

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
First Session — Fourteenth Legislature
33rd Day

Monday, March 27, 1961.

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

On the Orders of the Day:

SECOND READINGS

Bill No. 60 — An Act to amend The Insurance Premiums Tax Act, 1957.

Hon W.S. Lloyd (Provincial Treasurer): — Mr. Speaker, this is a Bill with regard to the 2% tax on insurance premiums that has been in effect in the province for a number of years now. Members of the Legislature may recall, Mr. Speaker, that this is a tax which was originally imposed by the Federal Government, and which some years ago was turned over to the province which proceeded then to levy the tax at the same rate.

The Bill as it was written and interpreted at that time provided for certain possibilities of exemption from the 2% tax. It was defined in these terms: a company which was a mutual company with no capital stock, a company in which the net premium income from farm property was more than 50% or a company which wrote insurance on other than a fixed premium basis, these were exempt. This provided then for exemption insofar as some of the mutuals were concerned, including chiefly those which were writing hail insurance, one or two very small other ones writing a limited amount of fire insurance as well. It also exempted the co-operative hail insurance.

About a year ago the Co-operative Hail Insurance Company changed its financial structure and issued capital stock and it seems to be that in so doing they have made themselves liable for the payment of the premiums. There is some doubt expressed, and I admit that this is one of those things in which there is room for legal

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argument, as to whether the companies which are selling under the name of "Mutual" Hail Insurance do or do not come under the terms of the Act, as it is presently read. The Act requires that to be fully and clearly exempt, they should not write insurance on a fixed premium basis. It is not clear that this is always followed by some of the mutuals.

The picture is further complicated by the fact that the Co-operative Hail Insurance Company does business in both Manitoba and Saskatchewan and has since the beginning been paying the tax in the province of Manitoba. As a matter of fact, I am informed that there are no companies doing business in either Manitoba or in Alberta which are exempt from the Act.

So then, the impact of this Legislation, Mr. Speaker, is to make the tax applicable to all of the companies, by removing certain provisions with regard to exemptions.

It also clarified the situation insofar as Saskatchewan Government Insurance is concerned, and states specifically that they too shall pay the 2% premium tax.

Those are the two main changes in principle. It makes certain that SGIO does pay, also it removes those sections by means of which certain companies were previously exempt.

The other provision which is referred to is in a specific reference to the crop insurance program. Although it wasn't altogether certain that it was necessary, it was thought best to specify that the crop insurance program would not pay the premium.

With that explanation, I would move second reading.

Mr. Thatcher: — Mr. Speaker, there is one or two points . . .

Mr. Speaker: — Pardon me, do you have a question or do you wish to speak?

Mr. Thatcher: — Well I want to do both, I want to ask a couple of questions . . .

Mr. Speaker: — Ask the questions now then.

Mr. Thatcher: — I'll ask my questions first — would

the Minister first of all tell the Legislature what additional revenue he anticipates getting as a result of the passage of this Bill, and would he also state whether any companies at all will now be exempted? I am just not quite clear on what he has said. Will every company in Saskatchewan in the insurance business now be paying this 2% tax if this Bill goes through?

Hon Mr. Lloyd: — In answer to the question, Mr. Speaker, it is anticipated that the increase in revenue will be in the neighbourhood of \$100,000 to \$120,000. Secondly, it is my understanding that there will be no companies exempt from the tax with the exception of the crop insurance scheme, which is, of course, exempted.

Mr. Thatcher: — Mr. Speaker, of course, I think Members of this party wish the Minister were taking off the 2% tax as far as all companies are concerned. However, if he feels that he must have additional revenue, then certainly I think this is a fair Bill. Because up to the present, the private enterprise insurance companies have been paying a 2% tax on the premium. As I understand it, certain of the co-ops and the Saskatchewan Government Insurance Office have been getting off without paying the 2%. Am I not correct in that assumption? As I understand it such has been the case up till now, and what this Bill will do is put every insurance company on the same basis.

Now, it is going to mean that the taxpayers of Saskatchewan once again will have increased taxes of \$100,000 or \$120,000, that they haven't had up to date. Nevertheless I think we will support the principle of this Bill because it is putting all insurance companies on the same basis.

The question being put, it was agreed to.

Bill No. 61 — An Act to amend The Education and Hospitalization Tax Act.

Hon W.S. Lloyd (Provincial Treasurer): — Mr. Speaker, this is a Bill to make some minor amendments to the education and hospitalization tax Act. One effect is to remove the tax — the Leader of the Opposition has just spoken in favour of removing taxes — I am happy that this removes the education and

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hospitalization tax from gas that is used for street lighting purposes. I am sure this will be welcomed by the country at large.

It makes one or two other changes as well to which I will refer. There are in the province a number of internal combustion engines which are powered, some of them by oil, and some by natural gas. As the Act now reads, those that are powered by oil pay the tax, but those that are powered by natural gas are exempt from the tax. It was felt on the basis of equity that those which are powered — internal combustion engines that is — powered by gas ought to pay the same as if the other fuel were being used.

It secondly seeks to clarify the position, and to make more certain our position in collecting taxes from contractors who come into the province and perform certain work here, but who may leave the province, in some cases without the education and hospitalization tax being paid. The proposal is that these contractors will be asked to post a satisfactory guarantee bond in the sum equivalent to 5% in order that the tax payment may be secured.

Thirdly, it makes a change also with regard to the position of the retail merchant who is collecting the tax. The Act states, and I think this is proper and we wish to maintain it, that it is the responsibility of the retail merchant to collect the tax. The amendment that is provided here says that in the event that the merchant has difficulty in collecting the tax from somebody who refused to pay, then he, by notifying the authorities by immediate mail, may remove himself from the liability of not having collected the tax, provided he has sent in that notification in proper form as soon as the sale was made and the tax was not collected.

I would move the second reading, Mr. Speaker.

Mr. Thatcher (Leader of the Opposition): — Mr. Speaker, may I ask the Minister one question on this Bill also. Could he tell the House how much revenue the Government will lose by taking off the tax on gas for street lighting?

Hon Mr. Lloyd: — I wouldn't like to speculate on such astronomical figures.

Mr. Speaker: — Order! This question should have been asked before the motion was put. Now the motion has been put, I think the hon.

Minister will do well to retain his seat until such time as he wishes to make his reply. There may be other questions, and he can answer them all at the same time.

Mr. Thatcher: — Well I would like to have that information; I imagine that it is a pretty insignificant amount. While we're discussing this Education and Hospitalization Tax Act, my mind can't help but go back to 1944, to the promise which this Government made in connection with this particular tax. I remember the Premier time and again in the hustings, and I've sat on platforms with him when he made this statement, said that this tax was going to be eliminated when additional revenues could be found. I am going to suggest that Government revenues today are four or five times what they were in 1944, and that the time is long past due when the Government should give some consideration to carrying out that particular pledge which they made. Instead of eliminating the tax, when revenues went up they jumped it 50%. There is a lot of talk in the country that they may up it again before too much time goes on.

This is a rather important tax, Mr. Speaker, and I'd like the Minister to state what the chances are that we may get some reduction as they promised back in 1944. The CCF in the hustings always say that they are the party that carry out their promises. What about this promise?

Mr. Dewhurst: — Mr. Speaker, before the hon. Member takes his seat could I ask him a question? Would you be in favour of wiping the tax out altogether?

Mr. Thatcher: — I'd be in favour of giving it consideration, very much so. Yes I would, and I'd look into it. If a Liberal Government should take power, we'll give it consideration, and if we can find the revenues to replace it, we'll do it. We Haven't promised it yet. You boys have promised it. You promised that as soon as your revenues went up, in 1944, to wipe this tax out. Instead of that you've jumped it 50%. You haven't carried out your election promise.

Mr. Danielson (Arm River): — Mr. Speaker, being an oldtimer in this House,

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I can't resist the temptation of reminding the Members opposite that their National Leader, Mr. Coldwell called it the abominable tax. That is where the Premier got the name for the publicity that was sent out by the medical profession during the last election. That was the abominable tax. The Member for Swift Current called it the stinking tax, and that one of the first things that they would do would be to abolish it. Mr. Benson, from Last Mountain, at that time said the same thing, and in this House after 1944 I know that Mr. Benson took very strong exception to the continuation of the tax. He said we promised the voters to abolish this tax. So here we are with more, and I want to say that before very long you'll have more and more.

Mr. Dewhurst: — What would you do?

Mr. Danielson: — That is out of place for the Member from Wadena to ask what we should do. You have had seventeen years now to carry out the promise that you made, with revenue about five and six times as great as what we had in those days. When that tax was put on, I want to remind the House, that the total revenue of this province was approximately \$13½ million. That is even less than the liquor profits at the present time. If I were sitting over there I would blush with shame to introduce this type of Bill. So you better search your conscience, and don't forget that the people, the small people, the working men and the farmers, and the general public were ill-advised about this tax, as far as they and their families are concerned. They have to pay that tax. Every house that the working man lives in, which he can never pay for, is burdened with the increase in this tax. He is on a life sentence to pay for this house. Every house in the city of Regina or any other place, during the last ten or twelve years has been increased in price from \$280 to \$400 because of the increased education tax. This Government, the peoples' friends, the socialist Government, promised solemnly time and time again, that one of the first things that they would do was to wipe it out. So I think you better keep your mouths shut, it will become you a lot better.

Mr. Franklin Foley (Turtleford): — Mr. Speaker, since the principle of the Bill on education and hospitalization tax has been opened, I thought it rather coincidental that I have a letter today on the matter, and I think it brings to our attention one aspect of the education and hospitalization

tax which I would like to bring forward at this time.

The gentleman in question purchased a sewing machine last year . . .

Mr. Speaker: — Order! The hon. Member is prepared to state the writer of the letter is he not? Will he disclose the name of the writer?

Mr. Foley: — Well, may I make reference to the contents?

Mr. Speaker: — Well you can't make reference to anything that is anonymous in the House. If it is an unsigned letter it cannot be read. No letter can be read unless the hon. Member is prepared to take responsibility for its contents.

Mr. Foley: — I'll take the responsibility for the content of the letter, yes.

Mr. Speaker: — You will take the responsibility that it is not an unsigned letter, that you are acquainted with the writer thereof?

Mr. Foley: — I am acquainted with the writer, yes.

Mr. Speaker: — Very good.

Mr. Foley: — This gentleman purchased a sewing machine last year for \$278, and paid a tax of \$8.33. He traded the machine in recently on a \$434 machine, and paid education tax of \$13.03. Now, the gentleman in question feels that he has now contributed a total of \$21.00 education tax on the machine he has.

I realize, of course, that the second-hand machine will now be sold without being charged tax, nevertheless, it seems to me that the original purchaser has been unduly charged. Now, I realize that this is a policy which is being maintained by the Government in the charging of education and hospitalization tax. It seems to me that there is some justification for this gentleman having paid tax only on the cash difference of the two machines. I think the same can be applied in the automobile industry. It is true that the person who buys the second-hand machine more or less benefits from that, but nevertheless, I would draw this to the attention of the Provincial Treasurer, and ask that some consideration be given to a change of policy with regard to this type of thing.

Mr. Gallagher: — Mr. Speaker, is it in order to ask the Minister a question?

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Mr. Speaker: — Yes, you may ask the question. I don't think he should answer it though until such time as he adjourns the debate.

Mr. Gallagher: — It is with regard to something that I discussed privately with the Minister the other day for the benefit of those who don't know what I'm getting after. It seems that at present the residents from outside of the province, if they come into the province and it effects all the border towns in the province, if a person is outside of the province and comes into a town in Saskatchewan to buy goods that are taxable, if the goods are mailed to them they don't have to pay the education and hospital tax. Already a precedent has been established in that Lloydminster is tax-exempt, I believe, and there are retailers on the east side of the province, at least in my constituency, who consider that they are losing retail sales to Manitoba towns. People will come into towns along the border, and they don't buy, because they would have to pay 3% tax. I don't think it would cast the Government any money to make an exemption here for these people. I wonder what the Minister has to say about it.

Mr. Speaker: — I believe that the hon. Minister is about to close the debate.

Hon Mr. Lloyd: — Mr. Speaker, in regard to the question raised by the Member for Yorkton, I've had the opportunity to have some discussion with officials of the Department with regard to this particular problem. I don't think I will be recommending any amendment which would seek to meet it in the way in which he has suggested. It is quite true as the Member has said, if materials are ordered from a store in Saskatchewan and mailed to a person living outside of Saskatchewan, then the tax is not payable. The suggestion, however, that we might supply persons in Manitoba in this case with some identification indicating that they live in Manitoba, and that this be a warrant for tax exemption, does present some administrative problems, and I don't think that we would care to tackle it in that particular way, certainly at least not until there has been further discussion on it.

In regard to the problem raised by the Member from Turtleford, I think it can be seen with just a little bit of observation, the kind of difficulties

you would get in, if you just used as the base for taxation the difference between the trade-in value and the new machine. I can see, Mr. Speaker, that in those cases, that trade-in values might suddenly boom very high indeed, and that tax revenue might drop very much accordingly in every particular instance.

On the general question which has been raised with regard to the education and hospitalization tax, I want to submit, Mr. Speaker, that the answer to the way in which this Government has conducted itself in accordance with what it said about this tax, and how they have used this tax has been given in a way which is strikingly unacceptable to the Members of the Opposition.

Mr. Thatcher: — I just . . .

Hon Mr. Lloyd: — Will you be quiet, just once in your life for a while. Will you be quiet just once and try . . .

Mr. Thatcher: — If you will answer I will.

Mr. Speaker: — Order! Would the hon. Members kindly address the chair, and stop this cross-fire across the floor.

Hon Mr. Lloyd: — I take it, I still have the floor, Mr. Speaker. The answer has been given, I repeat, in a way which is strikingly unacceptable to the Members of the Opposition. It was given by the electorate in 1948, and 1952 and 1956, and again in 1960. That seems to me to be the answer which we ought to have in mind with regard to the way in which this Government has conducted itself in accordance with the particular statements about the education and hospitalization tax, and its reception by the people of the province.

Mr. Thatcher: — What about your promise?

Mr. Speaker: — Order! The question may be asked by addressing the chair, and asking permission to ask it.

Mr. Thatcher: — Okay, Mr. Speaker, what about your promise.

Hon Mr. Lloyd: — Mr. Speaker, if the Member had just . . .

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Hon Mr. Nicholson: — On a point of order, Mr. Speaker. The Leader of the Opposition directed a question to his Honour, the Speaker, which is quite an improper question, and I suggest that he should withdraw the question he put to his Honour, the Speaker.

Mr. Speaker: — He put this question to the Speaker, and I think that is quite in order.

Hon Mr. Nicholson: — Mr. Speaker, I think his question was directed to his Honour the Speaker, and I think he should respect the duties of the Speaker.

Mr. Speaker: — What I was trying to point out was that the habit of hon. Members speaking from their seats, asking questions across the floor, is not in order. If they wish to ask a question they should rise to their feet, address the Chair, and ask permission to ask the question of the hon. Member who is speaking. That is the point I was trying to make. I believe that the intent of the hon. Leader of the Opposition was to have done this, although he may not have done it in quite the right manner.

Hon Mr. Lloyd: — Mr. Speaker, the Leader of the Opposition simply continues to demonstrate his lack of any particular manners or any particular respect for the rules of this House. One thing he has established, I will submit is that probably he is one of the worst-mannered Members ever to sit in this particular House insofar as interrupting other speakers is concerned.

Opposition Member: — Sticks and stones . . .

Hon Mr. Lloyd: — I am going to come to the answer to the question. I don't think there is any particular duty involved on me to say the words he wants me to say first, or even to say the words he wants me to say.

Insofar as I am aware, Mr. Speaker, this party at no time made any equivocal statement that it was prepared to repeal the education and hospitalization tax. He referred to having sat on the same platform with the Premier of this province, both in 1944 and since, and heard his comment on this tax, and I say without any hesitation, and without any doubt of being contradicted

by honest people, that that statement is not true. Now it is fair to say that the political party campaigning in 1944 indicated that there were some factors in regard to this tax with which it wasn't particularly happy, and it did express the hope that it would be possible to remove parts of it, and to revise it. This, of course, has been done. There have been a considerable number of exemptions added since 1944 with regard to this tax. As a matter of fact, I have seen figures which indicated at one time four or five years ago that if we had maintained the tax on the goods on which it was imposed at that time, without adding exemptions, we would have had approximately as much from it as we have from the tax with the new exemptions at the 3% levy.

I think the other point is this — to look again at how this tax has been used. I can recall in 1944 when this tax was more than sufficient to pay all of the school grants that were being paid. Instead of doing what might have been done, making further reductions and deductions from this tax, and leaving school grants as they were, this Government has chosen to leave the tax, less the exemptions to which I have referred and to increase substantially its expenditures on education. It is a fact, Mr. Speaker, that at the level of expenditures as it was in 1944, the revenues from the education tax and the school lands fund, were more than enough to pay the entire bill for education, and were building up a surplus. It is a fact now, and for a number of years, that those revenues are not nearly enough and much more has to go from public general revenue as well.

I would just like to make a brief reference to two figures which are worth noting. I am not one, I hope, who is impelled on every occasion to compare with the situation in 1944. But, probably it is worthwhile noting that in the last year in which the Liberal Party occupied this side of the House they paid in school grants something less than \$3 million. The said sum has been built up to the extent of over \$30 million in this particular year. The other factor to be noted, I think, is the incidence of sales tax across Canada. Here one by one provinces have added sales taxes to their taxes. There certainly isn't a Liberal Government in Canada any place that doesn't have a sales tax. There certainly isn't a Liberal Government in Canada that has a sales tax any less than ours. One looks at Newfoundland with 5%, and New Brunswick; one looks at Quebec where if you take the municipal plus the provincial is 6%, and this gives you some indication. One recalls that even

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the wealthy province of Ontario has this year found it necessary to have a 3% sales tax. I think one can see from that the fact that not only this province but all provinces are being required by virtue of the cost of their operation and by virtue of their desire to help local governments to enter into and increase this particular taxation.

All of which, Mr. Speaker has very little to do with the subject matter of the Bill before us, but I offer it.

Hon Mr. Brockelbank: — This is one of the first of the Liberal . . .

Mr. Thatcher: — But you still promised to take it off and you haven't done it.

Mr. Speaker: — Order!

The question being put it was agreed to.

Bill No. 62 — An Act to amend The Fuel Petroleum Products Act.

Hon Mr. Lloyd: — Mr. Speaker, while this Bill is fairly lengthy, the amendments are almost without exception necessary to give implementation to the decision announced in the budget, namely that as of April 1st the gasoline tax would be increased by 2¢ a gallon, and that there would be in effect from that time on a differential of 3% insofar as diesel fuel was concerned, when that diesel fuel was consumed, of course, by vehicles on the highway.

I move second reading.

Mr. A.H. McDonald (Moosomin): — Mr. Speaker, this is another instance of the Provincial Government's misbehaviour in the past, and their problems now coming home to roost. Had the Government so handled the financial affairs of our province in the past in a business like manner, this Bill would not be necessary at this time. I know that

the Provincial Treasurer will attempt to answer that by saying that provinces throughout Canada are finding it more difficult to carry on our road problem, and they too are increasing the gasoline tax.

But because other provinces are doing it doesn't mean to me, Mr. Speaker, that it is the right thing to do. Here a few days ago we asked the Government in Ottawa to do certain things on our behalf, and one of those things was that they should control the economy in Canada. Well, I have heard people on the other side of the House and especially the Premier, refer to the Keynesian theory of taxation, and that that theory should be used in order to prevent inflation and to provide full employment.

The whole basis of the Keynesian theory, Mr. Speaker, is that Governments should take a lot of money out of circulation in times of full employment to prevent inflation, and by the same token should decrease taxes in times of unemployment, endeavouring to leave more money in the hands of our citizens, so that more people can be put to work. I believe in that principle, Mr. Speaker. When the Premier from time to time, and the past Provincial Treasurer spoke along these lines, I agreed with them wholeheartedly. But, Mr. Speaker, they were hollow words, because here we find ourselves in the position now where we have a recession on our hands, employment is rampant, and the Government of Saskatchewan are adding to our problems. This is the day when we should be decreasing taxation, not increasing it.

I am very surprised to see the action that has been taken with regard to diesel fuel. We are all familiar with the fact that diesel trucking equipment is very, very costly. It's much heavier equipment than gasoline equipment, and in order to make it worthwhile for a diesel unit to operate on our highway system, the operator must be able to buy cheaper fuel than gasoline. Because the increased load of his tractor means that he can carry less pay load than he could with a gasoline unit. But, now we have the tax on diesel fuel equal to the cost of the fuel. In a day and age when the railroads are abandoning lines, and I feel will abandon many more, there will be many communities in the province of Saskatchewan and elsewhere, who if they are going to survive will have to depend entirely on trucks. We have taken one of the greatest reasons out of the hands of our truckers for owning diesel equipment, and diesel equipment, I suggest to you, has made the trucking industry

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competitive with the railroads. The only competition they have in the province of Saskatchewan is from the trucking industry. I suggest to you that the trucking industry is in its infancy, that if given an opportunity to grow could provide ten or twelve times the employment that it is providing today, and this Government, rather than having made provision from the rainy day, and being in a position now to have helped these smaller industries take up the slack of unemployment, to help them grow to major industries, industries that could provide not only employment but provide services that are being handed over by the railroads today. They have taken the exact opposite attitude.

They have spent money like drunken sailors, and have now arrived in a position where the cupboard is bare, and where we have unemployment. The largest number of people since the 1930s are living on relief or social aid, and the Government have adopted a program in the province to make this problem even more difficult and to increase the cost rather than try to offset it. On one hand they have one set of principles and theories when they are asking the Government of Canada to solve this problem, but they go in the exact opposite direction themselves. Why isn't the Government that sits opposite not prepared to do themselves what they are asking other people to do? Here is another example of heaping insult onto injury. For many years they refused to truckers a right, in my opinion, to the same weight limits in our province as they have in other provinces, and now they have given them that right, but now they want to put another obstacle on the shoulders of the trucking industry.

Apart from the trucking industry, Mr. Speaker, almost all families in Saskatchewan today possess an automobile or a truck of some kind or another. People are finding it more difficult, month by month, to cope with this ever-increasing cost of living. I would think that the Government that sits opposite, so concerned about this increase in cost of living, would do something that is within their constitutional power, and I suggest within their financial power to reduce it. But now, every opportunity they have, we have increased taxation, increased fees, and increased extractions from the pockets of the people of this province.

Pretty soon the people of this province will have to make a decision as to whether they want to manage their own affairs, or whether they want the Government of Saskatchewan to manage all their affairs, because

pretty soon this Government will have most of the money that rightfully belongs in the pockets of the people of this province, in the pockets of the Provincial Treasurer.

I cannot support the increase in gasoline tax and fuel oil at this time. Certainly this Government if they wanted to build better roads, which Saskatchewan needs, if they wanted to give better links to our road systems, Mr. Speaker, this could have been done without placing this tax on the shoulders of the people of Saskatchewan.

What we need, Mr. Speaker, is value for the dollars that have been expended in the past, not against the values today. If we were to get dollar value for the money that has been spent on maintaining the road system of this province, then we could probably decrease the gas tax by the amount that we're being asked to increase it today. Because I do not believe, that the people of this province can continue year after year paying more money into the coffers of the Provincial Treasurer, I want to move the following amendment, seconded by Mr. Thatcher.

“That the word ‘now’ be deleted and the words ‘this day six months’ be added to the motion.”

Premier Douglas: — Mr. Speaker, most of what the hon. Member has said was already argued out in the debate on the budget. I don't think there is any need for me to add very much to what I said at that time, except to point out that it is reaching the state of absurdity to suggest that the Keynesian theory could be applied to provincial financing. Surely my hon. friend knows enough about the Keynesian theory, (or maybe he doesn't) to know that the whole Keynesian theory is based on a control of the banking system of the country, and of the issuance of currency and credit. He also ought to know enough about the constitution of Canada to know that no provincial or municipal government has either control of the banking system or control of currency and credit. The whole theory which Lord Maynard Keynes advanced was that in a period of economic recession the Government should reduce its taxes and increase its expenditures, with the idea of putting more money into circulation. It would do this by making use of the banking facilities of the country and would carry

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out what was known as deficit financing.

Deficit financing is not done by going on the market and borrowing as a municipality or a provincial government would do. It is done simply by having the Bank of Canada issue money and by putting money into circulation. This is not within the powers of a Provincial Government. For any member to stand up in this House and suggest for a moment that a Provincial Government with no control of the issue of currency and credit could cut down its taxes and increase its expenditures and carry out deficit financing when every dollar of deficit financing would have to be borrowed on the open market, is bordering on the ridiculous.

I find it difficult to believe that the hon. Member is even serious in advocating such a policy.

Mr. McDonald: — Very serious.

Premier Douglas: — Mr. Speaker, having left this rather phony issue of the Keynesian theory, let's turn to the amendment itself. The amendment suggests, of course, that this legislation be not proceeded with. I want to say that as far as I am concerned, I don't think that the Government needs to make any apology to anyone for suggesting that the people who use the roads of the province are the people who ought to pay the major part of the bill for constructing and maintaining the highways. For a great many years now, this Government has spent more on highways, both for construction and maintenance and by way of grants to the municipalities, than has been paid by the road users. They have to get their money either by grants from the Provincial Government or by land taxes. I see no reason why the ordinary taxpayer of the province, who doesn't operate a vehicle, should be asked to pay taxes to maintain a road on which someone else may run a vehicle. The person who operates a vehicle pays for it and its maintenance. He doesn't put part of this burden on the non-owner of a vehicle. In times of prosperity, when money is fairly plentiful, there may be some argument for subsidizing construction and maintenance of highways. But, as the program of construction and maintenance of highways and grants to municipalities for grid roads and municipal roads have increased, certainly the contribution which the road user makes ought to increase proportionately.

This takes no cognizance of interest charges on

money which was borrowed prior to this Government coming in for the construction of roads. This is just on the operation of the Department of Highways and the grants that have been paid out to municipalities. These have exceeded, year after year, by very considerable sums of money, the amount which the road users have been paying.

I think that the average vehicle driver would prefer to pay a higher tax and have a better road on which to drive. If he wants a better road on which to drive, and if he wants a higher standard of road then he must be prepared to pay at least the major part of the cost of carrying out such a program. Almost every province in Canada has recognized this fact. Newfoundland, as I pointed out, has a tax of 19¢, Prince Edward Island 16¢, Nova Scotia 19¢, New Brunswick with a Liberal Government has an 18¢ gasoline tax and a 23¢ diesel tax. Quebec 13¢, Ontario 13¢ and 18½¢ for diesel fuel, a differential of 5½¢. In Alberta and British Columbia, they also have a differential, 12¢ gasoline, 14¢ diesel in Alberta, 13¢ and 15¢ in British Columbia.

I think the differential is warranted. The person who has a diesel vehicle gets more mileage per gallon, and consequently he causes more wear and tear on the highways for less money, than the person who drives a gasoline driven vehicle. The idea of the differential is not going to be a lot in terms of money, but it is establishing a very sound principle, and that is that the amount which the road user pays should have some relationship to his mileage, and that if he gets more mileage out of a gallon, then he ought to pay a higher tax than the person who gets less mileage out of a gallon. As I say, some four provinces in addition to our own have accepted this principle and as I have pointed out in some cases, the differential is as high as 5¢ or 5½¢ per gallon. Nobody likes increased taxes, but, I think the people of the province generally will support the idea that if we're going to spend more money on roads, then the people who use the roads are the people who should make the major contribution to that end.

I am going to oppose the amendment.

Mr. J.W. Gardiner (Melville): — Mr. Speaker, in rising to speak in support of the amendment, and against the Bill that is before us, I would like to use one or two arguments that have not

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been placed before the Legislature as yet in the debate. The Member for Moosomin in amending the motion made reference to the Keynesian theory, which the Premier, of course, stated is based on the control of the banking system. The Premier also stated, during the course of his remarks, that he couldn't follow the arguments of the Opposition that would mean cutting down revenues received from taxes, and at the same time increasing Government expenditures.

Of course, if the Premier had been listening during the days that the present Session has been going on, he would have heard on many occasions ways in which the Opposition have indicated to the Government that Government expenses should be cut down, particularly administration expenses. Item after item has been brought to the attention of the Government, and it has been suggested that the cost of the operation of Government could be decreased if the present Government is prepared to take proper action in that direction. But, it appears almost certain, Mr. Speaker, that during the course of this present year, in spite of the fact that we have heard references to economy drives, I'm quite certain that when we return here a year hence that we will find a large increase in the cost of Government in this province — not in the benefits received by the people in the province, but in the administration costs of the Government of the province, even after the Provincial Treasurer has suggested that there should be economies.

So I say, that the Opposition, time after time, have indicated where the Government of this province could cut costs, could save in the reduction of administration costs in this province. Time after time this Government has refused to take that action.

Now, the Premier stated in his remarks that during the last few years this Government has been paying out more on roads and highways than it received in revenues from gasoline tax, licence fees and other taxes, the money from which, he feels, is paid in to be used on the highways of this province. I would just like to indicate to him that after all we are receiving today the total sum of some \$40 million from the Federal Government in Ottawa. Some of this money surely should be earmarked for the equalization of highway services to the people of this province. That is one of the purposes that the money was originally earmarked for. So, a person should expect that some of the \$40 million that

is being received from the federal treasury today should have been going, ever since that money has been forthcoming from Ottawa, should have been going to assist in the construction of roads, not only main highways, but in the construction of rural roads in this province as well. Then, of course, the Premier stated that the user of the highways should after all pay for the cost of those roads. I am just going to state to him that there are many in this province, that because of the location they live in, because of the fact that they live on farms that are located miles from the place that they must conduct their business, that these people must of necessity make use of the roads more than the people that are living in our urban centres.

Surely he wouldn't say today, as he is saying in this Bill, that the agricultural producers of this province should be discriminated against even further than they have been in the past — that they should be forced to pay even a larger contribution toward the construction of roads in this province. I am going to indicate to the Premier that I think much of the cost and the expense on our highways, large expenditures that have been made by this Government on the hard-top highways in this province, are not made use of to a very great extent by the farm people of this province. The farm people have been given secondary roads, and they've been given a second class road, and at the same time they must, because they use their cars and their trucks more extensively than any other group of people in the province, they must pay a greater share of the taxes in order to provide hard-top roads for the people of this province.

So, I think Mr. Speaker, because of the fact that this Government has refused actually to accept economy in Government, as has been suggested by the Opposition, they refused to save the money of the people of this province in the budget that has been brought down during the course of this Session, and throughout the legislation that has been placed before us, for that reason and also because of the fact that they have discriminated against the rural people of this province, time after time, I could not feel justified in supporting a motion that is going to increase the operation costs of rural people of this province to a greater extent than anyone else, so, Mr. Speaker, for those reasons, I find that I will have to support the amendment and oppose the main motion.

Mr. W. Ross Thatcher (Leader of the Opposition): — Mr. Speaker, I will take only a minute, but

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this Bill is one in a long series which have been introduced this Session to bring in tax increases. The Minister told us in his budget speech, that he is going to have a deficit. This despite the fact that the Attorney General has increased court fees all the way down the line; this despite the fact that the Provincial Treasurer today announced that insurance premium taxes are going up; this despite the fact that the Minister of Agriculture the other day announced the cattle brand fee was going to be doubled; this despite the fact the Minister of Labour announced a short time ago that telephone rates were going up substantially; this despite the fact that the Minister of Health last fall announced that the hospital tax was going up 37%. Now just where are we headed? Just where are we going?

Our debt, as nearly as I can guess, now is roughly \$450 million, and I am not going to argue today whether it's deadweight debt or some other kind of debt. The thing that worries me, as Liberal leader is simply this: I think we're going to form the Government in three years, but I am afraid that our hon. friends opposite are going to have this province in such a financial mess that our hands are going to be tied for the next generation.

The Premier was speaking about the motion of the hon. Member for Moosomin. He said that it was "absurd" I think, and he said "It was bordering on the ridiculous." He said it was a phony issue. Time and again in this Session we're finding that the Premier, whenever he hears a speech that he doesn't like too much, resorts to a bit of name-calling. I think the Premier should be above this.

I want to point out to this Government and the Minister of Highways that in Manitoba, I believe the gasoline tax is 12¢ and in Alberta it's 12¢.

Premier Douglas: — No it's not 12¢, it's raised to 14¢ in Alberta.

Mr. Thatcher: — In Alberta it is 12¢; it may have been raised to 14¢; I think it is only 12¢.

Premier Douglas: — 14¢. No I am sorry 12¢ and 14¢.

Mr. Thatcher: — All right, in these two prairie provinces, Manitoba is spending this year on highways, if my memory serves me, according to

the last issue of the "Financial Post" about \$39 million, and Alberta is spending considerable more than that on highways. This Government instead of spending more has cut down their highway program a little this year. So compared to what they are doing in highway construction in either of our sister provinces, this Government is doing not too good a job. It is one more case of tax increases. This is the only province that has a mineral tax. Saskatchewan has seen taxes go up since 1945 on land by about 300%. Education tax, mentioned a little while ago is up 50%. I say again, just where are we going?

People of this province are fed up with increased taxes, and that is why the Liberal party is going to vote against this particular Bill.

Mr. David Boldt (Rosthern): — Mr. Speaker, I would like to add a few words to this debate. We know the Federal Government and the Prime Minister of Canada are concerned about holding the wage level. I know that in the rural areas the school boards and the urban areas are concerned about holding the wage level. If we are to increase our taxes, our argument is very weak. The cost of living will go up, as it is going up at every corner, and we should set an example, that if we want to keep our wages at the level that they have been in 1960, we cannot expect them to be so, if taxes are going to be increased.

I therefore, will support the amendment and vote against the motion.

Mr. Herman Danielson (Arm River): — Mr. Speaker, I was very, very amused — much more amused than interested in the Premier's views on banking and inflation and things like that, and he said that deficit financing is the result of printing new money. I think he wishes that he had the control of the printing of the money. That is not the case at all. Deficit financing results from increasing the public debt by borrowing, and that doesn't create any new money, and it doesn't create inflation either. So I think that before he takes over the leadership of the New Party, he should take a course in financing, because that is something he needs very, very badly. And I am not sure about the gentleman that sits beside him, I think he needs one too.

Premier Douglas: — Could I ask my hon. friend a question?

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Mr. Danielson: — You can ask your question when I sit down.

This has been a Session that should be called a taxation Session, both inside and outside the House. There were dozens and dozens of taxes imposed on the people of this province before this Session started without any sanction by this House. Mr. Speaker, it is pretty doubtful whether the Government has the right to do what they did in regard to raising the hospitalization tax by \$13.00 per family. The explanation by the Minister later on was that \$4.00 of it was going to pay the grants for hospitals, or we could very well call them public buildings. I know this Government has full right to increase the hospitalization fee under the Hospitalization Act, but I do question, and I question very seriously, and I am not the only one, the right of the Government, or the executive council, to say to you and me — “\$4.00 for you.” “For what?” “Well we’ve got to have some more money for grants for public buildings.” That is what they did, according to the Minister of Public Health.

Now then, this is a taxation Bill, of course, that we’re dealing with, this Bill No. 62. Now, so far as the people are concerned, Mr. Speaker, and you know because you are a practical man, that this is a tax on production, and it can’t be called anything else. That is a tax on production and we know now that the rural part of this province, or any province in the rest of Canada, the cost of operation is so high that there is practically nothing so far as revenue is concerned from the farming occupation.

That is all it is. It is a tax on production. Where do you find a farm today that doesn’t have a truck? The people in the rural areas have to have a car. It is not a luxury; it is a necessity for them. These fellows are piling taxes on the people. What are they going to do with the money? Well they are going to build a \$9 million dollar highway from the city of Regina to Regina Beach. That is one of the things they are going to do. Let’s hang the farmers, hang the backwoods boys. We city slickers are in the centre of civilization and we want a road that we can start out on Sunday morning and drive straight through without looking for a crossing, a highway, or a road, or a train, or anything else. We’re not going to have to meet anybody because we’ll all be going in the same direction.

That is where our taxation money goes. I would say to you, that the commercial trucking industry of this province will pay a great deal of these taxes, but the second highest payer, and it might be the highest payer in this province will be the farmers of this province.

Again, we're talking about high taxes, what about the school boards throughout the province who have six and seven buses — and I am not sure that they don't have eight in our particular district — but I know that in many cases they have six. What does it mean to them? Well it means higher school taxes. One increase isn't enough because from this same pocket that you reach your hand into to pay increased gasoline tax, you will pay higher school taxes.

The people in the city don't have that expense. It doesn't affect their school tax, but it does affect the rural people who pay the shot to keep these schools going. I want to say another thing. I am not going to make myself popular with the Provincial Treasurer. I have said in this House before that if the education tax that had been collected in the province in the last fifteen years, Mr. Speaker, had been used only for educational purposes, there would be no need for the high school taxes that we have at the present time. I say this, that the great part of your education tax is going to build museums and public buildings all over the province of Saskatchewan which by any stretch of the imagination should never be constructed in such a way that it should apply to the distribution of the hospitalization tax. I remember in 1934 to 1938 we had George Williams and his four supporters whom they called the quintuplets in those days, who stood out there and day after day and told the Liberal Government they were using the education tax for improper purposes . . .

Government Members: — Amen.

Mr. Danielson: — . . . and we appointed a Royal Commission in this province to look into and check up on that. Well we couldn't get one solitary C.C.F. Member of the Legislature to make representation to the Commission. The commission went into the question, which they were authorized to do, very, very fully, and the report of that commission was absolutely 100% in favour of the Government. They said that the education tax, every dollar of it, had been devoted to the continuation and the operation of our

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schools, paying grants and other expenses. That was the report of that commission. But when this Government came in many millions of dollars from the education tax were going into the University Hospital and similar public buildings.

Hon Mr. Brockelbank: — Would the hon. Member tell us what Royal Commission that was.

Mr. Danielson: — This museum over here — this what do you call it?

Premier Douglas: — The warehouse for stuffed jack rabbits, I believe it was described as over there.

Mr. Danielson: — Now you've said it, I didn't know you realized what you did.

Hon Mr. Brockelbank: — What Royal Commission was it?

Premier Douglas: — It isn't that. I'm quoting what the Leader of the Opposition of that day said.

Mr. Danielson: — That building, Mr. Speaker, was practically all built out of the education fund of this province, so if they had to run this province according to the laws and the taxation authority that they have as a Government, they would have plenty of money for educational purposes without bringing the school taxes to such an enormous figure which they are today, and they have just started; they are going to go higher and higher. And they are going to go higher and higher and the farmers of this province are going to pay more and more taxes until we get rid of this expensive luxury that we have sitting over there. They are parasites insofar as the rural people of the province are concerned. They have no strength in rural areas anymore. I would just like to see an election tomorrow.

Premier Douglas: — You've been saying that for fifteen years.

Mr. Danielson: — And it's a cinch that after this fifteen or sixteen years, or even eighteen years, maybe it will be before you go, but after that you'll never hear anymore of the CCF Party or the socialist party in this province.

Premier Douglas: — You've been saying that for a long while too.

Mr. Danielson: — Other parties, Mr. Speaker, who have principles and . . .

Mr. Speaker: — Order! I think that the debate should be kept on the Bill.

Mr. Danielson: — These are the people who will come back again.

Government Members: — You scared the Premier out of the province.

Mr. Danielson: — Oh? He can't stay here because he outlived his usefulness many years ago.

Mr. Allan R. Guy (Athabasca): — Mr. Speaker, I have only one observation to make in regard to this Bill, but I've heard a great many ridiculous statements come from the other side of the House. The one made by the Premier today, I think, outdoes them all, when he suggests that a differential in the tax is sensible because one gets more mileage. Now I am sure that the importers of foreign cars will be alarmed by that statement, because they will be able to see that the next amendment to this Act will be: those who drive Volkswagens will pay twice as much as those that drive ordinary cars.

I'm sure that our hon. Member the Attorney General would be glad of a tax such as that. Now that is a ridiculous statement to make, when we have cars on the road today that get twice as much mileage per gallon than others.

Hon. Mr. Kuziak (Minister of Natural Resources): — Mr. Speaker, I just want to reply to a couple of statements made by the Opposition, particularly the hon. Member for Melville, when he talks about second-class roads for farmers. I sometimes wonder what class of roads the farmers had when the Liberals were in power prior to 1944.

Mr. McFarlane: — Living in the past.

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Mr. Thatcher: — . . . Compared with what we had when the Indians were here too Alex.

Hon. Mr. Kuziak: — We are not only continuing the upbuilding of highways, but we have now designated 12,000 miles of grid roads. These are completely and totally for the rural people, for the farmers of Saskatchewan. May I say, Mr. Speaker, a grid road standard which is far higher than the Liberal highways of the past. So don't make ridiculous statements. Now he goes on and he says we are discriminating against the farmer. They are always great friends of the farmer when they are in the Opposition, but when they were in power, I don't know of any Government who discriminated more against the rural areas than the Liberals when they were in power. When I recall, as a municipal secretary-treasurer, what contributions they used to make to the roads of the rural areas prior to 1944, and may I say, Mr. Speaker, that they collected gasoline taxes, they collected licenses on automobiles and trucks, and they collected the public revenue tax that they slapped on the rural areas in 1917, and at that time they promised that this was only a war effort, that they would take it off, but they kept it on until the C.C.F. promised in 1952 to take it off and we took it off. But I want to say that there was no other government in Saskatchewan that discriminated more against the farmers than the Liberals.

Mr. Thatcher: — What about the gasoline tax?

Mr. Speaker: — Order! Order!

Hon. Mr. Kuziak: — When I remember the contributions made to rural roads to the municipalities, they practically didn't do anything up until the Anderson Conservative Government got into Saskatchewan, and then grants to rural municipalities went up. They paid fair grants but immediately the Anderson Government was defeated, grants went down to nothing again. Again rank discrimination of the farmers of Saskatchewan.

Mr. McCarthy: — McDonald will be glad to hear that.

Hon. Mr. Kuziak: — Now, we are building roads in the rural areas and building roads far better than the Liberals used to build highways in this province.

Mr. McDonald: — Mr. Speaker, I wonder if I could ask

the hon. Member a question. Would you answer a question? Could you tell me what the revenue was from gasoline taxes and motor license fees back in 19 — take your choice 1936-37.

Hon. Mr. Kuziak: — Well, Mr. Speaker, not too long ago the hon. Member, I believe from Notukeu-Willowbunch pointed out that our revenues today are 4½ times higher. I reiterated that we contribute to the farmer . . .

Mr. McDonald: — Will you answer the question?

Hon. Mr. Kuziak: — . . . not 4½ times as much but fifty times as much.

Mr. Thatcher: — Get the answer Alex.

Mr. McDonald: — I wonder if my friends would like the answer. The answer was \$3,600,000, and at the same time there was \$4,600,000 spent on highways.

Mr. Thatcher: — That'll fix you Alex.

Mr. Speaker: — Order! Order! The hon. Member may ask a question, but is not to express an opinion or to make a statement when he's addressing a question.

Mr. McDonald: — I wouldn't do that if I could get the answer.

Mr. L.P. Coderre (Gravelbourg): — Mr. Speaker, I feel that something should be brought to mind. Apparently the hon. gentleman who just sat down, the Minister of Natural Resources, seems to have the 1944 complex, he's going back to the horse and buggy days. It seems to me that with time there is a progress, Mr. Speaker, and we must realize that but apparently the hon. Minister doesn't seem to realize that years back the people didn't even have wheels, they had to walk, everything had to be carried. There was some progress with our means of travel.

Mr. Speaker: — Order! Order!

Mr. Coderre: — I think, Minister, that with the horses and animals, asses and

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all kinds of animals that were used, the beasts of burden that were used in the past, we didn't need the standard of highways that we have today. Then he goes on and compares the costs of highways and the types of highways that we have. Everybody knows, Mr. Speaker, that we don't have to go back to the ghosts of 1944, and I think that's exactly what this Government has created over the time. They seem to live in the past and go back to the past. Everybody knows, Mr. Speaker, that the cost of building a highway in the past with horses and fresnoes and tumble-bugs, was a tremendous cost and burden on the people, and today we have a different type of equipment. But that isn't the reason that I got up, Mr. Speaker, I would just like to set the record straight in some respects.

We in Saskatchewan, on top of having an extra burden onto the farm population with gasoline tax in our farm trucks, are now going to impose an additional tax across the board. I have heard arguments in the last few moments as to what the taxes in Alberta and Manitoba are. What they are doing here and there matters not, but the Government is trying to justify the reasons for raising the tax here in Saskatchewan. Now according to the report in the 'Financial Post', which I think has been using the very close figures insofar as Saskatchewan is concerned, we note that in Saskatchewan we are going to spend \$22 million on highway construction in the coming year. But we also note that they propose to raise the gas and diesel tax to 14¢ and 17¢ respectively. Well, in Manitoba, which is a fair yardstick shall we say, a province with about the same population as we have, they are going to spend almost double the amount on highway construction, \$36 million, and there their gasoline tax is only 11¢ per gallon. The fact remains that even if they do raise the tax in Manitoba 2¢ a gallon, which would be 20%, they'd still spend over 100% more on highway construction.

Hon. Mr. Kuziak: — Is there a Liberal Government there?

Mr. Speaker: — Order!

Mr. Coderre: — Apart from that, Mr. Speaker, you'll find that the province of Alberta which would be another yardstick population-wise, is going to spend \$70 million, and their taxes are only 12¢ to 14¢ a gallon on diesel fuel. Who is paying the brunt of this tax here in Saskatchewan, Mr. Speaker? It'll be our farmers. They are the ones that have to travel

to the larger centres to do their shopping; they're the ones that will have to pay the bulk of that tax. I've heard hues and cries from the government side of the House, resolutions of all sorts being passed for greater assistance by the senior governments in Ottawa, saying that they require this because our farmers are in dire need or need assistance of some sort, and they turn around and are going to impose this tax directly upon the farmers. Any taxes at this particular time, Mr. Speaker, that are imposed upon any source of industry in this province by this Government, is a direct tax which will eventually find a shoulder to rest on, and that will be the farmer's. For that reason, Mr. Speaker, I couldn't support a Bill like that, and I'm certainly going to do everything I can for the time being, to try to postpone it and I will support the amendment by the Member from Moosomin.

Mr. Douglas T. McFarlane (Qu'Appelle-Wolseley): — Mr. Speaker, the remarks that I will be making on this amendment will be very brief, I can assure you of that. In fact, I don't think much further needed to be said, if it hadn't been for the usual harangue indulged in by the Minister of Natural Resources. It is quite evident now that probably one of the reasons that our good friend the Premier of Saskatchewan is leaving his province is because it is getting more and more evident every day that they have no basis for argument, no basis of fact to substantiate any of their claims for their shortcomings in the future. They always have to go back to that period of time before 1944. This seems to be the only record left to our friends across the way to hide and substantiate their sins of omission. I would suggest that probably that is one of the reasons he is leaving the province, and probably the brains left the party a year ago . . .

Mr. Speaker: — Order! I wish the hon. Member would keep his remarks on the Bill.

Mr. McFarlane: — I would suggest to you Mr. Speaker, that probably after the Premier does leave this province that same gentleman may be waiting for him to accept the position to be his right hand man, when this socialist party is launched.

Mr. Speaker: — Order! I was not just speaking

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to hear myself. I mean what I say. We would like to keep this on the Bill.

Mr. McFarlane: — I was substantiating my claim, Mr. Speaker, that what we are concerned with here, what this party is concerned with, and what, I am sure, the farmers of this province are concerned with is how they are going to get by in the future.

Now, the Minister of Natural Resources, as I said, indulged in a great harangue about conditions prior to 1944, and then he went on to say that because of the programs of this Government, they had built such wonderful roads for the farmers and the people in our rural districts. Well I don't know where these wonderful roads are being built, but they are certainly not being built in some of the areas that I represent, especially not by the Government concerned. I am going to point out to the hon. Members opposite that a great many of the rural roads that are being built in that part of the province are not being built by the municipalities, they are not being built by the Provincial Government, they are being built by the individual farmers concerned. The municipalities, because of the policies of this Government, and because of the attitude of this Government, are being forced at the present time, to tax the taxpayers to the limit, and rather than go over that limit, because they realize the fact that farmers can no longer stand any heavier taxes, can no longer stand the tax increases, they have tried to hold the line, and by trying to hold the line and favouring other services such as education, we find that the farmers themselves are in a position that if they want to get out to the municipal roads, or out to the grid roads, they aren't getting help from the municipalities because the municipalities finances are restricted now, the farmers are going ahead with their own equipment or hiring equipment, building a grade and on top of that, Mr. Speaker, they are doing it with their own money. They try to finance the buying of gravel to make a road so they can get out to the grid road. That is the condition that we're faced with in rural Saskatchewan today. Then, in my own area, this has not happened in my seat, but in the seat east of me, the Government rerouted the highway. During this past year the highway was completed, and the old route was turned back to the municipality, and then because that portion of the old highway which wasn't serviced at all, the farmers this year had to go with their own money and turn around and build that so-called highway up so they could travel through the winter, without the

high cost of snow removal. This is the condition that they are placing the farmers of this province in today.

Here, by their own record we find there are 89,000 farm trucks in the province, and when the owner of every one of those farm trucks, Mr. Speaker, goes to fill his gas tank after April 1st, he is going to pay \$2.25 to the CCF Government. That tax from the gas used in the farm trucks, as I pointed out, isn't going into those roads from the farmer's farms, or towns, or on the grid roads. It is going into a highway system that, as the Member for Arm River pointed out, isn't building highways for the farmers at all.

There are some of the people who are going to have their finances drained to the limit to try and pay for this service, and they will receive little satisfaction, Mr. Speaker, to know that they as farmers of Saskatchewan are paying the highest gas tax of any of the farmers in any of the three prairie provinces. I don't think that that is a record to be proud of.

I am just going to give you some insight into the farmer's position at the present time. The Premier has said that this tax is going to place the cost of building of highways on the persons who use these highways. He referred to the truckers, but I would point out to you, Mr. Speaker, that that isn't going to work out in practice. We know that truckers from outside the province, if they want to overcome this extra tax, all they would have to do is to install larger fuel tanks on their trucks. They could fill up in Alberta and go right through to Manitoba and fill up in Manitoba, or vice versa, they could fill up in Manitoba and go right through into Alberta. So you are losing a source of revenue there.

The farmers, unfortunately, haven't got enough money to take advantage of this legislation at the present time, but where the cash situation of the farmers is not too difficult at the present time, they can go ahead and install extra gas tanks and fill up before April 1st, but unfortunately the farmers find themselves in a position where they haven't access to that amount of ready cash. In effect, what happens there, instead of your local dealer being able to supply that market throughout the year, this is being dried out, because he goes ahead and fills up his gas tank now at a price of about 6¢ a gallon less than going through the pumps at your local dealer. There the farmer is being hit to the limit and is also

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taking away a source of revenue from some of your local gas dealers in the small towns and villages supplying a farm market.

I would just indicate to you, Mr. Speaker, the seriousness of placing any further taxes on farmers at the present time. If you want to understand the situation the farmers are facing, I think you just need to go back to the results of the program of cash advances through the Wheat Board. I think it is very significant because we find in the period between August 1st 1960 to February 13th, 1961, the total amount of money lent out was \$61,700,000 — almost double the amount that was lent out in the previous year. It is also indicated that there are twice as many applications from the farmers in Saskatchewan to date, as compared with a year ago. I think, comparing the three prairie provinces, it is quite significant, because here it points out that Saskatchewan has more applicants than any of the other prairie provinces. In relation it amounts to about 16,000 in Alberta, 40,000 in Saskatchewan and 12,000 in Manitoba, and so I would say on behalf of the people of rural Saskatchewan that it is time for this Government to cut back on some of these ever increasing taxes, and give the person who is responsible for the economic stability of this province a break.

Mr. W.J. Berezowsky (Cumberland): — Mr. Speaker, I will not take up much time, but I was rather interested in the arguments that we have heard from the Opposition today in connection with this Bill, and it seems to me that there are two arguments: One of them is that we as a Government should go ahead and reduce the taxes instead of obtaining taxes so that we could get services. And I'm just wondering — I'd like to ask in a general way the hon. Member for Melville, for example, suggested that taxes on fuel should be reduced. What would he suggest we should cut out? Would he suggest that the social welfare in this province, which we admit is not too sufficient be cut out.

Mr. Thatcher: — Cut out . . .

Mr. Gardiner: — . . . Administration . . .

Mr. Speaker: — Order!

Mr. Berezowsky: — He says administration, but we

must have administration and our administration is efficient, but would he cut out the services, say of social welfare? Would he cut out the public health services we provide for the people of Saskatchewan? If we did do that, would he suggest that we should cut down, say the grants to municipalities? After all, I know that in my area, just a few years ago I checked in one municipality where I lived, and it was estimated that all the taxes, whether they were through gasoline taxes or through licenses that the Government received, was somewhat in the vicinity of \$18,000. In the same year that same municipality received from this Government something around \$30,000. In other words it received much more than it paid in through those taxes. Now would he suggest that we cut down those grants? Instead of giving this particular municipality \$32,000, would he suggest that we give them, say, only \$20,000 and cut down the building of the roads which the people of my area, at least, require very much and which they appreciate?

It seems that the second argument is this — that at this time because of a recession that we should get into more debt. I don't think it's necessary, in view of the fact that we can pull ourselves up by our own boot strings, so to say. And I'd like to point out this! When the Opposition talks about the tremendous load that this particular tax is going to put on the farmer, and when they say that the rural people pay more taxes than the man in the city, and this particular tax might be one of them, I'd like to make some comparisons. I just happened to look into a report of the Department of Municipal Affairs and compared the villages that I live in, and where I paid a tax, and the per capita tax in my village, which apparently is my share, is \$63.00 a year for the services that are required, which includes, of course, all services. And then I look at the municipality of Buckland and I find it's only \$45.00, and it's in the same area. So, I can only conclude from what I've seen here that a farmer who lives on the farm paid a total of \$45.00 in taxes per capita, but I a farmer living in a village, paid \$63.00, and I have made other comparisons and they point to the same answer.

Now another way to look at it is this way. As a farmer I travel considerably because I live in a village and I go back and forth to the farm, some eight miles or so. I go into the city, and I find out that I burn much more gasoline than some of the people who are residing on the farms. But if you took a farmer who's

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made one trip, say to the city of Prince Albert, or an equivalent of a trip to the city of Prince Albert, which is some sixty miles, you'd use up about five gallons a week. Take fifty-two weeks, that would be somewhere in the vicinity of about 250 — 300 gallons, which would mean \$5.00 or \$6.00 in tax. Why the fact that we took off the public revenue tax on his section of land many years ago, means that we saved him at that time, if it was valued at \$5,000, an equivalent of \$10.00 at 2 mills. And do my friends opposite insist in this House that all we have to do to solve the financial problems of the farmer is by saving him this \$5.00 a year tax? I say emphatically that it will not solve the problem, and I say this, that this Government or any Government that sits in this House could not afford to deny the farmers a chance to get good roads, and this is one way we're getting money for good roads in the municipalities of this province. And, I don't care what the hon. Member, who just spoke a little while ago, from Qu'Appelle-Wolseley, says to the contrary.

Today when you go through the length and breadth of Saskatchewan you will find that it is the municipalities, because of the grants that they're getting, they are able to build the kind of roads that people need. Not only that, Mr. Speaker, let us not forget that it is only within the last few years that this Government has been building grid roads on which people travel, and not only rural people but many others use the grids and recreation roads, and I'm glad they do, because they need recreation. In talking about roads to resorts, every weekend one can see people from the cities, from the towns, and from the villages and from the farms going to these resorts, and if any government dare to deny them such roads today, it would find out how long it would last in this Legislature.

Mr. Gardiner: — Mr. Speaker, the hon. Member when he rose to speak asked me a question, and I just wanted one minutes to answer. The hon. Member asked me directly how I would cut down . . .

Mr. Speaker: — Order! There is a point of order being raised, and I do believe the hon. Member is entitled to make an explanation, regarding some point that he has made during this debate.

Premier Douglas: — Mr. Speaker, the hon. Member gave an explanation of what he meant when he first rose to speak.

Mr. Speaker: — If his words have been misunderstood, I understand that he has an opportunity to explain.

Premier Douglas: — He can rise on a question of privilege, Mr. Speaker, but he is not rising on a question of privilege as I understand it.

Mr. Gardiner: — I am rising because the Member asked me a question . . .

Mr. Speaker: — Order! I am afraid that I cannot allow that to be answered on those grounds.

Hon. I.C. Nollet: — Mr. Speaker, the hon. Member for Qu'Appelle-Wolseley got up to speak in this debate and he mentioned he was going to be very brief and he wouldn't have very much to say. He took an awful long time to prove it, Mr. Speaker.

Mr. Speaker, I've been listening with interest to this debate and it seems to me that the hon. Members opposite want the best of two worlds, that is two political worlds. They will not face facts and they have conjured up in their imagination, that if they oppose everything that will provide better, improved service for the people of this province, that somehow or other, this is going to be a popular political issue. They're also against any increase in taxes on the part of people that are using a particular service, and at the same time they complain, Session after Session, about the high property taxes in this province. But you can't have it both ways, and you can't have it three ways. You can't remove taxation on property without putting some levy against the users of a particular service, and in addition, you can't provide the standards of service that are needed under modern conditions, without finding some additional source of revenue.

And, they're going on the assumption that every time the Provincial Government makes an endeavour to obtain the revenue to provide the kind of services that people demand under modern circumstances, that by some stretch of the imagination, this is a burden on the farmers, and by some further stretch of the imagination the Government here should not do anything anymore for improving services and ought to give up its field of revenue for these services, in favour of solving the farmers' major economic problem.

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Well, Mr. Speaker, they had an opportunity not long ago at their national convention to come up with an answer to the farmers economic problems. What do they come up with? A most inadequate picayune suggestion that an additional \$100 payment for each farm in Saskatchewan would solve the farmers income problem. This is your agricultural policy and platform for Saskatchewan farmers.

Mr. Thatcher: — What about the gasoline tax?

Hon. Mr. Nollet: — . . . and this is your solution to the agricultural problem. Well, Mr. Speaker, they think that they're going to win some popularity on the hustings by constantly making these contradictory statements. Statements, Mr. Speaker, that are irresponsible and the people of Saskatchewan are intelligent people and they will take them as being just as so much political eyewash. They've been propounding this doctrine now for the past four elections and they've gone no place. Now, by some stretch of the imagination, they think the day of deliverance is close at hand.

But the people of this province will remember what happened in previous years as a result of this kind of political philosophy. Mr. Speaker, if we were to adopt their suggestions, people would be spending more time and money pulling buses, and pulling their cars and trucks out of mud holes than they would if they were putting money in road improvements. There are 89,000 trucks in the province — farm trucks, and these farm trucks and the farmers who drive them want good roads to drive those trucks on. They know much better than the hon. Members opposite, that when they have good roads, they save on the wear and tear of their trucks. They want good roads, and they'll not object to paying for these roads. And I think some of the remarks made opposite, that the farmers will be paying the bulk of this tax is far wide of the mark, Mr. Speaker. There should be no objection to better roads. These are demands that are imposed on any government, and any provincial government, anywhere in Canada has to meet the demands of mechanization, particularly in the field of agriculture. Hon. Members disregard the fact entirely, that we in Saskatchewan have a larger problem and a bigger problem and more challenging one insofar as roads, maintenance, and construction is concerned, than other western provinces. It's been mentioned over and over in this House that Saskatchewan has almost twice the highway mileage as Manitoba and Alberta combined, and at one time, British Columbia could be thrown in with the lot too, and we also have requests for more miles of

highway to construct and maintain. We must find the money somewhere to do this and to keep up with the demands of the times.

The hon. Member for Arm River suggested that there were proposals made where budgets in other directions might be cut in favour of highway construction, and that this would make it unnecessary to add to the load of taxation. They haven't come up, to my mind, with any proposal that would even contribute a few miles of more highway and better highways to the highway system. Yes, they suggested do away with the museum, cut off a little here, and cut off a little there, but in the aggregate, it would be far from sufficient.

The other argument that we have diverted the sales tax revenue to other purposes is equally invalid. There are increasing demands for many kinds of services that the hon. Members opposite neglect to recognize. They imagine that the people in the country will not recognize the invalidity of the kind of arguments they present in this regard.

We now have hospital services to provide, hospital costs have gone up, the costs of all services have gone up, and what can we attribute this to, Mr. Speaker? I would suggest to you, Mr. Speaker, that had it not been for complete price decontrols and the inflationary cost of everything, we would not have to increase taxes. We could get along pretty well. People don't mind paying but they don't like to pay through the nose for services at inflationary costs.

Mr. Thatcher: — That's what they've been using the sales tax for.

Hon. Mr. Nollet: — . . . and they've been doing that as a result of governmental policies followed at Ottawa, by both the Liberals and Tories. Sure, we can expect, Mr. Speaker, that costs are going to go higher and higher, as long as we've got Liberal or Tory governments at Ottawa, that haven't got the intestinal fortitude . . .

Mr. Thatcher: — It's the CCF that raised the gas tax . . .

Hon. Mr. Nollet: — . . . to put on price controls against the racketeering and profiteering of their private enterprise friends.

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Mr. Thatcher: — That's what you're doing on this gas tax . . .

Hon. Mr. Nollet: — It's because of excess profiteering Mr. Speaker, that we're in a mess today, and the people of this province recognize this fact and they recognize also that this Government has responsibilities for providing services within provincial jurisdiction, and if it doesn't provide these services, and doesn't obtain the revenue to provide the services, demanded by the people, then this Government will go out of office very quickly, but because we have the courage to face up to our responsibilities, Mr. Speaker, I'm convinced that, yes they say we could have an election tomorrow, we've had quite a few, we've had one just recently, and three years to go. I am certain the people of this province will again support this administration at the next general election.

Mr. Thatcher: — You didn't talk about this tax before the election.

Mr. Speaker: — Order!

Hon. Mr. Nollet: — . . . This will be three years more for the people of Saskatchewan to listen to the new prodigal son, champion of free enterprise freedom, the hon. new Leader of the Opposition, and they will be able to appraise the phoniness of his arguments and the phoniness of his political tactics both inside and outside this House, Mr. Speaker.

Some Hon Member: — He may not last.

Hon. Mr. Nollet: — For obvious reasons and because of a sense of public responsibility, I will vote against the amendment and vote for second reading of the Bill.

Mr. Thatcher: — You're still doubling the gasoline tax.

Franklin E. Foley (Turtleford): — I'd like to say just a few words in connection with this increase in gasoline tax. I feel that, coming from a part of the province where coarse grains are predominant, where we still have a good deal of work to do with regard to municipal road construction, where I'm

sure farm economy is not on par with many areas in the south of the province, I feel that this increase in the gasoline tax will create additional serious problems to the farmers.

I was interested in the remarks of the hon. Minister of Agriculture, when he mentioned that people were demanding services and as a result of course, this tax had to be increased. Well now, I wonder, Mr. Speaker, if he is aware of the fact, firstly of all, that if we took the revenue that is presently being expended for the Centre for Community Studies, for the Economic Advisory and Planning Board, for Adult Education in the amount of some \$3½ to \$4 million — 10% in administration costs there, that this would be more than enough to make it possible not to have increased the gasoline tax this year.

Hon. Mr. Walker: — What's wrong with your mathematics? You've got too many zeros.

Mr. Gardiner: — 10 of the administration costs . . .

Mr. Foley: — 10% of the administration costs would be in the amount of about \$3 million.

We mentioned sometime ago, in Committee, and in this House, \$7 million is being expended for the new headquarters building for the Saskatchewan Power Corporation; over \$1½ million for a new liquor warehouse. Who made the demands on the Government for these expenditures at this time? I didn't hear of any demands outside of this House, and I'm sure that if the Government had been truly cognizant of the difficulties of the farmers in the rural areas, they might have balanced the two problems and had concluded that some of these expenditures for public works might well have waited, rather than have raised the gasoline tax at this time.

The hon. Minister of Agriculture and other speakers on your right seem, on the one hand, very very concerned about the problems of agriculture today, and on the other hand, complain that they are finding it necessary to increase those problems and increase the burden on the farm people. So I say, Mr. Speaker, there seems to be a good deal of inconsistency in the outlook and in the policies of this Government. On the one hand, they spend a good deal of their time moving resolutions, which will call upon Ottawa to assist in solving some of our farm problems, and on the

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other hand, vote against measures which right here in Saskatchewan could assist the farm people. So I score this Government for their inconsistency with regard to the farm people of this province, and for that reason and for the reason that I fully believe some of the expenditures for public works could well have waited another year or two, rather than impose this burden at this time, I will support the amendment, Mr. Speaker.

Hon Mr. Nicholson: — Will the hon. Member permit a question?

Mr. Foley: — I would be very happy to answer it if I can.

Hon Mr. Nicholson: — I note that the hon. Member referred to saving of \$3½ million and I also note that in the estimates they are asking for \$145,000 for the Centre for Community Studies. This leaves a balance, as I make it, at around \$3,355,000, and I wonder if he would just explain where he is going to get the rest of this from Adult Education, which I understand runs around \$98,000, and my recollection is that the Planning Board is around \$100,000. I wonder if he would explain this.

Mr. Foley: — Well, Mr. Speaker, I understand the total administration cost is somewhere in the order of \$30 million for all of these activities, and for all government administration activities. I was taking about 10% of that and it would come to about what the increases in the gasoline taxes will bring.

Hon Mr. Nicholson: — I misunderstood you then.

Mr. James E. Snedker (Saltcoats): — Mr. Speaker, I just wish to take part briefly in this debate. I have listened to the hon. Members on the other side of the House try, by some method or another, to justify this increased taxation which will inevitably land on the backs of the farmers in more ways than one. I listened to the hon. Member for Weyburn say that people who use highways should be happy to pay the tax for the use that they get out of them, and he displayed thereby his complete lack of understanding of farm problems. He should have realized that farm people follow combines around their farms for miles and miles and miles, burning gasoline in their trucks for which

they have to pay the tax. They're not making any use of any highways at that time.

There is another problem that I should like to bring to the attention of Members of this House in connection with increased costs that have been handed down and handed on to the farmers, who are using trucks, and also in the increased costs that are now being loaded on the truck-transfer industry. We have farm community after farm community in our province relying now, practically solely, on truck transfers to move their goods in and out, due to the curtailment of express services by the railroads. We are now facing further and more serious curtailment of services to farm people out in the country by the railways. It is estimated that in the next one to twenty years the Canadian Pacific Railroad will seek to abandon 1,129.8 miles of road. It is estimated that the Canadian National Railroad will seek to abandon 1,237.3 miles of road, in the next one to twenty years. Now that will amount to a total mileage of 2,367.1 miles of road which it is estimated the railroads will abandon in the next one to twenty years, and the number of people that will be involved in this abandonment will run into thousands. Everyone of them will be agricultural people because the railroads that are about to be abandoned are not those that run from city to city, but are the ones that serve the smaller communities. One hundred and ninety-six towns will be affected on the Canadian Pacific Railroad; one hundred ninety-four affected on the Canadian National Railroad, for a total of three hundred and ninety towns. On both lines the people, if they're to continue to live and exist, if they're to move their products out and the necessities of life in, are going to have to move them in by means of truck transfer, either their own trucks or the trucks that the trucking companies are using. The increased costs of handling these goods and services by truck transfer will inevitably be passed on to the people who are using the service. It can't be any other way. The hon. Members on the other side of the House should realize that. They state that they need the money in order to do the things that they want to do in the province.

I also wish to draw to the attention of the hon. Members of this House, that not only have they loaded additional costs on the trucking industry and on the farm people of the province, but they are also envisaging curtailing the highway maintenance expenditures at a time such as this, and I intended to say something about that at another time, but I might

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as well say it now.

Now the question arises, where may the money be got in order to do the things that should be done, other than by raising the taxes? Much has been said about cutting out the Centre for Community Studies; we could save a little there. We have spent \$800,000 in this province, Mr. Speaker, on the Committee for Agriculture and Rural Life and the Local Government Continuing Committee to try to jam something down our throats that we didn't want: there was some money we could well have saved. You can find instance after instance in this province, where money can be saved such as excess civil servants who are just going around as socialist propagandists and so on and so forth.

Now, just to get right down to specific details. I have in my hand here a copy of a reply to a question. I was astounded when I received it, to discover that the 4.78 miles of road, and I refer to the bypass around the City of Regina, around this Mecca of the socialists, has cost \$690,618.67 to date, for just a little over four and three-quarter miles. That amount would have constructed a considerable amount of mileage out in the country — a grid road or what have you, or it could have helped to reduce the gasoline tax, if it hadn't been so expensive. The cost of buying the right-of-way was \$142,453 for 210.84 acres or approximately \$675 per acre. If we're going to have to pay on the same scale to the farmers out there between Regina and Lumsden, where I understand we're building another glorified blacktop highway for the minions of this city to go out and enjoy themselves on Sunday, if we're going to pay on the same scale for their benefit, good heavens we're going to pay a small fortune for right-of-way alone in order to build a fancy road so that they can scoot out and scoot back. They're in an awful hurry to get there and when they get there they have nothing to do. The farmers out in the country have plenty to do. They combine on Sunday and they work hard and they've got to pay this extra tax for gas used in their trucks — we are just being literally milked by this Government.

Now, I've brought a few of those expenditures to your attention, where I think the Government should be able to save money. I've also brought to the attention of the Government the situation which is going to exist in this province over the next one to twenty years with regard to the abandonment of the railroad lines.

I was listening to the hon. Member for Cut Knife,

the Minister of Agriculture, when he was talking about solving the farm problem. The way you people are going to solve the farm problem is to liquidate the farmers. That's exactly what you want to do, raise our costs and taxes, drive us off the land, and institute your idea and your socialist dream of collectivized farming. That's what you fellows are up to. Well, I'll say this right now, that we don't drive easy we've got our heels dug in now and we're staying on our land and I defy anyone in here to drive us off.

Premier Douglas: — Oh, you get more asinine as the days go by.

Mr. Snedker: — Snicker if you like.

Hon W.S. Lloyd (Provincial Treasurer): — Mr. Speaker, in order to make a comment on some of the things that have been said I have to speak before the amendment is put, not afterwards.

I really don't think that there is too much that needs to be said. I can appreciate well the fact that the hon. Members across the way don't like to have reference to things as they were in 1944. I want to submit, however, Mr. Speaker, that they are thinking now exactly as their people who sat before them in this House, thought of a highway system. They have exactly the same concept of government, looking through the same kind of a keyhole in order to determine what kind of services and what level of services the people of this province want, and the people of this province deserve. It becomes increasingly clear, it seems to me, that they are first, of all, against a good modern highway system.

Government Members: — Hear! Hear!

Mr. Thatcher: — Oh, come now.

Hon Mr. Lloyd: — I submit, that while the hon. Leader of the Opposition can sit in his place and spout out these words which sound nice to his ears, Mr. Speaker, but how else can you interpret the comments of the Member from Arm River, the comments of one or two other people who refer slightly to great highways that were being built for the benefit of the

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favoured few, etcetera, etcetera, etcetera. And I submit, one can take nothing else of the remarks that have been made this afternoon, and that these people would be content with the standard of highways such as they thought was the standard of highways in 1944. This is true with regard to other services as well.

I submit one of the problems which they have is to get acquainted with what are the needs of a modern community, and that if they do so, then they will revise many of their ideas about government services. Now I suspect what also becomes true, Mr. Speaker, if one listens to them, is that they are in fact against government, not really against this particular Government alone, but that they are in fact against government. I submit that one of the lessons that we have to learn, and one of the lessons which we as Members of the Legislatures have some responsibilities to acquaint people with, is that the services which they get in return for the money which they pay as taxes constitute among the best returns that people get for the expenditure of any money which they have spent. Not until we appreciate this fact, will we ever be able to provide for the people, will people ever be able to provide for themselves the kind of services to give to themselves the standard of living which they want and which they deserve.

Mr. Speaker, with regard to some of the remarks which have been made, there are just a few of them that I want to pick out for some illustrative purposes. The Leader of the Opposition said, for example, that Saskatchewan is the only province in Canada which has the mineral tax. This of course is not correct again, the Province of Alberta to the west of us does have such a mineral tax. The Member from Arm River suggested that the museum had been built out of monies from the education tax.

Mr. Danielson: — Largely.

Hon Mr. Lloyd: — Not even largely I'm sorry. I would submit that if it had been that it possibly could have been justified, because this is certainly one aspect of education. Anybody who thinks about the function of a museum, anybody who attempts to think about what is needed in order that we may have a broad, general and good educational service, will admit that a museum is such a service. Now it's true that we did spend a very considerable amount of money out

of this for buildings at the university, and I've never been able to quite understand why it is that Members of the Opposition have over the years objected to calling what goes on at the university education. There certainly seems to have been a legitimate expenditure for that particular fund.

Mr. Speaker: — Order!

Mr. Danielson: — I'm going to say that that statement is absolutely untrue. It isn't true and you know it. You know that your not telling the truth.

Hon Mr. Lloyd: — Oh but I am telling the truth, Mr. Speaker.

Mr. Danielson: — No you're not.

Mr. Speaker: — Order!

Premier Douglas: — How would you know?

Mr. Speaker: — Order! Order! It may be in order to tell the hon. Member that what he says is not true, but it is not right to say that it is not true to his knowledge, that is unparliamentary language.

Hon Mr. Lloyd: — Mr. Speaker, what I have said I repeat, namely, that there has been money out of the education tax spent to provide buildings at the university, and that I couldn't for the life of me see why there should be any objection to money from the education tax being spent for those purposes, because I consider that what goes on in the university is education. I can't see the basis for that particular kind of objection.

I want to refer briefly to one statement which the Member for Turtleford made. He felt that we should be postponing more of our public works programs. Now let's think about some of the other statements that have come from the other side.

The Member from Moosomin spoke of the unemployment in the province, but the Member from Turtleford suggests there ought to be action on the part of the Government to cause more unemployment. This is the same

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kind of inconsistency which we have had consistently from Members of the Opposition. May I say one specific word in regard to one project which he mentioned, namely, the Liquor Board warehouse, and he suggested that he hadn't heard anybody asking for this. Well, it's true that he probably hasn't. There is an excellent reason as to why the Government decided to start last year the construction of a Liquor Board warehouse, and that is because the present warehouse, which was built many many years ago, has deteriorated to the point where it is rapidly becoming unsafe. It has been necessary to stop using to capacity a good part of it already over the years, and this in itself is a hindrance, and it has deteriorated according to the reports of the engineers and architects to the point that it is not safe to expect to continue to use it. And on that basis it was essential that construction be started last year in order to provide a building which was large enough, which would be more economical to operate, and which would be safe in terms of not only the product itself, but in terms of the people who work in that particular building.

In taking it all in all, Mr. Speaker, I think the only sensible way to look at this is that the Government was faced with a problem. As I have said in a previous debate, the Government is hardly ever faced with a problem which is one that can be left by itself without any particular other consequences. What Governments have to look at is that you do this or that you don't do something else. In this particular instance we looked at the possibility of raising some money by increasing this particular tax, or at the possibility of not doing a number of other things; not doing some of the work on highways; not assisting municipalities to the extent that we are in regard to their road programs; not perhaps increasing school grants, a great deal of which will go to rural areas, in the way that we are.

On balance we decided that it would be preferable to increase this tax in this way rather than to not do some of those things which we wouldn't have been able to finance had we not decided to increase the particular tax. And in this, as the Premier has pointed out, we are of course not alone among the provinces. I'm not going to repeat the statistics that he used, showing what has gone on in other provinces. I think the hon. Members opposite, however, ought to take this as some indication of the fact that there are problems in operating a Provincial Government, which can't be solved just by saying you can cut out this you can cut out that, you

can cut out the other thing.

I noticed a few minutes ago, Mr. Speaker, the hon. Member from Humboldt reading a copy of the 'Manchester Guardian', if the Members of the Opposition want to refer to the 'Manchester Guardian' of some four weeks or so ago, they will find in there a comment on President Kennedy's recommendation that gas tax and tax on tires, and licenses on heavy trucks be considerably increased. So, on that particular basis of saying, well if we don't do this then there are worthwhile things, more valuable things, things of value in terms of services and in terms of economic development we can't do and so we decided that this tax would be increased in this way.

To say one word about the differential as between diesel and gas. The Member from Athabasca tried to make light of the fact that some explanation had been given with regard to this differential. Well, we, I admit, didn't make up any particular scientific study of the justification for this differential ourselves, but our taxation branch did have access to studies that had been made in other places; some that had been made in the United States; one in particular which was made just recently in the province of Ontario by, as I recall it, the Ontario Research Foundation. They came up with figures which justified, not just a three cent differential between the cost of gasoline and diesel, but a five cent and even more. It is because there is this kind of evidence arrived at as a result of studying, that this differential is proposed here, and it's undoubtedly for this reason that there is a differential in other provinces as well.

Mr. Speaker, because as I say, the Government was faced with this problem of either increasing its revenue in this way or of not doing some of the other things which we felt needed to be done maintaining our highways program, our assistance to municipalities for their road programs and increasing school grants, that the Government came to that decision, and of course, it's for those reasons that I oppose the amendment and support the main motion.

The question being put on the proposed amendment, it was negatived on the following recorded division:

Yeas

Messieurs

Thatcher	Batten (Mrs.)	McCarthy
McDonald	Danielson	Cameron
McFarlane	Gardiner	Foley
Guy	Boldt	Klein
Horsman	Coderre	MacDougall
Snedker	Gallagher	

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Nays

Messieurs

Douglas	Dewhurst	Brockelbank
Lloyd	Walker	Nollet
Kuziak	Cooper (Mrs.)	Davies
Willis	Brown	Thurston
Blakeney	Erb	Nicholson
Turnbull	Stone	Whelan
Thibault	Berezowsky	Kramer
Johnson	Meakes	Thiessen
Snyder	Stevens	Kluzak
Dahlman	Michayluk	Semchuk
Perkins	Peterson	Brotten

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The question being put on the main motion that Bill No. 62 be now read the second time, it was agreed to.

Bill No. 63 — An Act to amend The Power Corporation Act.

Hon Mr. Brown (Minister of Industry and Information): — Mr. Speaker, Bill No. 63, an Act to amend The Power Corporation Act, does not involve any new principles. The one amendment simply adjusts the borrowing authority of the Corporation, and I would therefore move that the Bill be now read a second time.

The question being put it was agreed to.

Bill No. 64 — An Act to Amend The Power Corporation Superannuation Act.

Hon Mr. Brown (Minister of Industry and Information): — Mr. Speaker, this Bill is to amend The Power Corporation Superannuation Act.

Section 26 of the Act provides that where the corporation buys an electric utility, that the employees taken over, in view of the purchase, can claim credit for superannuation purposes for the previous years of service with the plan that was purchased, and this provision would permit the Corporation to apply this principle where a gas system or a gas field were also taken over.

I would therefore move second reading of the Bill.

Mr. Thatcher: — Mr. Speaker, may I ask the Minister a question? Does this particular Act apply to the employees of National Light — so it's either electric or gas?

Hon Mr. Brown: — At the present time we only have the authority to deal with employees of an electric utility. This would mean that National Light employees would come under it. We want to extend this to employees of gas utilities. We took over a couple of people in Melville and a couple in Unity, and we feel in this sort of thing we want this to apply to them also.

Mr. Thatcher: — Could the Minister also state, while he's on his feet, if he has any idea of the money involved in the coming year by this Act?

Hon Mr. Brown: — No I can't give any definite figure on this. As far as National Light is concerned, we took over the superannuation plan which the employees had formerly, and there will only be about three people, I understand, involved with the new amendment. There are two in Melville and one in Unity. But the actual amount of money involved I'm not sure of.

The question being put it was agreed to.

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Bill No. 65 — An Act to amend The Court of Appeal Act.

Hon. Mr. Walker (Attorney General): — Mr. Speaker, section 5, of the Court of Appeal Act is slightly widened. It used to be that the Court of Appeal judges had the power to sit as Queen's Bench judges in the cities of Regina and Saskatoon and Moose Jaw, in criminal jury trials. This gives them the power to perform all the functions of a Queen's Bench judge, and to act *ex officio* as a Queen's Bench judge slightly broadens the section. It's not too often used, but it seems to be an integral part of our Act, and everybody in the judicial system seems to agree that it is a good provision.

The next section 9, has to do with the sittings of the Court of Appeal in Saskatoon. Last year the section was introduced to go into effect on the 1st of January 1960. At the time the legislation was passed we had no knowledge that there was going to be a large turn-over of personnel on the Court of Appeal, the constitutional amendment not having been disposed of at that time, and not having been enacted at that time. It became rather advantageous not to start a new procedure at a time when the majority of the judges were on the point of retirement, and so it proposed here a delay into going into effect of that section until fall. These courts were previously applied to the spring sitting.

The Court of Appeal judges also have promulgated or are about to promulgate new rules, and the Department and the Court have been able to work together on the rules with this rather elaborate machinery for having the court sit in both centres, and this involved some technical changes in the Act to fit in with the fresh draft of the Court of Appeal rules.

Mr. Speaker, with those few words of explanation I move that the Bill be now read a second time.

The question being put it was agreed to.

Bill No. 66 — An Act to amend The Small Claims Enforcement Act, 1959.

Hon. Mr. Walker: — Mr. Speaker, this represents a

tidying up of the Small Claims Enforcement Act, 1959. Under the Act there was no express authority for magistrates to authorize another magistrate to hear the matter after commencement. This makes it clear that where a magistrate has issued a summons he may authorize any other magistrate to act on the matter.

The other section makes it clear that they have a right to a counterclaim by a sentence. The old Act wasn't clear on this point, and the matter was raised by one of the magistrates and we had to confess that the Act didn't expressly provide for that, and so it's now proposed and this new section 9 will cover that as well.

Mr. Speaker, with those remarks I would like to move the second reading of this Bill.

The question being put it was agreed to.

Bill No. 67 — Act to amend the Public Works Act.

Hon Mr. Davies (Minister of Public Works): — Mr. Speaker, the purpose of Bill 67 is really to do things that we thought were already stated in the Public Works Act, but which it appears upon examination it does not specifically empower us to do. The purpose of the Bill is to give the Government the right to make regulations under the Public Works Act respecting any lands or any property, including public works that are publicly owned.

Among other things, Mr. Speaker, the Bill would give authority to the Government to govern the use of such property or lands and their protection and preservations. As an example, it had been presumed that the present Public Works Act permitted the Government to control the speed of cars and parking on the Legislative grounds, but our Law Officers have told us there is considerable doubt as to whether, in fact, we have any right to do so. I think as well most of the Members will know that during certain times of the year the grounds are used extensively by thousands of people, including many people from Regina, for purposes of recreation. The proposed amendment again would give us authority to make regulations that will permit the general

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public to enjoy the facilities safely and with enjoyment.

The Bill has only one section, Mr. Speaker, and that is spelt out in detail which I think can be studied in Committee. With those few brief remarks I will move that Bill No. 67 be now read a second time.

The question being put it was agreed to.

ADJOURNED DEBATES

The Assembly resumed the adjourned debate on the proposed motion of the Hon. Mr. Walker regarding constitutional amendment, and the proposed amendment thereto by Mrs. Batten.

Mrs. Mary J. Batten (Humboldt): — Mr. Speaker, with the consent of the House, I would like permission to withdraw the amendment, and substitute another amendment.

Mr. Speaker: — Is leave granted?

Some Hon. Members: — Agreed.

Mrs. Batten: — I hereby propose the following amendment.

With the amendment being withdrawn, this amendment is on the Motion itself and it leaves sub-section 1 as it stood; it leaves sub-section 2 as it stands until you get to part (a) of sub-section 2, and my amendment reads as follows:

“2(a) among such fundamental matters should be included provisions in the constitution relating to the use of the English and French language, education, and new amending procedure all of which should be subject to alteration only by the unanimous agreement of the provinces.”

B would be the same as it is in the Motion. C would be struck off, and would read as follows:

“Before the conference of Attorneys General makes a final recommendation to the province and to the Government of Canada with respect to a new amending procedure, the various proposals which have been considered by

the conference should be made known to the public, and the members of the public should be given an opportunity to consider and discuss these proposals and to present their views to a broadly representative body, established to study such proposals.”

I do so move, second by Mr. Cameron.

Premier Douglas: — Mr. Speaker, I would like to express my appreciation to the member for Humboldt for moving this amendment. I think it retains some of the basic features of the original motion, and I think removes some of the minor matters on which we didn't agree in the discussion on the motion. I think the important thing is, that we try to delineate the things on which we can agree, in expressing our opinion to the Parliament of Canada and to the other provinces of Canada. Matters of minor disagreement, it seems to me, are of secondary importance,

The important things we have said here are, that Canada should have its own constitution and the power to amend that constitution. We have said here that there are certain important things which we think ought to be entrenched. We have said here that before such a fundamental step is taken there ought to be the widest possible opportunity for discussion and participation. We have said finally, in 3, that we are opposed to any amending procedure being instituted until the Parliament of Canada and all the provinces unanimously agree on it. It seems to me that these are the fundamental things on which we can agree.

On a matter as important as this, where we are dealing with a constitution which once it is amended and established will have far-reaching implications for the people of Canada, it seems to me tremendously important that this Legislature should present a solid and unanimous expression of opinion. When this constitution is amended and becomes a Canadian constitution, it does represent the framework within which the Canadian economy and Canadian society must live and operate. Therefore, it is of paramount importance that every point of view should be put forth. My own views over the years have been that when the day came that we had a Canadian constitution, we actually ought to have a constituent assembly to which representatives of the Parliament of Canada, all the Legislatures, all the opposition parties across Canada, and the various experts in the fields from

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the legal profession and from the universities, ought to take time to sit down and work out the details of a new constitution. I'm not sure that that is practical, but at the moment it would certainly be the ideal thing.

I do think that this sets forth the points of view on which there was general agreement, and leaves out some of the points which were of less importance and on which there wasn't unanimous agreement. Because I think it is important that what we present as the views of the Legislature of Saskatchewan should be views unanimously held, I for one would be very happy to support this amendment and would like to express my thanks to the Member for Humboldt for introducing it.

Mr. Thatcher (Leader of the Opposition): — Mr. Speaker, I agree with most of what the Premier said this afternoon, that it is essential that we do have some unanimity on this.

I have a few remarks that I would like to make on this particular subject. I'm not prepared to do it this afternoon and if I'm in order I would like to move the adjournment of the debate.

The debate was, on motion of Mr. Thatcher, adjourned.

The Assembly adjourned at 5:34 o'clock p.m.