

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Second Session – Twelfth Legislature
31st Day

Thursday, March 25, 1954

RE: ACREAGE MINERAL TAX

Moved by Mr. McCarthy, seconded by Mr. Cameron:

That this Assembly recommends to the consideration of the Provincial Government the immediate abolition of the acreage mineral tax on mineral rights held by resident farmers and the return to all farmers of mineral rights expropriated by the Saskatchewan Government under The Mineral Taxation Act and regulations thereunder.

Mr. R.A. McCarthy (Cannington): — Mr. Speaker, in rising to speak on this motion which appears under my name on the Order Paper, I do not intend to go into the wording of the resolution. I think it is quite self-explanatory.

I would, however, like to make some remarks on the history of this tax, when it was put on, some of the remarks that were passed at the time it was put on, and some of the things that have resulted from the imposition of this tax. First I would like to say that in my opinion there are two fundamental weaknesses in this tax. The first is that the base of the tax is very unsound; and secondly, that it is vicious in its application.

I say the base of the tax is unsound to start with for the reason that the tax base for this Act is on an unknown quantity. It is based on something which may or may not be there. I believe that we have oil over this province – lots of it that has not yet been discovered. I believe also we have minerals in the north – enormous amounts of them that have not been discovered; but I don't think even the Minister of Natural Resources would ever contend that we have got oil on every quarter-section of this province. I do not know what proportion of quarter-sections in this province would have oil, but I think I am quite safe in saying that there is no prospect even in the distant future that one out of a hundred of the quarter-sections of this province would have an oil well. I think you might go further and say that one in a thousand might be nearer the figure. So we are basing our tax on something, on these mineral rights that the farmers own, which in 99 cases out of a hundred at least does not exist, and that, in my opinion, is an unfair base, an unsound base, for taxation.

The second thing about the tax is that it is vicious in its application. When you start out to tax it is an unsound theory of taxation to tax an asset to such an extent that the person who owns that asset loses. That is not sound taxation. Yet that is what this Act is intended to do and I hope to prove that, Mr. Speaker, before I am through, by going back to some of the things that were said when the Act was introduced. It was introduced for the purpose of relieving the farmers of their mineral rights. I don't think there is any doubt about that.

Now, just to give you a short history of this Act, I am going to quote a couple of sections of the Act. I am not going to quote it all, but I want to quote from Section 3:

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Every owner of mineral rights upon or under any land not situated in the producing area shall pay a tax at the rate of three cents an acre for every acre or fraction of an acre thereon.

So that is the base of the tax. If you own the mineral rights, you are going to be taxed on them. You may not have any mineral rights – and I would say that in 99 cases out of a hundred you haven't. And if you have the mineral rights, the chances are there is no mineral there at all. I think I am pretty safe in that statement. If I wanted to get into a controversy I would say that 999 cases out of a thousand did not have them; but I'm going to be on the safe side. If you took the average of the quarter-sections in this province, you would be quite safe in saying that, if you had a hundred of them, there would only be one in that hundred that would have any mineral value under the soil. Now, that is the base of the taxation.

The other part, the vicious part, is in the application of the Act. I want to read from Section 22 of this Act passed in Special Session in the Fall of 1944, and it says this:

If any tax or any part of any tax payable under this Act remains unpaid on the thirty-first day of May of the year next following the year in which the tax became due and payable the Minister shall (and I want you to mark it says 'shall', it doesn't say 'may') as soon as may be after the said date cause to be sent by registered mail ... a notice stating that unless the arrears, including penalties, together with costs (I don't know what the costs are, but as far as I can see it's a registered letter) are paid on or before a date to be specified in the notice, which date shall be not less than six months after the date of mailing the notice, the mineral right will be forfeited to and become the property of the Crown in the right of the province of Saskatchewan.

In my opinion, Mr. Speaker, that is vicious legislation, just vicious legislation. You will note that there is no provision for any protection for the farmer. All the Minister has to do is send a registered letter and if the farmer doesn't kick through in six months' time he has lost his mineral rights. That's what the Act says.

How different is that from our Rural Municipality Act. In our Rural Municipality Act, as you know very well, Mr. Speaker, if you fall into arrears of taxes, it carries on from three to four years before you are in any danger of losing your title; and on top of that, you can apply to a board and, if that board so sees fit, that time can be extended and it has been extended in a great many cases under special circumstances where it was warranted. Now that's Liberal legislation. That was put on by the Liberals of this province, and it is much sounder legislation and a much more sound theory of taxation in the collection of taxes than this thing is.

I am sorry to have digressed a little there. But all the Minister has to do, as I read this clause, is to send a registered letter and if in six months the farmer has not paid the tax, he loses his mineral rights.

This Government did start in 1947 and 1948 to confiscate the mineral rights of the farmers of this province. They started, and only the action of C.P.R. taking them into court prevented them, in my opinion, from carrying out that programme on a large scale. The C.P.R. took them to court, and they ceased their programme of grabbing these mineral rights. I am not arguing that this tax is not legal. It has been proved to be legal by our highest courts; but I still say that it is vicious legislation. It is unsound in what the tax is based on, and it is vicious in the terms of its application. In my opinion, this legislation was intended to be a step in the C.C.F. programme of eradicating capitalists and socializing the farmers' land. I am quite sure of that. I think I can prove that to you. I think that the majority of the members on that side of the House were of that opinion at that time, but I am also convinced that today a lot of them can see the error of their ways. I think they will have to admit that if we did not have capitalism in here developing oil, we would not have had any oil. I think they will have to admit that. The change of times, and from the speeches made by the members of the other side of the House, I am quite convinced that, if they would stand up and express their true opinion, there are very few of them today who would say that we should eradicate capitalism from Saskatchewan.

There is another reason for the change of opinion, and in my opinion, it is that in the meantime some of the members over there have become capitalists themselves, and I am sure they don't want to eradicate themselves. So that is another reason why I think there is a change of opinion over there.

I want to quote to you, Mr. Speaker, an account from the 'Commonwealth' of December 13, 1944. It is an account of a radio speech by, I suppose, then the Hon. Mr. Phelps, and it says this:

The new mineral tax also introduced during the special session was, therefore, the most important piece of legislation from this Department. This tax will impose a fee of three cents an acre on all lands where mineral rights are retained by private companies or individuals.

It was a new tax, the only one introduced during the session – and this is the point that I want you to note; "It is the first step by the Department in restoring the natural resources of the people." Now, how were they going to do it? Simply take it away from the farmers and put it into the Department of Natural Resources. It says so right here.

Now, I want to quote you another article from the 'Commonwealth' dated November 14, 1945, and it says this:

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The Mineral Taxation Act provides for a three cents an acre tax per year. If the owner of the mineral rights does not pay the tax those mineral rights will revert to the Crown.

That is, to the Government of the Province of Saskatchewan.

This Act also provides for a tax not to exceed 10 mills on the dollar of the value of the minerals as shown on the assessment roll.

It is expected that:

(1) Greatly increased revenues from taxation will come to the provincial treasury from those most able to pay.

That's the farmer. And it goes on to say:

(2) The mineral rights over large areas will revert to the Crown.

That is the intention of the Act – that they will collect a lot of money from those able to pay, and that the mineral rights over a large area will revert to the Crown. That is what I said a minute ago; that was the intention; that justifies it.

The unjust feature of this Act, in my opinion, is that it levies a tax on something which, for a large portion of the people whom it is levied on, is non-existent. If there are minerals under my farm and they are discovered, I think it would be a fair field of taxation to deduct the tax when they are there, when we start to produce. I think that would be a fair field of taxation. They would then be taxing something tangible, and as long as the tax did not interfere with the sale of the oil, it should not be too big. But I think it would be a fair field of taxation to take some of that for the provincial treasury or for different purposes. It would be a fair base, because you have something tangible to tax, and it would also be an equitable thing because, if I own an oil well on my farm and there is oil coming out of there, certainly the people of this province are entitled to benefit from it. But that is not the provision of this Act at all.

This tax is all the more unjust at this time because of the fact that school taxes and municipal taxes, arrears of school taxes and municipal taxes, are increasing at an alarming rate. Our municipal and school taxes have doubled in the last 10 years and still we are going to add some more to it. The farmers in my district now are presently receiving notice from this Government to pay 9 years of arrears of back taxes. That amounts to \$48 and some odd cents a quarter-section of back taxes that the farmers are being billed for at the moment. It is going to be very difficult in some cases for those farmers to produce that money at this particular time to save their interest in their 12½ per cent that they still have left.

Now, I cannot quite agree with the Minister of Education when he said, speaking at the School Trustees Convention, the other day:

“There would be no need to be concerned about the tax law”

Do you want me to read your quotation? I have it right here. The Minister of Education shakes his head and he says he did not say it.

Hon. Mr. Lloyd: — Mr. Speaker, on a point of privilege, whether it was announced in the paper or not, it is not what I said.

Mr. McCarthy: — Well, I’ll read you a couple of paragraphs – it all adds up to it.

Mr. Lloyd said that if a comparison of the tax load was made with the ability of the people of the province to pay the tax load had not increased appreciably.

That’s one paragraph. He said: “Taxation load should not be measured by just looking at the amount of taxes paid ...

Mr. Lopton: — He said that in the House here.

Mr. McCarthy: — ... but should be measured in part by comparing the tax with the ability of the people to pay the taxes on the conditions which exist.” All right. There would be no need to be concerned about the tax load if we can keep up our present ...

Hon. Mr. Brockelbank: — investment.

Mr. McCarthy: — ... production, which is an impossibility. All right, all right, when you get through getting your ...

Mr. Cameron: — Even then it’s questionable.

Mr. McCarthy: — I still maintain, Mr. Speaker, that my statement is right because if you go back for the last 12 years, we have had an unprecedented number of good years, high prices and good crops. Let us go back over the history of this province. He says if we can maintain – well, it’s a physical impossibility to maintain it. It can’t be done. So that I am still right when I make that statement, and it shows the thinking of the members of the Cabinet on the other side of the House when these statements are made.

Well, let us go back to the resolution. Along about 1947 or 1948 (that was the time this Government was confiscating the mineral rights of the farmers in this province) and before there was very much oil, or just a few traces of oil in the south-east part of this province, that part of the country was overrun with a bunch of ‘oil sharks’. These gentry induced our farmers to sign away their oil rights and this vicious legislation helped these sharks to do a real job. They did a real job! At that time a great many of our farmers did not know that they owned the oil rights. There wasn’t any interest in oil rights previous to that time, or very, very little. But these fellows went to the Land Titles Office and they got a list of every quarter-section on which the farmer had his oil rights or mineral rights. (I speak of oil rights; I should say mineral rights). They went to the Land Titles Offices and

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they got the list of every quarter-section on which the farmer owned his mineral rights, and they came around to these farmers and told them that if they did not pay this three cents an acre tax, the Government was going to grab those oil rights, those mineral rights. Well, I think there was some justification for that statement, because they had started to do it. Most of the farmers were loath to pay taxes on something which they were not sure existed.

These agents put up the proposition that they would give them ten cents an acre annually for the lease of their oil rights, and they would also pay the tax, with the farmer retaining his 12½ per cent. Well, there were two ‘jokers in that deck’, Mr. Speaker. There were two that I know of; there might have been a lot more. The first joker was that they, almost without exception – there were some exceptions, I want to be fair about this; there are some oil companies that got those leases that are today paying this three cents an acre tax, but they are very, very few; there are two to my knowledge. But most of them, while they told the farmer they would pay the taxes, they did not write that into the agreement! The consequence is that, today, our farmers are receiving a notice from this Government that they owe 9 years of arrears of mineral tax, and that they have got to pay those arrears in order to protect their 12½ per cent interest.

The other joker in the deal was that most of these oil companies registered their claim against the land in the Land Titles Office. None of the farmers knew that they were going to do this and, as a result, it has cluttered up the titles of those farms in the Land Titles Office. Those titles are cluttered up today because of the fact they are not clear titles any more because the oil companies have a registered lien on them. If any of the members think that is funny, why just try and clear up a title; you just cannot do it.

This Government must accept some responsibility for this state of affairs owing to the fact that they passed this vicious legislation. The Manitoba Government, on the other hand, warned its farmers to hold onto their oil rights. We did not hear anything like that from this Government. And they had the other difference in Manitoba that they did not have this vicious three-cent tax there to contend with, and my humble opinion is that had it not been for this tax, 50 per cent of our farmers would still own their oil rights in their own name. I am quite convinced of that.

I know the excuse of the Government will be that they put this on to catch the large land companies like the Hudson’s Bay and the C.P.R. Well, I say to them if you still want to do that, it is all right with me. I am not protecting them. But exempt the first 640 acres that any man owns and then go after them, and by so doing you will relieve 95 per cent of our farmers from paying this tax – I am quite sure of that; paying a tax on something that does not exist or may not. There is less than 100 to 1 chance that it does exist, in my opinion.

During the 1952 election campaign, Government speakers promised that they would immediately look into the situation of farmers’ oil rights. Well, I don’t know what the word ‘immediately’ means. I take it to mean in the near future. Two years have gone by and, as far as I know, the

Government has not reported to us that they have looked into this situation. I suggest to you over there that this is one thing that you could do for the farmers now. I hope you will give this resolution your serious consideration, and I would like to see the members vote according to their conscience on this thing, especially the farm members over there. I want to say again that in my opinion this tax – and it is a tax – is on an unsound base and it is vicious in its application. That, Mr. Speaker, is all I have to say on the matter.

Mr. Robert Kohaly (Souris-Estevan): — Mr. Speaker, I would like to just comment briefly on the resolution, if I may. I would like to point out to the House that there is not one problem alone involved here, but a series of problems that are giving some of our people in the province varying degrees of difficulty.

Roughly, the problem, as I see it, is a question of the back taxed in the first instance, then the current taxes; and thirdly, the production areas as against the three-cent area, the general area, and finally and fourthly, the question of expropriation as it presently exists. And there is and has been, and may continue to be, under the present Act, expropriation.

If the hon. members will refer to this very excellent report by the Department of Natural Resources and look at page 35, they will find a judicial or historical summary of the Act; and it is exceptionally well and clearly set out. I think I would not be using the time of this House well to recount all of it, but it is very well set out. One thing that I should like to point out to the members – and you will hear me refer to it again shortly – is that while this Act came into effect on January 1, 1945, it was passed at the second Session of the year 1944.

It is interesting to note, Mr. Speaker, that the next item, the next piece of business under that Mineral Taxation Act, was six months later when the Estevan coal-producing area was delimited, or set out, or defined. That was the first step taken under the Act; and some of us who live in the Estevan area often wonder, probably inaccurately, whether or not this Act was originally meant to handle the Estevan area only. We feel that, if we might be correct (which, of course, we may not be), it was not fair legislation in its inception if that were the intention. I am not saying that that was the intention; but I do notice that the first thing that was done, within six months of the Act coming into effect, was to nail the Estevan coal-producing area.

From time to time certain other events took place, including certain litigation that went to the Supreme Court of Canada by the Canadian Pacific Railway. While I am on that point and this point and this report, I should like very much to refer the hon. members to the coal production that you have in the Estevan area. That is found, once again well set out, in Table 11 on page 30 of the same report. You will notice, in passing – I have spoken on a number of occasions about Estevan, its coal, its miners and its problems; and I would just like to point out to you, Mr. Speaker, for your information, that you will find the Estevan area is the area that has produced all of the coal, comparatively speaking, that we have had in the province of Saskatchewan. This Table goes back only to 1943-44, and you will notice that, in 1952-53 (which is the last year referred to), the Estevan area produced over a thousand times as much coal as its nearest competitive area. You will notice as well that there were over 2 million short tons of coal produced in the Estevan area in the last year. So it is not a small matter. It is not something that is irrelevant; it is of great importance to the province of Saskatchewan, has been for years, and is continuing to be of extreme importance to the people in the Estevan area.

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I said originally that the first problem was the question of back taxes. Now, if you will turn to the budget speech for this year on page 15, you will find that the hon. Minister involved estimated that close to \$2½ million will come from back mineral taxes. That, Sir, is a tremendous amount of money. Many people, uninitiated, look at the initial tax, and say “3 cents an acre; who’s kicking about that, what are you complaining about?” But, Sir, it does amount to a lot of money.

Three cents an acre is not the only tax that is involved. We have, in this area – and I should like to say that, to my knowledge, Estevan is the only area that has been designated as a producing area although there are other mineral areas. This Estevan area has been designated because of its coal resources, not because of its oil and gas. They have to pay 50 cents an acre down in that area and that, of course, amounts to a tremendous amount of money, much more than the 3 cents an acre, even if you calculate it over the one year; or, if you wish, calculate it over the nine years that the member for Cannington (Mr. McCarthy) has indicated to the House. I have here, at random – and I have many others that I have seen, hundreds of them – a statement from the Mineral Taxation Branch of the province directed to a man who lives in the Estevan area, indicating that his mineral tax for the period 1945 to 1953 inclusive, amounts to \$2,115.50. That, Sir, is a lot of money ...

Premier Douglas: — Is he a farmer?

Mr. Kohaly: — He is a farmer, who is also engaged in small coal production, or has been. Since the point has been raised, I took the trouble to find out what his coal production amounted to, last year. He farms, primarily, but has what we call a ‘gopher hole’ from which he produces a little bit of coal. Last year he would have been well advised to stay out of the coal business, because he reports to the Government his coal production and his net results, and the net result, as indicated by this operator, was a net loss of \$1,251.34 on coal; and that was the same year that he received this statement from the Mineral Taxation Branch that he owed \$2,115.50 for mineral tax under The Mineral Taxation Act.

Hon. Mr. Brockelbank: — Did the hon. member say that the man had paid the tax?

Mr. Kohaly: — No, he received a statement. I may have extended myself a bit here – I do not know at this stage whether or not this man has paid the tax. I do know that when I first came to the Legislature, when he handed this to me, he had not then paid it; and had indicated that he was not proposing to pay it for the time being, mostly because he didn’t have the funds. But if I have misled the hon. Minister that he had paid it, I am sorry; I did not mean that. He had been charged with the account, and I am sure it is charged against him; and we know what will happen, under the Act, if the Minister takes the steps which he has the authority to take, and that is to take the rights for non-payment of the tax. Here is a tax of \$2,115, a sizable sum for one who is mining coal out of a gopher hold and losing \$1,251 in the year in question.

I wish to point out to you, Mr. Speaker, that I took the trouble of contacting certain government officials who have some knowledge about this and tried to acquaint myself so that I would not find myself giving statements to this House which were not correct; and I find that there is, in the province of Saskatchewan, only one area called a ‘producing area’ and that is a portion of the area located in Townships 1 and 2, Ranges 6,7 and 8, of the province

of Saskatchewan. You will find in that area 440 quarter-sections, and I might say, for the sake of members who are not aware of the townships and ranges in the province, that it runs from the area of Roche Percee north of North Portal, Saskatchewan, to west of the Estevan area, or Estevan town, by four miles. That is the only area in the province of Saskatchewan that pays this 50-cent tax. That area was set up because of the coal that was known to be there, and the coal that is being produced and has been produced for years past.

I also took the trouble to find out what area was actually producing coal, and I find that there are only six organizations producing coal. Four of them are comparatively large organizations, two of them are small organizations and one is this chap that I mentioned, who has received his tax notice. That is all there are involved, and they are producing on a relatively small area. I realize it can be said that much of the rest of this area of the 440 quarter-section is potential, could and may produce in the future, but it is not now producing. Some of it is mined out as far as the top seam is concerned, yet they are paying that 50 cents an acre. Now I think it is most unusual in the field of taxation to tax someone from the year 1945 on through, for years to come, when they are not possibly going to receive any benefit from it, and are not now receiving benefit from it.

If you will take the trouble, look at this map issued by the Surveys Branch. You will find that there are a great number of owners in this production area who are not the Hudson's Bay Company, the Canadian Pacific Railroad, not the Western Dominion Coal mines, nor the Manitoba and Saskatchewan Coal mines, or any of these large concerns. They are little fellows, and they are paying, or will be required to pay, this 50 cents on each acre that they hold in this production area. They have no coal whatsoever; there is one area that the Department recognized was not coal producing right in the middle of it – but they said “This isn't a coal-producing area; it is five legal sub-divisions”; and they took that one piece out because they admitted there was no coal there.

There are many others in there that they could take out, because they are not coal-producing areas. They will not be producing coal within my lifetime unless there is a drastic change in our industrialization in this province; it is not foreseeable under the present circumstances. And I submit that when the hon. member for Cannington indicated this was not equitable and fair and reasonable, this is another example supporting that argument that these people are being discriminated against down there; that it is no broad, proper taxation basis in which this field has been delineated. I suggest that on that basis it tends to injure or destroy the basis of The Mineral Taxation Act.

I would like to point out to those who might say that the intent of The Mineral Taxation Act, which of course is important, was to get at the large landowners who have these resources there and are in a position to develop them, and who may have received some substantial benefits by the production of coal or oil or gas. It appears from evidence which I could gather that these large owners – the Canadian Pacific Railroad, for instance, when they found the Supreme Court decision against them – thereupon appeared to pay their back mineral taxes; and they appear to have paid some \$50,000. That is what they paid at that stage. And yet, the back taxes, according to the Provincial Treasurer, of mineral taxation, amounts to some \$2½ million.

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It is not a large sum that the C.P.R. were paying at that stage in relation to the total amount the Government are going to collect ...

Hon. Mr. Brockelbank: — Mr. Speaker, I am sure the hon. member wouldn't like to lead anybody astray. I don't know that I have the exact figure here, but it is well over half a million dollars that the C.P.R. paid in back taxes.

Mr. Kohaly: — Mr. Speaker, the figure that I am using — and unfortunately I have not put my reference down — was that at the time the Supreme Court decision was made, the Canadian Pacific Railroad thereupon paid the back taxes. The amount that they paid at that time was \$50,000 ...

Hon. Mr. Brockelbank: — No, you're wrong.

Mr. Kohaly: — Well, I stand corrected then, Mr. Speaker. I haven't my reference. I cannot substantiate it. However, I will use the figures, then, of the Department of Natural Resources. Page 36 of the report of this year gives the amount paid in each of the years involved for the 3-cent acreage tax and to the right of that is the 50-cent producing area tax. In the first year in question, in which any 50-cent producing tax was paid, was the year 1947-48, and in that year the tax collected was \$14,604.97. As we continue through each of the years thereafter, you have \$4,000, \$10,000, \$6,000, \$6,000, \$5,000 collected. Those are the years up to 1952-53, and if the hon. Minister who has issued this report has added correctly, he shows us to have a total of not \$50,000 paid on the entire producing area, but \$47,000 only, paid, in the period 1945 to 1953 inclusive — \$47,442.67 as against a total payment of \$838,953.95 on the 3-cent acreage tax, contained on page 36, Mr. Speaker, of the Annual Report of the Department of Natural Resources of this province.

Mr. Lopton: — I guess he didn't read it.

Mr. Kohaly: — I submit that there may be some good grounds for a change in this Act. I know of no way, Mr. Speaker — there may be one — of discussing an Act which is in force and not before the Legislature, except by resolution. That is why I wished to speak on this resolution, to indicate to you that there is some inequity, some harm, being done that could be corrected without any great 'raid' or 'steal' on the coffers of this province. The amount involved is not so tremendous that some arrangement could not be made. As far as this Estevan producing area is concerned, it has been expanded and it has been contracted and, if you look at the report once again, it will give you the years there in which the outline was expanded and in which it was decreased. It has been done. One piece has been lifted from the area altogether, from right inside the area. I submit if it can be done for one person, it can be done for somebody else, and there are many deserving cases in that area, with nothing to do with coal production at all. Yet that is why it is there and it is producing a hardship, and I think, as member for the people who live in this area, it is my duty to point it out, that it is doing something that it shouldn't do and we should straighten that part of it, at least.

I wish now to deal with the last point that I raised and that is the expropriation. The Act gives the Minister the rights, and the right was exercised by the Minister to expropriate those mineral rights which were not paid for under The Mineral Taxation Act. If memory serves me right, and roughly speaking, two strips were taken from one end to the other across the

province, or up and down in the province. They were test strips, I suppose you could say. In those strips the minerals for which the tax had not been paid were forfeited to the Crown. That forfeiture apparently took place – first forfeiture notices were mailed August 17, 1946; and then, upon reconsideration, the forfeitures were opened and the Minister gave his order revesting the first titles on the 10th of May, 1950. He reconsidered the situation and opened it up.

It is my understanding that you cannot now receive from the Minister revestment of your minerals which have been forfeited the Mineral Taxation Act. I am quite sure that they are not forfeiting for the time being; but he has the right, if he wishes to exercise it. I am quite sure that the Minister has had numerous requests for the return of the minerals with the automatic suggestion that they would pay the tax, but that these minerals have not been returned, and the policy of this Government at this stage, Mr. Speaker, apparently is to retain the forfeited minerals in the area.

Without doing any injustice to anyone, I wish to suggest that they have taken the mineral rights from some people; that if you look back at it, then one of the purposes of the Act is, first of all to collect money – tax; but secondly, to obtain the title to mineral rights. If that premise is correct, then one of the purposes of this Act is not a very fair one, not a proper one, not a fit one and one that we should certainly review. They have taken them, they can take them, and I take one step further and suggest that they will take them; and it is a most unfortunate and inequitable Act for that reason.

The amount that is involved, in many instances, has become quite sizable. I have suggested to you that one man has to pay \$2,500 covering three quarter-sections plus two L.S.D.s, and that is a lot of money. Other farmers say that they just cannot and will not pay it. It is all well and fine to say that the average lease includes a provision in it for the oil companies, the lessee, to pay 7/8ths of the tax. That is true. The major oil exploration companies have that in their standard lease, but that does not include the back taxes. They have to pay that themselves and many oil companies (I shouldn't say many, but some oil companies who have picked up these leases and are holding them as lessees) are not paying the 7/8ths because they are not required to since it was not in their lease, because during the period of the leasing, 1947-1949, The Mineral Taxation Act was before the courts and there were some serious doubts being expressed as to its validity. And so that point was not in their minds when they were contracting. It is, of course, an unfortunate affair that has happened, and I think that many farmers are going to pay a tremendous price for it.

I have taken much longer than I had anticipated, Mr. Speaker. I would like to point out that the second half of the resolution deals with expropriation. The Minister should seriously consider giving these people who have had their rights expropriated the opportunity, once again, to pay and to receive in return the rights which have been taken from them. Secondly, the Minister and the Government should give some serious consideration to outlining the producing area, the 50-cent area, on a more fair and equitable basis – it is a coal area, that is what it is for; then those areas that have coal, where coal is being produced and they are receiving royalties, tax them; there is a way to do it on an assessment basis, not in effect, I submit, in the province at this stage in that area. But they can do it.

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The Legislature has foreseen that possibility, giving them the right, but they do not use it. They say “that area is going to pay 50 cents.” There are only six producers in that area, not 440 quarter-sections; there are many people involved, and it is working an inequity and I submit, on that basis, that the second point should receive some consideration from this Government.

The third one is a general one – that the tax is not a fair tax, that it is not over an even basis of our citizenry, and the you are taxing something which you have no knowledge that there may be value to. We assume; we hope; but there is no knowledge of its value. It is an unusual thing to tax – and that is the argument of the Canadian Pacific Railroad and the others who went to the courts. The Minister knows better than I what their argument is. I am merely repeating that argument here and submitting that it is a fair argument as far as the citizenry are concerned ...

Premier Douglas: — The judges didn’t think so.

Mr. Kohaly: — ... and that it should receive some consideration. On that basis I have no alternative, Mr. Speaker, but to support the resolution and hope that in supporting it the Government will give some consideration to some of the worst of the inequities that are in it and to correct them, as is in their power to do and in their power alone.

Hon. Mr. Brockelbank (Minister of Natural Resources): — Mr. Speaker, I don’t know whether or not the hon. members opposite have said all they want to say on this question, but one thing did appear to me and that is that they laboured this question very hard to try to strengthen what I think is rather a weak point.

First of all, I would point out that the resolution does not deal with the producing area tax at all. I didn’t want to interrupt the hon. member for Souris-Estevan (Mr. Kohaly), but I think the resolution only deals with the acreage mineral tax and resident farmers, and it has no reference to the producing area tax of 50 cents an acre at all. I would not argue with the hon. member that there wasn’t room for checking and overhauling of the situation in Estevan producing area, and I hope we will get around to doing that before too long; but I don’t want to be out of order as long as he was in talking about a subject that is not in the resolution at all.

If my hon. friend will turn up the ‘Votes and Proceedings’ for March 5th, he will find an answer to a question showing that there was over \$2,600,000 paid in mineral tax in the first ten months of the present fiscal year. The C.P.R. and the Hudson’s Bay Company and the Canadian National and some of the other large holders, after the case was settled, paid up their taxes in full; that is what has made up over \$2,400,000 of that \$2,600,000 which was paid by the large holders.

I agree that there is a considerable amount of arrears outstanding, but I also agree that there is a considerable number of parcels of land where the mineral rights are privately held, where the owner has paid those taxes

up from year to year. That opportunity was open for everybody, and I think it is a bit of a fictitious argument when we say to the fellow who did not pay his taxes, being in the same position as his neighbour, “now you owe a lot of taxes, and we have a great deal of sympathy for you.” It is true that a lot of people paid the tax. Some people waited and said, “Well, while this case of the C.P.R. is on we will wait, and when that is settled we will pay up the arrears”; and a great many people have paid up the arrears of the acreage tax.

Strange as it may seem, I have had very few (I am sure not more than two or three cases) complaints of people on the ground that this was an unjust tax. In most cases, the people who owned their mineral rights were so very happy to find that they owned them that they were tickled to pieces to even have the privilege of paying that little tax.

Premier Douglas: — They were glad to be told how lucky they were.

Mr. Danielson: — What a joke!

Hon. Mr. Brockelbank: — Considerable time has been spent in this House weeping huge tears for the poor people who do not own the mineral rights and haven't an opportunity to pay the tax. Now my hon. friend just cannot have it both ways. The member for Cannington (Mr. McCarthy) can talk all helices about this tax being on an unsound base, about the base being not real property; but he cannot convince the people of Saskatchewan, and the people of his constituency, who hold mineral rights, that they do not hold some real property. They do. They are able to lease them, and they are able to get good revenue from them.

Mr. McCarthy: — Ten cents an acre.

Hon. Mr. Brockelbank: — Even when they get ten cents an acre. Does my hon. friend say they are worth more than that? He hasn't a thing to say now ...

Mr. McCarthy: — I'll reply to you later. Go ahead.

Hon. Mr. Brockelbank: — My hon. friend wants, as usual, to ride two horses ...

Mr. McCarthy: — Mr. Speaker, I object to that. I have never ridden two horses in my life. I am not doing it now and I wish you would make him withdraw it.

Hon. Mr. Brockelbank: — Well then, Mr. Speaker, may I say that he wants to sit on the fence and keep his ear to the ground at the same time ...

Mr. McCarthy: — That's your version, not mine.

Hon. Mr. Brockelbank: — ... and I will tell you why. I said that he wanted to ride two horses. I may be mistaken ...

Mr. McCarthy: — You are.

Hon. Mr. Brockelbank: — ... but he cannot in one breath say that this property is of no value and should not have a tax on it, and in

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the next breath say that because of some deficiency of the Government these people have leased their valuable property for ten cents an acre. The two stories just don't fit in together. I would suggest he pick, sometime soon, just which side of the fence he is going to get on.

Mr. McCarthy: — I'll tell you in a minute, when you sit down.

Hon. Mr. Brockelbank: — I listened to him and unless he is going to do a better job of telling than he did before, I am afraid I won't be convinced.

Mr. McCarthy: — That could be, too.

Hon. Mr. Brockelbank: — He said something about it being 'vicious' and he read the section that provided for sending out a notice to a person who was in arrears on the Mineral Tax. My hon. friend, for many years, has been reeve of a municipality. He has, every year in that municipality, approved a list of lands — what happens to this list? This list was advertised. A notice was not sent to each individual, as we do. The list was advertised, as we do. The list was advertised in the 'Gazette' and in the newspaper in the municipality. The advertisement contained a notification that unless arrears to taxes and costs are sooner paid, the treasurer will, at the expiration of a period of 60 days from the date of the advertisement, proceed to register a tax lien.

Mr. McCarthy: — That's right.

Hon. Mr. Brockelbank: — Then the steps to follow along after that towards taking title to the land ...

Mr. McCarthy: — That is correct.

Hon. Mr. Brockelbank: — ... and I will wager that my hon. friend was reeve of that municipality when the municipality took title to some property for non-payment of taxes.

Mr. McCarthy: — That is correct.

Hon. Mr. Brockelbank: — He confiscated it!

Mr. McCarthy: — No, I didn't

Hon. Mr. Brockelbank: — How terrible!

Mr. McCarthy: — I'll explain that to you in a minute, too, my dear boy.

Hon. Mr. Brockelbank: — I am just using to my hon. friend the kind of language that he sued to us a few minutes ago. It has long been a common practice that to protect your rights and your property you have to pay your taxes.

Mr. McCarthy: — That is correct.

Hon. Mr. Brockelbank: — And if you don't pay your taxes, ultimately you will lost the title.

Mr. McCarthy: — That's right.

Hon. Mr. Brockelbank: — My hon. friend and all the other municipal councils in the province were, apparently, so rough in this procedure that ...

Mr. Walker (Hanley): — Vicious!

Hon. Mr. Brockelbank: — Yes, vicious; so vicious in this procedure that even the late Liberal government had to provide that the municipalities could not take the title without getting the consent of a board appointed by the provincial government ...

Mr. McCarthy: — Good legislation.

Hon. Mr. Brockelbank: — ... to prevent the municipalities from being so vicious. Now I don't think the provincial government is the one who is vicious; the provincial government is the one who appointed this board to tone down that action ...

Mr. McCarthy: — Quite right.

Hon. Mr. Brockelbank: — And I think it doesn't come very well from my friend when he is suggesting that this has vicious points about it.

My friend also made quite a bit of some of the words of the former Minister of Natural Resources in regard to the purpose of the Act. I do not agree with those words. I do not agree that the purpose of the Act was to take away this property any more than the purpose of the taxation levied in the municipality where my hon. friend lives, is for the purpose of taking away the ownership of the property of the people in that municipality. It is for revenue. I don't care what anybody said about it — and it is bringing in revenue, and good revenue.

My hon. friend mentioned the land — or perhaps it was my friend from Estevan — that was forfeited under The Mineral Taxation Act. The reason why the decision was made to return the mineral rights was because people generally did not realize the value of the mineral rights; they weren't going to bother paying the tax. Then, when the forfeiture proceedings went through they lost their title to the mineral rights, and some months later they were very sore at themselves for doing so.

Mr. McCarthy: — Or the Government — which?

Hon. Mr. Brockelbank: — And so we said, "Okay, we will start over again." In the meantime the C.P.R. had started their suit, and I don't think you need to give credit to the C.P.R. for stopping the procedure of enforcing the tax because, when the C.P.R. got an injunction, we then voluntarily, said, "We will not proceed in any other case at all." We were not prohibited from proceeding with the collection of the tax in other cases; and the reason, as I said, was because this group of people were caught unawares. People are aware now of the value, and if my hon. friend was right in what he said — that this property had no value ...

Mr. McCarthy: — I didn't say that.

Hon. Mr. Brockelbank: — He inferred that it had no value.

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Mr. McCarthy: — I didn't say that, I said one in a hundred.

Hon. Mr. Brockelbank: — ... then there would be no fuss about this question at all, about whether we owned the mineral rights or didn't own the mineral rights, because it has a potential value even where it is leased for ten cents an acre. The company that leases it usually agrees in the lease to pay 7/8ths of the tax ...

Mr. McCarthy: — Oh, no!

Hon. Mr. Brockelbank: — In the standard leases that I have seen (and I have seen a few of them) the Company agrees to pay 7/8ths of the mineral tax. If my hon. friend has got his mineral rights leased, he should send his tax receipt for his mineral tax in to the company, and I think they will refund to him 7/8ths of the tax he paid.

Mr. McCarthy: — Oh, ho, ho!

Hon. Mr. Brockelbank: — And so when you talk about doing away with the tax, in a great many cases it is the companies that you would be letting off paying the tax and getting nothing extra for the owner himself. I don't know what this vicious state of affairs is anyway.

Mr. McCarthy: — You'll find out.

Hon. Mr. Brockelbank: — My hon. friend talks about it, but I just can't see it.

To put this matter on the record right I think it is necessary to go back over a little bit of history, and again point out that prior to 1887 ...

Mr. McCarthy: — You told us that yesterday.

Hon. Mr. Brockelbank: — ... in the disposal of land by the Dominion Government the mineral rights were given away with the surface title; and then the change was made west of the third meridian, in 1887, and east of the third meridian in Saskatchewan, in 1890. So, Mr. Speaker, we have this situation now existing. There are many cases where people do not own the mineral rights and their neighbours do own them, and their neighbours are getting revenue from this additional property. I cannot see but what it is fair and just that those fortunate ones should make some contribution to the province and that they should make it to the province because, properly speaking, this is the kind of domain that should never have been alienated. But now it has been alienated, I think there is certainly justification for the tax.

The situation with regard to the petroleum lands in the province is that there is approximately 78-million acres of potential petroleum lands ...

Mr. Loptson: — Seventy-eight million?

Hon. Mr. Brockelbank: — Yes, 78-million. That takes in, roughly the surveyed area. There are 54½-million acres of Crown ...

Mr. Kohaly: — Mr. Speaker, may I ask the hon. Minister a question? Does the figure of 78-million include the ...

Hon. Mr. Brockelbank: — If my hon. friend will just wait he will get the answer. I already said that 54,500,000 acres was Crown — these figures are approximate; and private and the Federal Government, 23,500,000. We have put the Federal Government in with the private owners, because they stand in the same relation to the Province. That owned by the Federal Government will mostly be on Indian reserves.

Mr. Bentley: — And the C.N.R.?

Hon. Mr. Brockelbank: — No. The C.P.R. is not counted in with the Federal Government. It is counted as a separate Crown corporation.

So we have this 78-million acres divided — 23½-million acres up we find that about half of it is owned in fairly large blocks: C.P.R., Hudson's Bay, C.N.R. and certain colonization companies — I think probably the province of Manitoba would come in there too. Then the other holders, which will be all the way from very small quantities, would account for the other half of the 23½ million acres.

The proposal made in this resolution has already been very thoroughly studied and considered, and one of the things that we found was that it would be almost impossible to administer an Act which provided for exemption on the basis of ownership. My hon. friend says "Exempt 640 acres." If a man owns a quarter-section of mineral rights in this township, another quarter-section in that township, and another quarter-section somewhere else, it would be impossible without a master tax roll for the whole province — and how you would keep up with it I don't know ...

Mr. McCarthy: — We'll help you.

Hon. Mr. Brockelbank: — ... and administer that on a fair basis.

Mr. McCarthy: — I'll help you.

Hon. Mr. Brockelbank: — If the hon. member isn't any better at helping at a job like that than he is at making a case for this resolution, I don't think I will hire him.

It would be very difficult to administer, and I would have to oppose that, too. It was made clear, today, by the hon. member for Cannington when he was moving this motion, that only a part of his interest was in the motion, because most of his speech was directed, not against the tax on the resident farmers, but against the tax, period. All of his talk was directed against the tax as being on a poor foundation, vicious — and then he forgot himself and he got on the other horse for a minute and said, "Well, I don't care if you tax the big fellows."

Mr. McCarthy: — You're getting all balled up.

Hon. Mr. Brockelbank: — ... that the object of this resolution is to do away with the whole tax, ultimately; and I cannot agree with that. I think it is a fair tax and an equitable tax. It will bring an annual income of about \$700,000 a year ...

Mr. McCarthy: — Is that the total annual income, or is that the annual income from farmers?

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Hon. Mr. Brockelbank: — No, that is the total annual income from the Mineral Rights Tax. It would be in the neighbourhood of \$700,000 a year.

Mr. McCarthy: — Well, could you give me the amount that comes from the farmers?

Hon. Mr. Brockelbank: — Not the farmers, because not all the small owners are farmers by any means; not nearly all, as I will show you in a few minutes. But the proposal to take out the small owners probably would cut that revenue in half.

Mr. Loptson: — Mr. Speaker, may I ask a question? I wonder if the Minister has any idea of what portion of the mineral rights has been separated from the surface rights of the lands in question? It must be quite a big proportion, where the ownership and the mineral rights are separate from the ownership of the surface rights. We have always maintained that once a man separates those two assets, he has established a right, or at least a value, on the mineral rights.

Hon. Mr. Brockelbank: — Mr. Speaker, I thought the hon. member wanted to ask a question, but he started to make a speech.

Mr. Loptson: — I was just asking if you knew the ...

Hon. Mr. Brockelbank: — I don't know exactly. I don't know that we ever will know that; but I am sure that a very high proportion of the mineral rights have been separated from the surface rights in the title.

There is no gainsaying it, Mr. Speaker, that mineral rights are a valuable property. They have more than a potential value; they have a real value and are worth good money. I would like to give a few examples of this valuable property and I think we might as well take it down in the Frobisher area near this new well. One section which corners the section on which the well is located is divided up like this: one quarter has minerals in the Crown; one quarter has minerals owned by a Saskatoon man; another quarter-section — 1/5th interest in the minerals is owned by Minerals Limited and 4/5ths interest is owned by Farmers' Mutual Petroleum. You have all heard of that company; Mr. Henry Mang is president of that company ...

Govt. Member: — Who is he? The member of Parliament?

Mr. McCarthy: — He is one of the companies that pays the tax, too.

Hon. Mr. Brockelbank: — Yes, whom we would be exempting from the tax.

The other quarter on this section is half-interest owned by Northern Trust Company and half-interest by a Frobisher man.

Now let us go to another one, a section that is next to the section where the Frobisher well is. One half of it is held by an Ontario party; one quarter is held by a local man, and one quarter by the Crown. Section 34, where the well is located — of course the minerals are in the Crown; section 35 — two local men own the mineral rights on that section. Those mineral rights are real property ...

Mr. Loptson: — Well, these are separated from the surface.

Hon. Mr. Brockelbank: — I am not sure about all of them being separated from the surface, certainly some of them are.

Mr. Loptson: — You are arguing in our favour now.

Hon. Mr. Brockelbank: — If my hon. friend will keep quiet while he is in his seat, I will try to finish my speech so he can make his.

Mr. McCarthy: — You're doing fine.

Mr. Speaker: — Order!

Mr. Danielson: — You're riding two horses now.

Hon. Mr. Brockelbank: — I find there is another section there which is close by and the whole section mineral rights are owned by somebody by the name of Pickard, from Exeter, Ontario. These are the people we would be exempting ...

Mr. Loptson: — No.

Hon. Mr. Brockelbank: — Another section is owned by ...

Mr. Loptson: — Not the ones we are asking you to exempt.

Hon. Mr. Brockelbank: — Another section is owned by local people and is in an estate. Another section still: one party owns a half-section from Baltimore, Ontario; and the other is owned by a party at Alameda.

So when you talk about these exemptions, I think that our actual resident dirt farmer would get very little benefit from the exemption, particularly when we consider that where the minerals are leased under the standard lease, the oil company pays 7/8ths of the tax. The important thing is to remember that this is valuable property, and whether I own a section of it or ten sections of it, it is still valuable property. I don't own any oil rights in the province of Saskatchewan, though I do have a few quarter-sections of land. I thought maybe my hon. friend over there was ahead of me on that one; but I don't own any. Maybe I should have been for the resolution, the other day; but I can assure you that I am not, because of any personal interest, opposing this resolution. I am opposing it because I think the tax is fair and equitable.

Mr. Kohaly: — Mr. Speaker, may I ask a question? The hon. Minister has indicated that oil rights, although not developed, have some value and he has taken the Frobisher area and so on. I wonder if he would tell the House what he feels the value of the minerals are in the Weyburn area for which Crown leases were put up for option, and I understand there were no bids. What does he feel the value of the minerals in that area is?

Hon. Mr. Brockelbank: — Well, if you know anybody down there who wants to give away their mineral rights, I will be tickled pink. Privately owned mineral rights in that area would be valuable and leasable right now.

Premier Douglas: — They are getting \$1.00 an acre, so it can't be worthless.

Hon. Mr. Brockelbank: — We put them up for sale leases in scattered blocks,

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with a drill commitment on each one; and on every few thousand acres they have to drill a well. That was the basic price they had to pay for them. The companies thought at this time it just was not worth drilling wells on that land. But on these 10-year leases where there is no commitment to drill a well, I am sure in that area you could probably get 50 cents or \$1.00 an acre.

Mr. Loptson (Leader of the Opposition): — Mr. Speaker, just to get the question right on the records, I don't think it has ever been contended on this side of the House that you should exempt the mineral tax on mineral rights that were alienated from the surface rights. It is merely to give back to the farmer, or to those who have the surface rights as well as the mineral rights – to exempt them from taxation.

We still contend here that where a man has separated the mineral from the surface he has established a value on it, and you are perfectly within your rights to tax him. I just want it understood, that we are not asking you to exempt somebody who just holds the title to the mineral rights and somebody else holds the title to the surface rights. Those farmers who have their surface rights and their mineral rights I say, until their mineral rights are of some value, you should exempt them and that is what the resolution is for.

Premier Douglas: — Mr. Speaker, all I want to say is that that, of course, is not contained in the resolution. It should also be pointed out that there are many cases where the farmer still has the mineral rights in his title, but he has already leased those mineral rights to somebody else, for which he is getting a consideration each year; and that proves that they have value.

All I would like to say about this resolution is that it is the most amazing piece of political footwork that I have ever seen in my political career. Only last Tuesday, we were told that the whole social life of this province was being upset by virtue of the fact that there were farmers who, by some accident of legal legerdemain, in days gone by, had come into possession of mineral rights. The general feeling was that if things had been carried on properly all mineral rights should have been retained by the Crown for the benefit of the people. But because this had not happened until 1887 and 1890, due to errors of fate, certain people were so fortunate that they got the mineral rights, and when mineral discovery came along these people were the envy of creation. All their neighbours, as described by the member for Souris-Estevan, were jealous of them. Some of them were leasing their land for \$1.00 an acre, for \$10.00 an acre; some of them even leased a half-section for ten or fifteen thousand dollars. And all their neighbours were jealous. We were asked to do something for their neighbours. Now we are being asked to make their neighbours even more jealous by saying to them, “not only have you got these marvellous mineral rights, but you need not pay any taxes on them.”

Now, if that isn't going from one extreme to the other, I never say it. Take the case of two men farming side by side, one man owns his mineral rights, the other man doesn't. In the case of the man who doesn't own his mineral rights, all he can do is farm that land, and if oil is discovered on it he will get what we think is quite generous compensation. But his neighbour, with no disturbance at all, nobody even moving onto his

place, may have a lease that brings him in \$1.00 an acre or \$5.00 an acre per year, plus the prospect that, if they do find oil, he will get 12½ per cent royalties.

The member for Souris-Estevan asked a question about the Weyburn district. In the Weyburn district I know of many of my friends who have leased land on which no work is being done, for \$1.00 an acre and better. Without ever turning a finger these individuals are getting \$1.00 per acre per year. On a section of land they get \$640 every year – a nice little income for doing nothing. Of course, if oil is discovered on their land, they will make a lot of money. But even if they never get oil, never move on, they get \$640 a year. His neighbour doesn't get anything. We are now supposed to come along and say to his neighbour "not only is your fellow next door going to get \$640 a year as a lease for his mineral rights, but we are even going to excuse him from paying the 3 cents an acre tax." I wonder what the people who haven't got mineral rights must think of this resolution. The people who were being told, just 48 hours ago, how unjustly they were being treated because they didn't have their mineral rights, now see the same people come into the House and say that the disparity between these two should be even further widened, and that the people who haven't got their mineral rights should have to make up to the treasury \$700,000 a year or \$300,000 a year or whatever it amounts to, in order to compensate and give back the tax to those people who are, in the main, quite able to pay it. If a man is getting 10 cents an acre, or \$1.00 an acre, or \$5.00 an acre for mineral rights, surely he is in a position to pay the Crown three cents per acre.

I never saw such a piece of clever political footwork in my life – going from one side of a question on a Tuesday over to another side on Thursday. I think that most people in the province will recognize it for what it is – a piece of smooth political manipulation that will take no one into camp and will fool no one except the people who are sponsoring the resolution.

Mr. Kohaly: — Mr. Speaker, I wonder if the Premier would answer a question? He has drawn a line of what he chooses to call ridicule between the two resolutions. Would he tell the House what steps he has taken insofar as the first resolution is concerned, that is to say, that it was not acceptable apparently. Would he tell the House what steps he took insofar as that resolution was concerned, so as to show that the two positions are ridiculous.

Premier Douglas: — Mr. Speaker, I can understand from my hon. friend's inexperience that he would ask a question like that. I cannot discuss the resolution that has already been disposed of, relating to what steps have been taken. But if the House will permit me to break the rules of the House, the steps that were taken were, as the Minister announced the other day, the Government set up a committee which worked for a period of a year and a half or more on this whole question of making adequate compensation to the farmers, a very generous compensation to the farmers, on whose land oil was found, and as a result that was done. I may also say, while I am on my feet, that it is rather interesting, since we had the discussion the other day, that the Progressive Conservatives in the province of Manitoba moved for a royalty to be paid in the province of Manitoba on land where the farmers didn't own the mineral rights and all the Liberal members voted against it.

Hon. Mr. Corman: — I'm not quarrelling. I have a question to ask. I thought

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It would be better if I asked in advance, rather than interrupt. I am very kindhearted.

I was very close to the litigation by which we won the right to collect this tax from the C.P.R.; it cost us some money and we spent considerable time on it. I wonder if the mover of the resolution (Mr. McCarthy) would tell us if it is a vicious, an unjust tax, if we should collect it from the C.P.R.?

Mr. McCarthy: — I am surprised that the hon. Attorney General should honour me, a farmer, by asking a question of that description. I wouldn't attempt to answer a question that he couldn't answer. I can give you my own views on it ...

Hon. Mr. Corman: — What are they?

Mr. McCarthy: — My views are just what I said — that by exempting the first 640 acres you could still collect from those people if you so chose to do.

Hon. Mr. Corman: — It isn't vicious then, up to that point?

Mr. McCarthy: — Yes, it's all vicious.

Premier Douglas: — Oh, it's all vicious?

Mr. McCarthy: — I am not taking any of it back. I say it is all vicious; it is all on an unsound base.

I would like to reply to what the hon. Premier said just now. With his usual ridicule and all this sort of thing, he tried to wash out — and it is a pretty weak argument when you have to resort to ridicule. I want to tell him and tell this House that I had no responsibility for the resolution that was moved on Tuesday.

Hon. Mr. Fines: — You supported it.

Mr. McCarthy: — All right.

Mr. Speaker: — Discussions of responsibility for the resolution is certainly out of order.

Premier Douglas: — No, Tuesday. The hon. member is referring to Tuesday, Mr. Speaker.

Mr. McCarthy: — On Tuesday ...

Mr. Walker (Hanley): — He's out of order.

Mr. McCarthy: — No I'm not out of order. The Premier referred to it. He made his nice little, as usual ...

Mr. Speaker: — You were referring to this resolution.

Mr. McCarthy: — No, no. I want to point out to the Premier and to the House that I hadn't any responsibility for the resolution that was moved on Tuesday ...

Premier Douglas: — But you voted for it.

Mr. McCarthy: — I voted for it, sure. I vote for a lot of things. The only thing I haven't voted for yet, as far as I know, is the C.C.F., and I hope I never will.

Premier Douglas: — Hear, hear; it's mutual now!

Mr. McCarthy (closing debate): — But the Premier, with his usual ridicule and his use of the English language tried to tie in the two and make it a real political deal. So I want to tell you, Mr. Speaker, and this House that I did not move this resolution for political purposes. I believe in what I moved, and I believe in it for the reason that my people, farmers, came to me and complained about it. That is the reason I moved it. I want to tell the House another thing, that I don't own any mineral rights. I own a considerable amount of land; I have the title to it, but I don't happen to own any mineral rights. So, if anybody over there thinks that I am speaking for my own interest they have another thing coming.

Another thing that I want to say. The Premier said that down in the Weyburn district, where there isn't too much active prospect for oil at the moment, as I understand it, they are leasing for \$1.00 an acre. That bears me out, that they are worth that and in some cases more. That is what I undertook to say. That bears out my contention that had it not been for this vicious tax, a lot more of our farmers would have been reaping some money by getting more than 10 cents an acre.

I want to say to the Minister of Natural Resources that, if 7/8ths is paid by the oil companies, and if they are doing that, how does it come that three men in the last few days came to me and said that they were being billed for the whole nine years' taxes? How does that come?

Hon. Mr. Brockelbank: — Do you want me to answer?

Mr. McCarthy: — All right, sure. If you have lots of time, I have.

Hon. Mr. Brockelbank: — They are billed by the Department of Mineral Resources and when they pay the tax and get the receipt, they send the receipt then to the company, and the company, when they get the receipt, will refund them 7/8ths.

Mr. McCarthy: — In a very small proportion of cases ...

Mr. Walker (Hanley): — Who says that?

Mr. McCarthy: — My information. My information is — and I am giving it to you, I haven't it documented here; but it was given to me by some men whom I have known all my life, and they told me that, while they understood that was the case, when they came to read their lease it wasn't the case, and that they are being billed for the full amount. Now if I am wrong I will stand to be corrected, but I think I am right.

Hon. Mr. Bentley: — They've been 'took'!

Mr. McCarthy: — You're dared right. Another thing I would like to say to the Minister of Natural Resources is that he attempted, along the Premier's line, to sort of ridicule the fact that I have been

reeve of a municipality and that we had taken some land. Sure we did. We took a lot of it; but we never took a quarter-section of land from any person who was a resident there and wanted to keep it – not one quarter-section. The land that we took was land that people, farmers, had bought and, when the ‘thirties came along they couldn’t hold it, they turned it back to the mortgage companies or whoever had it. The mortgage companies came along and said, “We won’t pay those taxes; we are getting no revenue from those lands, you can take them.” They were cases in which we couldn’t find anybody who would assume any responsibility. They just said “take it” and we did. But in my municipality there was never, when I was in the municipality, one single quarter-section of land taken from a ratepayer, who was a ratepayer and who wanted to protect his interest, not one.

The Minister goes on to say that this is a similar thing to the municipalities. Well, the similarity is very remote because, as I said before, if you wanted to be arbitrary about it, if the municipalities did (which they aren’t) it would take them, at the very quickest time in which they could repossess land, four years; and in a great many cases – and to do that they would have to start proceedings a year after the property became in arrears, and they don’t do it. It runs on and on, and they only use it as a last resort; the municipalities do not figure that the tax base should be used to repossess property and to gain title to something. The municipalities are interested in collecting taxes not in obtaining property, and that is the difference between the two taxes. That is why I said it was vicious.

Hon. Mr. Brockelbank: — Speak for yourself.

Mr. McCarthy: — All right, that’s what I am doing.

Hon. Mr. Berezowsky: — Mr. Speaker, on a point of order, may I ask the hon. member if he is referring to a question that was asked by the hon. Minister or whether he is winding up the debate?

Premier Douglas: — Oh, he’s winding up the debate.

Mr. Speaker: — He’s winding up the debate.

Mr. McCarthy: — Do you object to that, my friend?

Mr. Berezowsky: — No, I wanted to get up and say a few words and apparently I am ruled out.

Mr. Speaker: — I warned the Legislature.

Mr. Berezowsky: — No, you didn’t. He got up to answer a question.

Mr. McCarthy: — Well, that’s an interruption, that’s fine. Where are we now?

Mr. Cameron: — You’re all balled up.

Mr. McCarthy: — That is the difference between the municipality. The hon. Minister of Natural Resources said that they had to set up a Board to keep the municipalities from repossessing for taxes; that is not true. That Board was set up as a board of appeal. The owner could appeal to the Board, and if there were special circumstances involved,

that Board could extend the time and thus delay proceedings. They did extend the time in a great many cases; and that is good Liberal legislation.

There are a great many other things I could say about this, but I think we have taken sufficient time on it.

Again, I want to say that, despite what the Premier said, I did not move this resolution for political purposes. I was sincere in doing it. Nor did I move it for any personal reason because I do not own any mineral rights. I moved it because of the number of people, friends of mine, friends of mine who do not vote for me too, who came to me and gave me the material that I gave in this resolution.

I am still going to appeal to the farmers on the other side of the House to vote according to their conscience.

The question being put, it was negatived by 35 votes against 8, on recorded division.

HEALTH INSURANCE

Moved by Mr. Carr and seconded by Mr. Cameron:

That this Assembly recommends that the Government give consideration to the immediate implementation of the C.C.F. platform for complete Health Insurance as laid down in C.C.F. Pamphlet n. P.105 entitled "Let there be no Blackout of Health" and distributed before the 1944 general election and which platform was as follows:

'The C.C.F. will therefore set up a complete system of socialized Health Services with special emphasis on preventive medicine, so that you and every other resident of Saskatchewan will receive adequate medical, surgical, dental, nursing and hospital care without charge.'

Mr. S.H. Carr (Rosthern): —Mr. Speaker, the motion which appears on the Order Paper in my name is very clear. Almost everyone is interested in the subject of health insurance. It is a matter that has concerned public-spirited citizens in Saskatchewan every since this province was formed. People have not only talked about better health and better health services, but they have shown a willingness and a readiness to co-operate with their neighbours to provide these services, a willingness and a readiness that has not been surpassed by the people of any other province in Canada. The people of Saskatchewan have been convinced for a long time that we can and must have a plan of health insurance.

Health insurance is not a new idea in this province In case anyone may be labouring under the misapprehension that we never heard of health insurance until the C.C.F. became a political factor...

Government Members: — Oh, we've heard about it – plenty! All we did was hear about it.

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Mr. Carr: — I would like to put the thinking straight by outlining some of the co-operative health services established by the municipalities and the people themselves before this Government or the C.C.F. Party ever came in power.

Mr. Loptson: — Hear, hear!

Mr. Carr: — When the Fathers of Confederation were drafting the British North America Act their greatest concern was in regard to the development and the defence of this vast new country. The result was that matters that, at that time, appeared to be of little concern, were delegated to the province; public health, social welfare and education were among these. The provincial governments in turn passed the major districts. Public health and the care of the sick became, and still is to a great extent, the responsibility of the municipality or the individuals themselves.

Soon after municipalities became organized, municipal men began working out plans to provide the services for which they had become responsible. As early as 1911, just five years after the province was formed, municipal men approached the government for legislation to enable them to join together to provide facilities for the care and treatment of people who suffered from tuberculosis. Of course, since that legislation was passed there have been many changes in it; but by 1930, they had developed a very efficient service that has continued to provide excellent service to the people of this province. In addition, a preventive service, maintained to a large extent by public-spirited citizens and organizations, has reduced the number of persons suffering from tuberculosis to a very low figure. I believe that we of this generation owe a great deal to our fathers who conceived this idea of co-operating to provide health services. And, of course, we owe much to the municipal men who directed and managed the affairs of the Anti-Tuberculosis League from its beginning to now. I believe that the success these men have had in Saskatchewan's first co-operative health service has convinced us that a plan of health insurance can and will work in this province.

By 1916, the municipal men were back again at the government asking for legislation to permit two or more municipalities and the towns and villages to join together to form a union hospital district, so that they might build and equip hospitals to provide facilities to care for the sick. As the years went by more and more of these union hospital districts were established until, today, I believe we have close to 100. Municipal men have never been backward in going to the government for something; so, in 1919, they were back again, asking for legislation to enable the municipalities to employ a municipal doctor. I think that it is generally recognized throughout North America that the municipal doctor system is a valuable contribution the people of Saskatchewan made to the provision of medical services in rural areas. I think that Saskatchewan was the first province to provide such legislation.

Mr. Loptson: — And that was before the C.C.F. spoke of it.

Mr. Carr: — And there was no doubt that this plan solved the problem of providing medical services in a great part of our province. I believe that by 1950 there were 107 rural municipalities, 50 villages and 16 towns with a combined population of approximately 200,000 that were

covered by municipal doctor schemes.

The hon. member from Kerrobert-Kindersley (Mr. Wellbelove), I believe, is well aware of the excellent service which is provided by these schemes in his constituency. In the 'thirties, I had the pleasure to be a resident of that constituency, and I know that the municipal men took a great interest in their medical schemes. Municipal men from Kerrobert-Kindersley constituency, I believe were responsible for getting legislation to provide that groups of municipalities might join together to form a health services district. That was in 1939. I am not just certain if that legislation was put on the statutes in 1939, but I think it was just about then. But it certainly was before this Government came to power.

I don't think there is any doubt that the outstanding success of the municipal doctor and hospital schemes in providing health insurance, encouraged groups of citizens to approach the government in 1939 for legislation to enable organizations to set up a voluntary prepaid hospital and medical insurance plan. Several of those have been formed, and I think are doing an excellent job at a very reasonable cost. I think that now they are providing service to approximately 60,000 people in the province. The Minister can correct me if I am wrong on that; but I think it is very close to that.

The interest aroused by municipal men and private citizens in this subject of health insurance brought about the organization of the State Hospital and Medical League. This body, as hon. members well know, was a group of public-spirited men and women who were very interested in better health services. They did an excellent job during the 'thirties in educating Saskatchewan people to the value of health insurance. They aroused so much interest that political parties began to consider putting health insurance into their platforms. While socialized health services were mentioned in the 'Regina Manifesto', it was not until the early 'forties that the C.C.F. Party made any clear and concise proposals as to what they would do. When they did make them they were clear; there was no doubt about that, as I will tell you in a few minutes.

The situation in the beginning of 1940 was this, as I see it. The people wanted better health services. They had been 'educated' that a plan of co-operative health insurance could provide the services they wanted, and I believe they were ready to go ahead with plans themselves as soon as money was available.

The people who were sponsoring these plans outlined them very clearly. I don't want to go into them because it would take too long, but I think the people knew that they could have a plan of health insurance, and they knew they had to pay for it. They even knew approximately what it would cost them. The Liberal Party were ready to put health insurance in their programme, and they said it would be provided as soon as the finances of the provincial government and the municipalities could carry the load.

But the C.C.F. party said, "Oh, no! You're all wrong on this thing. You just elect us and we will provide every resident in this province with the necessary medical and hospital care regardless of his or her ability to pay." I believe that at that time, knowing that people were interested in health insurance, the C.C.F. took advantage of that interest and promised free services for no other reason than to get votes.

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Some Government Members: — Well, well! Tut, tut! MacKenzie King – 1919.

Mr. Carr: — The stand of the C.C.F. Party was very clearly set out in pamphlet N.P.105 as referred to in the motion, and I haven't any doubt that it had a wide circulation before the 1944 election. Here are some of the promises that were made in that pamphlet. I don't know whether the hon. members all have a copy or not; they should have.

Hon. Mr. Brockelbank: — Send one over.

Hon. T.C. Douglas: — Yes, let's have one.

Mr. MacNutt: — Don't send it over, you might not get it back, Sam; they don't like it.

Mr. Carr: — The first statement reads: "The C.C.F. regards this as an intolerable situation" – that is the health situation. I did not want to read all the first part ...

Mr. Loptson: — Better read it.

Mr. Carr: — Well, the first part is this:

The C.C.F. and Your Health – "What happens when you or some member of your family suddenly becomes ill and must have an operation requiring the expense of medical and hospital care? What happens to family income" and so on. "Sick people do without treatment while many doctors are wondering how to pay their rent ...

The next one – "The C.C.F. will, therefore, set up a complete system of socialized health services with special emphasis on preventive medicine."

Hon. Mr. Brockelbank: — Are you in favour of it?

Hon. Mr. Bentley: — I thought the Liberals were going to do it.

Mr. Carr: — Did the hon. Minister ask if I was in favour of it? I am in favour of health insurance, yet. I have belonged to the Health Insurance Association and I keep my dues paid. I believe in health insurance.

Mr. Walker (Gravelbourg): — Are you in favour of socialized medicine?

Mr. Speaker: — Order, order!

Mr. Carr: — This third one is: “The administration of these services will be placed in the hands of a strictly non-political body similar to the board of directors of the Saskatchewan Anti-Tuberculosis League which operates our tuberculosis sanitoria.”

The C.C.F. Party at that time knew that that was a sound and solid organization, but this Government haven't even performed that part of the promise to set up such an organization.

The fourth one is in big black type – and that sums it all up: “The C.C.F. Stands for Free Medical Services for All.”

Some Government Members: — Hear, hear! How about that?

Mr. Walker (Gravelbourg): — That's good! We're all for it.

Mr. Carr: — And the fifth one: “And because the C.C.F. stands for humanity first” ...

Hon. Mr. Bentley — Hear, hear!

Mr. Carr: — ... “the C.C.F. will provide every resident of Saskatchewan with all the necessary medical and hospital care regardless of his or her ability to pay.”

Premier Douglas: — It's on the way; and it didn't start in 1919 either.

Mr. Carr: — Just in case the hon. members think that because this is a political pamphlet sent out at election time and doesn't mean anything, I thought I would quote a few things from some of the speeches men who were considered to be responsible men, made at that time. The Leader of the C.C.F. Party in Saskatchewan at that time in a broadcast on February 9, 1943, is reported in the Commonwealth of March 24, 1943, as saying: “Just as we have made education available to all, the time has come when we must make all the benefits of medical science available to all without money and without price.”

Government Members: — Hear, hear!

Mr. Carr: — This report goes on – “The C.C.F. believes that the first duty of any government is to provide for the health of its people.”

Government Members: — Hear, hear! That's one way to get applause.

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Mr. Carr: — Now, I said a few minutes ago that these promises were made only to get votes. This is clear if I finish this report I was on: “By supporting the C.C.F. you can make the right of health and happiness the lot of every man, woman and child in Saskatchewan.”

Government Members: — Hear, hear!

Mr. Carr: — How long do they have to wait?

Mr. Loptson: — They were going to do it immediately!

Mr. Carr: — It’s the first duty of the government, they said.

Some Hon. Members: — That’s right.

Mr. Loptson: — We haven’t got that kind of a government.

Mr. Carr: — I have another quotation here by the same gentleman at that time T.C. Douglas, speaking at Biggar as reported on Many 18, 1944, in the ‘Star Phoenix’: “The C.C.F. government, if elected, will proceed to set up medical, dental and hospital services available to all, without counting the ability of the individual to pay.”

Premier Douglas: — We started within five months of taking office.

Some Hon. Members: — It really never belonged over there in the first place.

Mr. Speaker: — Order, order!

Government Members: — I didn’t hear that. Another report of a radio broadcast by Mr. Douglas, reported in ‘The Commonwealth’ of February 23, 1944: “One thing about which I am quite determined is that no C.C.F. Government will ever be elected in Saskatchewan by promising to do things which we know perfectly well cannot be done ...”

Hon. Members: — Hear, hear! Ha, ha!

Mr. McCarthy: — What about those straw piles you were going to make into houses?

Mr. Carr: — In June of 1944, in Estevan, Mr. Douglas said again, as was reported in the ‘Leader-Post’ of June 12, 1944: “I don’t want the C.C.F. Party to get one vote in this election by saying they are going to do things that they cannot constitutionally do.”

Hon. Members: — Hear, hear!

Mr. Carr: — “Under section 92 of the B.N.A. Act there are things we can do and those things are the things I have pledged myself to do.” Public health comes under section 92.

Premier Douglas: — That’s right, and we have got more of it than any province of Canada.

Mr. Loptson: — What about the price?

Premier Douglas: — More health services than any province in Canada.

Mr. Carr: — There is no doubt in my mind nor in the minds of thousands of people in this province that in 1944 and in subsequent elections, the people were led to believe that by voting C.C.F. we would get health insurance. There is no doubt about that. To prove that that is not just a Liberal contention, many supporters of this Government have asked me in the last two or three years when I think this Government will provide health insurance.

Mr. Loptson: — That’s their promise.

Hon. Mr. Fines: — What did you tell them?

Mr. Carr: — I told them what I thought was the truth, that they wouldn’t do anything until the Federal Government financed it.

Premier Douglas: — When did you think that would be? Another 35 years?

Mr. Carr: — It will be done when a Liberal government does it.

The hon. gentlemen have applauded the items I have read. They have tried to have some fun at my expense. But I would like to say what I believe, and it is that the hon. Premier and the other leaders of the C.C.F. Party in 1944 thought they could put n health insurance and believed that they would do it in the first term of office, and for them to try now to put the thing off on the Federal Government is, I think, shameful. That’s my opinion.

Mr. Loptson: — Cry babies!

Mr. Cameron: — Let Louis do it.

Mr. Carr: — I believe that, by taking advantage of the interest that had been aroused, as I said before, by municipal men and public-spirited citizens ...

Mr. Kramer: — ... 1919.

Mr. Speaker: — Order, order!

Mr. Carr: — ... by taking advantage of the interest that had been aroused in health insurance, the C.C.F. were elected to power in 1944.

Mr. McDonald: — And they didn’t say anything about the Federal Government, then.

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Mr. Carr: — I believe that that had more to do with their election than anything else; and I will say this, Mr. Speaker ...

Mr. Loptson: — That's what's keeping them in.

Mr. Carr: — I'll say this, Mr. Speaker, that I believe the people of Saskatchewan have been betrayed.

Premier Douglas: — The people of Saskatchewan didn't think so when they went to the polls.

Mr. Carr: — Yes, betrayed. But I'll say this, when Judas Iscariot betrayed his friends and supporters he had enough decency to go out and hang himself, and that's more than this government has done.

Mr. Danielson: — What's keeping you?

Mr. Carr: — But, there's another thing. They not only betrayed the people by promising that health services could be provided free, 'provide without money and without price', but they did a great harm to the cause of health insurance.

In the first place the promise of free health services was a stupid and a rash promise; but I think the people of this province are realistic. I don't think they would hold this Government to that promise to provide it 'free', 'without charge'; but I do think that something should be done about health insurance now.

The purpose of this resolution, contrary to what the hon. members may think, is not to embarrass them politically. No, but I think that the people of Saskatchewan want to know where this Government stands in regard to health insurance.

Premier Douglas: — They would like to know where the Liberals stand; they know where we stand.

Mr. Loptson: — They know where you're sitting.

Mr. Carr: — A vote on this motion, Mr. Speaker, will indicate to the people of Saskatchewan just where this Government stands on health insurance. If you vote in favour, the people will know that you intend to do something now, or at least next year, to provide health insurance, and they will know whether this Government believes "that a promise made is a promise kept." Therefore, I move this resolution.

Mr. John Wellbelove (Kerrobot-Kindersley): — In rising to speak to this motion, Mr. Speaker, it was my privilege, as the member for Rosthern has pointed out, to be a member of the provincial board in 1916 that organized and possibly built the first hospital under the municipal hospitalization Act, which we opened in 1917, and people have always referred to that as 'free' hospitalization.

Looking at our tax notice we always realized there was a levy of so many mills per acre on our land, but yet we always referred to it as 'free hospital.' Many a person has told me since how much they appreciated the work those pioneers did to get that hospital moving.

In 1928 we formed a municipal doctor's scheme. We then referred to that as 'free medical services'. Today we have that scheme extended to the town. Whenever we pay our taxes we pick up our medical card. We have a splendid little clinic there; two good doctors in practice in that town, and we can go to that clinic for consultation, and everybody practically refers to it as 'free consultation'. There is no bill handed to you when you come out. We can go to the hospital or to the operating room as the case may be, and there is no bill and people refer to that as 'free medical treatment' and 'free hospitalization', though perhaps we are in error in referring to it in that way; but that is the general terminology. And I think that is the general terminology understood by the people of the province with regard to the plan of this Government.

I would like to deal for just a few minutes with this "Let There Be no Blackout of Health". We are proud of that pamphlet because we have lived up to quite a part of the contents of that pamphlet, and we are also travelling in awfully good company. The constitution of the World Health Organization states:

The enjoyment of the highest attainable standard of health is one of the fundamental rights of every human being without distinction of race, religion, political belief, economic or social conditions.

So we have a real good backing in the constitution of the World Health Organization.

But I want to deal with this little pamphlet and see to what degree we have carried out some of the commitments of that pamphlet. It says:

(1) Under the present system of private medical practice sick people do without treatment while many doctors are wondering how to pay their rent. Doctors tend to go to the large centres to practise, while many rural areas are left without doctors.

I think everyone will agree that the increase in the erection of hospitals in the rural districts has to a great extent corrected that. We have now an increased number of doctors practicing in the province, and we have them in the rural areas instead of them congregating in the larger centres. We have kept faith under that one. "Hospitals cannot collect their accounts and so are handicapped in maintaining their services."

I don't need to spend much time on that because I think all of us are conversant with the Saskatchewan Hospitalization Services Plan which has corrected that. Hospitals are now able to collect their accounts.

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Then it mentions here the death rate –

Over one-quarter of childbirths are unattended by doctors, and the death rate of babies in Saskatchewan is the highest in western Canada.

That's when we issued this "Blackout of Health".

Mr. Danielson: — All wrong; you're all wrong!

Mr. Wellbelove: — Oh, no! I'll do the talking now; you'll have an opportunity in this debate. "The death rate of babies in Saskatchewan is the highest in Canada", it states there. Well, now the infant mortality rate in Saskatchewan in 1953 is just over 30 deaths per thousand of live births up to one year of age. In 1943, if the mortality rate existed this year that was prevalent in 1943, there would be 300 more deaths in this calendar year than there was in the calendar year 1943. Surely, we have prevented the blackout there, Mr. Speaker.

Then in maternity mortality, the story is the same. The death rate at childbirth has been greatly reduced, and many mothers would be in their graves today if it had not been for the hospitalization services which we have been able to extend to them in connection with maternity cases. To many a mother that is living today, it would be definitely a 'blackout' for her as far as she was concerned and for her family, if our Government had not provided these hospital services.

Then in connection with preventive medicine, it is stated:

It is almost completely neglected. The result is an incredible amount of avoidable sickness with all the consequent pain, economic waste and premature death.

Well, now in the field of preventive health services, I think everybody will recognize that great strides have been made. That is, in the more effective control of communicable diseases and the extending of the immunization services. Especially do we find that in the organized health areas.

In connection with cancer treatment, the annual report of the Cancer Commission shows that from 1932 to the end of the fiscal year, April 30, 1944, the Cancer Commission never spent more than \$97,000 in any one year. Provision was made for the care of cancer patients in the treatment at the expense of the province on May 1, 1944. I know our Liberal friends do say that they were the first, as far as that was concerned, in making provision for cancer. Joe Stalin was a great man for saying that Russia was first in everything. I think he claimed to be first in everything except creation, and possibly if he had lived a little longer he would have taken part of the credit for that. And my Liberal friends are following right along that line; but, medical men not being consulted, no plans were made when this Government came into power, and in the fiscal year, 1952-53, expenditure for our cancer programme, including medical care, surgical care and hospitalization, came to the total of \$1,518,000. You go out and tell the sufferers from cancer that there's been no prevention of

blackout of health! We have carried out in its entirety the promise contained in that pamphlet as far as cancer sufferers were concerned.

Then you take again the health services programme for persons receiving social assistance. To fill this unmet need for the people the least able to bear the expense, this Government last year spent \$3 million. That is one section of our population who are least able to bear the expense of sickness, hospitalization or medical expenses, and this Government has, in its entirety, carried out their promise to that large section of our population so that, as far as they are concerned, there's been no blackout of health. I think we have kept it there.

Our mental institutions were one of the most regrettable spots in medical care when this Government came into office. There were people there in all stages of mental illness, herded together with just custodial care: no segregation; no attempt to rehabilitate them; no attempt to do anything for them except herd them together in those institutions. When this Government came into power, they did get the rental occupation of those air force huts down there at Weyburn and took out from the two institutions about 800 patients, segregated them and put them in that training school. A lot of those people that were fading out into the mental twilight of life, today through the educational work which is being carried on there, psychiatric treatment and occupational therapy, have been taken out of the twilight of life and brought back again into the standings of real citizens and able to take their place in life.

If you take all those people who are connected with those who have enjoyed the services of those institutions, the people through their Government have taken full responsibility for the health services and the training and the rehabilitation of that great section of our population. Go and tell them that we have not prevented the blackout of health as far as they are concerned.

We have on the back of this little pamphlet a statement there by Dr. Uhrich, at this time Minister of Public Health, and he said:

Only 10 per cent of the people can afford to pay for their own medical services. Consequently, a tremendous amount of physical pain and mental anguish, needless debt, economic insufficiency and social waste.

Dr. Uhrich made that statement on January 28, 1935. They didn't do very much to prevent the blackout as far as those people were concerned.

In connection with the Saskatchewan Hospital Services Plan, no doubt it was and is an ambitious plan; but would anyone suggest that we should have waited for the Federal Government to move before we started into that plan? There are hundreds and hundreds of people living today who would have been in their graves if we had waited for the Federal Government to have done anything in regard to that. So far as they are concerned, so far as this life is concerned, it would have been a total blackout for hundreds and hundreds of those people if the hospitalization service had not been brought in by this Government, backed up with the air ambulance plan which deals with all those emergent cases and saves lives.

Mr. Loptson: — Are they dying to fast in the other provinces?

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Mr. Wellbelove: — As far as that part of the work is concerned, we truly can say, Mr. Speaker, that we have prevented the blackout of health.

This resolution only deals with just a part of what should be dealt with and for fear that I should be getting out of order, Mr. Speaker, I am going to move that the resolution be amended, as follows:

(1) That the words “recommends that the Government give consideration to the immediate” in the first and second lines be deleted, and the following substituted therefore:

“commends the Government for the progressive”;

(2) That all the words after “election” in the fifth line be deleted, and the following substituted therefore:

“And further, This Assembly, in view of the longstanding promises of the Government of Canada regarding the introduction of National Health Insurance, and also, aware of the unanimous recommendation of the Saskatchewan Health Survey Committee calling for the immediate adoption of a national health insurance programme; and mindful also of the position of the Saskatchewan Association of Rural Municipalities which regrets that the 1945 proposals of the Federal Government for a national health insurance programme have not been implemented, urges the Government of Canada:

(a) to convene immediately a Dominion-Provincial Conference for the purpose of establishing the basis for a national health insurance programme, and

(b) failing general agreement by all provinces to participate in a national programme, to proceed forthwith to negotiate with those individual provinces willing to establish provincial health insurance programmes.”

Mr. Loptson (Leader of the Opposition): — Mr. Speaker, on a point of order, I submit that is not a proper amendment. It changes the principle of the original motion ...

Mr. Cameron (Maple Creek): — It changes the meaning of it.

Mr. Danielson: — Undoubtedly.

Mr. Loptson: — I submit that it is out of order.

Mr. Wellbelove: — Speaking to the point of order, we do purposely include this “Blackout of Public Health” because we are proud of that, and you will find that clause is still left in the amended resolution; and what we have added are things that have been promised and should be carried out subsequent to that period.

Mr. McCarthy: — My understanding of an amendment is that you can add to, or take from, but you cannot change the resolution; and this changes the whole resolution.

Mr. Cameron: — It changes the whole intent of the resolution.

Premier Douglas: — Mr. Speaker, again and again, amendments are moved to motions in which all the words after “Assembly” are struck out, or all the words after “that” are struck out and the entire resolution changed.

Mr. McCarthy: — But this would change the principle.

Premier Douglas: — If it didn’t change the principle there would be no need to move an amendment. As long as it is within keeping of the subject – and what this has done is simply to express a slightly different opinion with reference to the pamphlet in question and also making some additional recommendations with reference to the implementation of a national health insurance programme. It seems to me, Mr. Speaker, that this cannot be considered a departure from the principle, but an enlargement of the principle and a re-application of the principle already suggested in the resolution.

Mr. McCarthy: — Mr. Speaker, in my opinion ...

Premier Douglas: — How many times can you speak on a ...

Mr. McCarthy: — ... it doesn’t add to, it changes.

Premier Douglas: — How many times can you speak on a question?

Mr. Danielson: — Mr. Speaker, didn’t you rule out an amendment here some time ago, in regard to changing the thing from province to the federal?

Hon. Mr. Fines: — On the grounds that it had been dealt with in a previous amendment.

Mr. Danielson: — It hadn’t been dealt with in respect to the resolution.

Hon. Mr. Fines: — Yes, it had.

Mr. Speaker: — My ruling on the point of order is that the amendment is completely in order.

Mr. Lopton: — Well, I submit, Mr. Speaker, that we take exception to that ruling. We’ll take a vote on the ruling.

Mr. Speaker: — Are you appealing my ruling?

Mr. Lopton: — I challenge your ruling, yes.

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Premier Douglas: — You can't challenge it. You can appeal from it.

Mr. Speaker: — The ruling of the Chair has been challenged ...

Premier Douglas: — Appealed.

Mr. Speaker: — ... and those in favour of upholding the ruling will say "aye"; those who oppose say "no".

Premier Douglas: — 'Minty' said "yes" for a change.

Mr. Speaker: — Order, order!

Mr. Loptson: — You called those in favour of the challenge to say "aye".

Premier Douglas: — No, Mr. Speaker, The motion before the House was whether or not the Speaker's ruling should be sustained and those in favour of the Speaker's ruling say "aye" and those who were opposed to the Speaker's ruling say "nay".

Mr. Speaker: — Order! The ruling of the Chair has been sustained by a majority vote.

Mr. Danielson: — Call it again, Mr. Speaker, and see.

Hon. Mr. Brockelbank: — You can call for a recorded vote if you want to.

Mr. Wellbelove: — I am speaking to the amendment.

Mr. Danielson: — You just sat down. You just got through speaking to the amendment. What about the rules of this House?

Mr. Speaker: — Order! The hon. member is strictly in order. He didn't sit down ...

Mr. Danielson: — He did sit down, Mr. Speaker.

Mr. Speaker: — ... After I had proposed the amendment you rose on a point of order, then he had to sit down.

Mr. Danielson: — He shouldn't have sat down.

Some Hon. Members: — Mr. Speaker, the hon. member sat down when we were on ...

Mr. Loptson: — He moved the amendment and then sat down.

Mr. Cameron: — He was in his seat before we challenged.

Mr. Danielson: — Mr. Speaker, he moved a motion and sat down, and after he sat down his amendment was passed up to you. You then did the

regular thing in reading it. Now, he gets up to speak to the amendment after he moved it. That is the most peculiar ruling I ever heard of in my life and it is absolutely out of order.

Mr. Wellbelove: — The resolution was passed by the Liberal convention in 1919 ...

Mr. Loptson: — Mr. Speaker, I submit he is completely out of order ...

Mr. Wellbelove: — ... I don't suppose you were there, but I have the record of it:

“That insofar...”

Mr. Loptson: — He is out of order, Mr. Speaker.

Mr. Wellbelove: — “... as may be practicable, having regard for Canada's financial position and an adequate system of insurance against unemployment, sickness, dependants...”

Mr. Danielson: — Mr. Speaker, on a point of order ...

Mr. Wellbelove: — “... in old age or other disability instituted by the Federal government in conjunction with the government ...

Mr. Speaker: — Order! The hon. member has risen on a point of order. What is your point of order?

Mr. Danielson: — This is the most outrageous thing I have ever seen or heard of.

Mr. Speaker: — What is your point of order?

Mr. Danielson: —

To permit a man who has spoken to the motion and moved his amendment and sat down, to get up after you have read the amendment, and speak to the amendment again. It has never been done before in this House, and I hope it never will be again. What are the rules of this House?

Hon. Mr. Brockelbank: — Mr. Speaker, on that point of order. The hon. member for Kindersley, before he read the amendment, said distinctly that for fear he might be out of order, speaking at this time he wanted to move the amendment which gave him a wider field; then he sent the amendment up to the Speaker out of courtesy, and he sat down to let the Speaker propose the amendment ...

Mr. Danielson: — The Speaker proposed the amendment?

Hon. Mr. Brockelbank: — The Speaker read the amendment and then he got up to speak to this, and was interrupted by the hon. Leader of the Opposition.

Mr. Loptson: — The Speaker took the amendment, read it, and the debate was supposed to be continued on the amendment. The mover had sat down; he didn't have to sit down if he wasn't through speaking on it. He

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was finished speaking when he moved the amendment.

Mr. Cameron: — He is definitely out of order.

Mr. Speaker: — If there is anyone at fault it may be myself; but I read the amendment so that you would have an opportunity to compare it. You heard it read, and then I read the amendment so that you could compare it on your Order Paper.

Mr. Lopton: — He had no right to get up to speak after he was through.

Mr. Wellbelove: — Now I have taken my seat on a point of order, Mr. Speaker. I sat down in courtesy to yourself while you read the amendment, and I hope I always will be able to extend courtesy to Your Honour.

Mr. Speaker: — If there was any mistake, I will accept responsibility for it.

Mr. Wellbelove: — That was in 1919, the Liberals went on record at their convention, in favour of the Federal Government, in conjunction with the governments of the several provinces, introducing a complete system of health insurance; and in 1945, we have the Dominion Government proposals. These were designed to put the provincial governments in a position to develop administration, comprehensive health insurance to be introduced by progressive stages.

Let us refresh our memories on what they were. First was a grant for planning and organizational purposes; the second was a health insurance proposal under which the Federal Government was to pay up to 60 per cent of the cost of the various benefits introduced by stages. The third was health grants for various public health services, including tuberculosis, mental health, venereal disease, crippled children, professional training and research; and fourth, financial assistance for the construction of hospitals. Under that fourth one I think we appreciate the Federal grants for the construction of hospitals. Our friends across the aisle accuse us sometimes, that we haven't spent all that we should have done, all that was available under those Federal grants. In the hospital at Kindersley they had already run the basement and done part of the constructional work before these grants were available, and thinking that possibly the Federal Government might recognize the situation and pay its share of the completed structure, they applied on that basis. But we were deducted the percentage that would have been available for the portion of the work that was done before these grants were available, although I am pleased to say that the provincial government came to our assistance there.

Before these provincial grants were available there were just four beds per thousand in the province of Saskatchewan. At the present time we have 6.5, a record unequalled by any state or province on the North American continent. I think therefore, that we have progressively carried out the statement there that we would prevent the 'Blackout of Health'.

This Government started paying construction grants in the fiscal year 1944-45; the Federal Government came into the picture in 1948-49. The Provincial Government has paid, in hospital grants, well over \$2,100,000 from the fiscal year 1944-45; previous governments, from 1905 to 1943-44 — nil. To guarantee that there shall be no 'Blackout of Health' this Government has, as you know, built the medical college on the campus of the

University, and also concluding the construction on the hospital there. Those facilities will give us additional assurance that there will be no 'Blackout of Health' for the simple reason that our young men can complete their training and stay within the confines of our own provinces.

In 1947 – I will omit some of the notes that I have, Mr. Speaker, to try and finish by 6 o'clock; in 1947, the introduction of Saskatchewan Hospital Services Plan was done on the clear understanding that Ottawa would implement the 1945 proposals to meet 60 per cent of the cost of health services. In 1948, the health services were referred to as "national health programme", in an attempt to make the people believe that these grants for construction and other purposes were the real fulfilment of that programme; but by no stretch of the imagination could you accept that. In fact, we have no greater authority than the Rt. Hon. MacKenzie King, in Hansard, May 14, 1948, where he distinctly said: "The grants were intended to be the first stage in the development of the comprehensive insurance plan." We are still in the first stages.

One of the health grants was set aside to conduct a province-wide survey, and we have the National Health Survey to which I referred in the amendment. This survey was carried out on the basis of a grant provided by the Federal Government. On page VII, in the letter of Transmittal, we read:

The major recommendations of the Health Survey Committee call for the earliest possible introduction of a comprehensive programme of health insurance. The Government of Saskatchewan approves and endorses this recommendation in which the Committee unanimously concurred.

And this is what the Committee had to say about it. The Committee, in chapter 21, in their Conclusions and Recommendations said:

Now that the health grant, and especially the grant for a health insurance programme, there is no longer call for further delay in bringing the benefits of health insurance to the people of Canada. It is recommended that the Federal Government should extend the scope of the national health grants programme by adopting immediately a national health insurance programme.

Then S.A.R.M., at their recent convention in Saskatoon endorsed the submission that their officials had made to the Royal Commission on Agriculture and Rural Life, endorsed it in its entirety.

In addition to those authorities which have gone on record with regard to the implementation of a national health scheme, we have a long list of others including the Federation of French Canadian Women, Canadian Federation of Mayors and Municipalities, the Board of Evangelism and Social Service of the United Church of Canada, the Trades and Labour Council, the Canadian Congress of Labour, the Canadian Federation of Agriculture, so, Mr. Speaker, it is not a political issue at all on this request for a national health programme. This was from the annual convention of the

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S.A.R.M. in Saskatoon:

This Association has always given support to the proposals for complete health services in the province. It is regretted that the proposals of the Federal Government, in 1945, for health insurance, with 60 per cent of the cost to be financed by the Federal Government, were not implemented. We are of the opinion that on this basis a complete national health programme could be financed more satisfactorily than by small units such as the Swift Current Health Region. We are of the opinion that the Federal Government be urged to implement their programme as soon as possible.

Those are sentiments, Mr. Speaker, with which we can all agree.

Mr. Carr (Rosthern): — Mr. Speaker, I beg leave to adjourn the debate.

(Debate on proposed amendment adjourned)

The Assembly adjourned at 11 o'clock p.m.