem to me that, if representatives of the province and the Federal Government and farm organizations could sit down together, they might be able to do something about these things.

**Mr. A. Loptson (Saltcoats):** - Mr. Speaker, I was very interested in what my colleague said, and I don't begrudge giving him the radio time. First of all, I want to say a few words about the statement made by my hon. friend, the member for The Battlefords (Mr. Kramer). He made a great issue out of the exploitation of the processing or packers of Canada, that they were taking great profits out of the livestock producers. I wonder if he had ever thought of the possibility of this socialist farmers' friend (supposed to be) that they could have eliminated this profit that the packers had taken, and save the farmers by setting up one of the Crown Corporations to handle their livestock. Surely you would have thought it would have been of more benefit to the farmers for this Government to have put the money into a packing plant, if this Government could spend \$5,500,000 for a cement plant . . .

**Premier Douglas:** - Which they didn't!

**Mr. Loptson:** - You may have got some of it back.

**Hon. Mr. Walker:** - We never advanced it, even.

**Premier Douglas:** - The hon. member knows that no money was advanced for the cement plant. He ought to be thankful we didn't put up a single dollar, and the hon. member knows that.

**Mr. Loptson:** - You guaranteed \$5,500,000, so what is the difference?

**Premier Douglas:** - And would be quite glad to, any time. Ask them, why don't you?

**Mr. Loptson:** - They advanced \$1 million to the Prairie Pipe Company here . . .

**Hon. Mr. Nollet:** - As usual, you pose a question and then never answer it.

**Mr. Loptson:** - . . . or something around that figure.

**Premier Douglas:** - And we guaranteed the bonds of the Co-op Refinery.

**Mr. Loptson:** - Now they propose to guarantee the bond issue of \$10 million to a Steel Plant. I want to submit to you, Mr. Speaker, if this tear-dropping outfit were acting in the best interests of the farmers, instead of crying about how hard up they are, and how they have been exploited by the packers, surely they have the facilities to save them from these supposed grafters.

**Hon. Mr. Nollet:** - What do you recommend?

**Mr. Loptson:** - It is their responsibility. I think it is about time the people of this province woke up to the hypocrisy of this Government lamenting about them being exploited, when it is all in

their own power to save them . . .

**Hon. Mr. Nollet:** -They are well aware of it!

**Mr. Loptson:** - . . . from this supposed terrible catastrophe. Having said that, Mr. Speaker, I want to turn to the resolution that is before the House.

**Hon. Mr. Nollet:** - It is about time.

**Mr. Loptson:** - There isn't much objection to the resolution. I believe that this House should concur in it, and I feel, in speaking to it, it opens quite a field. I think it would be in order to review agriculture as an occupation.

In the first place, I want to say that agriculture is one of the oldest, most honoured and the most important occupation on earth, because without the production of human food most, if not all, of humanity would perish. It is because of this importance and desire of survival that so many people have been directed to that occupation. In spite of this importance of supplying food, the farmers down through the centuries have, as a whole (leaving out the commercial farmers), received less for their labour than any other class of society. Similarly, they have received less for their investment than any other industry in our society. The family farm has fewer conveniences, as a whole, puts up with more hardships than any other class or occupation. Many men and women are attracted to the farmstead because of its isolation, independence and freedom, and privacy, rather than for the riches they can make. Conferences have been held periodically through the centuries to try to correct this situation – a situation where the farmer has never been able to put a price on his product, while he has always had to sell his product for what the buyer offered; he has to buy at the prices that the seller asks.

As I have said, conferences have been held periodically down through the centuries to try to correct this situation with little result until about the turn of the century. Farmers in North America, and particularly in the prairie provinces of Canada, organized themselves into grievance organizations, and subsequently into co-operatives, with marked success. Shortly after the First World War, a group of farmers, thinking that progress was too slow, replaced the old farm organization, and while the principle and objective of the organization was sound, unfortunately men got into the organization, whose intentions were the best but whose methods and attitudes were anything but sound, with disastrous results, from which many of the members, and agriculture as a whole, are suffering for even to this day.

The family farm is all-important to the economy of the prairie provinces (although commercial farmers have their place), because they are the backbone of every town and village in these provinces. To eliminate, or thin out, the family farm, as is suggested by our C.C.F. friends, will equally eliminate the towns and villages. I venture to say

that, in spite of all the glowing talk about industrial expansion in the province of Saskatchewan by our C.C.F. friends, agriculture is still the most important industry in this province.

**Premier Douglas:** - We've all said that dozens of times.

**Mr. Loptson:** - If the farmers of the province of Saskatchewan were to cease production, or cease buying for any length of time, you would see the grass growing on the streets of Regina, and that is no guess! Similarly, if these people are going to be moved from these small farms and these towns and villages, the only place for them to go would be to the cities. What are you going to do with them here in Regina for instance, or in Saskatoon? You already have people on relief, and unemployed. All you will do is to add to the relief line-up, and the first thing they would see is that they would have the repercussions of the 'thirties'.

There are three principal uncontrollable expenses of the farms, when we are talking about cost of operation. You may say that the farmer may isolate himself; he may not go to town; he may not run his car; he may not go to a show, or he may not even visit Regina once in a while. But there are three cardinal expenses which he cannot control if he is going to operate. First, there is the cost of fuel; second, the cost of repairs and the third is the cost of taxes. I submit, Mr. Speaker, that the cost of those three, the exorbitant rise in the price, lies right at the door of this socialist government that we have here in Saskatchewan. They are responsible for the extravagant taxation which the municipalities and school districts have to levy.

**Mr. R.A. How (Kelvington):** - You tell 'em, 'Minty'!

**Mr. Loptson:** - They are directly responsible for the enormous increase in the cost of our repairs. How? Because it is the C.C.F. labour leader that leads the unions to demand these high prices. Do you know that, according to the D.B.S., wages of men working in agricultural industry have gone up nearly three-fold since 1946? If the productivity had followed that, there would be no complaint. I believe that a man should be paid according to his production, and I don't care whether he makes \$1 or \$100 per day. But when he doesn't produce according to his wages, then he is exploiting the consumer.

They are advocating now for more wages in order that the workman might be able to consume the product of the factory in which he works. I wonder how many binders and tractors the men are going to buy that are working in the Massey-Harris factory? Yes, the Premier of this province, as I understand, was on TV here, the other night, saying that labour is not overpaid and was entitled to more money. The contract price of labour is going to be increased even more in another year, according to the labour contract. They seem to think that somebody else is responsible for all these things. While the increase in labour costs went up almost three times, the profits didn't vary any – as a matter of fact, they went down since 1946. So I say, Mr. Speaker . . .

**Premier Douglas:** - Would the hon. member give those figures on the cost of labour?

**Mr. Loptson:** - The cost is here; you have it.

**Premier Douglas:** - Well, give them to me.

**Mr. Loptson:** - In 1946, implement wages were 59 cents an hour; in 1947 they were 178.3 cents an hour and there has been an increase, I understand, since then. I have to take their word . . .

**Premier Douglas:** - Is the hon. member talking about millions of dollars?

**Mr. Loptson:** - Now my hon. friends suggest a subsidy to make up the difference in the cost of what the farmer has to pay, and what he has to sell his product for. While I am not opposed to any ways or methods which they might use to subsidize the farmer for this increase in cost, I want to say that a subsidy on a commodity that is in surplus cannot by any standard be said to be sound, unless you reduce the production to balance the demand. There is no country in the world that I know of, except possibly the United States, that subsidizes any commodity that is exported.

The countries in Europe who are importing our wheat are subsidizing the growing of wheat at home simply in order to get away from having to buy our wheat, because they are afraid we will be asking too much for it. So you cannot possibly consider that as a permanent answer. There is only one thing that you can do, and that is to get the price of the cost of production down.

I might say that the Conference proposed in this resolution, in my opinion, is quite proper, and many subjects might be taken under consideration, leading to the alleviation of the cost of farm operation. I suggest only a few. Let me suggest one, for instance. We have suggested here before that we might get \$2 a bushel for the first 1,000 bushels of wheat delivered by the farmer. I'll admit there are several objections to that, since it tends to encourage the growing of wheat which we do not want to do. Then the suggestion was made that we might pay \$3 a bushel for the first 300 bushels, which is the first quota which is delivered in the fall by farmers. That wouldn't increase the production of wheat very much, and that would just about be the amount of home consumption. At \$3 a bushel, it would put about \$900 into the farmer's hands at the time of harvest. However, that is a suggestion. In lieu of that, if they do not want to pay the \$3 a bushel for wheat, then I suggest that a similar amount might be paid in the way of acreage bonus, similar to what is being done now. I haven't any objection to that, only I think the amount is too low.

Another thing we might suggest that this Conference might take into consideration is to take off the weight of carry-over out

of circulation. I would suggest that consideration might be given to consider a normal carry-over of 400 million bushels, and that the Government of Canada should take that wheat out of competitive supply, store it and pay for it. The reason for suggesting 400 million is that we, in the case of a crop failure, consume about 150 million bushels: that is, about 100 million for seed and feed, and 50 million for home consumption.

I suggest, too, that it is our duty to try to keep our cash customers overseas supplied, even if we had a short period of crop failures. Estimating that requirement at about 250 million bushels, this brings us up to the 400 million bushels, which I have suggested, to take care of one year's consumption of wheat in case of crop failure.

Then there is another thing that might be taken into consideration at that Conference. It has long been my conviction that education of our young people should be a national responsibility, particularly up to at least the elementary grades. I think it is of advantage, and almost imperative, that every boy and girl should be able to read and write. If that is so, then I submit this conference should suggest that the Federal Government assume the cost of elementary education in Canada, that they might standardize our curriculum so that a child, going from one province to another, would be in the same grade, leaving due regard to the privileges and the rights that have been extended to the province of Quebec. This would reduce school taxes.

There is another thing we might consider in the way of alleviating the cost of the farmer. It is not a new suggestion; I believe I brought this up in the House years ago. I refer to the standardization of wearing parts on agricultural implements. It bores me, and you, Mr. Speaker (you've had lots of experience), to go into an implement firm to get a sickle for your mower or your binder. One firm's sickle is just 1/16th of an inch wider than that of another make – isn't that a fact? You cannot possibly use a canvass from one machine on another, although they both do the same job. I think about half the machines could be standardized, and what a saving, if that would be done! You could buy your parts and get them anywhere, and you would eliminate about two-thirds of the stock that is being carried throughout the country to supply customers of one machine and another. No action has been taken on this matter.

These are things, Mr. Speaker, that I submit as matters which might be considered at this conference. Farmers, as a class, are clean at heart and honest in their transactions. As a result, they fall frequently pray to the exploiters of mind and property. This has been particularly prevalent in the province of Saskatchewan. We have many cases where honest people have been led to follow some ill-advised illegal business transactions, and, in some instances, have been divested of their property.

Now, Mr. Speaker, having gotten into difficulties, as other speakers have illustrated, they are going down to eastern Canada to

try to get some sympathetic assistance to get us out of this plight. I wonder if the sympathy of the people in eastern Canada cannot well be minimized for the plight of the Saskatchewan farmer, when it is considered that they have, by a majority, been responsible for keeping the most extravagant provincial government in power in Canada, for the last 15 years, whose administration, directly and indirectly, is responsible for the plight that the farmers are in today in Saskatchewan?

**Premier Douglas:** - Also the Alberta and Manitoba farmers!

**Mr. Loptson:** - They are not in the same plight, they are not as 'broke' as you make out we are here.

**Premier Douglas:** - They're all broke.

**Mr. Loptson:** - The majority of the farmers turned down the opportunity during the last provincial election, of getting electrification at a saving of \$500 a farm . . .

**Premier Douglas:** - They don't believe you. We can't blame them for that!

**Mr. Loptson:** - . . . running into at least \$20 million. They turned down an annual grant for municipalities for grid-road building, which would have averaged \$20,000 a year or \$80,000 for the four-year term.

**Premier Douglas:** - They knew you were kidding!

**Mr. Loptson:** - These things are known to the people in eastern Canada. If farmers are so hard up (and they are), they are hard up because this outfit has dredged them in taxes and with other burdens which they are now confronted with.

Mr. Speaker, I want to say that I have lived all my life in an area of small farmers. I have seen them start when the period of the oxen was the mode of power, subsequently replaced by the horse, and the, more up-to-date, by cars instead of buggies. These people raised and educated their families, lived a wholesome Christian life, because they were not interfered with by government planning. There were no government controls when these old-timers built their homes and their estates. Their children took over, in many instances, and the grand-children are now being driven out of the homes, as a result of excessive planned farm economy of a Socialist government!

**Opposition Members:** - Hear! Hear!

**Mr. Loptson:** - And, Mr. Speaker, if the people of Saskatchewan want to continue with this kind of government they will have to take the consequences, and I don't think the people of eastern Canada will bail them out!

**Government Members:** - Good. Let that go on the record!

**Premier Douglas:** - You'll remember that statement for a long time!

**Mr. Frank Meakes (Touchwood):** - Mr. Speaker, first I would like to congratulate the mover and seconder for bringing this motion before this House. Before I go into the reasons why I am so pleased they are bringing it in, I would first like to congratulate my hon. economic friend from Saltcoats (Mr. Loptson) across the way. I did not realize he had come down the path of great thinking, to our way of thinking, on so many items, although he has not shown up until today. Two years ago, when he was speaking on much this same resolution as we have here today, he certainly made a different speech.

I said I was pleased that the mover and seconder had brought this motion before the House. I'll tell you why. I would like to deal with what I believe is the greatest threat not only to agriculture, but to the whole economy of this province, namely vertical integration, or contract farming. I believe, unless this is faced up to and handled quickly and properly, that inside of 20 years the industry of agriculture, especially in constituencies such as Touchwood, will be back to the conditions of 200 years ago – that of the land barons and serfs.

The people who venture into this new thing are interested in finding a way to share the risks of managerial decisions, risks of production and risks of market. Vertical integration may involve all of them, or it may involve just some of them. I see this as a threat, for monopoly capitalism to get control. This is the way the farmer will lose control, and it will go into the hands of the feed firm or packing house or poultry plant. In the United States and Ontario now vertical integration is increasing rapidly, and more recently it is now coming into Saskatchewan and western Canada, especially in the poultry business. I think it is a dangerous trend to western agriculture.

What is the cause of this rapid trend? We have several reasons, so far as the farmer is concerned. Lack of capital is an important thing. Mechanization of the tools of production and the higher working capital required especially the new farms, has made them either enlarge or specialize their operations, driven them to find new ways to finance, new ways to specialize their operation.

The second reason for the farmers going into it is that they find it a way to stabilize their price and their income. Under present marketing system, this is definitely lacking. The third reason is that he sees the opportunity and possibility of sharing his income, and is assured a market for his product.

I personally see very little danger of vertical integration in grain farming, under the dry-farming conditions that we



have in western Canada, and with the extensive rather than intensive features of production. I doubt whether 'big business' would care to come into it. Big Business is only interested in making money. The danger lies in hogs, cattle and poultry. Knowlton Nash, radio commentator at Washington, reported on vertical integration in the United States, quoted that, last year, one business farmer produced 15,000 hogs by himself, and he was reported to be gearing up for 100,000 hogs in the coming year. Do you realize, Mr. Speaker, that that would only take 85 farmers to produce enough hogs for the whole of the United States for one year? At the present time there are 2½ million farmers producing hogs in the United States. What is going to happen to the farmer who is squeezed out? This kind of thing is now starting in my constituency, and this coming year we are going to have a 20,000 turkey farm; several other farms are ranging from 1,000 to 10,000. What are my neighbours, who are producing 25, 50 or 100 or 200 turkeys going to do? Generally they were sold around December, and these returns were used to help mothers buy clothes for the children for the winter months ahead, Christmas presents, etc.

Another thing that worries me just as much are the effects this can have on our rural society. What is going to happen to our rural community? What affects will it have on our community halls, our churches, hamlets, and villages? The way I see it, community life will dissolve, houses and halls will stand empty, churches will find it harder to keep their doors open. The old western neighbourliness will gradually vanish. You know, it's pretty hard to neighbour with a guy who is six or seven miles away. After a good portion of our farmers move away, then our hamlets and villages will become more or less ghost towns. Already some of our smaller villages and hamlets are finding it harder; the pinch is on them, and fewer farmers are there to deal in their businesses.

What can we do about this? Should we be trying to stop it, or should we try to control it? Personally, I do not think we can stop it any more than industrial workers of the 19th Century stopped the Industrial Revolution. We should be getting in on the ground floor and controlling it. I think first, it would be necessary that price supports be initiated at a high enough level to protect the small farmer, the family farm. The principle of forward pricing will be necessary. It will have to be tied in with this program, and it will have to reach over the cycle of production. This should help retard vertical integration, and keep the production on the farmer's farm. Also a farm credit program is necessary to assist the farmer – the family farmer – especially those beginning and those in the lower income brackets.

It was interesting to read that in the United Kingdom just recently they have gone in for a program of non-repayable grants, and over 90,000 small farmers are taking advantage of this plan. As the

hon. member for The Battlefords (Mr. Kramer) said, it will be necessary to set up a Board of Livestock Commissioners to take the speculation out of the handling of meat and assure the producer a maximum return for his products. As two or three hon. members have mentioned, including the hon. member for Saltcoats (Mr. Loptson), a system of crop insurance would certainly lessen the risks of production. Today one is helpless against frost, rust, drought and other vagaries of nature. In one year the savings of a farmer, which he had planned to use for expansion can be destroyed and wiped out.

It seems to me it will also be necessary to have legislation passed to standardize contracts, and negotiation of terms and the regulation of standards of quality. All these things would help strength the family farm. The main ay we can attack and control this threat, to me seems to be through the co-operative movement. The philosophy and make-up of the co-operative movement makes it an ideal and natural weapon. Whenever the co-operatives have taken up the fight, we have had some success, and I think the greatest example of this is Sunkist organizes, where the farmers control their product from the young trees, when they plant them, right through to when they sell the fruit. One co-operative in North Carolina in the five counties it operates in markets 50 per cent of all the seed, half of all the livestock, 25 per cent of all the eggs; and in Sweden, the co-operatives handle 90 per cent of all the milk that is sold, 65 per cent of the eggs, 77 per cent of meat production. In Denmark, 91 per cent of all the milk, 65 per cent of the pork, 33 per cent of eggs, 45 per cent of dressed poultry. In short these people, by uniting together, are gaining the advantage of volume, strength of the market, and yet they are still able to control their own destiny.

Although we know that all over this province we have the co-operative movement, I think we still have a long way to go. There is an old saying amongst farmers that "he who owns the livestock, owns the land". Let us remember that after the feed company supplies the feed, supplies the animal, controls the price, and all that is left for the farmer is wages – he becomes just a wage-earner. In other words he becomes a hired man. It is interesting to note that in the States there are areas where vertical integration is becoming very prevalent and there is a movement on amongst these workers to organize and join the labour union. They realize themselves that they are now only hired men.

Mr. Speaker, to me this vertical integration is the greatest threat to agriculture and to the family farm and rural life in general. This is a threat, I think, that our farm unions and our co-operatives, and our governments are going to have to unite on and fight. I see this as a natural outcome of the monopoly capitalistic system. As a male child grows into a man, and as a female child grows into a woman, so will uncontrolled private enterprise grow into a monopoly. It is based on selfishness, raised on greed, nurtured on hate, and lives on dog-eat-dog!

I realize that my friends across the way to your left, Mr. Speaker, do not agree with me. But I want to put it another way. Under

private enterprise, if I am a better business man than you, I'll put you out of business. If you are a better business man than me, you'll put me out of business. In other words, the survival of the fittest! You say, what basis of Christianity is there in that? Under the co-operative movement, we all help one another. You know, Mr. Speaker, I never watched monopoly capitalism at work but that I don't think of, in the Scriptures, when Christ chased the money changers out of the temple!

I believe we are going to hear a lot about this vertical integration in the next few years. It is a test that, unless it is faced up to, is going to control this country 20 years from now. For that reason, I am certainly going to support this motion, and certainly am glad that the hon. member moved it in this Assembly.

**Mr. L.N. Nicholson (Nipawin):** - Mr. Speaker, I have studied this motion and believe it is a good one. I don't know why any member of this Legislature will not support it.

There have been a number of things said that I certainly do not agree with. The hon. member for Touchwood (Mr. Meakes) made a few statements, one just a moment ago to the effect that there is no room in our society for free enterprise. The seconder of the motion, however, did say something that I do wholeheartedly agree with, and that had to do with the two-price system. Some 13 or 14 years ago in the House of Commons, the Social Creditors placed a motion on the floor advocating a two-price system. At that time the Liberals said "How ridiculous can you get! Here you have a bushel of wheat worth \$3, and here you have a bushel of wheat, just as good, worth \$1."

In the provincial election of 1956, the hon. Leader of the Liberal Party campaigned on the basis of a two-price system for wheat. Now, today I heard a C.C.F.er say that, in his opinion, the two-price system would be the answer. It has taken them a long time, Mr. Speaker, but at last, I think maybe they're beginning to see the light. It looks as though we are getting closer together.

**Premier Douglas:** - Mr. Speaker, I put a motion before the House of Commons 20 years ago on the two-price system.

**Mr. Nicholson:** - Why didn't you support it?

**Premier Douglas:** - We did.

**Mr. D.T. McFarlane (Qu'Appelle-Wolseley):** - There are just a few remarks that I want to make at this time in regard to this resolution. I followed very closely the remarks of the mover and those of the seconder and, while sitting here, I thought they

stayed very well to the subject matter of the resolution. However, on listening to the second last speaker, the member for Touchwood (Mr. Meakes), I think that he possibly took a lot of the sound and fundamental argument of the original mover and seconder away from the argument by opening up the field of vertical integration and marketing boards. So, I just want to dwell on some of the remarks he made in regard to vertical integration.

I think that, possibly, one of the difficulties the farmers are finding themselves in, in this province today, is the lack of farm credit, and especially to younger people who are starting up in the farm industry. If that source of credit is not immediately available to them over a period of some 20 or 25 years (whatever the period may be) at low rates of interest, then they are going to conduct their farming operations under a system where they will receive greater returns for their produce – a steady source of income that will increase their holdings or improve their farms; and because the young farmers of this province have not had access to long term loans by this Provincial Government, we are finding the situation arising today where they are conducting their farming operations under a system of so-called vertical integration. It hasn't reached an alarming stage in the province as yet, but we see it developing in the broiler industry; we see it developing in the turkey industry, and see it developing in the hog producing industry. So I suggest to my hon. friends that, had the Government across the way listened to the Opposition Members in this House, in the last two or three sessions, and adopted a system of farm credit to young farmers, possibly vertical integration wouldn't be as serious a threat in this province as it is at the present time.

**Premier Douglas:** - I would like to ask my hon. friend a question. If that is true, why is it that vertical integration has progressed so rapidly in both Ontario and Quebec?

**Mr. McFarlane:** - The other thing I want to bring up, Mr. Speaker, is this. In this province today, just to cite a case pertinent to vertical integration, against the case of probably getting a fair share of the consumers' dollars it is pointed out that in the dairy industry (and I think the Minister of Agriculture will probably agree with me in this), the farmer has been producing a volume of milk every year for a period of years at a certain guaranteed price. He has been getting a better price probably in winter months than he has been getting in summer months, but because the people in the dairy industry have had that system, they have built up their farms, they have built up their credit ratings and they have possibly established for themselves and their families a better, broader standard of living. The whole purpose of the situation is this. Where cash or a steady source of cash has been available we find better living conditions on the farm.

Then it is a surprise to me that this present C.C.F. Government is bringing in a resolution asking that all the other provinces of Canada sit down with the Federal Government to try and correct the ills in the agricultural economy across Canada. I just wonder what the delegates from the other provinces are going to say to this government when they send their delegation down there. I wonder what the Federal Minister of Agriculture

is going to say, and the Federal Department. I wouldn't be surprised when they go down to Ottawa and talk in terms of marketing boards (as they have here, this afternoon) that he will say, "Well, go back to your own C.C.F. program. You talked marketing boards in 1933 and if you are going to have this so-called merger between farmer and labour, have another farmer-labour party in Saskatchewan or in Canada, then your farmer-labour program would be the same as it was in 1933."

I am surprised, Mr. Speaker, when they ever mention the words 'marketing boards', especially when in the program they brought out when they were first seeking a mandate from the people in this province, here is what they had to say in regards to marketing boards:

"What method would you adopt in dealing with land when a certain amount of agricultural land is socialized and a certain amount is not."

And this is the answer they give:

"The essential thing about farming is not the land itself. If you want to prevent the possibility of one man obtaining control of production and profit out of his neighbour, you set up a state marketing board. Every farmer is treated the same whether he holds under a lease or not, he produces for use and not for profit."

So, Mr. Speaker, when they go down to the Federal Government along with all the representatives of the other provinces in Canada and try to point out the plight of the agricultural economy in this province, I wonder what they are going to say or how they are going to act when their own policies are placed before them. The conditions in this province as a result of these policies has had a great effect on the situation of agriculture in Saskatchewan today.

I hope that this Government will see fit, on behalf of the agricultural people of this province, to change these policies and come up with a more constructive and a more up-to-date policy towards the farm people. I see nothing wrong with the resolution, and at this time I want to go on record and say that I will support the resolution.

**Mr. A.L.S. Brown (Bengough):** - I rise, mainly because on the last time I spoke in this House, I was reminded afterwards that I hadn't during the whole speech made any reference to parity. So just to keep the records straight, I thought possibly this would be an opportunity for me to rise to my feet and once again radiate my statement and my claim that the agricultural industry in Saskatchewan, and in Canada as a whole, must have parity if it is to have its rightful and proper place in our Canadian economy.

There are many factors which have been discussed here, this afternoon, which could be discussed at a conference such as suggested by the resolution and from which no doubt could emerge a farm policy more

adapted to the Canadian economy than our present one. It is equally true that there are many factors which affect the agricultural economy which have their problems that arise outside the agricultural industry, and the solutions to this problem also lie outside the agricultural industry for what might properly be referred to as a farm program. As an example, if agriculture is to enjoy the highest possible prosperity; if the people within the industry are to enjoy the highest possible standard of living, then it is essential that the rest of the people in Canada have the highest possible purchasing power. This fits into our international economy, and you will note that, in the resolution, they ask not for an adjustment of agricultural national policy but of our national policies as a whole. Therefore, I think we must relate the whole national economy to the welfare of the agricultural industry.

Many of the things that have been talked about here, this afternoon, I agree with entirely. I agree entirely with the sentiment expressed by the seconder when he made reference to the two-price system. Somewhere along the line, I sort of got confused – possibly it wasn't me; possibly it was the members in the Opposition when they suggest, as the member for Nipawin (Mr. Nicholson) did, that we on this side of the House have opposed a two-price system. I suggest it was they who in 1957, opposed a resolution in this House asking for a two-price system to be inaugurated; and if my hon. friend, the Leader of the Opposition, as was suggested by the member for Nipawin, campaigned in 1956 on a two-price system, then he had a very sudden change of mind, because it was only in March of 1956 that my hon. friend, the Leader of the Opposition, voted against a resolution asking for the two-price system, asking for a domestic price for wheat based on parity. I want to make reference to the fact that, when the Select Special Committee on Marketing and Farm Income brought their report before this House, my hon. friend made a motion which would have removed from the recommendation, the following clause:

“That, as one means of at least partly implementing the guarantee of \$1.56 per bushel, the proposal made by the major farm organizations for a domestic price for wheat in Canada, higher than the export price be instituted – the domestic price should be based either on the maximum obtainable under the present International Wheat Agreement, which at that time was \$2.05 for No. 1 Northern, based at the lakehead, or a domestic price based on a parity relationship between farm prices and farm costs.”

It was for the deletion of that clause that my hon. friend voted. We, throughout the years, on this side have consistently advocated that wheat sold in Canada should be sold on a parity price relationship.

My hon. friend for Saltcoats (Mr. Loptson) had some rather weird wandering here, this afternoon, in which he attempted to blame the cost-price squeeze on the Provincial Government and on the C.C.F. His

reference was that we with our C.C.F. labour leaders, were responsible for the increase in labour wages. I hope that is true. I hope that we, the C.C.F., have had some part and have played some part in increasing the purchasing power of those people who work in the industrial plants of this country; but when he suggests that this has resulted in an increase cost of repairs and an increased cost for our implements, I am certain he must be aware of the fact that today we have the lowest percentage of our dollar which goes into the purchase of implements or repairs, going to labour that it has ever been in the history of Canada. I am certain the hon. member must be aware of it. So it is not the fact that wages have entered into the increased cost of our repairs. He also tried to deny the effects of the increases in the profits and inefficiency in the distribution system in some cases of these implements.

He goes on to say that we were responsible for the increases of taxes. This he says, was the responsibility of this Government, and once again the same situation is true. As far as land taxes are concerned over the past 10 years, there has been a steady decline in their percentage as of the cost of production. In other words, in our total cost of production our land taxes is rather an insignificant fact or the same thing is equally true as far as cost of fuel is concerned. The contrary is true. This Government has done much to reducing the cost of fuel to the farmers in this province, particularly in their agreement with the Consumers Co-op.

Then he goes on to suggest that because of this Government and the taxes imposed by this Government which have created hardship on the farmer and that if the farmers want to continue this Government, they have got to accept the responsibility of continuing to have hard times. I don't know whether my hon. friend was listening to the mover of this resolution when he outlined to him and to this House that, if you take the total amount of revenue which the farmers of this province get and contrast it with the total amount of our expenditures, you are \$125 million short of breaking even. As I said on previous occasions in this House, if we took the entire Provincial Budget of 1957, which was somewhere in the neighbourhood of \$125 million; if we had closed all the schools in this province; if we had closed all the hospitals in this province; if we had taken away the aid that we are presently giving to in respect to Social Aid; if we hadn't built any highways; if we hadn't maintained any highways, but rather returned this \$125 million into the agricultural industry, the best it could possibly have done was enable agriculture to break even.

Therefore, to suggest that this is a problem which we as a Provincial Government and as a Provincial Legislature had very much responsibility for is indeed far from the fact; but the very fact that we have this resolution before the Assembly I think indicates to Canada that we as a Legislature and as a Government are prepared to play our part in trying to work out a national policy which will be for the benefit of agriculture, and as such will be for the benefit of the rest of our Canadian economy.

I want to associate myself with those who have spoken before me to assure you that this resolution has my wholehearted support, and I trust, Mr. Speaker, that the present Government in Ottawa will pay more heed to the requests and the desires of agricultural industry than the Government which we had in office in Ottawa for the previous 22 years.

**Hon. Mr. Nollet (Cutknife):** - I certainly don't intend to prolong this debate. I want to rise to my feet though and welcome this resolution and to mention to you, sir, that at last we have brought in a resolution which meets with the unanimous support of the House apparently although with some reluctance and with some reservations on the part of some members in the House.

I don't think the hon. member for Saltcoats (Mr. Loftson) or the hon. member for Qu'Appelle-Wolseley (Mr. McFarlane) needs to worry that there may be any great difference of opinion when such a conference is called, because if and when the farm organizations and provincial representatives meet in conference, there will not be much difference of opinion. Surely they will all have the identical problems that we have here in Saskatchewan, which I know too well as a result of the many conferences that I have attended over the years. I have heard re-echoed, from one end of Canada to the other, problems that are identical to our own. It is foolish, Mr. Speaker, on a resolution of this kind to suggest that we have an especially different problem in this province because of any actions of this Government here. It is pure foolishness to suggest this.

I would like, however, to make some observations on the comments made by the hon. member for Saltcoats. One observation he made was that, while it may be all well and good to pay deficiency payments – he was for them all right, because he couldn't be anything else but favourable to them at the moment when everyone is demanding them; but he expressed some reservations. He said it wasn't sound to pay subsidies on products that are in surplus. Unhappily, for him, Canada is a country that is sparsely populated, and without the slightest encouragement we can produce surplus agricultural commodities in practically all categories. That is a fact we have to face in Canada; and to suggest that, because of this situation of sparse population, great land resources and great opportunities to produce surpluses, we shouldn't pay our farmers sufficient to provide them with their fair share of the national income is not only evading the question, but the hon. member when he makes that statement indicates he is in complete agreement with Mr. Harkness, who says the same thing. Mr. Harkness says that he will have to remove price supports on commodities that are in surplus unless the farmers voluntarily, by some mysterious arrangements, agree that they are not going to produce too many pigs or too many eggs and that sort of thing. So it is ridiculous to suggest that we are not going to pay deficiency payments on commodities that might be in surplus. We realize that that is a problem in our country.

We know too – and this fact has been overlooked, Mr. Speaker – that there are abundant stomach markets all over the world. We know that this is an established fact. We have it revealed to us from time to time on the best authority, from the United Nations and other sources, that people in the world are going to bed hungry, by the millions. I think it is a function of the governments to equitably distribute their food surpluses to needy people. I should say here that I welcomed the statement made by the Prime Minister that his Government intended to press for international arrangements that would dispose of our surplus food commodities on the markets of the world. Mr. Speaker, I shall certainly support the motion.



**Hon. Mr. Brockelbank (Minister of Mineral Resources):** - Mr. Speaker, I would like to say just a few words on the motion which is now before the House.

This is a resolution asking for a plan to ensure stability for the agricultural industry, as well as a fair share of the national income for the farmers. I think I will just read the resolution again:

“That this Assembly, recognizing the inadequacy of present national agricultural policies, requests the Government of Saskatchewan to again urge the Government of Canada to convene a conference of federal and provincial governments and farm organizations to discuss and initiate comprehensive and effective national policies that will insure stability in agriculture and a fair share of the national income to the Canadian farm population.”

I believe the mover and seconder of this motion produced good evidence to show that we have not attained this security or this stability in agriculture, nor a fair share of the national income.

Since the time the debate has gone on, with some members trying to delegate the blame for the present situation and others talking about what would be a good plan that might be brought into this country, all of which are questionable as to being in order, I want to try to emphasize to the House the importance of passing this motion unanimously. I want to see if all members are sincere in wanting to see a conference convened and wanting to see a conference do something to stir up support for the agricultural industry throughout our country.

This is not a new motion; it is an almost perennial question. The mover of the motion went into some history of the subject and he mentioned that ‘grand old man’ of Saskatchewan, the Hon. W.R. Motherwell, who was carrying the battle and who was so interested in the farmers and in their problems many years ago. The member for Saltcoats (Mr. Loptson) was quick to remind us that the Hon. Mr. Motherwell was a Liberal, which was entirely unnecessary because it is something we all know; but I thought it might be interesting to remind the House of some of the battles carried on by this gentleman in the House of Commons with regard to this same old farm question. Farmers have never, even in the best of times, received their fair share of the national income.

I have in my hand the Hansard of the House of Commons dated May, 1939, and there is a very interesting quotation here of Mr. J.A. Marshall in the debate on The Prairie Farm Assistance. He said:

“How long would Henry Ford stay in business if the selling price of his automobiles were fixed by the Chicago board of trade or the Liverpool grain exchange? He is successful

because he knows almost to a cent his production costs and because he has absolute control over his selling price.”

Then I turn over the page to the speech of Mr. W.R. Motherwell in this debate, and in reference to Bill No. 63, and he said:

“I thought I would take advantage of the opportunity to offer some remarks on Bill No. 63, also introduced by that Minister. This is the Bill which, when it reached the prairies on March 27, set them on fire even though the plains were still covered with the winter snow.”

This was the Bill, Mr. Speaker, that provided for 60 cents a bushel wheat at the Head of the Lakes.

Here is another interesting remark made by Mr. Motherwell in that debate:

“That being so, some hon. members may ask me why the Minister of Agriculture went out and tried to sell the idea of 60-cent wheat. Tell me who else was as capable of doing it? And if he did not sell it when speaking in the west on behalf of the Government as a whole, it was because the merchandise that was being offered for sale was not in sufficient demand.”

When he referred to the Minister of Agriculture, he was referring to Rt. Hon. J.G. Gardiner.

Then at the time when the Bracken Committee was organized and operated, speaking about the Wheat Board, which we now accept as an established thing, Mr. Motherwell (at that time a private member) said:

“The Board was meant to be a permanent one; there was no emergency about it. It seems to me that we are making a great mistake. The farmers have been wanting a permanent Wheat Board for twenty years, and if they cannot get a permanent board yet, they will take the next best, but hang on to it.”

There has been a constant struggle going on in regard to this question of the economic position of the farmers.

Again Mr. Motherwell said:

“What a spectacle it is, what an upheaval it has caused, to submit to this parliament a price of 60 cents or any other price and to ask us to decide upon it.”

What he was arguing about there was the fact that the Bill referred to the Advisory Committee to the Wheat Board and the price fixed in the Act. Mr. Motherwell wanted the Advisory Board, together with the Wheat Board and the Government, to decide on an initial price to be paid by the Wheat Board. Mr. Motherwell put up a wonderful fight on behalf of the farmers. Here is another interesting quotation from his speech:

“Western farmers in the years 1916, 1917 and 1918 contributed nearly \$600,000,000 in reduced prices of wheat, as a result of the Board’s operations under fixed maximum prices. Surely that should be a sufficient line of credit to warrant our having some consideration for the west at a time when we are nearly down and out!”

He said this, in speaking of the western farmers:

“They have stood up as long as they had the strength in their body to stand up. They are now in the position of an old cow on the lift. I do not know whether all hon. members know what is meant by that. A cow gets down in the spring of the year, near freshening time, and she cannot get up under her own steam. She is then said to be on the ‘lift’.”

That is the way Mr. Motherwell described the economic plight of the farmers back in 1939, when he was fighting for a better price than 60 cents a bushel for wheat.

In regard to the Advisory Committee he said:

“Let us go back to first practices and principles. Do not decline to restore a policy simply because it was a Tory Government that enacted it previously. I used to think that all the virtues were in my own party, and all the mischief in the Tory party; but I have had to remodel my views somewhat about that. I realize that we sometimes make a great mistake by assuming that all that the Tories do is necessarily wrong. Here is one case in point. This was a Tory Wheat Board,

this was a Tory advisory committee. Away with them! No, that is a mistake. The latter should have been kept on, and I plead with this Government to restore it as a peace offering to the prairie farmers.”

Our own Premier, then a member of the House of Commons at Ottawa, speaking about the Wheat Board Act, made reference to the submissions made by the delegation on behalf of the Bracken Committee. It is a little over two pages, in small type. I don’t propose to read it all, but here is Section 14:

“14. An 80-cent price, which is equivalent this year to a farm price of about 57 cents for average grades, will not permit payment of debt on the average farm except in cases of better than average yields, or at the expense of a serious reduction in standards of living in western farm homes, but it will help to carry the wheat farmer and the wheat industry through a crisis.”

This is what the Bracken Committee was asking for – 80 cents. There is one other quotation here from the Bracken Committee presentation – Section 18:

“18. It is impossible for the wheat industry to bear the burden of high tariff costs and low wheat prices at the same time.”

When they came to the vote on the Wheat Board Bill (Bill No. 63) the House was divided. The 60 cents had been changed to 70 cents in the Bill, but the other changes had not been made; and we find, voting against the Bill because of its insufficiencies, the Hon. W.R. Motherwell said the group of five C.C.F. members – Coldwell, Douglas, MacInnis, MacNeil, Woodsworth, together with another 44 people, making a total of 50 who voted against the Bill.

I only bring this to the attention of the House to emphasize the importance, if we mean what we say, of really getting up a fight for economic justice for the farmers. It isn’t good enough to just pass a resolution in this House and then go away and forget about it, or to go out to the country and preach a ridiculous doctrine to the effect that this economic situation is the fault of any provincial government. The people who do that are traitors to the farmers of the west. This is one thing upon which we can agree. In 1939, we had a Liberal government in the province of Saskatchewan. Were they responsible for the farmers’ plight at that time?

**Mr. Gardiner:** - You said they were.

**Hon. Mr. Brockelbank:** - I did not say they were responsible for this part of the economy of the farmers. I did not say, nor did a C.C.F.er at that time say so. We always blamed the federal Government for the general economic situation. I haven't got the quotation here, Mr. Speaker, but I have it in my file, when the Leader of the National Liberal Party in Canada made it very clear that the Federal Government had to accept responsibility for unemployment, for the general economic situation in the country, and he said: "If we can't do that, find somebody else who can do it better." He said that in a speech at Quebec only about six or seven years ago. For my hon. friends to try to get around that is ridiculous.

Let us, on this issue of the economic wellbeing of the farmers of Canada and particularly those of western Canada, stand together. Let us go out and preach to our people throughout the province of Saskatchewan, "Don't be afraid to put pressure on our Federal representatives to get something done about this situation."

I am going to support the motion, but I am going to try to do something more than support the motion. I hope every other member of this House will do the same.

**Mr. McDonald (Leader of the Opposition):** - Mr. Speaker, listening to the lecture from the Minister of Mineral Resources (Hon. Mr. Brockelbank), he means to adopt the attitude that he is the only one who is in the position to recognize what this particular resolution might mean to the people of Saskatchewan or the people of Canada. And after . . .

**Hon. Mr. Brockelbank:** - On a point of privilege. My privilege is this – that every time I express my opinion I wish the hon. member would not try to make out that I have been setting my opinion up as the only opinion. I expressed my opinion, and I hope he will respect my right to do that.

**Mr. McDonald:** - That is no point of privilege whatsoever. The other day there was a remark made by the Attorney General (Hon. Mr. Walker). He referred to the Opposition "operating like a black bear in a garbage can," and I can suggest that the Minister of Mineral Resources is "like a brown bear with an old book today."

I think that all the members of this House are familiar with this subject, and that this problem has been before the people of Canada, not only the province of Saskatchewan but farmers of all Canada, for many, many years. Before I go into that end of my remarks, I want to remind the member for Bengough (Mr. A.L.S. Brown) that he too has voted against the two-price system for wheat, and that he too voted against a resolution in this House which called for a minimum of \$2.10 a bushel of wheat. Mr. Speaker, let us be fair about all criticisms, and let us go back to the remarks of the hon. member for Bengough.

**Hon. Mr. Brown (Bengough):** - Mr. Speaker, he said I voted against the two-price system. At what time and where did I vote against the two-price system.

**Mr. McDonald:** - I'm coming to that; just wait a minute. The member for Bengough said that, on an occasion, I think in 1956, I had voted against a two-price system for wheat. Mr. Speaker, on that occasion there was a report brought into this Legislature from the Standing Committee that blamed all of the ills of agriculture on the Government of Canada. I felt that when that Committee brought their report into this House, it ought to have included not only the moves that the Federal Government ought to take but ought to have included the moves, policies and programs that a provincial government ought to do to help to rectify this particular problem. For that reason I could not give my support to the report of the Committee which included the two-price system. Now, to be fair, I want to say that it was in similar circumstances that the hon. member for Bengough voted against \$2.10 for wheat. This was a motion that was put on the Order Paper by the member for Gravelbourg; it was amended by the member for Rosthern and further amended by the member for Bengough, and I suggest by the very same token that, in this instance, the member for Bengough voted against \$2.10 wheat in this House.

I would also like to disagree again with my good friend the Minister of Agriculture (Hon. Mr. Nollet) when he has said that farm credit has no place, or is no deterrent to vertical integration. That is the most ridiculous statement I have ever heard from any Minister of Agriculture, including the present Minister of Agriculture for Canada. Now, the Premier tries to get around this by saying, "Well, in those provinces where they have farm credit systems they still have vertical integration." I agree, because the farm credit systems in those provinces where they have a provincial plan – Ontario, Quebec, and Alberta, that I know of – that plan is not adequate to meet the needs of the agricultural people in their province or in any other province of Canada. On past occasions I have advocated that the province of Saskatchewan should set up some type of a farm credit system in this province, and on every occasion I have said that I would prefer to see a national farm credit system, because this is a problem that confronts all of the farmers of Canada – not only the farmers of Saskatchewan or Alberta or Ontario, but all of our farmers; and I am one of those who believe that it will be necessary for the Government of Canada and the provincial governments to go together in order to work out a workable farm credit scheme for the whole of Canada.

Perhaps I should call it 5:30, Mr. Speaker.

**Mr. Speaker:** - We will call it 5:30. The House will recess until 7:30 p.m.

Resuming at 7:30 p.m.:

**Mr. McDonald:** - At 5:30, I was referring to the remarks of the Minister of Agriculture and had stated that again I could not agree with some of his thinking and statements when he spoke in this debate

and mentioned that in his opinion farm credit, or the lack of farm credit, had little or nothing to do with vertical integration. It is quite true that in some of the provinces of Canada there has been limited farm credit available through the policies of some provincial governments, and I don't think that the farm credit in those particular provinces was of substantial help because of the limited credit that was available. I have said before in this Legislature that I think any system of farm credit in order to be worthwhile in solving the entire credit problem of agriculture must of necessity be a Federal Plan, and I do believe that the provinces should be working in co-operation with the Federal Government to bring a plan into being, such as I have in mind.

There are such plans available to help the credit situation for other parts of our economy, and we need think only of the Industrial Development Bank. I see no reason why we could not have a Farm Development Bank in Canada because it seems to me that neither the private lending institutions, banks, mortgage companies and the like, or government lending institutions, have ever in the history of this country evolved a satisfactory farm credit system. In many instances we have found that when loans have been made to farmers they have done more harm than if the loan had never been made. The reason I say that is that, in many instances, it would require something in the neighbourhood of \$10,000 or \$15,000 of credit to place a farm on a proper economic foundation, but when the needs were such that it would have taken this amount of money, in many cases \$2,000, \$3,000 or \$4,000 have been given to the farmers with the result that he found himself in a worse position than if he had never had any credit at all. It seems to me that, if you have financial difficulties on a farm and it is necessary to spend \$10,000 or \$15,000 in order to get yourself out of those difficulties and to set up an economical farm unit, a loan of \$2,000 or \$3,000 or \$4,000 is of little or no use to you and, in many instances, I suggest is more harmful than if the loan had never been made.

In my opinion, there is a need for three types of farm credit. First of all, we need some short-term farm credit – loans to be made to farmers who are already established, for the purchase of purebred breeding stock, probably some of the cheaper farm machinery and purchases of that kind. Then, the second type of farm credit that is necessary is medium term credit, and that would be credit that could be used for the purchase of larger items, or expensive items, such as the larger farm machines like combines, tractors and what have you. Then, the third type of farm credit that is necessary is the long-term credit. It could be used by young people who are wanting to farm as a profession, or it could be used by people who have been in the farming profession for some time and who want to enlarge their holdings; but this third type of credit would need to be with a repayment period of, say, anything from 20 to 30 years.

Similar credit is being made available today to those people who want to build homes in our urban centres. No one expects an individual to pay for a home over a period of four or five years; therefore, mortgages are taken over a period of 20, 25 or 30 years. In my opinion that

is the type of farm credit that is necessary in Canada today, if we are going to see that farms can pass from one generation to another without interrupting the productivity of the particular farm and without interrupting the individual who may be taking this loan. That is, his ability to provide the necessary living standard for his family.

I am also rather curious now that the Federal Government has announced that they are going to take a look at farm credit. The Provincial Government has announced that they too, are going to take a look at it – the legislation will be coming down this session. But at a conference asked to be called for in the resolution, perhaps it would be possible to evolve a program for farm credit whereby the Provincial Government could work in co-operation with the Federal Government to build up an adequate farm credit system for all of Canada.

There has been some reference this afternoon to crop insurance. Crop insurance will never do the job that deficiency have been designed to do. Crop insurance, I imagine, will be taking over that very worthwhile organization known as P.F.A.A. It will be an extension of P.F.A.A. and, I hope, will be available to all of the people of Canada. I imagine that at any conference such as is outlined in the motion before us, this too will be decided at that conference. I feel that, there again, a worthwhile crop insurance program should be participated in by the Government of Canada, the provincial governments of Canada and the individuals who are farmers throughout our country.

There has been some suggestion, this afternoon, that perhaps we should have more marketing boards. Well, it isn't very long ago that we had a plebiscite in Saskatchewan on an egg marketing board, and it was turned down. I think probably there is some need in Canada for more marketing boards, especially for some farm products; but here I still insist that the Provincial Government as well as the Government of Canada has some responsibility for marketing boards.

The same thing can be said with regard to the storage of farm products, the processing of farm products and the distribution of farm products. The provincial governments must accept some responsibility. There isn't any reason in the world that storage plants could not have been built in this province under provincial legislation, but this would-be-friend-of-the-farmer government sit on their haunches and howl to Ottawa. Now people like myself and other Liberals in this House and outside who have pointed this out in the past, have been accused that, when there was a Liberal Government in Ottawa we had to defend that Government. Mr. Speaker, there isn't a Liberal Government in Ottawa today, and it was never my intention to defend the Liberal Government in Ottawa or a Tory Government. I think the people who sit in Ottawa are capable of defending themselves and, if they are not, they shouldn't be there. I don't think they would want or even like it if I should attempt to defend them. That is not my purpose.

I believe that we as a provincial Legislature have some responsibility as far as agriculture is concerned. We should face up to those responsibilities. The member for Saltcoats, this afternoon, pointed



out that it was possible for the province of Saskatchewan, either through a Crown Corporation (which I would like to see) or through the co-operative movement, to set up some packing industries in the province of Saskatchewan. The complaint comes from the other side of the House continuously that the Government opposite are responsible for letting that thing continue, and they have nobody to blame but themselves, and I think that should be the last time we should even mention it.

Some criticism was made of the remark that the hon. member for Saltcoats made when he said that he didn't think that deficiency payments were the answer to the farmers' problem. I don't think there is a complete answer, Mr. Speaker. I believe that deficiency payments as requested now by the arm organizations, would certainly help to take us out of that period through which we have come, the last few years, in 1956, 1957 and 1958. They would help to make up the loss that the farmer has suffered; but I do not think that they are the answer to the problem that is facing agriculture in the future. It seems to me that what is needed, along with a deficiency payment of some kind, is some movement or some action on the parts of both Federal and Provincial Government to control the high cost that is confronting the farmer today. Again, this is not entirely the blame of the national Government.

Members on your right, Mr. Speaker, have said that, if we were to use the entire budget of the province of Saskatchewan, we couldn't lift our farmers out of the present difficulties. I agree with that statement, and no one would expect the Legislature of this province to take all of the money that happened to be voted for one particular year and use it in endeavouring to solve farm problems. However, we ought to be facing up to the problems that we can afford and that are the duty and the responsibility of the Government of this province.

When I first looked at this motion I had some thoughts about moving an amendment, but I changed my mind, because I think that this conference as outlined would be a good conference and could go a long way to solving some of the agricultural problems which confront farmers in this province and in the Dominion of Canada. I also believe that, if this Provincial Government would do what is within their constitutional power to do, what is within their financial resources to do, we too could move a long way in solving some of the agricultural problems that are confronting our farmers today. So, rather than moving an amendment to this motion, I am going to let the motion go as it is and give it my whole-hearted support; but I do hope that the members opposite will begin to move in the proper direction and accomplish those things for which they are responsible as a Government, and which are needed by the agricultural economy of this province.

There have been a few remarks, this afternoon, about empty stomachs throughout the world. I think that all of us, no matter what side of the House we happen to sit on, agree that there are many people in the world today who go to bed every night with a pain in their

stomachs because of the lack of food. We all realize that, and I don't think there is anyone in this House or anyone in Saskatchewan who wouldn't want to do everything that is humanly possible to alleviate that problem, especially when we have great stores of foodstuffs in this country and in the country to the south of us. Sometimes it isn't even easy to dispose of certain foodstuffs by giving them away. We have found that out in this country. The country to the south of us has found out that it sometimes is most difficult to give foodstuff even to a hungry people. It seems to me that there must be some way of getting around this particular problem. Surely, if the food is available to them and if the need is there (which it is) there must be some way of moving that food from where it is held in abundance to where it is needed so badly. But apparently Governments that are larger than the Governments we have here, much larger Houses of Assembly, have endeavoured throughout the years to cope with this problem.

I don't know the answer, and I doubt if we can find the answer in this House; but it seems to us that world organizations which are endeavouring to solve this problem must be given all the support and the help that we as an Assembly can give to them. I am sure that no one on your right, Mr. Speaker, would accuse anyone on this side of the House of being opposed to giving the surplus foodstuffs away from this country, if we could find a feasible way of giving them away. Therefore, I hope that all members will give their whole-hearted support to this resolution, and I hope that if this conference comes about, the labours of those will be fruitful, that they cannot only endeavour to solve some of the problems that confront agriculture here in Canada, but that they can also solve some of the problems that affect the hungry peoples of the world.

**Premier Douglas:** - Mr. Speaker, I think the debate on this resolution has been an interesting one. I think it showed well that there is such a great degree of unanimity on the idea of having a national conference at which the Federal-Provincial Governments and the farm organizations will be represented to discuss the great problems of farm income and the marketing of farm products, in order to provide stability for the farm industry and to give to the farmers their fair share of the national income.

I hadn't intended to take any part in the discussion because I felt that the subject has been discussed very adequately. But the Leader of the Opposition made one or two comments on which I should like to say a few words.

He took issue with the Minister of Agriculture (Hon. Mr. Nollet), because the Minister of Agriculture had said that farm credit couldn't really solve the problem of vertical integration in contract farming. I must say that the Leader of the Opposition did nothing to disprove the Minister's statement. I don't disagree with anything the Leader of the Opposition said about farm credit. I think ultimately farm credit, if it is to be handled adequately, will have to be handled jointly

by the Federal and Provincial Governments. I am not going now to discuss farm credit legislation which I will be discussing later in the Session, but the fact remains that we have had federal farm credit legislation in Canada for some years . . .

**Mr. McDonald:** - Mr. Speaker, I don't want to interrupt, but the words used by the Minister of Agriculture were that farm credit would be no deterrent to vertical integration.

**Premier Douglas:** - . . . and farm credit legislation in some of the provinces of Canada for a good many years, and it has worked with varying degrees of success; but it hasn't stopped this trend toward vertical integration for contract farming. The reason, of course, is that the solution doesn't lie in individual farm credit. There is a place for individual farm credit - I'll deal with that in a moment; but if the farmers could all go out and borrow whatever money they needed, this still would not solve their problem. First of all it does not matter how much money you borrow if you are going to get less for the product than what it cost you to produce it. How does lending you more money help to solve your problem? Not only that, but lending the individual farmer money doesn't help him to get into this field of vertical integration.

The real problem of vertical integration it seems to me, is that the farmer must now explore the means by which he will begin to perform the off-farm services which are not performed by other parts of the economy. Seventy-five years ago, let us say, in the older provinces of Canada, the farmer not only grew his own products. In the case of livestock he butchered it and he took it to town and marketed it. In little Ontario and Nova Scotia towns, you still see the market places where, even today, people come to market their products. People also peddle their goods from door to door and almost 100 cents of the consumer's dollar went back into the farmer's pocket. Now, with the application of modern industrial techniques, more and more of the processing, grading, packaging and the marketing of the farmers' products have been taken over by somebody else. In the United States today are many examples. A farmer puts in the seed, he looks after the weed spray and looks after the crop. A company even comes and picks it for him. Sugar beets is a good example. Companies come and gather the sugar beets for him and take them away, when they want them. They have nothing to do with that. More and more of the handling of his product is being done off the farm. As I found out the other day, they have now got to the place where, 45 cents of the food dollar of the Canadian consumer went to the farmer, and 55 cents of that dollar went to the people who either process, package, market or transport the farmers' product.

We are never going to be able to get back to the place where the farmer gets 100 cents of the consumers' dollar. That's impossible. But he can reach out and have more to do with the actual processing, grading and this he can't do as an individual. It can be done in one of two ways. It's either going to be done on a corporation basis or it is going to be done on a co-operative basis. It is not going to stop vertical integration which is well on its way.

I had the privilege, this fall, of attending Congress of the Co-operatives in the United States in Minneapolis. This was a great conference of co-operatives from every state in the Union, from Canada and Mexico, the Philippines, Cuba and some from South American countries. One of the foremost questions being discussed was the impact of vertical integration on farm technique. They found that in the United States 90 per cent of all their broilers were now produced by contract farming, and something over 66 per cent of their poultry and eggs, 38 per cent of their hogs and a very large percentage of their sugar, all being produced through contract farming. We are not going to be able to turn this trend back. We are either going to have the corporations supplying the farmer with the seed, fertilizer, sprays, and coming and taking the product, processing it and marketing it, or the farmer himself through the co-operative movement is going to reach out and have control of his product from the time he starts to produce it to that time, somewhere along the line, to where it is actually being sold. Only in this way can he get a larger share of the food consumers' dollar.

The answer for him doesn't lie in personal farm credit. The answer lies in co-operative credit to enable farmers on a co-operative basis to do more of this kind of processing and marketing. In the United States they have gone a long way in this direction. In my opinion, they are probably 10 years ahead of us. Mention was made, this afternoon, of the Sunkist Orange Company which is a co-operative, in which the farmers in the co-operative will either sell for the farmer, or give him credit on seedlings, sell him his spray and fertilizer. Either by contract the co-operatives will come out and pick his oranges, or he can pick for himself, and ship them, and sell them to the wholesaler or retailer. The entire revenue from the producing of those oranges, and the selling of them, comes back to the farmer.

The member for Qu'Appelle-Wolseley (Mr. McFarlane) was quoting about the farmer having production for use and not for profit. Of course, that is the meaning of the phrase – to produce with the idea that nobody is going to make a profit; the man who produced it will get all the revenue less the actual cost of processing, packaging and transporting and so on. The same thing is being done in the United States with the sugar beet industry. A very large percentage of the sugar beet production in the United States now is on a contract farm basis to farm-owned co-operatives. It is the farmers themselves that own all the growing and processing of sugar beets, right up until the time they sell their sugar to the stores. This is the trend, Mr. Speaker, it seems to me.

I went to a Co-operatives Conference in Ontario, and I listened for three days to the discussions there. The Ontario farmers are tremendously worried about this whole question of vertical integration. There, it has moved much more rapidly than it has out here. While I was there, they voted \$2 million to expand contract farming by co-operatives so that farmers could more and more go into contract farming, with themselves owning control of this whole process of vertical integration.

The Leader of the Opposition suggested that this is the kind of thing that the Provincial Government should do. I want to point out, Mr. Speaker, that we are the only provincial government in Canada which has placed on the statute books of the province a Co-operative Guarantee Act. Our co-operatives can come and borrow money for vertical integration contract farming. We have the Act.

The member for Saltcoats (Mr. Loptson) talks about money which we loaned out to guarantee the cement company and so on. But we have also guaranteed the bonds for the Co-operative Refinery. We have made loans to co-operatives under The Co-operative Guarantee Act and at any time that the co-operatives of this province want to go into meat packing or processing of any of its products, legislation is there which allows them to come and borrow the money. I may say that they are looking very closely at this question. It is not this simple, of course. It is not only a matter of processing meat; it is a matter of having an outlet for all the products and what is even more important, the by-products. This means having an organization whose ramifications reach out all over the country.

**Mr. Loptson (Saltcoats):** - In that case, they would be well out of it.

**Premier Douglas:** - Pardon?

**Mr. Loptson:** - They know they would be well out of it.

**Premier Douglas:** - Well, my friend says "they know they would be well out of it," but if you see what the money that Canada Packers and Swift Canadian Company have made over the last 30 or 40 years . . .

**Mr. Loptson:** - One per cent.

**Premier Douglas:** - . . . you get some idea of how much would have come back to the farmers, if it had been operated on the co-operative basis.

**Mr. Loptson:** - One per cent.

**Premier Douglas:** - It is all right to say one per cent. But it is one per cent on their volume. What about their investment? What would it have meant to the farmers if that sort of money had been coming back to them?

**Mr. McDonald:** - Why have they not done it?

**Premier Douglas:** - I am just trying to tell my friend that this means a co-operative on a really national scale. It would have to have the type of outlets that would reach out to sell in almost every part of Canada. It is not easy in Saskatchewan to process meat and then have the outlets in the parts of Canada where a lot of these products can be sold. You can't eat all the meat we would process in

Saskatchewan, nor most of our other agricultural products. They have to be sold elsewhere.

The same thing is true of marketing. My hon. friend says that we should accept our responsibility and provide marketing. We are prepared to accept our responsibility. As a matter of fact, the problems of the Provincial Government's authority with marketing is that it is restricted entirely to the boundaries of this province. But for almost all of our products – butter, poultry, eggs, pork and beef – we are a surplus-producing area. It has to be sold in Ontario; it has to be sold in Quebec; it has to be sold in other parts of Canada. This, of course, is completely beyond our jurisdiction. This is why this resolution says that there has to be a national conference. The provincial governments could set up boards for the collecting of the products, but they could not market the product outside. This could be done only through national marketing organizations, and through national marketing boards.

I'll just make two other comments. The member for Saltcoats, this afternoon, tried to pull out the old animosity between the farmer and labour. He said that the Government is responsible for all these increased costs because we support labour, and labour got the big increases. He asked why the farmers' costs have gone up. I just looked up the figure from the Dominion Bureau of Statistics during the supper hour. The Dominion Bureau of Statistics show that, in 1946, out of \$100 which the farmer spent for farm machinery, labour cost \$42.40 and, in 1956, \$36.80. That is total labour in any piece of machinery that the farmer bought.

**Mr. Loptson:** - That's in Canada not . . .

**Premier Douglas:** - I am talking about Canada, I don't live anywhere else. In 1956, of every \$100 which the Canadian farmer paid for his machinery, \$36.80 went to labour.

**Mr. Loptson:** - Who got the other – the company profits?

**Premier Douglas:** - Labour cost on \$100 of machinery dropped from \$42.40 to \$36.80 in that 10-year period. How can my hon. friend, therefore, say that the reason for the increased cost for farm machinery are these tremendous wages of which the worker gets? As a matter of fact, the very worst thing that can happen to the farmers of this country is for the labouring class not to have purchasing power. One of the reasons today that we have got unemployment in Canada is because the farmers haven't got purchasing power. This attempt to blame the farmer for the labourers' problems and to blame the labourer for the farmers' problem is an old political trick that the Liberal Party has played for 50 years. It is getting threadbare, and less and less people are paying any attention to it.

**Mr. McFarlane (Qu'Appelle-Wolseley):** - It was very effective though.

**Premier Douglas:** - Yes, it was effective, but only up to the time when people didn't meet each other, and when farmers' sons didn't come to town to get a job and join the trade union and write back and say to dad – "Dad, this is what we ought to have been doing all our lives – getting together and working together." It worked fine. The member from Qu'Appelle riding said it worked fine. It did as long as people weren't familiar with what was going on. Today, the public are wise to them; the public are way ahead of them. The public are living in the middle of the 20th century and the Liberal Party is still living in the 19th.

**Mr. Loptson:** - Mr. Speaker, I don't like to interrupt, but I would like the hon. Premier to tell us what is the difference between the labour cost and the selling cost?

**Premier Douglas:** - Well, Mr. Speaker, the difference between the labour cost and the selling cost, my hon. friend ought to know. He never listens. That is why he never learns.

**Mr. Loptson:** - I know more about it than you do.

**Mr. Gardiner:** - He is careful who he listens to.

**Premier Douglas:** - The difference between the labour cost and the selling cost is the cost that is taken up with material. Other cost is the interest on plants and on depreciation and the rest goes as profit to the people who invested their money, and the profits of this is substantial as my hon. friend knows. You've only got to look at the stock of the implement companies to see.

Now, if I may go on, Mr. Speaker, to one more thing. Here the Opposition and some of the others who have spoken said, "Well, the problem isn't to give the farmer a guaranteed price; it hasn't to do anything about the farm income; the thing is to get the farmer's cost down." Well, I agree, if we can get the farmer's cost down certainly this would solve the problem. When are we going to do this? Since I was a youngster in my teens I have heard the Liberal Party talk about rigid tariffs, free competition and bringing our costs down. They haven't come down; they've kept on going up; the tariff walls have gotten higher. As has been said many times in this House and at the Gordon Commission has said, tariffs are costing the people of Canada three per cent of the gross national production. Last year, they cost over \$1 billion. There is no indication that anybody is going to take this off. All we are saying is that as long as the farmer must produce in a protected market and sell in an unprotected market, then he deserves some protection as well, and he should get that protection in the form of guaranteed parity prices.

Then, my friend opposite says that the Provincial Government should do something about getting his costs down. The Provincial Government can't take the tariffs down; the Provincial Government can't do anything about the price fixing that is going on between great corporations and the collusion that undoubtedly takes place between implement companies and automobile companies and in big steel mergers. These are the people who fix prices the farmer has to pay, the other consumers have to pay.

**February 26, 1959**

**Mr. Loptson:** - What about Co-op Implements?

**Premier Douglas:** - Co-operative Implements are not manufacturing major farm machinery, and my hon. friend knows it.

**Mr. McDonald (Leader of the Opposition):** - They had the chance.

**Premier Douglas:** - They are simply selling farm machinery which they buy from the manufacturers.

**Mr. McFarlane:** - They are manufacturing, man. You're sleeping.

**Mr. McDonald:** - You're wrong.

**Premier Douglas:** - It is the manufacture of small machines.

**Mr. McDonald:** - Mr. Speaker, on a point of privilege, the Co-operative Machinery were given the opportunity to go into the manufacturing business. As a matter of fact there was a motion moved in the Committee, when we were discussing this very problem, to give them the money to buy out a machine company, and they turned it down. And you know it!

**Premier Douglas:** - My friend doesn't know what a point of privilege is. I didn't say that. That is not a point of privilege. But I'll tell my friend that they may have had an opportunity. He probably knows better than I do whether they had a chance to buy out a farm machinery company; but the fact is they are not in the business of manufacturing major farm implements. They do not make major tractors, combines, and so on. They have to buy them.

**Mr. McDonald:** - Why?

**Premier Douglas:** - My hon. friend wants to know why.

**Mr. McDonald:** - They told you why they wouldn't.

**Premier Douglas:** - No, they didn't tell us why.

**Mr. McDonald:** - Yes, they did. They told the whole Committee why they wouldn't do it.

**Mr. Loptson:** - It is convenient to forget that there was no profit in it.

**Mr. McDonald:** - That's right.

**Mr. Loptson:** - That's why they wouldn't go into it.



**Premier Douglas:** - If my friend thinks there is no profit in it, he had better just look at the financial statements of some of the implement companies. Is he trying to tell us that the Massey-Harris and the International Harvester and Cockshutt are operating for their health? Who does my hon. friend think he is kidding? He can kid people like that when he's talking to the Women's Liberal Club, but not when he is talking here. I ask my hon. friend to sit down!

**Mr. Loptson:** - You wouldn't want the truth.

**Premier Douglas:** - I have never heard such 'balderdash' in all my life . . .

**Mr. McDonald:** - We've never heard such 'balderdash' as we're getting now.

**Premier Douglas:** - Mr. Speaker, the fact is that the Liberal Party have wandered around on this question. They are for parity prices but they're not for parity prices. They are for marketing boards, but they are not for marketing boards. They fought against the Wheat Board and tried to prevent us having a Wheat Board. Now they are for a Wheat Board, but they are not in favour of other marketing. Now the lamest of all – don't bother fixing the prices to give the farmers a decent income, just cut down on his costs . . .

**Mr. McDonald:** - Nobody said that.

**Premier Douglas:** - . . . and the Provincial Government should cut down the costs, knowing perfectly well that the Provincial Government has no power to cut the costs of the major items which the farmer must buy in order to produce.

**Mr. Loptson:** - You have the power to set the price on anything you want, and hold it there. You can't compel anybody to sell it, I suppose.

**Premier Douglas:** - My friend gets sillier as he gets older; and even less coherent!

One thing I want to say before I sit down. The Leader of the Opposition says that we are all anxious to dispose of these surpluses to hungry people and that there must be some way to do it, but that nobody seems to know what the way is. Mr. Speaker, most people have known for 10 years. Ten years ago the farmers from almost every major civilized country of the world met at a great conference in Rome, and recommended to their respective governments the setting up of a World Food Bank. They set out in very great detail a plan largely based on the proposals advanced by Sir John Boyd-Orr, who was, as many will remember, the first President of the World Food and Agricultural Organization.

The World Food Bank proposal was a very simple proposal. It meant that countries which had surplus commodities would put them into the Food Bank. The task of the World Food Bank would be to distribute those to the needy people, and to take from the needy people whatever they could give or pay in terms of the currency of that country, and that country which put the food in would have a credit in that bank, and could draw in whatever currency happens to be there. If they wanted currency there that would enable them to buy rubber in Malaya, they could draw on that credit and buy rubber in Malaya. If there was credit there they didn't want to draw on, or if there was no particular commodity there they wanted to purchase, they would leave it.

This was a plan that no one ever suggested would not work. It wasn't visionary and theoretical. Some of the best economists, including Sir John Boyd-Orr had worked on it for years. Most important of all, the farm organizations of the western world and the best brains in agriculture, gave it their support. They came back to their respective countries and their farmers voted overwhelmingly to support the World Food Bank. It must remain to our everlasting shame that this was vetoed by the United States and later by Great Britain, and turned down by the Government of Canada. It did nothing towards setting up this bank. We had everything to gain by it – the peace of the world! In my opinion, it would be more secure tonight if we had followed this course, and had caught this vision when it was presented to us. It seems to me that it is the ultimate end, and I would hope that, if such a conference as this resolution proposes were held, we would be again able to impress upon the Government of Canada the need for such a World Food Bank.

The other thing we would press upon the Government of Canada, and the major thing even more important than credit, and more important than crop insurance or any of the ancillary things, is the basic thing. There is no use lending a farmer money and no use in giving him crop insurance or any of these other things, if the price he is going to get for his commodity will not pay back the credit, and will not pay back the premiums on crop insurance. One thing the farmer has to have is a parity price for the products which he produces. This should not be hard to persuade the present Government at Ottawa. On March 12, 1956, the present Prime Minister moved a motion to be found on page 2606 of Hansard, in which the Prime Minister proposed a resolution calling on the Government of that day to immediately bring down legislation providing parity prices for all farm products. Define parity price? It is a price that will have the same relationship to the farmer in terms of purchasing power as his price had at a previous time. It is proper balance between his costs of production and his selling price. The Prime Minister wound up his speech by saying that the farmers of this country demand parity' and not charity.

That was good in March, 1956, and it is still good in March, 1959. I think the farmers and the Provincial Government have a right to go and ask for the implementation of that program, because, until parity prices are instituted, all of these other things are

not going to solve the farmers' basic difficulties.

**Mr. McDonald:** - I wonder if I could ask one question, Mr. Speaker. Has the Department of Co-operatives made any loans for farms to be vertically integrated?

**Premier Douglas:** - Have they made any loans for vertical integration? I couldn't say off-hand without checking the records, but you don't lend to vertically integrate farms. What you do is make loans. For instance, last year Federated Co-ops made their first start. They loaned out, last year, very considerable sums of money to farmers for fertilizer, feed, to enable them to go into large-scale poultry production, and large-scale hog production. The Co-op Creameries are now moving out into contract farming, and there may be some loans that are used for that purpose.

**Mr. McDonald:** - Do you back these loans that are made by Federated Co-op?

**Premier Douglas:** - If they are loans that they borrow under The Co-operative Guaranty Act, yes. Or they loan them the money direct, if they desire.

**Mr. J.W. Gardiner (Melville):** - Mr. Speaker, I am pleased to take part in the discussion on the motion with regard to holding a conference between the Government of Canada and the provinces of Canada to discuss the agricultural problem. As I have sat here, this afternoon and evening, listening to the discussion, I thought this would provide an opportunity to perhaps give an answer to some of the statements that have been made by my friends across the way, with regard to the record of the Liberal Party in connection with agricultural problems in this country. I think that I could well spend a few moments showing that record, and then go on and place myself on record with regard to the resolution we have before us.

We hear so often our friends across the other side of this House speaking about nothing having been done by Liberal governments, or other governments in this country, for the farmers of Canada down through the years. I would think that one who had read any history of our country, one who had kept the knowledge of the affairs of this country, would well know that, particularly in the case of the Liberal Party in the beginning of this century, they have played the major role in providing benefits, not only to the rural people of Canada as a whole, but in a large part to the people of western Canada, through men such as the Hon. W.R. Motherwell, who was mentioned here in this discussion this afternoon, and other leaders of the Liberal Party in this province and in Canada.

In opening my remarks in this vein, I would like to mention, first, legislation which I think today has brought more, or paid more money to the farmers of western Canada than possibly any other legislation that has ever been placed on the statute books of this

country, and that is, of course, the legislation that was known as the Crow's Nest Pass Agreement for the shipping of grain in this country, which I believe, through the years since it was instituted in 1897 by the Laurier Government, has meant at least ten cents on every bushel of wheat sold since that date, to the farmers of western Canada. Today there are those who claim it is saving the farmers of western Canada in the neighbourhood of 27 cents on every bushel of wheat . . .

**Mr. Speaker:** - I must ask the hon. member to stay within the boundaries of the motion before the House. I think a great deal of this has been justified, but I would ask the hon. member to go on with what might be expected to be covered by such a conference as the motion has asked for. I would ask the hon. member to keep within the limits, and answer possibly those questions that were raised on this side of the House relating to agriculture.

**Mr. Gardiner:** - Mr. Speaker, I would say that I am keeping very well within the boundaries of what might take place at such a conference . . .

**Mr. Speaker:** - I must ask the hon. member not to take issue with me when I ask him to keep within the range of the motion.

**Mr. Gardiner:** - I was just going to explain, Mr. Speaker, that only within the last two days we have had from Ottawa a threat from members there of what might happen if deficiency payments had to be paid by the Government of Canada. So I think I am quite fair in saying that the point I was just discussing will be discussed, if there is a conference held of agricultural officials between the Provincial and Federal Governments of this country. That will be one of the issues that will be opened largely by the new Government we have in Ottawa, which has on other occasions done away with the Crow's Nest rate since they were put into effect in 1897.

One of the other arguments which has been used today in this debate with regard to the Liberal Party has been with regard to duty on things that might affect the farmers in this country. I would remind members on the other side of this House that when the Liberal Party was elected to office in 1935, when the first Budget Speech was brought down, there was an 8.5 per cent drop in the tariff barriers that were in existence in this country before that government came into office. Then, if we continue our review of the history of tariffs, we find in 1944 that the tariffs were completely removed on all farm machinery, with the exception of a few small items that came out to the farmers, not only in western Canada but all of this country. Yet some of my friends opposite always insist on standing up and saying that the Liberal Party has never done anything with regard to lowering the tariffs and tariff barriers in this country.

Then we come again to 1951. Here again we find a further reduction on some of the smaller items that affected the production on the farms in this country. So I believe I am quite fair in saying here

tonight, Mr. Speaker, that in spite of the statements that have been made in this discussion, the party we represent on this side of the House does not have to take a back seat to any political party in this country for its efforts on behalf of the farm people, and those engaged in agriculture, down through the years.

**Opposition Members:** - Hear! Hear!

**Mr. Gardiner:** - It is all very well for a group which is always in opposition, and sit as the government of this province, and say they can do nothing for the farmers. It is all very well for them to rise in their places and start to say what hasn't done for the farmers in western Canada and the rest of Canada.

I am going to quote from a document issued by the Government of this province, 'Saskatchewan Economic Review', to show when one of the best periods in the history of agriculture not only in this country but in this province took place. The dates of these figures range from 1941 to the year 1955, and it is a comparison of farm prices of agricultural products in Saskatchewan as compared to the farm costs. This is what we find: 1941, the farm prices of agriculture products, 93.8 per cent; farm costs, 113.6 per cent. In 1942, farm costs rose slightly to 127.3. Then we come to 1943. Here we find the farm prices were 139.9 – this is on the basis of 1935-39 equalling 100 per cent; 1943 farm prices were 139.9 and farm costs 138.1. In other words, the prices had risen to a point where they were above farm costs. In 1944, prices were 171.4 per cent, costs, 144.9; 1945, prices were 189.5, costs 148.6; in 1946, prices were 209.5, costs, 153.6; in 1947, prices were 218.3, costs, 166; in 1948, prices were 239.3, costs 192.2; in 1949, prices were 251.5, costs, 207; in 1950, prices were 268.7, costs 225.5; in 1951, prices were 245.9, farm costs, 238.6. 1953 was the first year in that period of 11 years in which the costs of farm operation rise to a balance with the farm prices, as they are given in this document. Then 1954 was the first major year when a change was shown, and part of it was caused, of course, by the fact that we had a rusted crop in this province and in western Canada, which, on top of the difference in prices, made a situation which was even more difficult to cope with in that particular year. In 1955, the price trend continued to develop, largely because of the policy of the country to the south of us, as the hon. gentlemen across the way know. Largely because of the agricultural policies of our friends to the south, in 1954 and 1955, we were placed in a position which lowered the price to the farmer, and, of course, his costs were going up.

I think there is partially an answer to the Premier who mentioned that the Leader of the Opposition had stated prices were the important thing, because of the fact that it was the rise in costs, and not actually the drop, except for two of those years, in the farm prices that the farmers were receiving that made the great difference in the income of farmers in western Canada. So actually, the cost has been the most important item with regard to the income of farmers in western Canada during

the last few years, and has made the great difference in the income of farmers here in Saskatchewan and western Canada.

I think with those two or three examples – I could go on to mention many other Acts which have been put into effect by Liberal governments which have meant, down through the years, millions of dollars to the farmers of western Canada, to dispute the argument that nothing has been done by the party that we, on this side of the House represent. I believe we here can say with pride that we have had a part in working with a group which has done much over the years for the farm people of this country, and, I might say, in reference to what the Premier and others have said, a party which has done much more over the years as well, for the labouring groups in this country of ours. It isn't one that has gone out and appealed to either the farm class or the labour class politically or placed one class against the other to gain votes in this country of ours, and I hope the Liberal Party will never do that. I believe we are a party that can represent all groups, all classes, and all individuals in this country, as the Liberal Party will try its best to do, as in the past.

When we come to the resolution itself, with regard to a Conference which is to take place between the Government of Canada and the provinces, I think I have said in this House many times before that I haven't 100 per cent faith in conferences, committees, group meetings of this type. Sometimes I think if we got down as legislators here in our Provincial Legislature, showed an example by our actions here that we were prepared to do something for our people here in Saskatchewan, as has been mentioned previously in this debate, then I believe we would find more co-operation, more desire on the part of the people of Canada as a whole to do something for the people here in Saskatchewan.

For anyone to state, or to stand up in this House and say that there is nothing that Provincial Governments can do about the prices of farm products, is the most ridiculous statement that could ever be made, because there are provincial governments in this country that have for years been paying subsidies to their producers in their particular province, over and above what the Federal Government has paid down through the years. But here in the province of Saskatchewan, where we have been considered the chief agricultural province in this country, here there doesn't seem to be any place for us here in this Legislature to take action, to vote support of this type to the farmers of our province. As a matter of fact, my friend from Qu'Appelle-Wolseley (Mr. McFarlane) has more than once pointed out that this Government has even refused to assist, to some extent, the dairy producers in this province, by purchasing margarine for the use of most of the institutions in this province instead of purchasing butter, and helping out in some way the policies that the Federal Government has put into effect. In that one regard alone, our Government refused to assist the primary producers in this province, and elsewhere in Canada.

I am quite sure that if the Government in this

province had in fields of this type, shown that it was prepared to play its part, had co-operated in some of the schemes that were presented, and was given an opportunity to play a part in, with regards to assisting our primary producers, then they could well go down to our Federal Government and say, "We have tried to co-operate; we would like a little more assistance," and I think probably, no matter what Government was there, they would be much more inclined to co-operate and assist the Government of this province in the problems that are facing the people of Saskatchewan. So, Mr. Speaker, I say that I would much sooner see us able to go down to a conference and say that we had played an equal part with the other provinces in co-operating in the field of agriculture to do something for our own producers here in our province; then I think we could speak with a louder voice. Then we would have a right to speak with an equal voice with other agricultural provinces that have been taking action. When we do have a conference, we would have a better voice to speak for our primary producers here at home, if we had proven ourselves in this province.

I hope that when this conference is held, and possibly before, that our Government here will try to take some action themselves, during this present Session, if it sees fit – some action itself to help our primary producers and to help the farmers of this province. Then, if such a conference is called which I am not altogether too hopeful of – I am quite certain that Prime Minister Diefenbaker and Mr. Hamilton will not be too friendly to a resolution coming from the Provincial Legislature here at the moment, since we have no friends here to carry the message, so I don't know that he will actually recognize this resolution we are sending to him. But if he does, I hope that we can go down there speaking with one voice, speaking in such a way that we can have an influence on the Government of Canada. I am afraid that as long as we have our present Government in office – a Government which came into office with a promise that has been repeated in this House in the past, with the promise that they were prepared to take over the distribution of all the products in this province in order not only to help the producer, but in order to provide revenues to carry on the operation of government in this province of ours, and no action has been taken to carry out the socialist ideas which, a few years ago, and before 1944, the gentlemen across the way made addresses . . .

**Hon. Mr. Fines:** - Mr. Speaker, are we to listen to his 'Speech from the Throne' debate all over again, or are we discussing this resolution?

**Mr. Gardiner:** - I don't think I mentioned anything about this in the Throne Speech debate. Mr. Speaker, the Provincial Treasurer seems to be worried usually when I get on my feet . . .

**Hon. Mr. Walker:** - Not worried, just bored to death!

**Mr. Gardiner:** - He may be bored, and he may be bored still more before the next year is up, and he'll probably be glad to go to greener pastures, when the next election is over! But if he'll remain in his seat for a few minutes more . . .

**Hon. Mr. Fines:** - Mr. Speaker, I would like your ruling. Are we going to debate the promises of the C.C.F. Government prior to 1944, and how those promises had been kept? If the hon. member insists upon this, then I think we shall have to insist upon the right to reply.

**Mr. Gardiner:** - Mr. Speaker, I am sure I am only replying to statements . . .

**Hon. Mr. Fines:** - Mr. Speaker, I'm asking for a ruling.

**Mr. Gardiner:** - All the members on the other side have made statements with regard to actions of previous Liberal Governments in Canada, with regard to agriculture, and particularly the Minister of Mineral Resources (Hon. Mr. Brockelbank) . . .

**Mr. McDonald:** - It was lack of action!

**Mr. Gardiner:** - Well, Mr. Speaker, I'm going to draw to a close now. I am just saying it isn't a matter of action on the part of this Government that has brought agriculture to the point where it is at the present time. I hope that the resolution, which I intend to support, may have some effect on the people of Canada, which the lack of action of this Government has refused to have up to the present time.

**Mr. L.P. Coderre (Gravelbourg):** - Mr. Speaker, I understand the members of the Government are getting a little bored, so I will be brief.

I had no intention of getting up, Mr. Speaker. When I do it is usually because somebody gets under my skin. It seems that, from the Government side of the House, there is a warped interpretation of the word 'free enterprise', or the actual meaning of free enterprise. The member for Touchwood (Mr. Meakes), this afternoon making a vicious attack on free enterprise, I figured I should get up and probably defend my position – my personal position. I am a free enterpriser . . .

**Mr. Speaker:** - I hope the hon. member is going to relate his remarks to the subject matter of the motion.

**Mr. Coderre:** - Yes, Mr. Speaker. I have great difficulty to remember word for word what he said. He was attacking free enterprise, and his it was affecting the farm economy; how it was actually putting a burden on the farm economy. I could not tell you the actual words without going back to the records. It still was an attack on free enterprise, and I felt he was comparing it to monopoly. I believe that, as a free enterpriser, I should defend myself in that respect, Mr. Speaker. I could be wrong in so doing but I know that in conscience I am right, as a free



enterpriser, to believe, as the farmers in the province are right in believing, in free enterprise.

**Mr. Meakes (Touchwood):** - Mr. Speaker, on a point of order, I didn't use the term 'private enterprise' – I used 'monopoly enterprise.'

**Mr. Coderre:** - I'm not going to argue with the hon. member, Mr. Speaker, whether it is private enterprise or free enterprise – it's the same thing.

**Mr. Speaker:** - Unless the hon. gentleman can relate what he is going to say to this motion, we cannot allow him to continue.

**Mr. Coderre:** - Mr. Speaker, I don't know how to deal with that. As far as dealing with the motion is concerned, it means to me that just reading the motion and saying, "I am for it," that would deal with it. But there are certain aspects to it, and there have certainly been attacks on the part of the Government against them, and I feel I should defend them. I would certainly like to have your ruling.

**Mr. Speaker:** - If the hon. member for Touchwood spoke of monopoly enterprise, as he calls it, having any relation to the handling of farm products, or to the farmers' position in the economy, then perhaps you are entitled to answer him, but I am sure he related its affect on the farm economy, on the farmers' income. Now, just to reply by debating the virtues of free enterprise would not be admissible in this debate.

**Mr. Coderre:** - I am approaching that point, Mr. Speaker, in that I would actually like to show that free enterprise, or private enterprise, except for the monopolies, is certainly not affecting the agricultural economy of the provinces in that respect. As I was saying, as a private enterpriser, being in business, that I can compare it this way: that probably in my own community have sold some 90 per cent of all white goods appliances, as an indication that, as a private enterprise, I have not failed. I have done my share, I say, in that particular part of the community in alleviating some of the problems which the farmers are facing, today, in the question of the cost-price squeeze, or economic conditions.

Agriculture, as well know, is the back-bone of our economy, and it is essential that every farmer, bar none, be in a position to progress, develop and produce and remain as a solid economical unit. I believe that, in order to assist the agricultural economy, we must have a free enterprise, and we must do everything we can to assist private enterprise, and hold and restrain the monopolies. By monopolies, Mr. Speaker – I believe I must deal with that for a moment, if you will bear with me: I just picked up a little article here, but I cannot quote where it is from, or who wrote it, but I think it is one of very important value, insofar as

the motion is concerned:

“Among the human values in agriculture one of paramount importance is family life. The family is a fundamental unit of society. Upon the strength and vigour of family life depends the strength and the greatness of the nation. As a rule, only that stability which is rooted in one’s own holdings makes the family the vital and most perfect part in society. Not without reason, then, have statesmen and leaders in all ages, up to the present, considered family farmers the backbone of the nation, and the family type farm.”

I believe that we as legislators, should always consider the family type farm operated by the owner as the main objectives in our legislation and planning.

In the election last March, we had the leader of the Government in Ottawa, who could do something to alleviate some of our problems which we have, make several statements, which I believe should be brought out in order to bring the reasons to the forefront why we should support this motion wholeheartedly, and let the whole country know where we stand, and what we would like to have.

Prime Minister Diefenbaker, in Saskatoon, as quoted in ‘The Leader-Post’ said:

“Our policy will be to ensure the farmer an adequate parity between his income and his living cost, to affect both price support programs that would be known in advance each year.”

He has failed to implement that part of the program, and that, therefore, is one of the reasons why we should go to Ottawa to meet with the Government there.

Another quote:

“A Conservative government would assure farmers a fair share of the national income, through price supports, and would provide prices that bore a fair relationship to farmers’ costs.”

I would go on indefinitely here, Mr. Speaker, I think there are some 40 pages of quotes by members of the Government at

Ottawa; but as I said, I have no intentions of boring this House. These are all the more reasons why we should support the resolution.

There is one little point, Mr. Speaker, which I wish to bring out, and which will substantiate my arguments insofar as this motion is concerned. We've got to build a united Canada if Canada is to survive. We cannot be a united Canada unless the provinces feel that they are able, within their spheres, to carry out their obligations and their responsibility. There can be no unity in Canada except on that basis. There can be no unity in Canada if some provinces are too poor to discharge their responsibilities. Incidentally, Mr. Speaker, this was the essence of a speech made by the Hon. Lester Pearson, published in 'The Leader-Post' October 4th, again substantiating the stand of the Liberal Party insofar as the farmers and the people of Canada are concerned. The stand of the party has been to assist in every respect the farm economy, particularly in Saskatchewan, to try and do something that the people of Canada, united, will assist. In these circumstances, Mr. Speaker, I will support the motion.

**Mr. Dewhurst (Wadena) (closing debate):** - Mr. Speaker, I'm not going to take very long, but there are just one or two points that I would like to make in answer to statements that were made over there. I would just like to say to the member from Melville that the statements he quoted – that is the price the farmers received and their costs – to show how in the mid-forties the income index was higher than the cost, would be fine and dandy if the base period was correct. In my speech this afternoon, I pointed out that in 1946, 25% of Canada's population was engaged in agriculture, but they only received 12.5% of the national income. So, regardless of how the base period was, unless it is on a parity to start with, if it's unfair on the base period, the more it goes the more unfair it becomes. So I think that one explanation answers his whole argument because the D.B.S.'s own figures show that, in 1946, agriculture for 25% of Canada's population received 12.5% of the national income.

However the statement I do want to correct is the statement which was made here by the Leader of the Opposition, and is being echoed by others, that those on this side of the House voted, in a previous Session, against \$2.10 wheat.

**Mr. McCarthy:** - That's right.

**Mr. Dewhurst:** - Some hon. member says 'that's right.' I would like the hon. members to turn back to the Journals of the 1957 Session, on Wednesday, April 10th. It is recorded in the Journals of the Legislature what happened. The motion was introduced by the member from Bengough and with your permission, Mr. Speaker, I will just read his motion, and the results, back into the records to try to keep the records straight if possible. It was, as I said, on April 10th. It says:

“The Assembly resumed the adjourned debate on the proposed motion of Mr. Coderre:

‘That this Assembly recommend to the Government of Canada that some means be devised whereby the Canadian Wheat Board will receive for distribution a sum not less than \$2.10 per bushel for wheat sold for human consumption in Canada.

And further that the Canadian Wheat Board pay to the producer \$2.10 per bushel of wheat, basis No. 1 Fort William, for the first 1000 bushels delivered in each crop year by each farmer.’

and the proposed amendment thereto by Mr. Elias:

That all the words after the word “Canada” in the first line be deleted, and the following substituted therefore:

‘That the said Government establish, through the Canadian Wheat Board, a multiple-price system for wheat, whereby initial units, sufficient to satisfy domestic consumption, would be sold at parity prices, with subsequent delivery units to be sold at the best export prices obtainable through the International Wheat Agreement.’

The debate continuing on the proposed amendment in amendment thereto, it was moved by Mr. Brown (Bengough), seconded by Mr. Dewhurst:

(1) ‘That the period after the word ‘Agreement’ in the last line be deleted, and the following words added:

“And any other export marketing medium or agency.”

(2) ‘That the amendment be further amended by adding thereto the following paragraph:

“And further, that the Government of Canada, through the medium of such means as the Agricultural Prices Support Act, undertake to establish a permanent marketing program which will assure to the producer, for all wheat sold into commercial channels, a price that will bear a parity relationship to farm costs.”

Then the vote was taken, Mr. Speaker. Every member of this side voted for the sub-amendment, every member who was present on that side of the House, voted against the sub-amendment as moved by Mr. Brown and myself. The only member on that side of the House, who wasn’t present for the vote, was the member for Arm River. The sub-amendment carried. Then the vote came on the amendment as amended, and the records

show exactly the same vote. This side of the House voted for the amendment as amended and the entire number on your left, Mr. Speaker, voted against. Then the motion as amended came up for a vote, and, on the recorded vote, it shows the same division. Every member on that side of the House voted against that motion; every member on this side of the House voted for it. I trust this will keep the records a little straighter, and I hope the statement isn't repeated. Do you wish to ask a question?

**Mr. McDonald:** - Yes, from what page are you getting this?

**Mr. Dewhurst:** - I am getting it from pages 176 and 177 and the final recorded vote, 177, from the Journals of the Session of 1957. So, Mr. Speaker, that proves that at no time did I or my colleagues on this side of the House ever vote against \$2.10 wheat . . .

**Mr. McDonald:** - That's not true. You voted against it right here.

**Mr. Dewhurst:** - Mr. Speaker, I'm sure if he will take the trouble to read through the vote, he will see it recorded right there.

**Mr. McDonald:** - It's right here where you voted against it. Can't you read?

**Mr. Dewhurst:** - I can read; I just read it. So, Mr. Speaker, I hope this motion carries unanimously, and I hope that, for agriculture as a whole and the sake of the economy of Canada that a conference will materialize where something can be done for agriculture.

The question being put, it was agreed to unanimously.

## SECOND READING

The Assembly resumed from February 20th, the adjourned debate on the proposed motion of the Hon. Mr. Fines:

That Bill No. 9 – An Act to amend The Education and Hospitalization Tax Act – be now read a second time.

**Mr. L.P. Coderre (Gravelbourg):** - Mr. Speaker, when I adjourned the debate on this Bill the other day, I thought there were some objections to it, but after taking the Bill the best way I could to try and gather the meanings of it, I find there are quite a few objections in principle that I cannot possibly support. One of the reasons is the imposing of a new tax and I feel that now, particularly now, is no time to impose a tax on the consumers, or in this particular case, the users

of what they call tangible personal property in the province. I feel this time is not the proper time to impose this sort of tax.

Several years ago, this Government promised to withdraw all of the Hospitalization and Education Tax; even the Premier said that he would resign immediately, or something to that effect. They haven't done so, and now, instead of adding a 50 per cent as they did a few years ago, they are adding a new kind of tax. People who are going to use some property, people who cannot afford to buy certain types of property, will have to be taxed.

It is quite obvious that the Bill mentions that, but the hon. Minister the other day, when he introduced the Bill, mentioned a point that it was in regard particularly to car rental. I believe if the Provincial Treasurer would like to impose a tax on that sort of business, he should be specific. Throughout the Act we have many items that are listed as non-taxable. Therefore, if we have any specific things in mind that we would like to tax in this particular respect for the reason that this type of business is doing away with some of the revenue of the province, and that we should have that particular tax, then I think it should be mentioned. But nowhere in the Act is there any mention in regard to that.

I believe, as I said a few moments ago, this is a vicious bit of legislation. I call it vicious, Mr. Speaker, because you find a person, a young man, who probably has a job in the city, where he has trouble to make both ends meet – I mean his earnings are not sufficient to provide all the necessities that he needs. There are certain repairs required to his home, sidewalk repairs, etc., where he has to have the equipment to carry on with these repairs, etc., where he has to have the equipment to carry on with these repairs, such as a cement-mixer, and many other items in question. If he goes to a rental agency which has established itself to give a service, it is an unfair sort of tax to go ahead and impose it on rentals.

Another way where the tax can be affected, Mr. Speaker, is where it affects the farmers. We find throughout the province where dealers have taken in trade stone-pickers, hay-loaders, etc., where an individual small farmer on a half-section or a three-quarter section of land cannot buy one. He usually goes to a local dealer, who is a vendor in this particular case and rents the articles, then the vendor should have a tax on the use of it. For that reason, Mr. Speaker, I cannot see why I should support it.

There is another point, on general principles, that I think is wrong. The idea itself is wrong, and that is, we are putting, it seems to me, phonograph records on the non-taxable list. That is, we buy them one way and we don't pay any tax, but we buy them another way and we do pay tax then. So this bit of legislation, and the idea behind it, as far as I can see, is actually sending business out of the province by allowing the mail order people, who send the phonograph records into the province, to be exempt from tax. This is another reason why I cannot possibly support this bit of legislation.

**Mr. F.E. Foley (Turtleford):** - Mr. Speaker, if the principle of the Bill is under debate, then I feel it is my duty to join with the hon. member from Gravelbourg (Mr. Coderre) in reminding this House that many times in the past, this administration has, in many ways, prior to elections, if not by direct words, certainly by implication, suggested that this tax should be removed.

**Hon. Mr. Fines:** - Mr. Speaker, on a point of order may I ask a question. Are we going to be allowed to discuss, tonight, the promises of the Government and the way in which these promises have been carried out from 1944 on, in connection with The Education and Hospitalization Tax Act? I would just like to know if we are going to, because if so, I would like very much . . .

**Mr. Speaker:** - Your objection is quite correct. The hon. member must confine his remarks to the principle of the Bill under debate.

**Mr. Foley:** - Mr. Speaker, in attempting to relate my remarks to the principle of this Bill, I merely do so on behalf of those many hundreds of people throughout this province for whom the Education and Hospitalization Tax is not only a burden financially, but is also a burden from the point of view of collections, the point of view of the tedious bookkeeping required, and from a point of view of the additional time and staff required by many of our business firms throughout the province to adequately collect this tax to the satisfaction of those in charge.

I am wondering, in connection with the suggestion that rentals and leases now be subject to tax, if here again we are not even further complicating the collection of this tax, and the bookkeeping necessary in order to make such collections feasible and possible. I can recall on many occasions, members of the present Government suggesting that it was a 'nuisance tax', and that it ought to be repealed. While I don't wish to provoke a debate, as the hon. Minister has suggested, on the record of the present Government in respect to this tax, nevertheless, with the principle of the Bill open at the moment, I think it is wise that all hon. members should question not only the necessity of further extending this tax, but should, I certainly think, seriously examine the possibilities of reducing the number of commodities on which the tax is levied. Certainly I hope that sometime in the near future in the history of this province, by this Government or some other Government, all hon. members might consider removing this tax altogether.

I fail to see why this Government is so barren and bereft of items on which to levy additional tax. I fail to see how they came to choose the levying of the Education and Hospitalization Tax (of all things) on rentals and leases. Haven't we had enough trouble over the years with leases already, without further complicating them? Mr. Speaker, I beg leave to adjourn the debate.

**Hon. Mr. Fines:** - Mr. Speaker, I object to that.

**Mr. D.T. McFarlane (Qu'Appelle-Wolseley):** - Mr. Speaker, I just want to be very brief in my remarks on this Bill. I don't think I want to get into a hassle over all the nefarious promises this Government has made prior to elections. I want to deal specifically with the Bill. I want to deal with it in light of the position we may find ourselves in, in the future, and especially in the agricultural economy.

Under Section 3, it states that a person who leases personal property from a vendor shall pay for the rental, for the raising of a revenue for Education and Hospitalization Tax, etc., on rent. I believe these trends are developing in the United States, and I imagine it won't be too long before it will be in effect here – and I believe some companies are being formed down there now – for leasing and renting equipment to farmers. If that situation arises in this province, we could find, under this Section of the Act, a situation whereby every farmer who went to rent a combine, tractor, or anything in that line, could be paying Education and Hospitalization Tax. The situation is this: in spite of all that has been said in the past in regard to taxes, it always ended up that the person who had to pay the greatest share of the taxes was the person who could afford it the least.

I just wanted to point this up, because this will be another case in point where the person who cannot afford to buy his equipment outright, will be paying over and over and over again under this 3 per cent tax. I wanted to point that out, and also associate myself with the remarks of other Liberal speakers, that in the past Government members have made statements that they wanted to get rid of the tax; but in this case they again are extending it, and upon those people who are least able to pay.

**Hon. Mr. Fines (Provincial Treasurer) (Closing Debate):** - Mr. Speaker, we have heard tonight three of the most weird explanations that I have ever, in all the years I have sat in this House, listened to. I have never heard so much nonsense talked in so short a period of time as we have just listened to.

**Mr. Foley:** - Flattery will get you nowhere!

**Hon. Mr. Fines:** - The hon. member for Qu'Appelle-Wolseley, for example, talked about farm machinery being leased, and that we would have the right to tax it. This is utterly ridiculous.

**Mr. Loftson:** - It's in the Act!

**Hon. Mr. Fines:** - Mr. Speaker, in view of the fact that the thing is opened up wide open now – you allowed the hon. members to make certain statements to the effect that, in the past, the Government has made the statement that they want to get rid of the tax, and then they are extending it – may I say that this is not true, and I'm going to take a few minutes to show that it is not true.



**Mr. McDonald:** - It is true.

**Mr. Foley:** - Mr. Speaker, the hon. Minister would not allow me to adjourn the debate. Now he is prepared to wind up the debate in a manner in which . . .

**Mr. Speaker:** - The hon. Minister is in order.

**Opposition Members:** - You'd better study your rules!

**Hon. Mr. Fines:** - Mr. Speaker, in 1944, we had a list of items that were exempt under the tax . . .

**Mr. Speaker:** - The hon. Minister must confine his remarks to the present Bill.

**Opposition Members:** - Hear! Hear!

**Hon. Mr. Fines:** - Very well, Mr. Speaker. It is most unfortunate that since the ruling, the hon. member for Qu'Appelle-Wolseley made certain statements which puts us in a difficult position – we cannot answer him. I wanted to point out here, tonight, that this is another in the steps towards removing objectionable features in the Bill. I have introduced in this House some 30 or 40 different items, which have been exempt. The big one, of course, is foodstuffs; another is second-hand machinery of all types. Today, there is no tax on second-hand machinery. We have constantly been doing this.

Tonight the hon. member for Gravelbourg referred to Section 6 which provides that we will make further exemptions. I didn't even mention it the other night, because it is such a very, very small item. Section 6, is the one which deals with the exemptions of the tax on books, periodicals, magazines, phonograph records, purchased by subscription or delivery by mail. May I say this is another of those things which is a nuisance to try to collect. Subscriptions with very minor exemptions, have never been successfully taxed in Saskatchewan. The exceptions are a few of the subscription agencies in the larger cities, where they do try, with mixed success, to collect the tax, and larger business establishments who do report all extra-provincial purchases, including subscriptions.

I might say there is no tax whatever collected from home subscriptions to the various magazines, book clubs, record clubs, etc., and no effort is made to enforce the Act in this respect, as the tax for homes would be negligible, and it wouldn't be worth the expense of collection, and the subsequent ill-will that it would cause in trying to do so. Assuming there are 100,000 homes in the province with each having a subscription bearing a tax of 15 cents, there would only be a total tax of \$15,000 involved. We estimate at the present time that we are receiving less

than \$1,000 from this source. Is it fair to continue to collect that \$1,000 when approximately \$14,000 of the tax cannot be collected? Is it fair that we should? We feel there is an injustice there to those few who do submit and report, rather than submit a false return or no return at all. So we have decided to go all the way and exempt it.

The other section that all the discussion is about – and my hon. friend from Nipawin (Mr. Nicholson) has asked a very good question. He said: “Does it mean that the Province will be able to collect the tax on anything?” Well, I tried to explain, the other night, in just a few minutes, because it is really such a very minor thing, frankly. If I had known it was going to even create this debate and cause so much worry and anxiety on the part of my hon. friends; for example, if I had known it was going to cause sleepless nights for the hon. member from Gravelbourg (Mr. Coderre), I would never have introduced this Bill.

During the course of business, more and more firms are entering the rental field, whereby for a certain sum they rent equipment to others. The Education and Hospitalization Tax Branch has held the position to date that the owner is the user and the consumer of this equipment, with the result that we have been obtaining tax on the equipment from him. But, one of the problems is that the Act is not too clear. May I go back to the other section as it was: Paragraph 6, “sale means any transfer, exchange or bargaining, conditional or otherwise, in any manner or by any means whatever, of tangible personal property for a consideration, and includes any Agreement of ale, whether absolute or conditional.” All we want to do is add two words to that, to provide that ‘sale’ means any transfer, exchange, barter, rental or lease; than ‘rental or lease’ means any transfer of title, exchange or barter. In other words, Section 6(a), the new paragraph, makes it abundantly clear that it is not proposed that everything that is leased – simply everything that is leased in lieu of a sale.

I have given one very good example; that is, the use of automobiles. These big companies today are renting them out for a certain amount per year. In the past we have held the company that rents them out to be the user, the consumer; but I believe, if they contested the case in court they could probably prove they were not the user and consumer of the goods, and we wouldn’t have any power under the Act to tax the fellow that is leasing them.

This will not give the province an additional five-cent piece of revenue. Let’s make no mistake about that. This is not designed to tax anybody who hasn’t been taxed in the past. All this nonsense we have listened to tonight about taxing a person who wants to rent farm machinery to somebody – I thought all hon. members knew that farm machinery was exempt under the Act. I thought everybody knew that before, and yet here we are, getting arguments of that kind of thing.

**Mr. Coderre:** - You mentioned a U-Drive car, the other day.

**Hon. Mr. Fines:** - Yes, a U-Drive car. A car that is leased, but, Mr.

Speaker, it is not a question of a car that is leased for a day. A car that is leased for a day will be considered to be owned and to be used by the person who leases it from day to day. The only cars that would be included under this definition would be those that are leased on an annual basis, not the ones that are used day by day.

May I say that Section 6(a) makes it abundantly clear: “‘rental or lease’ means any transaction held by the Minister to be in lieu of transfer of title, exchange or barter.” No one, by any stretch of the imagination, can say that when a person who owns a car which he rents out by the day, a U-Drive car, it could be held to be in lieu of a transfer of title. I think tonight these speeches were made not for the purpose of trying to throw light on this question, not because there was any real doubt in their minds, but rather for the purpose of trying to make a political speech . . .

**Mr. Foley:** - Mr. Speaker, on a point of privilege, I object to that statement. We here in the Opposition are here to do that. I have heard those charges before, Mr. Speaker.

**Mr. Loptson:** - That’s pretty cheap!

**Mr. Speaker:** - Order! I would ask the hon. Minister to withdraw his remarks.

**Hon. Mr. Fines:** - Okay, Mr. Speaker, I will gladly withdraw it. The hon. members say they have not attempted to introduce politics into this debate tonight. We may read the reads; they speak for themselves, and I think that the records will answer better than I can . . .

**Mr. McDonald:** - You still haven’t answered . . .

**Hon. Mr. Fines:** - I therefore move, Mr. Speaker, second reading of this Bill which will reduce still further the amounts of Education and Hospitalization Tax to be paid by the people of Saskatchewan.

**Mr. Loptson:** - What a joke!

**Mr. Speaker:** - Order.

**Mr. Nicholson:** - Mr. Speaker, I would like to know if I was included in that remark which the Minister has just made?

**Hon. Mr. Fines:** - Oh no, you were asking for information honestly.

**Mr. McDonald:** - Mr. Speaker, I would ask that the Provincial Treasurer withdraw his last remark also.

The motion for second reading of Bill No. 9 was then agreed to, on division, by 26 votes against 8.

The House adjourned at 10:00 o’clock p.m. without the question put.