

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Second Session — Fourteenth Legislature**  
**12th Day**

**Thursday, October 26, 1961.**

The House met at 10:00 o'clock a.m.

On the Orders of the Day:

**QUESTION RE HOUSE ADJOURNMENT**

**Mr. Thatcher** (Leader of the Opposition): — Before the orders of the day are called, I should like to direct a question to the Premier. The day before yesterday he indicated to the House, that yesterday he was going to move a motion of adjournment for 10 or 12 days. He didn't do it yesterday, and I was just wondering has he changed his mind in that regard, or is he going to move the motion and if so, will we be given some opportunity to speak on it.

**Premier Douglas**: — Mr. Speaker, what I said was I was giving notice of motion yesterday, which I did, and it appears in today's Votes and Proceedings and will come up tomorrow. A motion of this sort has to have a 48 hour notice, so I gave notice yesterday, it is in today's Votes and Proceedings, and it will be on the order paper tomorrow. It will therefore come up for debate at that time.

**STATEMENT RE SAWING AT GLASLYN**

**Mr. Franklin E. Foley** (Turtleford): — Mr. Speaker, before the orders of the day are called, I would like to call the attention of the House to a sawing operation which has been taking place in the Glaslyn district for the past couple of years, conducted by Alfred Lobe and Howard McConnell of the Glaslyn area. These gentlemen have carried on a year round operation, some 25 miles north of Glaslyn and have produced lumber, fence posts, and poles. Some two dozen men are employed during the summer and about 60 are employed during the winter operations. The posts and poles are mechanically peeled and then transported to a pressure treating plant at Prince Albert.

I bring this to the attention of the House at this time, because during the 1960-61 operations these gentlemen

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registered 92 per cent okay lumber, and were given the highest mark of all the 80 contractors in the province, and were awarded a \$500 special bonus prize by the Saskatchewan Timber Board. I believe that they are to be congratulated on this achievement and I would like to do so very heartily at this time.

**Hon. Members:** — Hear! Hear!

**Hon. J.H. Brockelbank** (Minister of Mineral Resources): — Mr. Speaker, could I just add a little bit to that very interesting report that the hon. member for Turtleford (Mr. Foley) gave to the House. I was present at the meeting at Hudson Bay when the award was given to these gentlemen, and there was something that was a little out of the ordinary happened. The owner of the mill, there and then, presented the \$500 cheque to his sawyer, the sawyer who was responsible for getting this good lumber, as a bonus to him. Incidentally this sawyer had built this saw mill too. It is a little portable homemade mill. This sawyer who is really a competent one was appreciated by all employers.

**Mr. Foley:** — Mr. Speaker, if I might be allowed to make one further comment, I appreciate the remarks of the Minister of Mineral Resources in this regard. The sawyer in question was John Heydon from Belbutte. I might say Sir, that in connection with this operation, I believe it points out the fact that a wood treatment plan in the northwest corner of Saskatchewan would certainly be utilized, and I trust the Minister of Industry will take this under consideration.

#### **ADJOURNED DEBATES**

The assembly resumed the adjourned debate on the proposed motion of the Hon. Mr. Erb: That Bill No. 1 be now read a second time.

**Mr. McDonald:** — The hon. member for Wilkie (Mr. Horsman) is out of the House at the moment. He was under the impression that some of the motions would be dealt with, but I am sure he can be back in a few seconds if the House is prepared to wait for him.

The member who adjourned the debate (Mr. Horsman) is being detained somewhere in the hall, and I understand that he will lose his right to speak, but I do not believe this can be otherwise at this time.

**Premier Douglas:** — Do I understand we are proceeding with the debate?

**Mr. McDonald:** — Well, I don't like to ask the House to wait any longer for the member.

**Premier Douglas:** — As long as it is understood.

**Mr. Danielson:** — Mr. Speaker, did you call the debate on second reading of the medical care bill.

**Mr. Speaker:** — Yes.

**Mr. Danielson:** — I didn't hear it.

**Mr. J.W. Horsman (Wilkie):** — Mr. Speaker, when I left the House a moment ago I thought you were going to handle these resolutions or I wouldn't have left.

However, when I spoke a few moments last evening, I don't remember what I was saying when I quit. I think I had already congratulated the hon. lady member for Saskatoon (Mrs. Strum) on her very youthful appearance and so on. I hadn't said very much about the motion. However, I was glad to notice that when the Premier was speaking that he said he did favour a regional plan of administration for health purposes. He said he could see a good deal of virtue in it and thought that in time to come we might revert to some extent to that plan.

Now as a man who has been connected with municipal affairs, school affairs and so on for most of my adult life, I can see a good deal of virtue in local administration of any plan that the people can handle themselves. I think that the closer we leave things to the people the better administration you will get and the better plan you may have, because they are interested in it. Local self government, Mr. Speaker, to me is the very basis of the democratic system and I think anything we do that destroys local self government in any way detracts from that system.

Our school systems have been built up in this country by the local people. Our hospitals have been handled the same way. I have served on hospital boards for many years and I was secretary of a school district for 22 years, so I know something about local administration. I have seen local people do things on their own that you would hardly believe was possible in the 1930's. Some people talk, especially the members opposite, about things that happened in the 1930's and they blame the government for everything that happened. It is a very ridiculous attitude of course, for any person to take.

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I remember in the 1930's when in our district, our families were growing up, getting to the age where they had to have some high school education. The people in that district at that time couldn't send children away to high school because they didn't have the money. So the people got together and formed a rural high school, and that school carried on there for 10 years. We sent out some of the best scholars that ever went to the University of Saskatchewan. There were scholars that came out of there that went to the university and won scholarships every year they attended, yet they got their basic high school education in that little rural school. It was hard to carry on, but with the help of government grants we were able to keep going.

You will remember, Mr. Speaker, in those days how many districts in Saskatchewan didn't and couldn't pay their teachers. The teachers went away year after year and took a note instead of their pay. In all those hard thirties we never sent a teacher away from there without their money. It was just the co-operation of the people themselves that did it. We even boarded teachers around at different houses, and gave people credit on their school taxes for the teacher's board. Every bit of work that was done around the school was done the same way. It just shows you what people can do if they are interested enough, and what local people can do.

The situation has changed considerably now, since the large units came into force. I am not criticizing the large unit of administration either, although it did take the business pretty well out of the hands of the local people. My hon. friend here from Notukeu-Willowbunch (Mr. Klein) speaking the other day, said that when the school unit was formed they had the blessing of the school teachers, and he thought that this health plan should have the blessing of the medical profession before they started. I think my hon. friend was right about the school units having the blessing of the school teachers, but I want to point this out, Mr. Speaker, that in many cases they certainly didn't have the blessing of the ratepayers. Because most of those units were established by ministerial order without a vote. I think that in a democracy that is one thing that we believe in — the vote. It took people many hundreds of years to get to the stage where the average citizen could vote on anything. I think that is one thing that we should preserve. Things of major importance should be decided by a vote.

**Mr. Speaker:** — Order! I had some trouble with this matter of discussion plebiscites in regard to this question. We did have an amendment in regard to a plebiscite which was defeated two days ago. I inadvertently allowed the hon. member from Rosthern (Mr. Boldt) to say

a few words on this and I believe that the Premier answered to some extent yesterday. I believe that it would be quite in order that with that, the matter be entirely closed and that we do not allow any debate on the matter of a plebiscite in regard to this health bill in this debate.

**Mr. Horsman:** — Yes, Mr. Speaker. The Premier said too the other day, in referring to what the members on this side of the House had said in this debate as hypocrisy. I think any plan is open to argument. I don't think any plan that anyone ever devised was perfect and I think that the remarks of members on this side of the House, although they didn't agree with the plan as laid down in this act, I don't think that the Premier or anyone else has any right to call it hypocrisy. Any man has the right to get up in this House and express his own opinion on any subject and I don't think he should be called a hypocrite because he does express his own opinion.

**Opposition Members:** — Hear! Hear!

**Mr. Horsman:** — Now I said before that I favour a health services plan. I always have, but I want a plan that I think is right. I want to know how this plan is going to work. I want to know how the people that give the services are going to be paid. I want to know whether the plan has public acceptance, and things like that. Also, how the plan is going to be administered, how it is going to be paid for. These things will no doubt come out before the session is over, but we have to vote on a bill here that doesn't set these things out very clearly. That is why you are getting criticism from this side of the House. The fact that we might come up with some alternate proposals is no sign that we are hypocrites, Mr. Speaker.

With those few words, Mr. Speaker, I will support the second reading of this bill. I will reserve my judgement on the third reading.

**Hon. A.M. Nicholson** (Minister of Social Welfare): — Mr. Speaker, my seat-mate the Minister of Health is not here. I understood that the member for Moosomin (Mr. McDonald) wished to take part in the debate and there are a few words that I would like to say before the vote is taken.

Reference was made yesterday to the old chestnut about the vote in the House of Commons on family allowances back in 1944. I thought this was cleared to the satisfaction of everybody some years ago. I think it is a well established tradition that in the Speech from the Throne, opposition members have a duty to their constituents, the people of the province,

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to offer legitimate criticism about the sins of omission and commission. I noted that the member for Humboldt (Mrs. Batten) left her seat before the vote was taken this year. This was a little confusing. I didn't know whether this should be interpreted as . . .

**Mr. Speaker:** — Order! I am afraid you are making reference to . . .

**Hon. Mr. Nicholson:** — Mr. Speaker, I think I am quite in order. The member for Yorkton (Mr. Gallagher) referred to my vote in the House of Commons on a question of . . .

**Mr. Speaker:** — The hon. member may make a reference to another debate in this session by way of illustration.

**Hon. Mr. Nicholson:** — That is what I was doing, Mr. Speaker. I am pointing out that in this chamber the member for Humboldt (Mrs. Batten) refrained from voting the other day. She hasn't indicated whether it is because if she had voted with her other colleagues . . .

**Mr. Coderre:** — We haven't had a vote in this debate.

**Mr. Speaker:** — Order! As I have endeavoured to point out, the hon. member from Yorkton (Mr. Gallagher) referred to a vote which the hon. Minister of Social Welfare had made in the Throne Speech debate in the House of Commons. The hon. member now is illustrating his reply by referring to a vote taken in the Throne Speech debate in this House. It is in order to refer to another debate in the same session by way of illustration only. He cannot revive the argument in regard to a former debate but I think . . .

**Hon. Mr. Nicholson:** — I think if I am allowed to continue, Mr. Speaker, it will be clear that I am in order. What I was about to say is that it has been a well known tradition that opposition members have a duty to offer criticisms and often to move an amendment expressing the fact, that they have lack of confidence in the general policies of the government, and a vote for that sort of an amendment does not necessarily mean that the person voting — want of confidence, at that particular time is automatically opposing every piece of legislation brought into the chamber in the course of the session. Now, this was made an issue in the 1949 election in the MacKenzie constituency, along with

other opposition members I had voted for an amendment criticizing the sins of the Liberal government of the day. But if the members will take the trouble to look up the debate on the family allowance on page 5,547, Hansard 1944, July 28, they will find that I made a very eloquent speech in support of family allowances. I paid tribute to the then Prime Minister of Canada. Well I won't press the eloquent angle any further, but I am sure that if I read the tribute I paid to Canada's Prime Minister of the day, Mr. Mackenzie King, hon. members opposite would give me very hearty applause.

I would like to say that this is one of the few occasions in the House of Commons when a recorded vote was called by the government, and every member of every party voted for family allowances. I think Mr. Mackenzie King had a motive in his madness. There were some prominent Conservatives outside the House who were very critical of this legislation, and Mr. Mackenzie King wanted to know whether the Conservatives in the House were going to follow the advice of people outside, or whether they were going to vote according to their good judgment. Every conservative, every C.C.F., every Social Credit, every Liberal voted for this legislation. It was carried unanimously and then later one of the Conservative members who was not in the House, at a future occasion took the privilege of the House to say that he had been absent but if he had been present he would have voted against it. So I think members opposite, who wish to be fair certainly shouldn't accuse a member of opposing legislation as popular as family allowances, which was really promoted by the founder of the C.C.F. the late Mr. Woodsworth. The member from Humboldt (Mrs. Batten) is not in her place. We listened to her very carefully. During her remarks in this debate she made some references which really should have been in the Throne Debate. She referred to the very voluminous correspondence she has had with the Minister of Social Welfare. The member for Humboldt is certainly the most popular member opposite, and my colleagues appreciate getting correspondence from her, but I find in the 15 months that I have been the minister, I have only had two letters from the hon. member and they didn't deal with the health care which is presently before the House. These letters dealt with subjects which might well have been discussed during the Throne Debate and I was waiting to take part in that debate until more critical remarks regarding our department were made by some of the hon. members opposite. There is another letter which the hon. member sent to the Minister of Health, which was referred to me and this makes a third letter which I wrote. I would like to say that I don't think three letters from any member of any party to any minister in the course of fifteen months should be considered as voluminous correspondence.

The hon. member for Humboldt (Mrs. Batten) did have

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some critical words regarding the care for the elderly which is a responsibility which is shared by my colleague the Minister of Health and myself. I would like to say that I appreciate the fact that the hon. member did take time to refer to this very important problem. I am well aware of the fact that we're all going to be living longer. I am aware of the fact the situation that the member for Moosomin (Mr. McDonald) mentioned that a number of people are on the waiting list to get into our geriatric centres and the grim reaper calls them before vacancies occur. That is a problem that gives my colleague and myself a great deal of concern.

However, I would like to say this isn't a new problem. It isn't a problem that is confined to Saskatchewan. It is a world wide problem and I think the member for Humboldt was scarcely fair in her critical comments regarding the committee that has been studying this problem for sometime. As a matter of fact I read a report by the governor of New York where they set up a commission back in 1956 and they have a great many unsolved problems. I would like to say that since I became Minister, I have discussed these problems with my opposite numbers in Alberta, in Manitoba, in Ontario, in North Dakota and South Dakota and these jurisdictions have the same problems and I would like to say that our record these last 16 years is the envy of other jurisdictions. To support my claim I would like to refer to the report of the National Health Survey conducted by the Canadian Medical Procurement and Assignment Board. This was a study that was done during World War II. Brock Chisholm was the chairman of the special committee. The committee was concerned about the war time problems of having sufficient medical staff to care for the army, air force and navy, and also sufficient resources to look after people in the war industries and those at home. I will say something later about the general medical problems that inspired us to give high priority to medical care ever since there has been a C.C.F. and certainly prior to the election last year. Here is what this report says about the chronically ill.

“There is every indication that a fairly comprehensive measure of obligatory health insurance may be anticipated within the next few years. This will probably increase the various shortages of accommodation already noted.”

In other words they were saying, that the young men and women of Canada who had come through the thirties, who had enjoyed a high level of medical, nursing and hospital care all over the world while they were in the armed services, would not accept the conditions that prevailed in Canada before they joined.



What did they say about the hospitals for the incurable and chronically ill? Throughout the whole of Canada at the time of the survey to serve over 11 million, and our population has gone up since those days, there were only 20 hospitals, with a total bed capacity of 3,415. More beds for our senior citizen's homes have been provided in Saskatchewan since 1944 to provide for the elderly people than were found in all of Canada at the time of this survey.

"These hospital s are utterly unable to cope with the situation. Most communities and many large cities have no accommodation for such patients. If chronically ill patients could be transferred from our acute institutions, a considerable percentage of the available space in such hospitals could then be made available for acutely ill patients."

Then there is a paragraph on convalescent patients:

"The situation with respect to these patients is even worse. Throughout Canada we have but 10 public convalescent hospitals with a total of 830 beds."

Add the 830 to the 3,415 and you still have less accommodation than we have established in Saskatchewan since 1944." According to the latest directory of hospitals, published by the Dominion Bureau of Statistics, there are no convalescent hospitals in Prince Edward Island, in Nova Scotia, in New Brunswick, in Saskatchewan, in Alberta or in British Columbia. It is true that in a few of these hospitals, particularly British Columbia and Alberta there are a number of private or proprietary nursing homes where convalescent patients are accommodated."

I think I should take just a minute to say something about what we have done. The hon. member for Notukeu-Willowbunch (Mr. Klein) and the hon. member for Gravelbourg (Mr. Coderre) were on hand at Gravelbourg on Wednesday, October 4 to take part in the official opening of Foyer d'youville, at Gravelbourg, a real asset that community. I would like to pay a tribute to the Sisters and the Bishop and all the people in that area for the leadership they have given to provide a facility for their elderly people who require nursing care. It was a \$300 thousand building. There were personal loans from the citizens of Gravelbourg of \$50 thousand and I was told that they over-subscribed this by quite a large sum and I suggested that I tell my colleague the Provincial Treasurer, that if there is any difficulty in financing he should go to the generous people

of Gravelbourg who oversubscribed a worthwhile project by more than 20 per cent. There was a grant from the town of Gravelbourg of \$25 thousand. There was a grant from the R.M. of Gravelbourg for \$25 thousand. A provincial grant of \$60 thousand loaned by the Sisters of Charity, and it is the hope that this amount will be repaid during the life of this institution. The provincial government will be making annual grants to the operation of this fine nursing home. Anyone in the area who cannot pay the prevailing economic costs to run this home, will not be kept out, as the social aid program which is shared by the provincial and federal governments along with the local municipalities will bridge the gap.

I would like to pay a tribute to the Sisters for the banquet that the hon. members and my colleague the Minister of Education and I so thoroughly enjoyed. To have a chicken dinner for more than 200 guests at the end of a busy day is a real achievement. In all my long experience I never saw a gymnasium as artistically decorated. The baskets for the basketball were decorated with flowers and ferns. I had the pleasure at dinner of sitting beside the Mother Superior from St. Boniface, Manitoba who is tremendously interested in the problems of the aging, and who has up to date information regarding what is being done all over the world. One of the gifts which I prize most highly has been this volume which Mother Provincial was kind enough to send me when she returned to Winnipeg, 'Hand to the Needy' the life story of the Foundress of the Grey Nuns.

As I said at Gravelbourg, I do not take any special credit for the nursing, the main credit goes to the public spirited people in the area who worked day after day and night after night, year after year, to plan the building and the operating of this facility. I happen to have a souvenir from the official opening of the first Senior Citizen's home, in the province, in a rural community of Zenon Park. My very good friend the Minister of Mineral Resources was there for the occasion . . .

**Mr. Cameron:** — On a point of order. This is all very interesting but I would point out that we are discussing a medical care bill and I would hope the minister would soon come down to the bill that is before us.

**Mr. Speaker:** — Order! I do believe that the hon. member from Humboldt (Mrs. Batten) did raise the question, and I think quite properly, of the care of the aged in connection with this health bill. I believe the hon. minister is replying to this matter of the care for the aged in Saskatchewan. There is quite a connection between the health bill and the care for the aged and I think it is in order.

**Hon. Mr. Nicholson:** — I think the member for Maple Creek (Mr. Cameron) wasn't here when his colleague, the member for Humboldt, made her critical remarks regarding the failure of my department particularly, to adequately provide for the medical care of our aging people. I think these critical remarks deserve a reply. I am sorry the hon. member is not in her place. I happen to have the program that was prepared at the time of the official opening of the first Senior Citizens' Home of this sort in Canada. And might I say that Saskatchewan is the only province in Canada where the federal government so far is sharing with the provinces and the municipality in providing the type of accommodation that the member for Moosomin (Mr. McDonald) is so proud of in Moosomin. Our concern about making this type of accommodation available is partly from a medical angle. We find that elderly people particularly, who live along for a long time, develop careless cooking and eating habits.

I had a meeting with a service club the night before last in one of our Saskatchewan towns. After the meeting was over one of the people said, 'My aunt is 87. The doctor suggested that we get in touch with the Department of Social Welfare to see if you could place her in one of the geriatric centres.' I heard something about the problems and it is a very real problem, to live alone until one is 87 is quite a long time. She had phoned him that morning at 3 o'clock to tell him that there was somebody in the attic trying to get in the house. 'Oh, he said, 'auntie, I don't think so.' He said he would be there in the morning. He said she doesn't want to go to any of the hospitals and he wondered if we didn't have the authority to force her to go. I told him we had no authority to force them.

As I said to him, it is a pity that 10 years ago it wasn't possible for her to find a new environment where she would get acquainted with some of the elderly people. We believe that if some of these people had one good meal a day, there wouldn't be the deterioration in condition. We have been active in having areas all over Saskatchewan provide this type of facility for our elderly people. As I said before, we have a long way to go. I appreciate the problems that the member for Moosomin (Mr. McDonald) has when people who have real ailments aren't able to get the care that they should have at home, and the local hospitals aren't able to do anything for them. We would like to have additional facilities, but as I said before, we have a record of which we are proud. I was in Manitoba the day that they laid the foundation for Manitoba's new rehabilitation hospital. The Minister of Public Health and Welfare is a medical doctor, and I want to say that he has done outstanding work.

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There had been a Liberal government in Manitoba for so long that failed to deal with these problems that I think Manitoba had a good place to start. Dr. Johnson has done outstanding work. He came to Saskatchewan shortly after he became Minister to see the Regina geriatric centre, which is regarded as one of the finest institutions of its kind in Canada. They laid the foundation for a \$4 million Manitoba rehabilitation hospital which when completed will be one of the finest in Canada. I am sure that the people in Manitoba will be able to pass on some useful suggestions. The hospital will provide space for a school of physiotherapy, occupational therapy, which is associated with the faculty of medicine. They have nearly half of their population in greater Winnipeg and do not have as many communities to worry about as we do.

We think we are about half way in our program. We have accommodation for approximately 4900 people in our geriatric centres, our establishments like Moosomin, and Stoughton and Kindersley. Places throughout the province that have been built especially for our aging group.

Coming back to the legislation which is before us. I want to make it very clear that this problem hasn't developed over night. As a matter of fact, one of the main reasons that I became interested in the C.C.F. farmer-labour party, many years ago, was because of the medical problems that existed in northeastern Saskatchewan where I lived. When my wife and I went to Hudson Bay in 1930, we had a very bright medical doctor whose income came chiefly from servicing 1500 bushmen in the woods. There were a number of camps in the area and each camp had a deal with the doctor to pay him a \$1.00 a month for each man, and he was supposed to supply everything. A major accident could interfere with his income a good deal, but this doctor built quite a large house and enjoyed quite a good practice until the depression ruined his \$1500 a month income. All the mills closed. People were moving up from the drought area. It was quite sometime before the government of the day could be persuaded to provide relief.

As you recall there was a Conservative government at the time and representations were made to the government of the day to make some grants to this able young doctor and wife and child so that they could remain on the frontier. For some reason or other there was no money available and the doctor left. We were without a doctor for some considerable time. The nearest hospital was 75 miles away.

I am sure you will appreciate the problems of a clergyman who is called to officiate at funerals where everyone believed that had there been medical and hospital care, death would not have come at that particular time.

But the government at last did change its mind and said that they would pay a grant of \$50 a month if we could get a doctor to come to Hudson Bay Junction. Believe it or not, the Board of Trade advertised and we did get a doctor — a married man with four children. He had to agree that anyone on relief would be entitled to the best medical care he could give, but people who weren't on relief would be expected to pay their doctor bills. He gave his best service there. That was what the government of the day thought was a fair remuneration for a qualified medical doctor . . . No, the Liberals were a little more generous, but the Conservatives had that deal.

When the Liberals came along, they thought he should be worth \$75 that \$50 a month wasn't adequate.

Porcupine Plain was one of the areas that tried this \$50 a month deal, but there were so many people there on relief and so few who weren't on relief, the doctor couldn't stick it out very long.

When the C.C.F. formed the government, it was thought that areas like Porcupine Plain, that were a long distance from hospital and medical facilities, should have something better than \$50 a month, so in the first year that a medical care program was available, the Porcupine R.M. had a grant from the C.C.F. government of \$6,369 to encourage 2 doctors to go in and a fine hospital was built. This \$6,369 was worked out on a formula per capita payment. There were 3,860 living in that R.M. at that time, and it was thought that people who were clearing the land should have some medical care. This grant has been reduced from \$6,300 but I notice in the last public accounts that this municipality received \$3,893 which is considered the amount they are entitled on the basis of their population and their assessment.

The Minister of Mineral Resources and I visited one of the homes up near where the Squaw Rapids project is now, and we had to walk two miles from where we left our car and we were expected for supper. We were surprised to find a piano and a dining room suite that came from Regina, and we asked how they ever got the piano in there. They had brought it in the winter time. When we asked why they had come there, they told us that the husband was a carpenter in Regina, and the wife was a trained nurse and they said they decided that if they had to be on relief they wanted to get away from their friends. They were 27 miles from the nearest hospital or doctor and one of the things they were bitter about was that the two children should have had their tonsils out and by this time there was medical care for emergencies.

The Liberals gave the relief offices authority to decide whether this was an emergency. This particular relief officer said, 'Well I never had my tonsils out, and you can go through life without having your tonsils out. This isn't an emergency. They told him they were prepared to pay for their groceries and our clearing, and it would only cost \$30 to take the tonsils out. We think it is important that they come out . . .

**Mr. Klein:** — When are we going to debate the French Revolution?

**Hon. Mr. Nicholson:** — The hon. member has had a chance to read a prepared speech that somebody else has written, and I think my remarks are quite in order. The member for Moosomin is going to follow. I realize it is a little embarrassing for members sitting opposite, but there isn't anyone who is going to be able to deny . . .

**Mr. Klein:** — Thirty years ago.

**Hon. Mr. Nicholson:** — . . . any of the things I am saying. These people the member for Kelsey (Mr. Brockelbank) and I visited later gave up the hard life. I saw them in Victoria during the war years. This young chap who couldn't get his tonsils out because it wasn't an emergency was rejected for military service. Now this isn't something to laugh about. This lad was working in the shipyards. His father was back at his trade. The lad was getting \$1.50 a hour. The father was getting \$1.50 a hour. The mother was working as a trained nurse. There was \$30 a day coming into a household, and they said, we hope that our grandchildren will never have to live through the ten hungry years that we had on the homestead. I know this is pretty painful for hon. members but I suggest they read the table in Hansard for November 11, 1941, placed by the Liberal Minister of War Service, Mr. Thorson, now Mr. Justice Thorson, they will find that of the first 209 thousand young able-bodied Canadians called up to be examined to serve their country — 44 per cent failed to be placed in 'A' category. 55.9 per cent were in 'A' category, if my arithmetic is correct this should be 44.1 per cent of 209 thousand Canadians in the prime of life.

**Mr. Danielson:** — Were they all from the relief areas?

**Hon. Mr. Nicholson:** — No, these were all over Canada.

**Mr. Danielson:** — Could the minister tell us the figure in western Canada where we had the relief and where there was no relief?

**Hon. Mr. Nicholson:** — I know it is pretty embarrassing for the member for Arm River.

**Mr. Danielson:** — You don't need to worry about that part of it. That should be the least of your worries.

**Hon. Mr. Nicholson:** — Information is available for all of Canada. It is available on the military district basis. This excellent study, and this volume is available in the library, gives a breakdown of the population per physician in Canada and Saskatchewan along with Prince Edward Island, Nova Scotia, New Brunswick have the lowest ratio. Our ratio was one doctor for every 1,578. In Manitoba they have one doctor for 1,051.

In 1931 British Columbia had the highest per capita income payment and they point out that the number of doctors you have at any particular time is affected by the incomes of the people. Saskatchewan had a low ratio of doctors, and the ratio of hospital beds was also quite significant. Saskatchewan had the lowest ratio of hospital beds for the four western provinces. Our ratio for them was 4.8 per thousand. In Manitoba 5.5, Alberta 6.7, British Columbia 7.5.

I am very happy to say that since the C.C.F. has come into power and given high priority to health, Saskatchewan now has the highest ratio of beds per thousand in all categories.

I am rather disturbed about the attitude of the members opposite. A great many have taken part in the debate and it was very hard to know from what they said whether they are for it or against it. I understand that Mr. Staveley, speaking for them on T.V. last night, said they were going to be voting against it. Their leader intimated yesterday that they are going to be voting for it. In due course we will have everybody counted, but I expect they will be doing much the same as they did during the discussion on hospital care. They will decide that this is one of the inevitable developments in modern society and they had better be for it.

I have been rather disturbed at some of the language used by the Leader of the Opposition in referring to the Premier of this province. I think medical care is an issue that deserves public discussion. There are arguments pro and con, but I think for anyone to suggest that there has been something sinister in the timing of this. That we waited 18 years to bring this in just before the Premier leaves to take on his duties prior to becoming the Prime Minister of Canada.

**Mr. Danielson:** — Put the case very plainly.

**Hon. Mr. Nicholson:** —The Leader of the Opposition referred yesterday to remarks of an unnamed doctor and I am sure there are unnamed doctors who would say a great many things about the Premier, but I am sure whoever will be living in these parts 25 years from now will be able to say — we're certainly indebted to Premier Douglas for the leadership he gave in providing this care for the province. The Leader of the Opposition referred to an unnamed doctor. I would like to refer Jack Scott who wrote in the Vancouver Sun after he had spent some time with the Leader of the Opposition, and after he went back to B.C. this is what he wrote for his paper on May 30th.

“The simple truth is that I left Saskatchewan with a brand new admiration for what the C.C.F. had done there, and with the certain belief that Premier Douglas is far and away the outstanding Canadian leader of the present day, and one of the half dozen great ones of our history.”

**Government Members:** — Hear! Hear!

**Hon. Mr. Nicholson:** —

“This man Douglas is — well how will I put it — he is a good deed in a naughty world. He is a little corner of sanity in a big asylum. He is a breath of clean prairie air in a stifling climate of payola and chicanery, double talk and pretence, global and local. Forget the politics. Here is a man who wanted to do something for the improvement of the human race. He chose the method that seemed best to him. Quarrel with it if you will. He was motivated entirely by an ideal. No one ever slipped this man an envelope of bills under a table to help him get elected in return for special privileges. He had no support from a power parent party. He had nothing in fact but incredible, and so they say, the naïve notion that he could do something to help his fellow man and give him a little more dignity and pride — to make life a little less precarious in the jungle of dog eat dog society that is referred to as free enterprise. To call him a politician, as you'd call Bennet or Diefenbaker politicians is to insult him. He was and is a dreamer and a humanitarian, incorruptible, genuine and intellectually honest. I might as well go all the way and tell you that he made me feel proud of being a Canadian, a very rare experience.”



I am sure that the majority of the people in the country share those views of Jack Scott.

The member for Athabasca is a very busy man, I understand he is able to combine a university course, and I was quite interested in his very able treatise that he read to us on Monday after having the weekend to study the bill. The Leader of the Opposition intimated that he had been interviewed over the weekend by members of the College of Physicians and Surgeons, and I think it is important that the doctors in the province should confer with those who make the laws.

I have some very good friends among the medical practitioners in my own city of Saskatoon. I was in university with some of them and when we meet, we find it difficult to agree on some of our political views. Generally speaking most Saskatchewan doctors I have known have very, very busy practices and very few of them are able to take time to run for the House of Commons or the Legislature, and I think it is a pity that we haven't some doctors sitting in the legislature with us. I think that they likely have reasons for considering the looking after the sick should have priority. But in the federal parliament we were fortunate in having on both sides of the House some medical doctors, who were very highly regarded by their constituents and who were able to make useful contributions to this sort of debate.

I was very disturbed just on the Saturday before the election to find a full page advertisement in the 'Star-Phoenix' — 'An Important Message to our Patients.' I was especially disturbed when I found that some of these doctors are doctors who are on a salary in the rural municipalities. It is hard to understand why a doctor who considers it is quite all right to take a salary every month from the ratepayers in his municipality, can think it is all wrong to take payment on a fee for service basis from a commission on which he will have membership. I would hope that during the recess that we are about to have that some of our friends in the medical profession will see some of us on this side of the House as well as the Leader of the Opposition, and I am sure we can resolve many of these problems. Believe me, there isn't anyone over here who wants to support legislation that is going to provide worse care than we have.

At the moment there are 107 thousand people in Saskatchewan who seem to think it is quite all right to be involved in associations under a municipal contract. There are 53 thousand in the Swift Current area who seem to think there is nothing wrong in having that type of set up and there are 33 thousand of the people for whom I am responsible,

whose names are passed on to the Minister of Public Health, and reading through the public accounts I find that quite a number who signed this full page ad haven't objected too much to submitting their accounts to my colleague for settlement. While they would probably like to have some different arrangement, I think they recognize the fact that if it wasn't for the program of the present C.C.F. government they would have been obliged to look after this very large number of people without any compensation at all. According to the interim report, we have the medical doctors receiving for the public assistance program, something over \$1,625,000. In the Swift Current area they receive \$1,122,000. Under the municipal doctor plan \$1,800,000. This is a total of something over \$4 million that medical doctors of Saskatchewan now accept from those other than the patients, and that doesn't take into account the \$6 ½ million that they receive from the voluntary and private medical care programs, and this doesn't include the cancer commission, D.V.A. or Indian Affairs. There are a number of other programs that aren't included in this.

So, Mr. Speaker, in conclusion I hope that we will find out soon whether the opposition agree with their leader or Mr. Staveley.

**Mr. Speaker:** — Order! I am sure that I cannot allow reference being made to people outside the legislature, regarding things that are going on inside the legislature. Beauchesne, Citation 158, section (1) says it is out of order to refer to anything said out of the House on the subject which is taking place within the House.

**Hon. Mr. Nicholson:** — Very well. I accept your ruling. I would like to conclude my remarks by indicating that I am sure that time will tell that this is one of the most popular pieces of legislation ever introduced in this province and as a result of this type of legislation we will be able to have a situation where the health of every one in the province will reach higher standards and where we will not have 44 per cent of the able bodied people in the prime of life rejected for military service because of failure to have the type of medical care that they should have had in their youth.

**Mr. A.H. McDonald** (Moosomin): — Mr. Speaker, I have been very interested in the remarks of the Minister of Social Welfare, and he has accused some members on this side of the House of reading an address that was prepared by someone else. Well I only wish that someone else had prepared his address, or even if he had prepared it, would have been an improvement over the tirade that we have listened to for the last hour and 15 or 20 minutes.

Now the utterances that came from the Minister of Social Welfare who has just taken his seat are not new. He has constantly for many years pranced up and down the length and breadth of Saskatchewan and of Canada preaching a lot of nonsense with regard to medical conditions in Saskatchewan and western Canada prior to the marvellous year 1944. Ninety per cent of what the minister says is untrue and he knows it.

**Mr. Speaker:** — Order! It is not out of order to say that what an hon. member says is untrue because that is quite possible, but it is not parliamentary language to say that a thing is untrue and the hon. member knows it.

**Mr. McDonald:** — I will withdraw the ‘knows it’ and say that if he doesn’t know it he should know it.

Mr. Speaker, we know that conditions both as far as medical health were concerned and most other condition, during the hungry thirties as they are termed, were not what we as people in Saskatchewan, whether we are Liberals or Conservatives or C.C.F. or what political faith we may be, they were not a proud record. Everyone knows that. But I take the record of Saskatchewan people, irrespective of their political beliefs, in providing medical services, hospital services, and all health services for themselves, is a record that cannot be surpassed by any other province in Canada or any place else in the world as far as I am concerned.

The services that are available to the people of the province of Saskatchewan today are in a large part the result of their own labour. Are in a large part the result of people banding together and doing for themselves, things that they could not do as individuals. I will give credit to several communities for the effort that they made in providing facilities and service, both for the care of the sick and the crippled on many occasions. Certainly provincial and federal governments have made grants available to increase these services and to help local people provide services for themselves. But I want to repeat that unless local people today, under C.C.F. legislations, are prepared to bank themselves together to raise a large portion of the money and do the majority of the work, they would have no services at their disposal in 1961, let alone 1939 or any year prior to that.

The minister said that I had been proud of the facilities that the people of Moosomin had made available for the senior citizens in that area. I am proud because there again, the Eastern Saskatchewan Pioneer Lodge would not be in existence if it were not for the effort and the time and

the money that the local people of that area put into that plan to make facilities available for our senior citizens. But, Mr. Speaker, there is another facility that is desperately needed in that area, as well as other areas of the province. Many of the people who go into our senior citizen's home, when they first enter those homes they are either able to take care of themselves entirely or with the help of a partially trained nurse are able to take care of themselves over a period of years. But each and every person that enters one of those homes hasn't too many years ahead of them until they are faced with an illness where care cannot be provided for them in that type of a home. What is desperately needed in the town of Moosomin is a geriatric centre, located between the senior citizens home and the union hospitals. This is true in many areas of the province of Saskatchewan. I want to give credit to the government that sits opposite for having established geriatric centres in certain areas of the province of Saskatchewan. I cannot entirely agree with their program because I am opposed to building large geriatric centres where you find it necessary to remove people in their twilight days. In many instances hundreds of miles from where they have spent all of their life. I do not believe in taking people out of their local environment and their home community, for the last few days of their life — weeks or months as the case may be.

**Opposition Members:** —Hear! Hear!

**Mr. McDonald:** — But in addition to that Mr. Speaker, we have hundreds of people in Saskatchewan today who ought to be going into our geriatric centres, but they cannot go into a geriatric centre because the geriatric centres are full to the roof. Consequently these people have no place to go. You know and I know that hospitals, no matter what jurisdiction they are in are unable to keep people in their wards for extended periods of time, that in many instances the medical profession are unable to do anything for them. Many of these people will enter these final few months or weeks of their lives and the medical profession can do little for them, but nurses and nurses aides can do a lot to make them comfortable until the end comes. But you know and I know, Mr. Speaker, that in most cases the medical profession could provide little if any service for people who happen to be in this stage of life. I would like to see this government make geriatric centres available to the people of Saskatchewan who need that service.

In my opinion this is part of a medical care program. There is nothing in the legislation that is being proposed to this House that will do anything for these people. We have turned our back on them. The government that sit opposite

have condemned the government at Ottawa from time to time for their attitude with regard to patients in our mental institutions. What are we saying to our senior citizens if this bill is given second and third reading in its present form? We are saying to them that they are in a different category. We're not prepared apparently to take care of them. Mr. Speaker, this is a disgrace, and the Minister of Social Welfare ought to know this. He above all people, an ex-member of the federal House, now the Minister of Social Welfare. Is he prepared to see this bill go through the House with no provision to take care of senior citizens? With no provision to take care of our mentally ill? Are those who are mentally disturbed, sick in a different manner than those of us who may be ill because of other causes? Are they not entitled to the exact same treatment as if they were sick because of a broken legislature?

Mr. Speaker, if you are ill because you're old are you not entitled to the exact same treatment as if you were ill because you have a broken arm? What is the difference? In my opinion there is no difference and in my opinion, any medical care bill that is presented to this House, or to any other House is certainly not all inclusive and in my opinion is not providing the services that ought to be provided to the people who need it most, the old and the mentally ill. There is nothing in this bill to take care of these people, and I thought the Minister of Social Welfare would at least protest, but not a word from him. All he does is try to pat himself on the back, although his arm wasn't long enough, for what they have, and I want to give full credit to them for the facilities that they have helped to build in the province of Saskatchewan. But I also want to give full credit to past governments both Liberal and Conservative for the contribution that they have made for better health services in our province.

The minister referred to the number of young men and young women who were unable to get into an 'A' category after medical examinations for the services in the last World War. I want to say to the minister that if you were to put these same numbers of people 209 thousand to the medical test in the dominion of Canada today, I'll bet my bottom dollar that 44 per cent of them couldn't get into category 'A' in the armed services. I happen to know a little about the medical examination for one who is to enter the armed services. At that particular time the dominion of Canada had the most stringent qualifications of any country in the world for the entrance into the armed services under category 'A'.

We are Canadians haven't a proud record with regard to physical fitness. We didn't have a proud record in 1944 and we haven't one today unfortunately.

Many people have advised us that we might be a little better if we were to use our feet a little more and our automobile less. But we find that in most countries where you have a high standard of living, physical fitness suffers. This is true throughout the world. Laziness brings about poor physical fitness and we as Canadian, and I as a Canadian are a lot lazier than some people who live in other parts of the world. Most of us if we have to go to the corner store, drive our car. How many people in Canada ride a bicycle? Why it is an oddity today to see a Canadian riding a bicycle. But there are many countries of the world where it is the habit of people and the practice to ride bicycles. We as Canadians would be better off physically if we were to ride bicycles more and drive automobiles less. But I don't intend to lecture to this House on physical fitness. Probably I am about as lazy as most Canadians, if not more so, and I know that if I have to go to the corner store I drive my car, and as a matter of fact I don't do half the exercises that would be good for me and good for most Canadian.

**Mrs. Batten:** — Tax on riding bicycles . . .

**Mr. McDonald:** — No doubt if Canadians took to riding bicycles the treasurer would put a tax on it and make it uneconomical. But I want to repeat, Mr. Speaker, that I have no apology as far as the physical fitness of Canadians is concerned in 1939-40, and I want to repeat that in my opinion the physical fitness of Canadians today would be very similar, despite the fact that improved medical facilities have been made available in the intervening years. Not only in Saskatchewan but in all of Canada.

This idea that someone was unable to get into the services because they couldn't get their tonsils out during youth. What prevented this individual from getting his tonsils out? If he had gone to a doctor any place in Saskatchewan, I am positive that doctor would have taken his tonsils out, whether the individual had any money or whether they didn't — whether his parents had any money or whether they didn't I can remember, Mr. Speaker, having my appendix out. I don't like talking about my own medical history — but when I had my appendix out, my father didn't have any money, neither did anybody else in Saskatchewan. But we went to the old family doctor and he took out my appendix and sent us a bill of \$100. My father didn't have \$100. He went in to see the doctor one day and said, "Look I haven't got \$100. How much do you want to settle this account." The doctor said, "George how much can you pay?" My dad said, "I can give you \$35.00." So he gave him \$35 and got a receipt for the account paid in full. This is the way business was carried on in those particular days.

and this is the way business is carried on today. No young man need have suffered in the past because he couldn't get his tonsils out. Medical practitioners were available and I am prepared to state here and now, they would have removed the tonsils for the young lad whether there was ever a nickel changed hands or not.

Some members opposite have tried to create the impression that Liberals have a different attitude outside the House with regard to medical insurance than they have in the House. The policy of the Liberal party for many years . . .

**Hon. Mr. Walker:** — Careful now.

**Mr. McDonald:** — . . . has been that we are in favour of medical insurance. I have been in favour of medical insurance for many years. The Liberal party are opposed to state medicine in and outside the House. I am opposed to state medicine in and outside of this House. What is the difference? If my hon. friends don't know the difference between state medicine and medical insurance then it is no wonder they are prepared to sit idly by with their mouths closed and vote for anything that the Premier says is okay. What is the difference? If after the length of time that we have been discussion medical insurance in Saskatchewan, if the lady member for Regina (Mrs. Cooper) doesn't know the difference between state medicine and medical insurance I am sure that my time would be wasted trying to point out the difference to her.

The Minister of Social Welfare referred to some Jack Scott. I understood the minister to say he was from Vancouver. I don't know Jack Scott, and after what the minister said about him, I don't think I want to know him. He said that this young man had said it was a rare experience to feel proud of being a Canadian. Well if this Jack Scott, or whatever his name is has to talk to Tommy Douglas to feel proud to be a Canadian, than I think he is living in the wrong country.

**Opposition Members:** — Hear! Hear!

**Mr. McDonald:** — I have been proud all my life of being a Canadian and even knowing the Premier hasn't changed my mind. I am still proud to be a Canadian and any nincompoop who would go about Canada writing articles that he was never proud of being a Canadian until he met the Premier, is not worthy of being quoted in this House.

**Opposition Members:** — Hear! Hear!

**Mr. McDonald:** — I have a picture of this gentleman in my mind, and if he has never been proud to be a Canadian before then I suggest he go and reside in those countries who have the kind of government that makes him so happy.

**Premier Douglas:** — You are getting more childish all the time.

**Mr. McDonald:** — Well you know if I was as childish as the Premier who sits over there dangling his feet, I would get in that inkwell.

**Premier Douglas:** — Oh you're repeating yourself now. You pulled that one once before.

**Mr. McDonald:** — I want to turn to some other comical remarks that were made by the Attorney General. He accused the member for Humboldt (Mrs. Batten) and I of getting in a closet, and convincing ourselves that Liberals hadn't voted against hospital insurance. Do you know, Mr. Speaker, I have listened to cabinet members, back benchers, C.C.F. candidates, prance about the province of Saskatchewan now for 16 years telling people that Liberals had opposed hospital insurance. It wasn't to convince myself that I looked up the record . . .

**Hon. Mr. Walker:** — Just like you are opposing medical care.

**Mr. McDonald:** — . . . but to attempt to convince some of the people who sit opposite and their supporters in the country.

**Hon. Mr. Walker:** — Do you think you're supporting medical care now.

**Mr. McDonald:** — Then we go back to the Journals of 1944 and I want to place on the record and I hope I can convince the Attorney General that sits opposite and his supporters of the attitude of the Liberal party in the legislature during that particular session when this legislation was brought in the House. If you want to make a speech you will have to wait till the next debate. You've made your speech on this one, and you made no contribution I will admit, but if you want to sit there and dabble like a duck why don't you go out to the duck pond?



**Hon. Mr. Walker:** — I have a duty to try and educate you.

**Mr. McDonald:** — If you were imitating me you would be making some contribution to the House, rather than just making quaint noises with a bill and coo like a duck.

Let us turn to page 82, Mr. Speaker, of the Journals of this House in the session of 1946, and we find:

“According to order, the following bills were read a second time and referred to the Committee of the Whole of the next sitting: Bill No. 45 — An Act to Provide for Payment of Services Rendered to Certain Patients by Certain Hospitals and other Institutions.”

The Liberals supported it. Make note of that. You might tell your C.C.F. candidates in the next election to make note of it.

Let us turn to page 85 where the bill is in committee.

“The following bill was reported with amendment, considered as amended and ordered for third reading at the next sitting. Bill No. 45 — An Act to Provide for Payment of Services Rendered to Certain Patients by Certain Hospitals and other Institutions.”

Then we go to page 86, which is the third reading of the bill.

“By leave of the Assembly, on motion of the hon. Mr. Douglas (Weyburn), Ordered That the assembly do now proceed to the Government Orders. According to Order, Bill No. 45 - An Act to Provide for Payment of Services Rendered to Certain Patients by Certain Hospitals and other Institutions — was read a third time and passed.”

Mr. Speaker, the Liberals made one mistake, and that was that they didn't call for a recorded vote. It is just unfortunate that the Journals of the 1946 session do not include a recorded vote, but I take it from the Journals and I think you will agree with me that this bill on second reading, and Committee of the Whole after amendment, and on third reading, had the unanimous support of the House. Let us end this argument forever.

What my friends opposite apparently would like us to do as an opposition, whenever the government bring legislation

into the House, apparently they would like us to stand up and say ‘Allah’ and accept it as gospel. That is not the duty of an opposition. It is the duty of an opposition to point out any weakness in the bill, to endeavour to make changes that we feel would benefit the recipients of the actions of that particular legislation. I presume this was done during the discussion of the session in 1947 with regard to hospital insurance. It is being done now, and I am going to support second reading of this bill, and if my friends opposite want to refer to Mr. Staveley, let’s get the record clear.

**Mr. Speaker:** —Order! I have already ruled that such things are not allowed in the debate.

**Mr. McDonald:** — Well if you’re going to allow them on one side of the House . . .

**Mr. Speaker:** — I stopped this . . . If I could keep the members in their seats quiet, I would be very happy.

**Mrs. Batten:** — On a point of order, Mr. Speaker, if the member is constantly interrupting as the Attorney General is, don’t you think it would be a good suggestion for him to be asked to leave until he can control himself.

**Opposition Members:** — Hear! Hear!

**Mr. McDonald:** — Mr. Speaker, let us turn to some remarks of the lady member for Saskatoon (Mrs. Strum). In her remarks she said that M.S.I. didn’t cover pre insurance conditions. Now there are certain M.S.I. contracts where the lady member is absolutely correct. In some personal plans a pre-insurance condition is not covered. But I happen to live in an area of Saskatchewan who were one of the first municipalities who insured themselves under M.S.I. We have complete medical coverage. I will take my own family as an example. Two adults and five children — complete medical coverage for \$63.00 a year. Now I doubt that a government sponsored plan can provide the same service for the same amount of money to people in that area, as they are receiving now under a private insurance plan. The question that enters my mind, Mr. Speaker, is that if M.S.I. are able to provide this service on a group coverage on a small area, I wonder what service they could provide and at what premium for all of the people of Saskatchewan. I don’t know. I don’t know whether the commission on medical care has this information or not. I don’t know whether the government has this information or not.

But this is one reason that Liberals now are concerned with the procedure that the government opposite are using, to rush this bill through the House. Why don't we give the medical commission time to bring in their final report? The government has been here 18 years, and despite the fact that there may have been little boys suffering from some disease or accident over these last 18 years, there has been no great hurry by the government opposite to bring in medical insurance. But then during the last election the tremendous haste to bring this service to the people of Saskatchewan. I say, Mr. Speaker, as a citizen and not only as a member of the House, but as a citizen of Saskatchewan, I would like to see all of the facts by the medical committee that was set up by this government made available not only to the legislature, but made available to the people of Saskatchewan, including the medical profession, before any legislation was brought into this House. I would hope that the question I raised a moment ago would be answered before legislation was brought into the House.

I don't know whether a private insurance plan could provide medical insurance at a rate that would be acceptable to all of us. I don't know, but I would like to know, and I would think that all members opposite would like to know. But apparently they don't care what the medical commission bring in in their final report. Have you no desire to find out? Apparently not. Apparently this is a going away present and must be delivered before the corpse leaves. I don't think there is that big a hurry.

Then the hon. lady member for Saskatoon (Mrs. Strum) also is complaining about hospitals being available in her area at a much earlier date. Hospitals were available in the constituency that she resided in at that time back in 1920. The union hospital was existent in that area of the province in 1909. She should get her facts straight.

Then I want to refer to one other remark that was made by the Attorney General when he said over the past 3 or 4 years 90 per cent of the cost of social aid by this government. This is news to me, and I am sure it will be news to the government of Canada. I am sure it will be news to every municipality. If the facts were known, this government pay nothing toward social aid, not a five cent piece. And the Attorney General ought to know. But to stand up in this House and say that this government pays 90 per cent of social aid, coming from the Attorney General. If a back bencher had said that I would have overlooked it.

**Hon. Mr. Nicholson:** — It should be 92 per cent.

**Mr. McDonald:** — Ninety-two per cent. Here is the

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minister now saying they pay 92 per cent. Man oh man, I never heard such utter nonsense in my life. What about the contribution of the federal government? What about that?

**A Government Member:** — That doesn't count we pay it out first.

**Mr. McDonald:** — You pay out 92 per cent, but because you get 89.9 per cent of it back that doesn't count.

**Mr. Speaker:** — Order!

**Mr. McDonald:** — Forty per cent from the federal government. What about the municipalities? How much do they contribution?

**Mr. Speaker:** — Order! If the hon. members would address the chair, I think the procedure would be more orderly.

**Mr. McDonald:** — I will address the minister through you. The Minister of Social Welfare of this government who sits opposite apparently knows less about social aid than most people in Saskatchewan and he is the minister. He says they don't pay 90 per cent, they pay 92 per cent. But because the government of Canada reimburses them and because there is a levy on the people of the province of Saskatchewan to pay this — what utter nonsense. If the truth were known and placed on the records of this House, that contribution that is made by the government of this province would be so. (inaudible)

Then the Attorney General went on and referred to legislation that was placed on the statute books in the first session of the session of 1944 with regard to health insurance. He said you know the party who sat in government at that time, which was a Liberal party, had no intention of bringing in health insurance. Why did they put a bill on the statute books that gave them the right to enter into certain agreements with the government of Canada? That is true, Mr. Speaker, and I refer to subsection 19 of that particular legislation. I also want to refer the Attorney General to subsection 37 of the Bill No. 1 that is now before the House. Subsection 19 of the 1944 legislation is almost word for word with subsection 37 of Bill No. 1. It would be equally true to say that this government are only placing legislation on the statute books to enter into agreements with the government of Canada to provide health insurance. I am not saying that because if I did I would be a moron, and that is the class the Attorney General put himself in when he used that argument.

Yes, he referred to the Speech from the Throne and took a sentence or two out of context to try to present something to this House that was not according to the facts.

I happened to be out of the House yesterday, Mr. Speaker, and my apologies to the Premier and the Leader of the Opposition for not being present during their remarks, and of course the official record of the House is not available in regard to those two addresses. The only material that I have available to me is the press report in connection with their remarks. I want to refer to one or two things in the remarks of the Premier during that debate and quoted in the press. I want to read one paragraph:

“... claim it is a plan of regimentation and one member called it socialist dictatorship, but they are going to vote for it. Whoever saw such clumsy hypocrisy said the Premier.”

Mr. Speaker, when did it become hypocrisy for an opposition to criticize the type of legislation that is being brought in when member after member have stood in their place and said that they were in favour of health insurance, but not necessarily in favour of the plan as outlined by bill No. 1 as we have it before us. Since when, Mr. Speaker, is it hypocrisy to vote for a principle of medical insurance and yet to criticize many of the procedures that apparently are going to be followed to bring this plan into effect. This is not hypocrisy — not if I understand the meaning of the word. I think the Liberal members have been consistent throughout this debate and the preceding debate in pointing out weaknesses in places where we differ with the legislation as it has been brought in by the government that sit opposite.

There is no question as to the attitude of people, not only members of this legislature but the people of Saskatchewan by and large in my opinion, are in favour of some type of prepaid medical insurance. But there is a good deal of differences of opinion as to the type of medical insurance that would be best suited to all the people of our province, and that is the question at hand and that is the reason as I said earlier that more time should be given to iron out some of the differences that exist — to get all the facts that are going to be made available eventually, before us before we proceed with this legislation.

Then the Premier, according to the press went on and he said, and I am quoting from the press clipping:

“The opposition knows that now it has fought a rear guard action, that the majority of the people want this kind of medical care.”

I do not believe that the majority of the people of Saskatchewan do want this kind of prepaid medical care. I want to repeat that I'm as convinced as I'm standing here that the vast majority of the people of Saskatchewan regardless of what political party they may belong to, and many people don't belong to any political party, but I honestly believe that the vast majority of the people want some type of prepaid medical insurance. But there is a tremendous difference of opinion as to what type would be best suited to all our people. I cannot agree when the Premier has said — this kind of prepaid medical care. I do not believe we have an idea of that. The Premier himself on many, many occasions has said that he is not convinced that this plan is the best plan. He said, this plan we will have to change as we gain experience. I think that is true, but I think we would be wise to take whatever little time is necessary now to see that a minimum number of mistakes are made in the legislation and the regulations that go with that legislation, before it is passed in this House.

**Opposition Members:** — Hear! Hear!

**Mr. McDonald:** — And the Premier went on further down in the article and there is a sub-heading ‘Opposition Divided’. I want to quote here again, Mr. Speaker.

“The Premier said the opposition were apparently divided into two groups. Those who claimed the government was hurrying the medical care legislation through and those who claimed the government could have implemented the plan any time since 1944.”

The opposition are not divided, Mr. Speaker. We are all critical on this side of the House, we are all critical of this imminent haste at the moment to bring in medical care in a matter of days and weeks, after certain people have decided to leave the province. We are all in agreement that this could have been done any time after 1944, if the government opposite felt free to do so. We criticized them for not having brought it in at an earlier date, which doesn't mean last month or the month before, but which means 16 or 17 years ago. We equally criticize now, having made up their mind to bring it in, not giving the proper time to the general public and to the members of this House to devise the best plan that could be devised for this service for our people.

**Opposition Members:** — Hear! Hear!

**Mr. McDonald:** — There is no division among the feeling of the opposition, none whatever, and I am glad there isn't. I only wish that the government that sits opposite had the courage to say to the Premier of this province, if you want to go and lead the new party on November 1, that is fine with us, but we're not going to rush through a medical plan, something that is going to have the health of the people of this province within their grasp for time immemorial — that will cost in its year of inception something between \$20 and \$22 million, and if it follows the example and the precedent that has been set by hospital insurance, it could within a very few short years cost 5 or 6 times that amount of money. Do not rush it through this House. Do not rush it in the minds of the people of Saskatchewan. Let us devise the best plan that is humanly possible to devise, and I say, Mr. Speaker, you cannot do that in a matter of days. The report of the medical committee was made available to the people who sit opposite a few days before the legislation was printed. I have reason to believe that this bill was printed before they ever saw the report of the medical committee.

**Opposition Members:** — Hear! Hear!

**Mr. McDonald:** — The government who sit opposite, year after year, we have asked them to advance the commencement of the regular sessions and start them earlier in the year. Most of us feel that we'd be better here in sessions in January than to be here in April when many people, whether they are farmers or professional people, or business people. The time of year to make a few dollars in the province of Saskatchewan is in the spring and summer and if you miss those days no matter what activity you are engaged in, you are liable to be in financial difficulty. We have asked the government for that reason, so that members could be free and engaged in their own private business in the early weeks of the spring, to advance the opening date of the session. What has been the argument used by my friends who sit opposite? They say we can't prepare legislation — information isn't available. This legislation was prepared practically in a matter of minutes, but when they are given months on other issues — oh it is impossible we would be too rushed. You can't have it both ways. Either we should advance the opening date of our regular session to at least the 15th of January, or the argument that they have presented to the House is nil and void, according to their very actions in presenting this bill at this time.

Now, Mr. Speaker, I don't want to say any more in this debate other than this. Make no mistake about it. There is no one including the Premier, who has the interests of the sick, the infirm, the aged, the mentally ill at heart, any more than I do. Nobody. There is no one who would like to see a system of prepaid medical insurance available to every man, woman and child in Saskatchewan more than I do. Nobody. But I am not convinced that this will provide the best service. It is not taking care of a lot of illnesses that I think it should take care of. I referred to them earlier on mental illness, the aged, the crippled — no provision. Therefore I have many reservations as to what my eventual stand will be. But on second reading when you are voting for the principle of prepaid medical insurance, this has my wholehearted support.

But I sincerely hope the attitude of the Minister of Health, and his colleagues will be different to this House in the days ahead than it has been in the days gone by. He has said to the doctors that he is not prepared to make any major changes. Is this dictatorship? Are we to take it that because the minister has brought this bill in that it is flawless? If it is, it is the first piece of legislation that was ever brought in in any jurisdiction that was flawless. The minister ought to be prepared to take worthwhile suggestions from the medical profession, from the general public, and from the members of this House, if a better system can be devised while this bill is in committee. But he and his colleagues apparently have made up their minds that this is it, and the Premier said yesterday that he was not prepared to make major changes in the legislation. Is he convinced that after a few short days between when the commission report was made available and this legislation was printed that they were able to devise a flawless bill? Mr. Speaker, this is unheard of. What is the use of we sitting here in this session, if the Minister of Health and the Premier say there will be no major changes. Why, requests of the Premier himself, prior to this bill being printed, have not been met by the bill. The conditions that now exist in the province of Saskatchewan have not been met. The Premier said that when he brought legislation in it would have to have the support of the vast majority of the people of this province and the medical profession. He didn't use the term 'medical profession' he said the people giving the services. This is not the case. But now it has gone out to the medical profession, that unless you want to come down and see us, and change the word 'if' to the 'and but', you're not welcome. What on earth kind of a government have we got who are not prepared to sit down with the people who they are asking to provide these services and to discuss the plan with them? The Minister of Public Health says that if you have in mind any major changes,



you need not come and see us. He said if there are some minor changes, which I referred to such as changing the word 'if' to the word 'but' then come on down. I don't imagine the medical profession are interested in this type of a change. I imagine when they requested to see the government that they had some major changes in mind. I don't know.

**Premier Douglas:** — We've already met . . .

**Mr. McDonald:** — Maybe you have but there is still friction between you, and in all sincerity Mr. Premier I say to you that if we're going to have co-operation of the people that are going to provide the services. It is elementary, and I don't think we have that according to the press today. I think that we must have the support of the people who are going to receive the services. I am not convinced that we have that. People whom I talk to daily say, 'Well what's going to happen in my particular case?' They say, 'What is it going to cost me for this government plan?'

Well, now that we have the proposed taxes available to us, and if we know the position that this particular individual is in financially, how he earns his income, you could tell him pretty closely what it is going to cost him. But then many people come back and say this is going to cost more than the plan I have now, and you have animosity. In the bill there is nothing stating that what is going to happen to all these present plans as to whether some people who are paying part of the premium, on behalf of another person, whether it is going to be continued or not — we don't know and the general public don't know.

**Premier Douglas:** — Section 31 says so if you read it.

**Mr. McDonald:** — Section 31, Mr. Speaker, says no such thing. But we'll get in to that when we get the bill in committee. I noticed you shake your heads.

But, Mr. Speaker, I only wish the time could be made available to this, and let no one say that I want to postpone the plan. Surely this would only take a matter of weeks, and I don't think it matters that much to have a poor plan now or a good plan six months from now. I would must prefer to have the good plan six months from now, one that was acceptable to the general public, acceptable to the people who must provide the services; a plan that the people of Saskatchewan knew exactly what it was going to cost them as individuals,

not the province as a whole. Place them in a position as to whether they are prepared to give up what they've got now, for something that they don't know whether they have or haven't. Let us not push this thing through. Now there was great haste — now we have a motion on the order paper asking us to adjourn. Well if we can adjourn for a convention, and I'm not complaining, I think this House should adjourn for a convention of a major political party, but I think we could also adjourn to give time to iron out some of the difficulties that exist between the government and the medical profession, and some of the difficulties in the insecurity and lack of knowledge with regard to this legislation and the general public. Surely we could take whatever time is necessary to bring a bill in that would be best suited to the needs of the people of this province, within the financial responsibility of this province to provide the services not only this year, Mr. Speaker, but the services and their cost five or ten years from now.

This is also information that is supposed to be made available to the government in the final report of the medical commission. I think it is of imperative importance that we should know now, not only what the plan will cost us in 1962 and 63, but what will the plan cost us in 1972 and 73. Those are important things and I ask this government to reconsider and to take the necessary time to iron out all of these difficulties that exist. If they do that then I think can go forward to the people of Canada and rightfully say that we have a plan that is acceptable to our doctors, acceptable to the general public, a plan that our people are prepared to pay for, a plan that they have given us their assurance they can pay the cost, not only for one year but over the next many years. If they do that they will go down in history as having provided a worthwhile service to the people of this province. The Premier can go forward to his new job with an honest record and a good record, if he will do that. But if he fails to do it then, Mr. Speaker, I think he has nothing to take forward with him but cowardice.

**Opposition Members:** — Hear! Hear!

**Premier Douglas:** — Mr. Speaker, I don't want to rise on a question of privilege, but I am sure the term "cowardice" is hardly a parliamentary term. I am sure the hon. friend spoke in haste and didn't intend to use that word.

**Mr. McDonald:** — Mr. Speaker, I wouldn't want the Premier to think I referred to him as a coward. What I am referring to is if this government is prepared not to do the things that I outlined, what it is a cowardly record that they wouldn't do this.

I am not referring to the Premier as a coward. If he takes it that way I withdraw it.

**Mr. Speaker:** — I think that the exception taken by the Premier was justified and I think the answer given by the hon. member covers the situation very well.

I must draw to the attention of the hon. members that the minister is about to close the debate. Anyone wishing to take part in this debate must do so now.

**Hon. J. Walter Erb** (Minister of Public Health): — Mr. Speaker, the fact that I am on my feet now would indicate that there is virtue in trying. I tried on four different occasions unsuccessfully to speak in the winding up of this debate. I want to assure you and the House, Mr. Speaker, that I shall not be very long because if I were to rebut what has been said on the other side of the House, and which has been adequately answered from this side of the House it would only amount to redundancy and repetition. Furthermore, if I were to attempt to do that, in the light of what my colleagues here have stated, and particularly what the Premier said yesterday it would be rather presumptuous on my part to add anything substantially to what has been said.

But I do want to briefly comment on what my hon. friend from Moosomin (Mr. McDonald) has stated. He said that nothing is being done for the aged people or for the mentally ill. Nothing is being provided in this bill for them. The fact is, Mr. Speaker, for a long time this government has been providing a service for our old age pensioners. Ever since 1945 we have provided medical, dental, optical and drug services for old age pensioners. I would point out that this was the first province in Canada to do so, at a time when the majority of provinces in Canada were Liberal governments. Since that time not one Liberal government, nor Conservative government to my knowledge has been providing this kind of service. Yet a Social Credit government in Alberta and another in British Columbia were doing something for old age pensioners. I can assure the hon. members of the opposition, as I stated before that in the march toward our final goal of a total and integrated health service these matters will be taken care of in the total health services.

Now, he said that nothing is provided for the mentally ill. Likewise here, Mr. Speaker, when this government took

office one of the first things that it did was to provide free mental treatment for our people. Not only that, but it embarked on an entirely new approach towards meeting the needs of the mentally ill by setting up of the psychiatric nursing program, the procurement of personnel and establishing schools for defectives and so forth. But we have been doing such things as enlarging and renovating our facilities and establishing mental health clinics throughout the province. When our friends begin to talk about not having provided for the mentally ill, in this bill, I would ask them to look into the program that is being carried out at the present time, and particularly compare that program against what they were doing when they were in office. I am sure they wouldn't be quite as vociferous as they are in their criticism.

Now the member for Moosomin (Mr. McDonald) also deplored the physical fitness of our nation. It is quite true that 44 per cent of our young men were found physically unfit upon being called up. He contends that this situation isn't much different. I don't know, particularly with regard to the military, whether this situation would still pertain or not. I do agree with him that there is much to be desired in Canada with respect to physical fitness. But I would also point out in his deplored of the lack of physical fitness, when the Liberal government at Ottawa had the opportunity to do something about physical fitness, and having learned something about the experience during the war when it was indicated that 44 per cent of our young men were physically unfit, they might have done something. What did they do, Mr. Speaker? They withdrew the assistance that they were providing to the province towards physical fitness. Now it doesn't come well from the opposition to deplore physical fitness when their own government at Ottawa has been so remiss in take cognisance of the need, when these very figures came to their attention. I would point out too that it was a Conservative government that just very recently voted \$5 million towards the physical fitness campaign in Canada. It is my hope, Mr. Speaker, that the record of that government is going to prove to be better than the previous one in that regard.

Now, the hon. member also mentioned M.S.I. in his municipality, saying that he has been able to get coverage for \$63.00 and he conjectured what this cost might be if M.S.I. would be permitted to insure all the province. I want to tell him, Mr. Speaker, that while he may be able to get M.S.I. coverage for \$63.00 in his particular municipality, I know other municipalities who are paying as high as \$96 and \$108 for coverage of a family similar to his own. This isn't a very cogent or a logical argument, Mr. Speaker, for the extension of the private plans throughout the province.

This is a matter that has been discussed thoroughly and it is so obvious that I can't spend any more time on it. The experience has been that private plans have not met the needs of our people, and the basis on which they are set up financially and otherwise it is impossible that private plans can ever meet the needs of our people, regardless how inefficient they may become in their own administration.

The hon. member for Moosomin (Mr. McDonald) asked about the future of private plans. There has been a lot of speculation what is going to happen to plans. The Premier pointed out that section 31 provided for this in the Act.

The member for Maple Creek (Mr. Cameron) commented on a television interview, where I made the statement that private plans would disappear. Indeed private plans are going to disappear in the face of a province wide medical insurance plan. It will be one of the functions of the commission to see that these plans are properly integrated into an overall province wide health insurance plan.

I think it was the member for Saltcoats (Mr. Snedker) and probably others as well who endeavoured to make a point of section 9 in this bill.

**Mr. Thatcher:** — Would the minister permit a question before he goes on? He was talking about these other plans that will disappear. Could he tell the House if it is the intention of the department to absorb the personnel for instance. I understand there are 130 people living in Saskatoon in M.S.I. Will they be absorbed in the health plan? Will they be moved down to Regina or what will the procedure be? While he is telling us that could he say if any negotiations have been made to take over the buildings and the equipment of M.S.I. and Group Medical and the co-opposition medical scheme here in Regina?

**Hon. Mr. Erb:** — Well, I think it has been pointed out before that I have been in correspondence with some of the private plans, and that certainly inasmuch as they have personnel that are experienced in the field of health insurance, we are going to be able to make use of their services. With respect to taking over assets from M.S.I. and Group Medical and so forth, this is going to be a matter for the commission to deal with. We can't dot all the I's and cross all the T's at this point.

**Mr. Thatcher:** — I just wondered though if there had been any negotiations so far on that.

**Hon. Mr. Erb:** — No. We have no authority to

negotiate. This is a matter for the commission.

Now, Mr. Speaker, section 9: a good deal has been made out of this short section which says (physician means a duly qualified medical . . . subsection 9 of section 2:

“Physician means a duly qualified medical practitioner.”

Of course, here they read into the section a lot of sinister things: that this commission may employ doctors who are foreigners, or that the commission chairman may be a foreigner and not a practitioner in the sense of practitioners in the province. They quarrel with this definition.

**Mr. Thatcher:** — Nobody on this side said that.

**Hon. Mr. Erb:** — Yes you have.

**Mr. Thatcher:** — Who?

**Hon. Mr. Erb:** — I want to point out, Mr. Speaker, and I want the House to note this carefully, that the definition of ‘physician’ is used here because it is used in other sections of the various acts of the province. I want to read from the definition of the medical act, section 66: “The word legally qualified medical practitioner or duly qualified medical practitioner, or any other words implying legal recognition of any person as a medical practitioner or member of the medical profession, when used in any act or law shall insofar as such act or law applies to the province be construed to mean a person registered under this act and not under suspension.” I wanted to put that on the record, Mr. Speaker, because there seemed to have been some misapprehension about what this meant, not only in the House, but in quarters outside.

Now, Mr. Speaker, our friends in the opposition have been saying what is the hurry in getting this bill through. Others have been saying that we ought to have implemented a medical care program a long time ago. I am saying, Mr. Speaker, that we are in no hurry, that this is according to the policy of this government as I outlined earlier. The Medical Care Plan becomes a part of our overall policy in bringing about a balanced health service in the province of Saskatchewan. This is in keeping with social progress. I say, Mr. Speaker, just as we progress technologically, we must progress socially, and we cannot keep our social progress and our technological progress too far apart. They must improve and advance together.

I have no doubt, Mr. Speaker, that the great and overwhelming majority of the people of Saskatchewan are in favour of the kind of Medical Care program that we have proposed. The hon. member from Moosomin (Mr. McDonald) mentioned that I had refused, as had the Premier, to discuss with the College of Physicians and Surgeons any major changes in the bill. This is so. We are not prepared to discuss fundamental changes, Mr. Speaker, and when I talk about fundamental changes, I am talking about those fundamental things to which both the college and the government had agreed to in the first instance. I might say that before the committee had been set up, and the terms of reference were being drafted, we met with the College of Physicians and Surgeons, and adopted the very terms of reference which they proposed to the government. All down the line, Mr. Speaker, our attitude has been one of compromise and of negotiations. But there is a point reached, from which we will not negotiate any farther. Insofar as the fundamental issues are concerned we certainly shall not be prepared to change them. As I have said before, we are quite prepared to meet the College of Physicians and Surgeons to discuss any aspects of the bill over which they are not quite clear. It seems to me, Mr. Speaker, from what transpired at Saskatoon at the meeting of the College of Physicians and Surgeons, not a great attempt was made to make the intentions of the act clear to the Medical Association members. We are quite prepared to sit down with the College of Physicians and Surgeons and go through this act, in order to clarify everything section by section. But insofar as not departing from the fundamental issues, I want to say that I am quite sure we have the support of the overwhelming majority of the people of Saskatchewan. Because it is on this basis, Mr. Speaker, that we had promised a medical care program for the people of Saskatchewan, and we shall not break faith with them.

I want to at this time, Mr. Speaker, commend the Advisory Planning Committee on Medical Care, for the great amount of work they have done. For Dr. Thompson and other members of the commission, it was a hard and confining task I am sure; and I am sure that all members of this legislature would want to extend to the committee and Dr. Thompson their thanks for the tremendous work that they have done in submitting this report to the government.

**Government Members:** — Hear! Hear!

**Hon. Mr. Erb:** — I want to comment, Mr. Speaker, on what the Premier said in his closing remarks last evening, regarding the pledge that he once made, and if I remember the words right that if he were given the opportunity and the power to do something that no child should

be lame or no one should be denied medical services. Mr. Speaker, I say that we should all thank God, that this opportunity and this power was given to him. Mr. Scott, whom my colleague Mr. Nicholson had quoted said this about the Premier:

“He had in fact nothing but the incredible and so they said the naïve notion that he could do something to help his fellow man to give him a little more dignity and pride, to make life a little less precarious in the jungle of the dog eat dog society, that is laughingly referred to as free enterprise.”

Mr. Speaker, it so happens that this was not an incredible, naïve notion. This was a great conviction, Mr. Speaker, which has had its realization during these past seventeen years. I am quite sure, Mr. Speaker, that thousands of people in Saskatchewan go to bed at night, do so with a prayer of thanks to someone who has had . . .

**Mr. Thatcher:** — Oh now Walter . . .

**Hon. Mr. Erb:** — . . . these convictions and this inspiration that made it possible to make life better, to make life one of more dignity for our people. I hope, Mr. Speaker, that through his leadership that he has provided for us, through these 17 years and what he has done now in starting a medical care program for this province, that the people of this province will likewise commend this latter action as they have done so often of the humanitarian actions in the past. Mr. Speaker, this is all that I have to say.

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

The Question being put, it was agreed to unanimously on the following recorded division:

**YEAS**  
Messieurs

Douglas	Stone	Batten(Mrs.)
Dewhurst	Whelan	McCarthy
Williams	Thibault	Barrie
McIntosh	Berezowsky	McDonald
Brockelbank	Johnson	Danielson
Lloyd	Meakes	Cameron
Walker	Thiessen	McFarlane



**YEAS (continued)**

Messieurs

Nollet	Snyder	Gardiner
Cooper (Mrs.)	Stevens	Foley
Strum (Mrs.)	Kluzak	Boldt
Davies	Dahlman	Klein
Willis	Michayluk	Horsman
Brown	Semchuk	Coderre
Thurston	Perkins	Snedker
Erb	Broten	Gallagher
Nicholson	Thatcher	

**NAYS**

Messieurs

Nil

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

**SECOND READING**

**Bill No. 2 — An Act respecting Income Tax**

**Hon. Mr. Lloyd** (Provincial Treasurer): — Mr. Speaker, when I introduced the bill for first reading, or shortly afterwards, on the orders of the day I pointed out to the legislature that our actual area of decision with regard to this bill is limited to two general matters. Discretion is available to us to begin with in regard to the rate of taxes which may be imposed by the province. The only other kind of discretion we have is in effect a drafting discretion. We are not in a position because of the arrangements with the federal government to change to actual principles which govern the bill, and the draftsmanship is open to our decision.

May I say that, in drafting the bill we have relied very largely on a model bill which was drafted by the officials for the guidance of all provinces and which has subsequently been studied by our own law officers and our officials. There has already been in previous debates, Mr. Speaker, some statements with regard to this matter. A very good outline was given by the member for Touchwood (Mr. Meakes),

and was added to by the Minister of Education, from this side of the House, and a very good statement from the member for Maple Creek (Mr. Cameron) when he was discussing it in that particular debate.

This should mean, I would think, that for my part a short speech on this occasion should be permissible, and possibly even pardonable. However, there really isn't anything else before the House this afternoon, Mr. Speaker, - it doesn't look like we have much else to occupy ourselves with, and secondly I have prepared some rather extensive notes. It has been said that hell hath no fury like a politician with an undelivered speech, and therefore I intend to proceed with a reasonable lengthy statement on this.

There are better reasons, however, for doing it than those I have mentioned. This is an extremely important matter to be noted by all members of the legislature, and by the people of the province generally. It has some rather far reaching, possible repercussions for not only the people of this province, but the people of Canada, and it seems to be consequently desirable that I make an attempt to review something of the history of fiscal arrangements affecting the province and the federal government, in this country of ours. It is essential, I suggest, that if we are going to have a sense of direction for the future we must take these backward looks at history. Historians frequently tell us that a nation that forgets its history is like a man who has lost his memory, I may contribute, Mr. Speaker, to some people losing their patience because of the time involved this afternoon, but I hope that I may also contribute something towards reviving or refurbishing the memories in regard to this particular part of Canadian history.

Financial arrangements between the provinces and the federal government have been a problem faced by both governments since the time of Confederation. As a matter of fact, attempts to provide for satisfactory financial arrangements between Canada and its provinces were an important part of the negotiations leading up to the federation of the then provinces of Canada, into the Dominion of Canada. Periodic attempts to rearrange — to make more adequate those arrangements — since that time, have made up much of the warp and the woof of Canadian economic and social history.

The Dominion of Canada, as all of us are aware, was formed as a federal state. A federal state establishes, in a sense, a dual form of government, or at least two levels of government — one at the level of the whole nation; the other at the level of the province. A federal state is based on the

common interest and purposes of the various groups federated, and for the common purposes there was provided a common government at the federal level. In addition there was provided for the continuation of provincial governments in order to maintain identity of culture, and for matters of more local or internal policy.

The great hope and in this, I think, is extremely important was that in so doing they might be able to maintain unity while encouraging diversity. I want to underline that objective of unity with diversity, because from that we get a sense of fundamental direction. It is a deviation from the hoped for unity and with diversity that concerns us with regard to the proposed arrangements.

It is important that we remember unity with diversity objectives, since the arrangements which are to be fixed on us by the present federal government stand, I submit, this government submits, in the way of real Canadian unity. They encourage diversity only insofar as they perpetuate differences in opportunity which exists in different parts of Canada, and this is not the kind of diversity which the Fathers of Confederation envisaged.

There is some evidence, Mr. Speaker, to indicate that the founding fathers of Canada conceived the role of provincial governments and their legislature as rather a minor role. The Rowell-Sirois report, for example, refers to a statement of Alexander Galt, who was one of the leading spirits among the Fathers of Confederation, that local legislatures would be, municipalities of a larger growth. George Brown, one of the other great figures of that day is noted as having remarked, "How insignificant are the matters agreed to be left to local (meaning provincial) government." The same report quotes the complaint of one member of the then Prince Edward Island legislature, (or assembly, I believe it was called) as saying "Scarcely anything should be left for us to do, but to legislate dog taxes and the running at large of swine." This perhaps explains why this Stray Animals Act comes up in this legislature so frequently; I don't know.

We do know, however, that the Prince Edward Island legislature did not enter confederation at that time, but did change its mind a very few years later. However, this concept has been changed by many factors. This concept of provincial governments and legislatures as having a rather minor role — has been changed by many factors since that time. It was changed in part because of the refusal of provincial governments and legislatures to accept so puny a role as that one, and because of a strong developing loyalty to

provincial governments by the people in the various provinces. It was changed, too, by a series of early decisions on the part of the Privy Council. Simply and perhaps most fundamentally this concept has been changed because of the growth and the changing nature of government services generally. Services which were needed and deserved, which could best be given by provincial governments, rather than by federal governments. It was the increasing complexity of social and economic life in Canada which made inadequate the original financial arrangements between Canada and the provinces.

The constitution of 1867 provided for the shifting of certain of the common responsibilities to which I refer, to the federal government. This included responsibilities such as defence, trade and commerce, inter-provincial communication, natural development and with some minor exceptions, the public debt of the province. The provinces were left with what were considered to be modest responsibilities, and it was confidently assumed by some that the relative financial burden for these responsibilities would decrease rather than increase.

Along with the responsibilities, the federal government did take, as it had to, wider taxing powers. Specifically it took the tariff, customs and excise; it took the unrestricted right to direct and indirect taxation. The provinces were left with sharing the field of direct taxation — a tax field whose exploitation, I understand, was even less popular at that time than it possibly is today.

The provinces were given the public domain and the power to impose a variety of licenses and fees. The transfer of the customs and excise duties to the federal authorities constituted a transfer of some four-fifths of the revenues previously available to the provincial governments. Obviously, means had to be found for making up the deficiency which was left. Then, as today, part of the problem arose from the fact that the deficiencies vary from province to province. For example, in the provinces of Canada, (Ontario and Quebec) it would have taken only 38 cents per capita to make up the deficiency, but in the province of Nova Scotia it would have taken \$1.70 and in the province of New Brunswick, \$1.33 per capita.

Out of this there arose a system of subsidies based for the most part originally on the amount of 80 cents per capita, limited by recognizing no population above the 400,000 figure in any province. Added to this was a grant for aid to each of the governments, without any determinable basis for it. There was provision for assumption by the federal authorities of most of the provincial debts, and finally there was provision for a special grant to New Brunswick.

I think it is important to note, Mr. Speaker, that in fact since the Fathers of Confederation attacked this from the point of view of making up deficiencies, they were applying a fiscal need policy. These added up to total statutory subsidies at that time of about \$2.8 million. This is not a large amount, as compared with amounts which presently flow from the federal government to the provinces. They were, however, relatively large. They were relatively large because they made up from 80 per cent to 90 per cent of the expenditures of the governments of Nova Scotia and New Brunswick, and they made up 50 per cent to 60 per cent of the expenditures of the government of Quebec and Ontario. In total then made up more than 50 per cent of the revenue of the provinces at that time.

It was perhaps more than was necessary for Ontario. It represented, however, rather a tight fit for the Maritimes, and in that sense perhaps the situation hasn't changed so much over all this period of years.

The principal features of these statutory subsidies with some modifications were applied to the new provinces as they joined, and as a matter of fact, as hon. members will know, were written into the British North America Act. It is of interest to note that at that time they were declared to be "in full and final settlement of all future demands on Canada." All of us know that this situation has not maintained.

In 1907 there was a further amendment to the B.N.A. Act, which changed the basis by increasing the per capita statutory grant. The limitation of 400 thousand on population was removed, and a limitation of \$2,500,000 for any province was substituted. The grants for government were related specifically to population rather than on the indeterminate base as previously. British Columbia received at that time a special grant of \$100 thousand a year. A few years later, in 1912, the grant for Manitoba in lieu of lands and debt allowance was increased by \$300 thousand a year retroactive to 1907. At the end of that time, then, the subsidies had increased and amounted to \$9.3 million. You will note this is an increase from \$2.8 million which I referred to previously, at the time of Confederation.

While this was an increase in dollar value, it was a decline in the percentage of provincial income which it represented. It has represented previously over 50 per cent of provincial income; it had declined to 30 per cent and five years later, further declined to 25 per cent.

The next major change in statutory subsidies did not come until 1942. It came as a result of a royal commission which had studied matters relative to the Maritime provinces,

and the passing of the Maritime Subsidies Act some years afterwards. This provided for an additional \$275 thousand for Prince Edward Island; \$1,003,000 for Nova Scotia, and \$900 thousand for New Brunswick. Finally in 1950 Newfoundland entered Confederation and the statutory subsidies were provided on the traditional basis. There were some additional transitional grants made available to Newfoundland at that time, and added to that was what is called the term '29 Award'.

This, in brief, perhaps not brief enough, Mr. Speaker, is something of the way in which the pattern, the basic pattern or the original pattern of statutory subsidies from the federal government to the provinces had developed. If one were going to give a complete picture of financial arrangements as between provinces and the federal government, a great deal more would have to be added. Reference would have to be made, for example, to the settlement of alienation of lands in the case of Manitoba and Saskatchewan. Reference would have to be made to special compensation for British Columbia during the years 1935-41, amounting to three-quarters of a million dollars per year. Mention would have to be made to disbursements relating to many millions, tons of millions of dollars made available to provinces under relief legislation in the years 1930-40. In more recent date reference would have to be made to an increasing number of conditional grants available for shared programs in the field of welfare, old-age pensions, old-age assistance field, health, vocational, educational, highways and more recently forest access roads, and so on.

I am only this afternoon just mentioning those, Mr. Speaker, because they do not really form a part of our specific discussion here, but they are necessary to indicate that some of the added financial arrangements which have been developed during the years.

I come now to the formal attempts (if I may call them that) to provide for tax agreements, tax rental agreements, and tax sharing agreements, because it is in this area of federal-provincial arrangements that there is the greatest potential for maintaining this basic aim of the federal state — this aim of unity with diversity. You will recall, Mr. Speaker, the appointment of the Rowell-Sirois commission. They were asked, in their terms of reference to express, in their opinion, “that which will best effect a balanced relationship between the financial powers and obligations and functions of each governing body and reduce to a more efficient independent and economic discharge of government responsibilities in Canada.”

It will be recalled that, after a very exhaustive look at the finances of provincial and federal governments,

and the responsibilities of these governments and the relationships between them, the commission was extremely critical of the uncoordinated and aimless development of Canada's tax structure, sometimes referred to as a 'tax jungle'. They were also critical of the disparity of the tax load in different provinces of Canada, in order to provide something like comparable services in those provinces. Their reference to the uncoordinated and aimless development of tax structure had particularly to do with the taxes which we are considering here today, and the income tax on personal incomes and corporation incomes, and successions.

The Rowell-Sirois Commission also insisted on the necessity of a franker recognition of the original differences of wealth and income, and of a vigorous effort which they called for — on the part of Canada, to reduce these disparities. They recommended federal assumption of debt and relief of the employable unemployed. They recommended the payment of substantial amounts to provinces still needing assistance after this load was taken from the, and they recommended and emphasized the necessity of a centralized control of income and corporation taxation and succession duties.

May I again emphasize that they recommended that if Canada was to have a coordinated tax structure, maximum opportunity for economic development, then it was essential that there be centralized control of income and corporation taxation, and succession taxation duties.

The commission would have replaced the statutory subsidies by national adjustment grants. These grants would assist provinces to supply educational and welfare services, equivalent in quality to the national average. They would have assisted, in other words, in maintaining this unity with diversity theme. They would have provided the money to maintain development expenditures, at 1928-1931 averages without resort to heavier taxation than the average. These were fiscal need subsidies to be reviewed every five years. They were to be supplemented by national emergency grants payable during periods of stress.

As you will remember, Mr. Speaker, there was considerable opposition to these recommendations. A conference with the federal government and the premiers in 1941 saw extreme opposition, determined opposition from the province of Ontario, Alberta and British Columbia. In addition, I suppose it can be said that the exigencies of war, and the conditions which it created, were hardly conducive to the right kind of climate for the long-term settlement which was needed at that time.

At any rate we find in 1942 the first of the formal

agreements with regard to this field of taxes — under the agreement the provinces were to forego income and corporation taxes for the period of the war, and for the one year following the war. The dominion was to pay the provinces in turn the revenue which the provinces and its municipalities actually obtained from its tax services during the fiscal year ending December 31, 1940, not including contributions to sinking funds.

In addition to one of these two alternatives which provinces might choose, there were to be fiscal need subsidies, if the necessity were shown, special grants of \$5 ½ million to various provinces were suspended. The dominion government also guaranteed the payment of provincial gas tax revenues — a payment of a subsidy there to keep revenues from provincial gas taxes up to a previous level. This because of rationing which the federal government had imposed; in order to reimburse themselves they levied at that time a three-cents a gallon tax on gasoline. I might add that over the whole period of the agreement the payment to the provinces amounted, for this particular matter, stabilizing gas tax revenues, to some \$630 thousand.

This offer, then, was quickly accepted by all the provinces. Saskatchewan and the Maritimes accepted the debt option the second one that I referred to. Payments were made for six years under this plan, taking us to December 31, 1946. The Saskatchewan payment, including statutory subsidies, amounted to in the neighbourhood of \$8 million per year. This was, at that time, 22 per cent of provincial government's revenue, not including revenue from conditional grants.

Essentially this 1942 agreement was the price which had to be paid to the provinces in return for the right of the federal government to tax exclusively incomes and corporations. It needs to be emphasized, I think, Mr. Speaker, that this was not additional money in the form of grants to the provinces. This was a rent which was paid in return for the surrender of certain taxing rights to which the province was entitled, by virtue of the constitution of Canada.

It is important too, to note that the agreement did not remove, and did not pretend to remove any of the social and economic disparity to which the Rowell-Sirois commission had referred. At this time, total inter-government transfer payments under a variety of federal-provincial agreements, equalled about one-third of provincial revenues; that is to say, statutory subsidies, the renting of the taxes and the conditional grants.



This agreement then took us up to the period 1945-46 and the Reconstruction Conference. Mr. Speaker, every once in a while somebody in Canada gets a vision. I don't speak disparagingly of visions; all of us should be thankful that our leaders do have visions from time to time. We may quarrel with the fact that the visions are not fully realized, but thank goodness they have them. The Reconstruction Conference, with its Green Book proposals, was the 1945 Liberal model of vision. It proposed some very excellent potential arrangements. It proposed that there should be assured public investment in resource development — in the production and development of resources, roads, hospitals and schools, with an emphasis on timing. We were asked to prepare a stockpile of projects which could be taken off the shelves and be brought into being at a time of unemployment, or indicated unemployment.

Secondly, the Green Book proposals had to do with social security. They suggested there would be a shared expense of a health insurance program up to a maximum contribution on the part of the federal government, of \$12.80 per capita. The amount of money that was suggested was \$150 million for the Dominion and \$100 million for the provinces; in other words, the federal contribution was to be roughly 60 per cent. This is a program which could be introduced by the province singly, as I mentioned, and as I recall it, could be introduced by the provinces in stages. It is of interest to note that the amount of 60 per cent would be an extremely valuable one were it available in the province today. The contribution to the Saskatchewan Hospitalization plan, coming from the federal government, amounts to approximately 40 per cent at present. Sixty per cent would be an improvement; sixty per cent of the proposed medical care program would amount to some \$12 million.

In addition to this shared expense of this large program of health insurance, there were to be a variety of conditional grants for public health, tuberculosis, mental health, etc., and many of these have come into being.

The dominion, under this social security proposal also suggested that the total cost of pensions of those persons 70 years of age and over would be accepted by the dominion government. This came to be in 1951. Finally they suggested they would be willing to share the cost of pensions to those 65 to 70, and this, you will recall, Mr. Speaker, came to be in 1952.

Finally under social security it was proposed that they would assume the cost of relief to employable unemployed

how, a start in sharing this was made on a limited basis in July, 1955 and was made more complete in January, 1958.

The third aspect of the Green Book proposal had to do with taxation and financial arrangements. It proposed that there would be a suspension of provincial income and corporation taxes and succession duties for a three-year period. This whole thing was dependent, then, on the provinces being prepared to rent these tax fields to the federal government. There was to be a substitution of a payment of a flat \$12 per capita, based on the 1941 population instead of the statutory subsidies.

It is interesting to note that this was a proposal which, indeed, would have brought into effect equalization on a wider scale, a more effective scale than what we have ever had. They were proposing to take the taxes and return to the provinces at the rate of \$12 per capital regardless of the yield of the taxes from each province. While one might argue about the level of the \$12, the principle of equalization is firmly embedded in that particular proposal.

These were minimum amounts to which I referred. They were to be accelerated in relation to the increase of the provincial population, and the gross national product per capita. These amounts were to be substituted for the Rowell-Sirois national adjustment grants and the national emergency grants. There were several meetings about this; there were some further federal concessions; the conference adjourned in 1946, but adjourned without agreement.

So we come now to the specific tax rental agreement of 1947-52, and here I want to read into the record, Mr. Speaker, a part of the statement of the federal Minister of Finance of that day, in his 1946 budget speech. I read it into the record because I think it is relevant because of the Act before us at this time. He said as follows:

“If no new agreements are made, the provinces will again become dependent on what they can collect from income and corporation taxes. Unfortunately, the income and corporation tax base is very unevenly divided as between provinces. Even before the war those provinces which were less fortunately placed in this respect, were driven to uneconomic methods of taxation in attempting to meet their budget requirements.”

Later he went on to say:

“If the pre-war situation was unsatisfactory, the post-war situation will, in the absence of new agreements, become intolerable. Provincial expenditures have expanded greatly; overall provincial budgets brought down for the current year call for expenditures higher than about \$200 million than in 1940. This is an increase of roughly two-thirds of the provincial budgets.

If the provinces again become dependent on income and corporation taxes, some will be forced to adopt taxation expedience far more drastic than those employed before the war.”

After some negotiation, in 1947 two offers were made to the provinces — two different offers. These offers again were dependent on the rental of tax fields by the individual provinces. At that time Saskatchewan accepted an offer which was based on \$15 per capita based on the 1942 population of the province, and the amount of the statutory subsidies payable to the province in 1947. Fifteen dollars per capita based on the 1942 population, plus the amount of the statutory subsidies continued as from 1947. This was the option which was most beneficial to Saskatchewan, and to Nova Scotia. These again, may I add were minimum amounts. There were to be escalated by a composite factor — the population as related to 1942, the gross national product related to the gross national product per capita for 1942.

Seven of the provinces, excluding Ontario and Quebec, accepted one or other of the arrangements offered in 1947. Newfoundland accepted it in 1951. Under that agreement the proportion of revenue provided for Saskatchewan approximately 30 per cent of our current account revenue, including the tax agreement and subsidy returns. Prince Edward Island received from the same sources about 50 per cent; Manitoba, 45 per cent; in Nova Scotia and New Brunswick it amounted to 35 per cent to 40 per cent; it amounted to about 25 per cent in British Columbia and Alberta.

May I again draw your attention, Mr. Speaker, to the fact that at the time of Confederation, subsidies accounted for some 80 per cent to 90 per cent of the income in New Brunswick and Nova Scotia, or 50 per cent in Ontario and Quebec. I don't suppose that anybody would argue that this ratio ought

to have, or could have been maintained during the years, but it is worthwhile to note the declining importance in the provincial revenues of this particular factor.

These arrangements continued until 1952, and the tax agreement of 1952-57 changed them, but very little. There were changes in detail, resulting in some upward revision of payments. And then there was a second offer made later in the year, and accepted by Ontario. To entice Ontario to come in this offer, accepted on August 19, 1952 provided for the sharing on the basis of tax potential of the proceeds of these taxes. So we had then all of the provinces except Quebec, with Ontario retaining the right to collect her own succession duties in this period 1952-57.

That brings us to the tax-sharing arrangements of 1957 to 1962; in other words, those which are currently in effect in Canada. These were tax rental payments. At that time, out of a series of conferences there was agreement that there would be tax rental payments where a province agreed not to impose taxes on individual incomes, corporations or successions, and there was agreement as to the provincial share of these taxes. At what were called standard rates. Hon. members may recall that the standard rates at that time were 10 per cent of the federal tax on individual income; excluding the old age security tax. This has subsequently been raised and is at the moment 13. Nine per cent of the taxable income of corporations earned in this province, and 50 per cent of the federal duties on successions. So there was agreement to renting these tax fields with this kind of distribution back to the provinces. But, in addition to this there was provision for unconditional equalization grants. That is, they were unconditional in the sense that they were available to a province whether it entered into a rental agreement with regard to its taxes or not, and this of course provided that there was no incentive — there was certainly less incentive for them to stay out; there was less disability if they did stay out.

These unconditional grants were such as to bring the per capita yield or the standard taxes to which I have referred, up to the average per capita yield in the two provinces with highest per capita returns. Those two provinces were then, and remain today, Ontario and British Columbia. Apparently the tax agreements of 1957 provided for stabilization payments. These were payments to be made, if necessary, to bring the amount of the sum of the yield from the standard taxes and the equalization grant up to a previous level. Obviously, then, this had no effect in the first year of the agreement.

In the second year of the agreement this was a guarantee that there would be 95 per cent of the previous year's yield, and in the following years it was 95 per cent of the average of the two preceding years. This has never been operative insofar as Saskatchewan is concerned. I believe it has been operative in a small way insofar as one or two of the smaller provinces of Canada are concerned.

I mention the sharing at the standard rates, and I just point out that these have been altered, that the original 10 per cent for the individual income has now become 13 per cent of the federal tax on individual income, excluding again old-age security; 9 per cent of taxable income of corporations earned in the province, and 50 per cent of federal duties on succession.

Later during the term of the agreement of the original arrangements, there was a special grant made available to the Atlantic provinces, this in 1958. It provided for distribution of an annual \$7 ½ million more for Nova Scotia and New Brunswick, and Newfoundland; and additional of \$2.5 million annually to Prince Edward Island.

I come now, Mr. Speaker, to the recent negotiations within the 1st two and three years. May I say that Saskatchewan's point of view was expressed by the Premier in a November 1957 conference, and quoted by him in the July 1960 conference. Here are his words:

“The fundamental failure of the present agreement lies not so much in the method of sharing as it lies in the sharers themselves.”

I want, Mr. Speaker, to pay what I consider is a well-earned tribute to the Premier of this province for his part in the Dominion-provincial negotiations. His voice among the premiers of Canada is a respected one, and was listened to. The proposals which he put forth on behalf of Saskatchewan were proposals agreed to, accepted, endorsed by representatives of local government bodies of Saskatchewan who went to the conferences with us as advisors.

It may be recalled, Mr. Speaker, that Saskatchewan was the first of the provincial provinces to begin taking representatives of local government organizations to these conferences. I can say without hesitation that people who were there, the President of the Association of Rural Municipalities; Mayor Buckwold, who was President of the Urban Municipal Association in Saskatchewan and of Canada; Mr. Douglas,

President of the School Trustees' Association, and I am sure they have no objection to me saying — concurred in the nature of the representation, and the nature of the request made by Premier Douglas, on behalf of Saskatchewan.

May I remind you again that the present arrangement is that the taxes were shared on this basis: 13 per cent of the federal tax on personal incomes; 9 per cent of corporation funds and 50 per cent on estates taxes. Premier Frost suggested that these ought to be shared on a fifty-fifty basis; in other words that the provinces ought to have 50 per cent on all the tax collected from these fields. Premier Lesage suggested we ought to have 25 per cent of the first two — on income and corporation, and that the provinces ought to have 100 per cent of the succession duties. He argued for equalization, not for the average of the top two provinces, but equalization to the top province. He argued for stabilization, not of 95 per cent of the previous experience, but stabilization at 100 per cent of the previous experience. Premier Robichaud of New Brunswick made very much the same kind of plea for increased portions back to the provinces, for equalization to the top province, for stabilization at 100 per cent. Premier Roblin of Manitoba made the same kind of request. Saskatchewan's request basically was that there would be stabilization at 100 per cent, and that the standard rates should be established at a level, such as to produce for the provinces about one-third of the taxes collected.

This perhaps is a point at which to talk for a while about the request which the provinces have for an increased size of the share of the yields from these particular tax fields. It will be remembered, to begin with, that the constitution provides access to these three taxes — personal income, corporation profits and estates, to both the provinces and the dominion. At the moment, under the current agreement and provinces receive just less than 25 per cent of the returns, and the federal government consequently receiving more than 75 per cent.

Secondly, it is a matter of statistical record that since the end of the war, the cost of meeting municipal and provincial government expenditures has grown at a rate of about twice as fast as has the federal expenditures. In the period from 1945-58, provincial and municipal expenditures rose just under \$1 billion to approximately \$4 billion. The federal expenditures during the same period ranged from \$5 billion to \$6 billion. As a result of this, made inevitable by the shifting social economic pattern in Canada, there has been a disproportionate increase in the taxes available to the provincial and local governments. I refer to property

taxes and to sales taxes. Hon. members will recall that perhaps I said previously there are, or will be as of January 1, four provinces in Canada with a sales tax of 5 per cent; one more with a provincial tax of 4 per cent plus municipal taxes in many places of 2 per cent, plus tax on meals of 5 per cent if they are over \$1.00, plus special taxes of tobacco.

One additional province has a rate of 4 per cent, and two other provinces, 3 per cent. These, with the exception of Saskatchewan have appeared since the time of the Rowell-Sirois commission report, Saskatchewan at that time having a 2 per cent tax in effect. All of us know that these taxes, in fact, have less relationship to ability to pay than the tax on personal income and on corporation costs.

It is a matter of record, too, Mr. Speaker, that the rate of corporation income tax has increased only slightly since the war. Personal income tax has, in fact decreased in nine of the last 15 years. No one objects to tax decreases, Mr. Speaker, unless that is, these decreases make necessary increases in other less equitable taxes, and a such has been the case in Canada. What is needed we submit, is a viewing of the whole tax structure, and the placing of emphasis on those taxes which best distribute the load. This is precisely what we have not had enough of in Canada, and apparently it is what we are going to have less of in the future.

The offer on which this legislation which is before us is based, is on the premise that we are given the right to collect — the provinces are to be given the right to collect their own taxes on personal income and corporation income. Provision is made for the continuation of an agreement with regard to estates tax on a 50-50 basis. The federal government is to withdraw from the field of personal income tax at the rate of 16 per cent for 1962-63, 17 per cent for 1963-64, and so on, increasing at the rate of 1 per cent per year until it reaches 20 per cent in the year 1966-67. They will withdraw 9 per cent from the field of corporation tax. The offer, too, provides for some basic equalization, which is to be based on the returns from, not three taxes, but four fields, personal income tax; corporation tax; succession duties and 50 per cent of provincial income from natural resources, taking a three-year average as a figure.

In order to determine what our equalization grants will be, Mr. Speaker, we proceed as follows: You derive the national average per capita yield from the four tax fields to which I have referred; secondly you derive the provincial per capita yield from this share of the income and estates tax

field, and from 50 per cent of its natural resource revenue over a three-year period. If the provincial per capita yield is less than the national average, a province is entitled to equalization payments necessary to bring it up to the national average.

There is, however, added to this a guarantee payment and this is available if the payment due to a province from their share of the income taxes, succession duties and equalization payment is less than the amount we would have received had the 1957-62 arrangement been continued. If the amount is less than we would have received under the present arrangement, we would receive a payment as if the old agreement had been continued.

This is a guarantee which affects Quebec and Manitoba and Saskatchewan. British Columbia and Alberta have provided for a different type of guarantee, which says they will receive at least as much as for the highest of the last year, or the average of the last two years under the 1957-62 agreement.

This does mean we do have this kind of a guarantee, but we have raised, and I submit we must raise again the question, what is the nature of the guarantee to be available to provinces in 1967 when this present agreement runs out? It stretches one's credulity a little bit to presume that a guarantee which originated ten years before (which will be the case in 1967) will be projected and be continued for the next five years. This, because of the effect it has on Saskatchewan and some of the other provinces, is one of considerable concern.

The federal government will agree to collect the taxes at the rate chosen by the provinces. They agree to do this, that is, provided we accept their tax law and their tax definition. That is why I said previously that the area of discretion to us in the bill is one of draftsmanship, and decision, with regard to rates, rather than other matters. They have agreed to do this tax collection and distribution without charge to the province. If we wanted to take it on ourselves, this would have meant the setting up of expensive and reasonably costly machinery, we obviously accepted that particular offer.

When the tax forms for income tax, Mr. Speaker, are available to persons in the future, there will then be two calculations to be made. All of us are happy, I'm sure that the arrangement is such that there will only be one form. You won't send one form to Regina and another to Ottawa. The one form will go to Ottawa. There will be two



tax collections. Your taxable income will be determined according to the tax laws and rules of the federal government. Let's suppose for example, the taxable income was dollars. You will then be able to ascertain by reference to the tables supplied in the form, the gross tax payable, and suppose that is Y dollars. Then you will subtract 16 per cent of Y dollars next year — that is the extent to which the federal government is withdrawing. That gives us a federal tax of Z dollars. The provincial tax then will be, for the province of Saskatchewan next year, 22 per cent of Y dollars, or 22 per cent of the gross tax paid. Twenty-two per cent. You will recognize, Mr. Speaker, is the sum of the 16 per cent, which is the province's share which the federal government has withdrawn to that extent, plus the 6 per cent of the tax on the federal tax, which we have suggested be imposed, in order to assist in financing the medical care program.

I want again to have reference to the incidence of this tax, and use as an example a family of four — that is, two adults and two children. For those persons with an income of less than \$3,000 in this kind of family grouping, the tax is \$1 or less. For those persons whose income may be in the area of \$3,500 to \$4,000 the tax is roughly \$7.86. In the range of \$5,500 to \$6,000 it is \$27.00 roughly. In other words, as I said the other day, this is a very progressive form of taxation.

It will be noted that we must establish our rates for tax on tax in advance. We must be prepared to tell the federal government prior to the first of the calendar year the amount which we want them to collect for us in that particular calendar year. This is because they must make available forms to be distributed across the country, and usable after the beginning of the year. So we must establish our rates; the percentage of our tax on their tax in advance. This raises some questions and some problems. What happens, for example, if the federal government later in the year, after we have passed our legislation, decide to lower their rate of taxation? We have no opportunity to change our rate so as to compensate for loss of income until a year following. If they decide to increase it, presumably we will get more money. But there is no arrangement as yet — we have no reason to be encouraged to think there would be provision for adjustment or compensation — in view of the federal government changing its rates, and consequently its yield, subsequent to ours.

I, Mr. Speaker, refer to a couple of tables in order that they may be included in the record. I would like to lay these tables on the table, Mr. Speaker. First of all, the effect of the equalization payments to the province,

as estimated by the federal government officials for year 1960-61. Dealing with just equalization, the new formula would provide for Newfoundland, roughly \$13,937,000 as opposed to \$14,390,000 under the present formula. The new formula would provide for Saskatchewan roughly \$8 million as compared to \$21 ½ million under the present formula. In total it would distribute by means of the equalization portion of the arrangement, about \$113 million as opposed to almost \$185 millions under the present formula.

The equalization payments are obviously less. They are less for two reasons. One, because equalization under the proposed formula takes place up to the national average, rather than to the average of the top two provinces. Secondly, they are less because of the inclusion of natural resource revenue. May I say here that the provinces of Quebec and Saskatchewan argued that the guarantee provided by the federal government ought to be one of guaranteeing the amount of equalization payment, under the new agreement as compared to the present one, rather than the total amount paid. Failing this, the withdrawal of the federal government of 16 per cent becomes completely illusory as a benefit insofar as provinces such as Quebec and Saskatchewan are concerned.

Obviously this wasn't quite good enough. This wouldn't sell at all, so added to the equalization grants and the sharing of the tax fields, was the increase in the Atlantic adjustment grants, and also the guarantee payments were made applicable, to those I have previously referred. As to the effect, then, of the ultimate distribution, including the sharing of the tax field, including the Atlantic adjustment grants, including also the implementation of the guarantees another table, Mr. Speaker, and another copy to be laid on the table for inclusion in the record.

(1)

**ESTIMATE OF DISTRIBUTION (1962-63) (Based on 4% growth in G.N.P.)**

\$000

	<u>Nfld.</u>	<u>P.E.I.</u>	<u>N.S.</u>	<u>N.B.</u>	<u>Que.</u>	<u>Ont.</u>
Present	29,485	7,340	41,466	36,028	248,485	304,948
Proposed	30,794	8,110	42,262	36,028	248,485	321,904
Change	+1,309	+ 770	+ 796	0	0	+16,986

	<u>Man.</u>	<u>Sask.</u>	<u>Alta.</u>	<u>B.C.</u>	<u>TOTAL</u>
Present	42,406	42,636	62,824	78,217	893,835
Proposed	42,406	42,636	57,320	71,747	901,692
Change	0	0	-5,504	-6,470	+ 7,857

October 26, 1961

(2)

**EQUALIZATION PAYMENTS TO THE PROVINCES 1960-61**

\$000

	<u>Present Formula</u>	<u>Proposed Formula</u>
Newfoundland	\$14,390	\$13,297
P.E.I.	3,234	3,144
Nova Scotia	19,673	18,061
New Brunswick	16,650	13,986
Quebec	73,067	47,231
Ontario	-	-
Manitoba	13,539	9,431
Saskatchewan	21,540	7,799
Alberta	15,909	-
B.C.	6,761	-
	<u>\$184,763</u>	<u>\$112,949</u>

(Based on 1960-61 Federal Illustration Distributed at February Conference)

May I say here in explanation that this is our own provincial estimate. I will admit that the federal estimate provides a slightly better picture in terms of more dollars being distributed. The federal estimate as given to us at the conference was, however, based on the possibility of increase in gross national product of 5 per cent. We haven't yet, we regret to say, been seized with the evidence to suggest that 5 per cent was a realistic figure, and perhaps we are optimistic when we calculated this on 4 per cent. But this we have done. This is the effect on the provinces. I won't read it all, Mr. Speaker. I will simply give the kind of change after adding in the guarantees, and the Atlantic adjustment grants. Newfoundland will get roughly \$1,400,000 more, Prince Edward Island, \$770,000 more; Nova Scotia, about \$8,000,000; New Brunswick, nothing more; Quebec, nothing more; Ontario, about \$17 million more; Manitoba, nothing more; Saskatchewan, nothing more; Alberta, \$5 ½ million less; British Columbia, \$6 ½ million less. The total distribution being some \$7,800,000 more than would have been provided had the present agreement been continued — and remember, Ontario getting some \$17 million more.

This is based again on a projected increase of 4 per cent in the gross national product.

I come now to what criticism we have of this distribution, and the principles which produce it. You will recall, Mr. Speaker, and perhaps it is well to ask everybody again to consider the pattern of the increase — you will note New Brunswick, Quebec, Saskatchewan, Alberta, British Columbia, Manitoba — nothing more or less. I am invited to suggest that when one looks at the political composition of the governments in these various provinces, one does note that Manitoba somehow got lost. Ontario got \$17 million more. I suggest the reason, Mr. Speaker, is not that the federal government loves Manitoba Tories less, it is just that they love Ontario Tories more, besides there are so many more of them.

Our second criticism is that taxation should be, particularly taxation of this kind, an important method of cultivating the national economy. In this particular proposal, the federal government has surrendered its opportunity to cultivate in the most effective way the Canadian economy. There are times when tax reductions are necessary — vitally necessary, in order to add to the purchasing power of certain selected groups. There are times when a tax increase may be

necessary in order to control purchasing power and in order to control inflation.

You will recall the emphasis of the Rowell-Sirois commission. If we are to have the degree of planning and direction that is necessary in a complex modern state, this is possibly only when one government assumes the responsibility for the use of this particular tax instrument. An alternative, of course, is for the federal government to provide some other kind of machinery for co-ordinating government activities and government activities with the effort of private economic groups. I submit that it is inexcusable for the federal government to surrender one of these without even any kind of a suggestion as to an alternative; that they have, in so doing denied themselves the authority which is necessary to deal definitively with the economic problems of Canada. Instead of unity with diversity, we have, unity undone and diversity denied.

Our third criticism is that the equalization as provided in the proposal is inadequate. All hon. members will know that in Canada, national economic policy plus accidents of geography have made inevitable the concentration of industry in parts of Canada and discouraged it in others. Ontario was among the earliest of the provinces to be developed; it is relatively close to the source of some raw materials, and to power; close not only to its own markets, but the bigger markets of the United States. This has an undeniable advantage in terms of this economic development. In addition, the effect of national economic policy of the tariff has been of advantage to areas with that kind of head start. Let me just illustrate the results; Ontario has 34 per cent of the population of Canada, but it has not 34 per cent, but 45 per cent of taxable corporation income. Saskatchewan, on the other hand, has 5 per cent of the population; 3 per cent of taxable corporation income; 3 ½ per cent of personal income. It is plain, then, that Ontario has more than her share of per capita basis.

One can get the same kind of disparity, of course, if one looks at the Maritime provinces.

While it is true that corporations are not distributed in this way, it is also in an average sort of way, also true that the prosperity of many corporations is made possible because of profits which are made here in our province, and to other provinces. Much of the effort and investment which make their profit possible is here, but their profit, and consequently the tax they are deriving from their profit is there in another province.

The people of Saskatchewan consume many millions of dollars of goods produced in other provinces. For example, we consume in Saskatchewan some 24 per cent of all of the farm implements sold in Canada. We are among the highest, if not the highest, in terms of motor vehicles per capita, and the earnings and the profits made from these sales flow out of our province. There is, in our opinion, no adequate formula for distributing the share of the profits back to the area in which they are earned; there is a formula but we feel it doesn't do justice to the situation.

For example, after applying the formula, the per capita taxable corporation income in Ontario remains at \$260; in Saskatchewan, \$110; in Alberta, \$184; and Newfoundland, \$74.

Thirdly, we appeal against the equalization formula because of the inclusion of natural resources revenue as a part of the measurement in the way it is included. It is argued that it is included in order to give a better measurement of total fiscal capacity. If this is the reason for it, then surely it is a fair question to ask, why just revenue from natural resources? Why not include revenue from other provincial tax fields, as well? Including revenue from natural resources alone has a major effect on the provinces of British Columbia, Alberta, Saskatchewan and New Brunswick, as these are the provinces with the highest per capital revenue from natural resources.

Moreover, if natural resources revenues are to be included, how can we justify including the revenue from the disposal of capital assets, or a portion of them.

Ontario disposed of her capital assets in the way of natural resources many years ago and converted these into revenue from other sources. It has no effect on their position. Provinces which are currently, particularly Saskatchewan and Alberta, disposing by sale of some of the capital natural resource assets, are penalized. Finally under natural resource measurement, if it is to be included, why not have standard rates to be applied in all provinces, rather than the rates which happen to be in existence in each particular province? Obviously, the province with the higher rate is penalized because its equalization payment is reduced. Again this indicates something of the disparity. Ontario tax revenue for \$1,000 of mineral production is \$10; Saskatchewan's tax revenue per \$1,000 of mineral production is \$100. The national average is \$78. Ontario's tax revenue for \$1,000 of forest production is \$86; Alberta's is \$200, and the national average is \$75.

Those provinces which decide to tax higher, to provide services for their people, their natural resource production are penalized under the equalization agreement to do it.

The point again, if they were to be included they should have been included at a standard rate rather than at the rate happening to obtain.

Our final argument with the proposal for equalization is the average of all provinces, rather than as previously, at least the average of the top two. This we termed as being a matter of "averagization" rather than "equalization." You will recall that in an earlier remark, Mr. Speaker, I pointed out that not only the Premier of Saskatchewan, but of Quebec and of New Brunswick, and of Manitoba, if I recall properly, argued for averaging to the top province, not to the top two. Because obviously if one has any kind of adequate concept of equalization, you do not get this when you equalize only to the average, rather than to something more than that.

Our fourth criticism of the agreement is the inadequacy insofar as assistance to province is concerned, which results from returning the taxation rates to the province. This, as one listens to the Prime Minister when he made the offer, is to be a major stroke in freeing the provinces in allowing them to do all the things the provinces ought to do. Let me just indicate how this affects different provinces in Canada. A one per cent increase in the rates of each of these taxes would provide for Ontario \$4 per capita. A one per cent increase in the rates of each tax would provide for Saskatchewan just less than \$2 per capita, and would provide for Newfoundland just over \$1 per capita. If each of our provinces decided to increase by one per cent across the board, this would give Ontario \$4 more to spend for each man, woman and child in the country; it would give Saskatchewan something around half of that, \$2, and would give Newfoundland again something under half of that of Saskatchewan. Putting it another way, if we wanted to get \$10 more per capita to spend, more revenue, Newfoundland would have to add about 28 per cent to its tax on personal income; Saskatchewan would have to add 14 per cent, and Ontario could achieve it by adding 7 per cent.

The result of this arrangement is one that forces higher rates or lower services in provinces where the rates should be if anything lower in order to encourage a better distribution of development.

What then, Mr. Speaker, is a possible cure: Well, I submit that the case was well put in 1957, and I want to



read some words that were said at that time. Here they are:

“There can be no national unity in this nation until there is a realization that federal-provincial matters have handcuffed the provinces; had denied the municipalities adequate sources of revenue; have placed the provinces in a position where they cannot discharge their constitutional ability.”

These were words in 1957, spoken by the Hon. Mr. Diefenbaker before he became Prime Minister of Canada. The cure is to put these words, not in a speech, but into action by way of agreement as between the provinces of Canada and the federal government.

The cure is a return to tax-sharing principles. Add to that increasing the province's share of the returns from these fields. When we have done that then we will have something to establish those conditions in which unity and diversity for the Canadian nation and the Canadian people, may become a reality.

Mr. Speaker, I move second reading.

**Mr. Alex Cameron** (Maple Creek): — Mr. Speaker, I should like to say we appreciate the extent to which the Provincial Treasurer has gone to lay in a clear and precise manner, before the legislature, the progressive stages of the tax rental agreements and now the tax-sharing agreement. I think, too, that we should mention that we appreciate the booklet which is on the members' desks; it gives quite a clear explanation of the new tax-sharing agreement. I know it is a heavy and complex problem to talk about. Sometimes I like to look at the tax-sharing agreement, or tax-rental agreements as having somewhat a different effect than strictly the problems of finance and fiscal policy as has necessarily had to be explained by the Provincial Treasurer.

He went into the early history of the relationship between the provinces and the dominion government, and showed the insignificant role that the provinces played at that time. One of the marvels, I think, in the world is the manner in which Canada has taken a system of democratic government, under what we termed the federal system of government, which is most difficult, and to mold it into a unified nation to the extent that we have today. Those things are marvels to other people of the world.

I like to think that these tax-rental agreements have played a significant part in developing a mature relationship between the provinces and the dominion, bringing them (the provinces) to a position of dignity, making them realize in accepting their rights and also their responsibilities in the general overall growth of the nation towards the standard which we have achieved today.

I like to look at the agreement of 1942-47. War probably dictated it, but it brought in the principle of one authority in the tax field, in which we permitted Ottawa to take over the complete field of taxation in order that she could have a better fiscal and monetary policy as a result of it. In return she returned to each and every province her share of that according to the taxes that would be collected in that province. I think it established the principle of central control of taxation.

Then we progress from there to 1947-52, and I think of all the arrangements that have been made between the provinces and the federal government in regard to taxation, and fiscal monetary policy, that the 1947-52 arrangement were probably the most important of all. I say that because I think it brought a new approach to an evolution of the relationship between the provinces and the dominion. It brought, I think, an approach that treated the provinces more on an equal partnership with the federal government than they had before. It brought in the principle of sharing in the development of Canada, and in the resource development with the federal paying an important role together with the provinces. Thus we find the principle established where you have the shared cost, I think the Provincial Treasurer said, in resource development. Shared expenses in the field of health insurance, social aid and the rest of it. I think we catch the significance when we realise that under this principle established then, where the federal government assumed some of the burdens from the provinces in that field, and took over the granting of pensions to everyone over 70, as their responsibility, and then saying with the provinces, we will likewise share now with you in your responsibility, for those 65 to 70.

Then I think another important one was when the federal government recognized it must assume some responsibility for the unemployed employable — those people who are employable but are unemployed. Therefore, they said in any social aid program, we will accept the obligation of looking after the needs of the unemployed employable, and that of course is brought into the contract in any relationship regarding social aid.

That is why today we receive quite a portion of our social aid budget, from Ottawa, because they have assumed their obligation of assisting and the looking after unemployed employables. It is a matter of a social aid program.

Then I think most of all, when you think of the principles, it is carrying them into the field of resource development and that new approach brought a relationship in the province to an understanding of this mature thinking that would help the nation and grow with the nation. Therefore, we have the dominion government assuming its responsibility in the construction of the Trans Canada highway, and a shared program in the Trans Canada highway which is in the interest of the dominion as a whole, as well as to the individual province. Then they began to assume some responsibility in regard to construction of hospitals, and under that program was instituted hospitalization grants to every province that was constructing hospitals. That principle was brought into being.

Likewise assisting in the construction of geriatric centres; this sharing in the cost of these social aid programs. I think that was one of the greatest of conferences between the dominion and the provinces, because they began to assume their position more as a partner, each assuming his proper rights and responsibilities in regard to the growth of Canada as a nation.

Then we come to 1952-57 and those principles of the first one, 1947-52 were maintained and carried forward, and they have to this day. I think too that we solidified or made a more permanent basis the idea of one taxing authority. Therefore, the federal government made arrangements with the provinces and they said: "You can share the tax fields the same as we do; it's your right, but we would like to rent from you your tax fields in order to maintain the principle of one taxing authority." So a satisfactory agreement was arrived at between the dominion and the province.

I think the success of the 1952-57 agreement was that it had eventually brought everyone of the provinces of Canada into this working agreement between the provinces and federal government, and that carried on to 1957-62 the tax rental agreement that is just ending now. In that agreement was retained this principle of one tax authority by which the federal government could use this principle to introduce cyclical budgeting, in which they could use that to stimulate the economy in times of recession, and to draw off the surplus money in times of prosperity as a check on inflationary pressures.

That has been essential, and recognized by every

province as one of the great principles of budgeting on a national scale the method of cyclical budgeting.

I think 1957-62 will go down in history as the conference which established the basis of equalization of sharing these tax fields in such a manner that the poorer provinces would share in some equalized manner with the two richest provinces in the dominion. That is why they said we will take these three tax sources, and we will add up the total amount collected from Ontario and British Columbia; we will divide that by a total population of Ontario and British Columbia, and we will find out what it amounts to on a per capita basis. Then they said to each and every other province, "We will total up the amount of your tax under the tax rental agreement and see what it comes to under your per capita basis, and if it comes to an amount less on your per capita basis, then we will put in the balance to bring your per capita amount up to the per capita amount earned in the two fixed provinces." That is in principle the taxation which was derived at after a great deal of negotiation, and a great deal of mature thinking, and that was incorporated in the 1957-62 tax rental agreement.

Now we're coming to the new agreement, and the thing I think to remember in this new agreement is that we have abandoned the principle equalization. We have gone back to the principle of tax sharing, the same as we did in the early days where the federal government shared the income tax, the corporation tax, the personal tax together with the province. So we have gone back now where we have, in place of one taxing authority, we now have 11, and the federal government says we will share this tax field with you. The finance Minister says they will exempt — they will stay out in order to give the provinces the right to enter into.

The second thing as I see it is under these new proposals we have weakened drastically the principle of equalization as we came to know it, in that he has added not only the three tax sources, but he added, as the Provincial Treasurer says, a fourth factor in arriving at the equalization payment, and that is, taking in the 50 per cent of the resource revenue. Ottawa says, "We will add these altogether for all of Canada, and will divide it by the total population of Canada to see what it works out like per capita. Then we'll take the same amount collected in each province, and see what it works out per capita, and see what it what it works out per capita, and then we'll contribute the difference between them." It lowers the principle of equalization because it takes in the national average instead of the average of the two richest provinces.

Under this agreement we will find that not only be deserting this principle of equalization, which was used in the former tax-rental agreement, and entering into the sphere of tax-sharing, and not only have we 11 taxing bodies, but under the principle of equalization as set out in this, each and every province with the exception of Ontario would receive less than they were receiving in 1957-62.

In order to prevent that, in order to plus it there was a guarantee put in or a floor, saying that no province would receive less than it received in the last year of the tax-rental agreement of 1957-62. We cannot receive less. The difficulty is that if you take the formula in its present state, we are so far below, what we were earning then that if we didn't have the tax floor we would be much, much worse off than we now are. By putting the tax floor in, it is true we can't get less, but as I interpret it, the new arrangements of equalization are such that it is questionable when, in the future, we could even grow to more, so we remain on the floor for some years to come, while under the new arrangement, Ontario benefited, because she will receive \$17 to \$18 million more.

As I interpret it, it puts the other provinces under the floor, and says you will not get less, but we have a position where you cannot get more. To Ontario it says, "You will not remain as you were but you will get \$18 million more. It is very complex, as the Provincial Treasurer said. I think in order to give the members an opportunity to study the bill, and the proposals put forth, in this new tax-sharing agreement, Mr. Speaker, I would like to move leave to adjourn the debate.

Debate adjourned.

### **MOTION RE INCOME TAX REGULATIONS**

Moved by Mr. Snedker, seconded by Mr. MacFarlane:

"That this Assembly respectfully requests that the government of Canada amend the Income Tax Regulation to provide that farmers' income from drought-forced sale of livestock shall be held non-taxable pending purchases of replacements."

**Mr. James E. Snedker** (Saltcoats): —Mr. Speaker, the above motion before the House is

self-explanatory to those members of the House who are in contact with farmers and with livestock producers, in particular, and I do not think it needs too much explanation by myself, except to say this for the benefit of people who are not closely associated with agriculture, and aware of the effect that the present liquidation of livestock is having on the tax position of some of our farmers.

The large-scale liquidation of livestock that has recently taken place due to the shortage of feed occasioned by the drought, has placed many farmers in the position of being in higher brackets in 1961 than they would normally expect to be, particularly those people who purchased stockers in the spring or long keeps in the spring of 1961, with the intentions of running them through the summer, and through the winter of 1961-62, pasturing them in the spring of 1962 and marketing them — in the fall of 1962.

These people are the ones in particular to whom this resolution refers. They find themselves in the position of having to liquidate cattle before they are ready to be marketed. True, they have the intention of repurchasing at a later date. But sales made in 1961 will have to show on the income tax returns of 1961, the repurchases made in 1962 will show as cash expenditure in the year 1962. Whichever way a farmer looks at it, if he wishes to make repurchases in 1962, he is going to have the money which is received from the sales of cattle in 1961, with which to make purchases in 1962, less the amount of the tax he is paying. He is going to have the amount of money to repurchase, less the tax, because he has to pay the tax on the basis of his 1961 returns.

There are certain regulations at present under the Income Tax Act which people might think would give some relief to a person who finds himself in this position. The fact that a person or individual can charge his profit of 1961 back to a previous loss, but only back one year — and he probably didn't have that loss to charge his profit back to. Similarly, he can charge a loss ahead for a five-year period, but regardless of what assistance that might be to the farmer, he is still going to be out of the use of his money for a one-year period. Losses can be carried forward for five years and back one, either way. Either way he has lost the use of his money for one year.

Those farmers who have established basic herds; this resolution would probably not apply to them, but many farmers, particularly in my area have not established basic herds and provisions of the basic herd regulations under the

Income Tax Act do not apply under any circumstances to farmers who have purchased feeders, or stockers or long-keeps, and those are the ones I had particular reference to at the commencement of speaking to this resolution.

Therefore, the provisions under the Income Tax Act, whereby a farmer can establish a basic herd are not applicable under these present circumstances. True, they are of assistance to the man who established the basic herd; there is no argument or question about that, but they are not of assistance to the unfortunate man who has not established a basic herd because of the fact that he is in the feeder business and he finds himself therefore, in an unfortunate situation through no fault of his own, due entirely to the drought.

Similarly, with the averaging provisions made in the Income Tax Act, whereby a farmer can average income over a five-year period, presuming a farmer liquidated a large amount of livestock in 1961 and then found that he was in the fifth year of his averaging period, he would be in a more fortunate position than would otherwise be the case. He would only be out the use of his money for a short period of time, but that would only apply to a small number of farmers. Many farmers would find that they might have to wait four years before they could average; they might have just exhausted their averaging privileges. Many farmers would find themselves in the position where the averaging privilege would only be of value to them after a one, two or three or a four-year lapse of time.

What we are asking for in this resolution, Mr. Speaker, is that the federal government would make some change in the regulations under the Income Tax Act, to relieve farm people of the particular tax bind which they find themselves in, due to circumstances over which they have had no control. I draw the attention of all hon. members of this House that special regulations are not new in Canada, or in any democratic country. Governments usually endeavour to make regulations to meet the case at hand. I think that it is a gauge of the ability of the government and of ourselves to operate democratically, and that when a democratic government doesn't make the necessary changes entailed by a current situation they then can be said to that extent to have failed. I don't think in that respect that any of our legislative processes in Canada have failed to any great degree, and I don't think they will fail in this case if the matter is brought to the attention of the correct authorities.

Special regulations under the Income Tax Act are not new.

We have had special regulations in the past with regard to participation certificates, whereby farmers were given the privilege of charging, or showing the income which they received from the Canadian Wheat Board, due to holding participation certificates; they were given the privilege of showing that income in the year in which it was received or in the year in which the crop was grown. Those were special regulations to meet special circumstances. There were also special regulations covering accelerated depreciation, to meet certain circumstances that arose in special case. There were special provisions made for write-offs and so on and so forth; they were all special regulations to meet special cases, and I submit, Mr. Speaker, most respectfully to all members of this House that we now have special circumstances and special regulations are needed to meet these circumstances.

I do not think this needs any further explanation on my part. I think all hon. members, and particularly those who are farmers or are representing farm constituencies, understand the import of the resolution. I am pleased to move the resolution in the hope it will gain the unanimous support of the members of this House, in the interests of all the farmers in the province of Saskatchewan. No provincial legislature anywhere in Canada is more competent to deal with a resolution of this kind than is the legislature of the province of Saskatchewan, a province more affected by the present drought than any other; and a province in which more livestock liquidation has taken place than in any other. Neither is there any other province in western Canada in which livestock means so much to our farm economy.

I think all hon. members will agree with me that the production of livestock in the province of Saskatchewan has been the balance wheel of our farm economy. True, we have a certain amount of industrialization and some of us hope there will be more, but in the farm economy the production and raising of livestock has been the balance wheel and it has helped many of our farmers through a lot of tough years and over a lot of rough spots. It helped pay our taxes in the wet years, when we didn't produce a crop as in 1954. It was livestock that got a lot of farmers in my area over the hump and through that tough period.

Particularly this resolution refers to those people who have used the services of the markets in the province from which to purchase feeder cattle, and set up small feedlots. Many have been in the habit of going to the Canadian Wheat Pool Livestock market in Yorkton, particularly in my area where they purchase feeder cattle.



A good many of them purchased cattle this spring, and then had to liquidate them in August, and they find themselves in just the particular kind of tax bind that I have explained to the House.

I think, Mr. Speaker, that this is the most proper legislature of any of the three western provinces which are affected by the drought, to take action of this nature in order to draw to the attention of the federal authorities the position that our farmers find themselves in, in the hope that appropriate action will be taken.

I am therefore pleased to move this resolution, and hope that it will receive the unanimous support of all the members of this legislature.

**Mr. D.T. McFarlane** (Qu'Appelle-Wolseley): — Mr. Speaker, I don't think I need to take up too much time of the House on this resolution, not because of the fact that the resolution may not be significant because I am sure at this time it is, but I suggest we don't have to take up too much of the time of the House this afternoon, because of the importance of seeing that this resolution is passed in this House, and sent on to the federal authorities at Ottawa.

Because I believe that the pillar of the agricultural industry in this province today is a mixed farming economy; because I believe in seeing to it that this province builds up a strong and efficient cattle industry to take care of the needs of the farmers of this province at the present time, and in the future, especially during a period of crisis which we are facing this year, then I think in the interests of farmers and the cattle industry, and agriculture in particular, something should be done to alleviate the situation which may arise, as pointed out by the hon. member for Saltcoats. So I deem it a pleasure to be able to second his resolution, and hope that we can focus attention to this plight at this time.

The two causes which are probably leading to the probable cutting down on cattle herds would, of course, be the result of our severe drought. One is the shortage of feed, and I think possibly the one that is most acute at the present time would be the shortage of water. It is true, Mr. Speaker, it is easier to sustain your livestock herd over a period of federal crisis, easier to sustain them by shipping in feed than it is to provide water. In some cases in the province today the depletion of livestock herds has been prevented by the farmers putting up sufficient amounts

of fodder to carry them over the winter, but the problem that is facing the cattle industry at the present time is the severe shortage of water. We can ship in feed, but we cannot for all practical purposes, ship in water, and so at this time of the year with winter drawing closer and closer, the situation is becoming more and more acute and the farmers are finding themselves in the position where they are going to have to, in some cases, sacrifice their cattle herds.

Because they are going to have to sacrifice their cattle herds, in many cases if the holding is sufficiently large, they find themselves in a position where some of the revenue from these disposals will go into the hands of the income tax department.

Then a year from now, when their purchasing power may not be up to the strength that it is at the present time, they will find themselves in the position then where they cannot replace their cattle herds. So I think if the hon. members in this legislature here this afternoon accept this problem, accept the complications of this problem, and we all agree to pass this resolution unanimously and send it on to the authorities at Ottawa, then I think we are doing a real service to the cattle raisers at this time.

There is another problem, Mr. Speaker, which is also becoming acute, and that is probably vice versa to the problem which I have just pointed out. This is a problem where it pertains more to cereal grains and coarse grains than it would to hay or fodder. As the reason for depleting livestock herds. This situation arises from sources outside our province. In this situation we find, in the province of Alberta, the shortage of cereal grains there on some of the ranch lands, and more particularly because of the shortage of cereal grains in this province, farmers in Alberta who have large stocks of grain have sold up to a point where they would now be in a substantial income tax bracket.

There are farmers in many area of this province who could use immediately stocks of barley and oats from the province of Alberta. But, because, as I pointed out, the Alberta farmer is reluctant to let these stocks go at the present time he is denying the Saskatchewan farmer access to that grain during this critical period.

So I would suggest further to the argument put out by the member for Saltcoats (Mr. Snedker) that some other temporary measure be instituted immediately by the federal

authorities, where they would consider the position of the farmers in Alberta, or the farmers in Manitoba or even some farmers in Saskatchewan who have these stocks on hand. If some measure can be taken immediately to release some of this grain and put it in the hands of Saskatchewan's cattle raisers, at the same time relieving the producers of this grain of any obligations towards income tax for this year, I think that would be rendering a great service towards protecting the cattle herd in this province.

Accepting these facts, and taking recognition of the serious situation at the present time. I would suggest to you, Mr. Speaker, and members here that we would be going a long way towards maintaining our basic industry. In the two matters I have pointed out — I am sure members on this side of the House will agree with me, and I would hope that members on the other side of the House will join with us at this time to see that these two instances alone will receive unanimous support, and that they will receive their full support with the authorities at Ottawa.

So I would, on behalf of the mover of the resolution, and on behalf of my colleagues ask for the united support of all hon. members here this afternoon, to help the agricultural industry in this province stay solvent and to go on from here to become one of the major industries in our three western provinces. I will support the resolution.

The question being put on the motion, it was agreed unanimously.

#### **MOTION RE TRADE UNION ACT**

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

“That this Assembly is of the opinion that the Trade Union Act, being Chapter 259 of the Revised Statutes of Saskatchewan, should be amended to prohibit deductions from wages of employees from being used to finance any political party.”

**Mr. Ed Whelan** (Regina City): — Mr. Speaker, it is very shocking that this resolution would be introduced in a democratic country. Imagine the uproar if a request for comparable bans of the use of corporation funds was asked for in a resolution.

First and foremost, I regard the proposed amendment, if it were adopted, as an intolerable interference in the union's business. It would interfere with the right of trade unions, as democratic bodies, making a democratic decision regarding spending the union member's own funds.

The second reason, I think it would be discriminating against unions, unless we are prepared to apply the same legislation against other organizations. Mr. Speaker, if manufacturers, banks, professional associations and others can support financially and otherwise political parties of their choice, or specific legislative proposals, trade unions have every right to do the same thing. The fact is there would be no objection, in my opinion, if labour supported the same parties as manufacturers and bankers.

Thirdly, it is charged that members are going to be required to make political contributions against their wills. Every safeguard, Mr. Speaker, has been provided for the member who does not wish to contribute a portion of his own union dues to a political party; the decision of whether or not to affiliate with and pay a per capita tax to the political party will be made by a majority vote of the union members. Every member will have the right to vote for or against the proposal. The proposal, once approved, and a union affiliated, an individual member who disagrees with the decision may contract out and thus fully protect his right not to support it. Thus he may vote against the proposal to affiliate, and even endeavour to prevent his local from supporting the democratic party, and if the majority supports the proposal, he can take steps to exempt himself from the decision, and he can do this even if he doesn't attend meetings. Thus, he is doubly protected — protection not afforded ordinary citizens in a democracy.

One may vote against an increase in taxation, but if the majority favour the increase, then the minority pay it whether they like it or not. There is absolutely no evidence that those who, in numerous discussions which have already taken place and who have openly opposed labour support for the New Democratic Party, have been discriminated against in any way.

It is significant to me, Mr. Speaker, that the decision of the British Columbia Social Credit government which adopted this nefarious policy, was first suggested by the union which has been most active in opposing political activity by trade unions, and which management and the press have used as a prime example of corruption and dictatorship.

I refer, Mr. Speaker, to the International Brotherhood of Teamsters which, several weeks before Bill No. 42 (and it was the bill that contained the prohibition regarding political contributions) was announced, made an identical proposal to the Social Credit cabinet in a formal memorandum.

Attempts have been made to scare off supporters of the New Democratic Party by suggesting that the alliance with labour involves an alliance with unions such as the Teamsters. It is to be hoped that the Canadian public will note that the Teamsters are evidently making every effort to block any labour affiliation with the New Democratic Party and in this respect, are in full accord with the Social Credit government of British Columbia and the Liberal opposition here in this legislature.

It is a well-known fact that the financial resources of the old-line political parties come from contributions from various interests. Last year, during the Saskatchewan election members of the Saskatchewan Medical Association were assessed \$100 for the (and I'm quoting now, Mr. Speaker, the phraseology of the hon. member for Gravelbourg (Mr. Coderre) "cotton-pickin'!" purpose of building a fund with which to oppose the Saskatchewan government, and its proposals for a medical care plan.

**Mr. Thatcher:** — Mr. Speaker, on a point of privilege, I think the hon. member is suggesting that some of that money came into the opposition party, and if he is I want to most emphatically deny that, because we certainly received no funds from the Canadian Medical Association.

**Mr. Speaker:** — I don't think a point of privilege can be taken regarding a political party.

**Mr. Thatcher:** — Well, Mr. Speaker, my hon. friend from Regina is suggesting that is where we got money

**Mr. Speaker:** — I don't think it is a point of privilege, and if it is not a point of privilege it cannot be interjected when an hon. member is speaking.

**Mr. Thatcher:** — I am getting a little tired, Mr. Speaker, of my hon. friends opposite saying where we get our funds, and where they get theirs. They both get them from the same place; I've been in both and I know. They don't have to peddle all that stuff around.

**Mr. Speaker:** — Order! The hon. member will have an opportunity to speak in this

debate, but he cannot interject on a point of privilege.

**Mr. Whelan:** — Mr. Speaker, I notice that my hon. friend, the Leader of the Opposition is pretty thin-skinned on this particular point . . .

**Mr. Thatcher:** — Well, I'm thin-skinned when I'm being accused . . .

**Mr. Whelan:** — Mr. Speaker, this is the point I was trying to get to, if I can be allowed to do so without being interrupted. No one in the government has proposed that the Saskatchewan government should now inflict political vengeance upon the doctors by passing a law, as has been proposed in this resolution.

**Mr. Thatcher:** — They've never donated to political parties . . .

**Mr. Speaker:** — Order!

**Mr. Whelan:** — A number of doctors who were required to pay an assessment, Mr. Speaker, as a condition of membership in the Canadian Medical Association, objected to the levy, and do not oppose, but support a medical care program.

**Mr. Thatcher:** — That's a pretty weak argument.

**Mr. Whelan:** — This statement was made, I believe by one of the members opposite the other day, when a certain Mr. Greenberg, who is the International President, Retail Wholesale Department Store Union was quoted at length, and much was made of the statement that Mr. Greenberg was sure that the Retail Wholesale Department Store Union would support the New Democratic Party. I think, Mr. Speaker, he had very good reason to feel confident that they would support this party, because they have supported the C.C.F. for approximately 10 years in this province. I am sure if the members opposite were to talk to the officers of the Retail Wholesale Union, they would find this particular union had taken the lead year after year in making deductions for political activities. In labour councils at the provincial level, and at the national level they have promoted political action by their membership.

I think it is significant that we could have someone in this House quoting someone on coffee-row as being an authority, when they could easily contact the elected officers of this particular union.

**Mr. Coderre:** — Contact the membership.

**Mr. Whelan:** — I was in the membership, I would like to tell the hon. member for Gravelbourg (Mr. Coderre) for four or five years, and I am better acquainted with them than you are, sir.

**Mr. Coderre:** — Would you like to come with me tomorrow morning?

**Mr. Speaker:** — Order!

**Mr. Whelan:** — Mr. Speaker, the inference is that the deduction of union dues for political action is bringing about a rift in the labour union. I suggest, Mr. Speaker, it isn't the rift that is worrying the hon. member opposite, and this is quite evident when they quote some of the unions which they have been quoting, such as the Teamsters. What really worries them is that the Liberal influence among the labour people is gone, and unity among the organized labour groups in this country is in full blossom for the first time in history. The handwriting is on the wall for the corporation-domination of government, which has been the case to date.

The impression was also left, I think, when the hon. member for Souris-Estevan (Mr. MacDougall) and said: "The check-off by the employer would be an infringement on the employer if he were asked to check off political funds for the New Democratic party." I would like to remind the members opposite that the check-off is the hard-earned right of labour union. It means that democratic organization, not only unions but farm organizations, enjoy this right they have earned and fought and maintained as a right; not as an infringement, not as an imposition on the employer or the people they are selling their product to.

This applies in the case of milk producers, tomato growers, trade unions, and so on. I suggest, Mr. Speaker, that the inference that this will be an imposition when it is in reality a right, will be interpreted very badly and very unfavourably by democratic organizations, throughout this country. This right has been established by legislation, and I am sure that any effort by people in this legislature, by hon. members opposite, will receive unfavourable reception by any of the democratic organizations that have won this right over the years.

I was surprised that this resolution was introduced by the members opposite, Mr. Speaker. It came to me as a surprise, because I had been following the B.C. legislature when a similar proposal was contained in a bill that was under consideration in that legislative assembly earlier this year.

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I quote from the Leader-Post, in a story which appeared on their pages March 23, 1961:

“The vote came at 5:20 P.S.T., and was 28 to 18, the four Liberal members voting with the C.C.F. against the Social Credit government.”

This is the part that is typical, I suggest:

“The Liberal vote today was a reversal of their stand when the bill was given second reading in the House after an 11 hour all-night debate last week. At that time three of the four Liberal members voted with the government, Harry McKay of Ferny standing with the C.C.F.”

“In the various votes on amendments and sub-amendments put forward during the clause-by-clause study, the Liberals voted twice with the government; four times stood with the C.C.F., and once stood alone — their own attempt to amend the legislation.”

What I want to go back to is, Mr. Speaker, “that the Liberal vote today was a reversal”, and I want to point out and emphasize that in British Columbia the Liberals voted with the C.C.F. on third reading of this particular bill.

Mr. Speaker, after the records of the Liberal vote in British Columbia, where they voted against similar legislation at final reading, I find it difficult to understand why the hon. member for Gravelbourg (Mr. Coderre) introduced the motion, unless it was because high finance of this country has placed their money on the Liberals in Saskatchewan and the resolution was introduced to keep their nest feathered.

Their example of inconsistency in British Columbia indicates that they cannot, or will not represent the working people in that province.

The resolution before the legislature today is in conflict with the best interests of labour. The Liberal inconsistency in British Columbia, and their outright opposition to labour’s interests in Saskatchewan brings the Liberal party, Mr. Speaker, one step closer to political oblivion as has been the case in Great Britain.

Mr. Speaker, I shall not vote for the resolution.



**Mr. Allan Guy** (Athabasca): — Mr. Speaker, I had not intended to take part in this debate, and I will assure you that I shall be relatively brief.

When I picked up the Leader-Post last night and read the report of speeches made in this legislature by two cabinet ministers and a back-bencher on this motion, I felt that it was my duty to place at least a pat of the truth on the records of this House. Never, in one report, has there been so many untruths and falsehoods and misleading statements and pure nonsense as appeared in the report of the Leader-Post, October 25, 1961 where the speeches of the Minister of Labour, Minister of Public Works, and the junior member for Moose Jaw (Mr. Snyder) were reported.

I would like to spend a few moments on some of these statements that were made, and incidentally most of the statements were made again this afternoon by the member from Regina, which was a repeat of what was said yesterday.

The first statement that was made by the hon. Minister of Labour was this,

“A Liberal motion introduced in the legislature Tuesday was called an attempt to dictate to labour unions how they should, or should not spend their money.”

That is not true, and it is not an attempt to dictate how unions should spend their money. It is an attempt to dictate on how they should collect their money for political purposes, without abusing the democratic rights of the members.

Then he goes on to say that no union is going to be dictatorial enough to pay over to a political party an assessment without the members' consent. Again, this without members' consent is a hollow phrase. Of course the worker will give his consent when his denial may mean the loss of a job or discrimination, or perhaps both. Consent through fear is not a very democratic way of life. Then he goes on again:

“Mr. Williams rejected as ridiculous statements that refusal to contribute through a dues check-off to a political party will leave a worker open to abuse or discrimination. Anyone who suggests there would be discrimination because of a difference in politics has a pretty low opinion of Canadian wage-earners.”

Mr. Speaker, I would say that that statement is ridiculous. We do not have a low opinion of the wage earner, but rather a high opinion of the rights of these wage earners, to be free of the dictatorial methods of their bosses.

**Opposition Members:** —Hear! Hear!

**Mr. Guy:** — After all, it was the union leaders and their organizers who wanted to join a political party for political control; it wasn't the worker, and if the truth were known, Mr. Speaker, it was their desire for power, privilege and pay, rather than satisfying the wishes, welfare and well-being of the working man.

Now, the fourth misrepresentation was 'the resolution interferes with the right of the individual to do as he pleases with his own money.' this is wrong also. Actually, this resolution protects the right of the individual to do as he pleases with his own money. Under the check-off the union member must pay the New Democratic Party, but with no check-off he is free to support the party of his choice.

Those were four statements made by the Minister of Labour, and none of them you could say were true. Let us go on now to the Minister of Public Works. He said:

"It has long been the habit of unions to assist civic political groups. The motion would prevent this, and would interfere with the right of unions to take part in civic politics."

This again, of course, is not true. Support should come and could come, if it is coming at all, from voluntary contributions collected by a canvass made by the party — not by the union. There is nothing in this motion that will prevent a voluntary contribution to any political party. In fact, the representative of the Oil and Chemical and Atomic Workers' Union, Mr. Tell (I think he also works for the Saskatchewan Power Corporation) at a meeting of the Saskatchewan Labour Council last April 22, (and this was reported in the Star-Phoenix of that date) said:

"I would like also to remind them that we in Canada wish to maintain a democracy where we have freedom of speech as well as freedom of choice, of which political party we wish to support. Without being forced to support a party against our wishes,

the New Democratic Party should leave contributions up to individuals, and have monies come in on a voluntary basis.”

So that statement by the Minister of Public Works was a lot of eyewash. And as far as it being a habit of unions to assist union political groups, or civic political groups, as stated by the hon. minister, there is certainly nothing in this motion to prevent this ‘habit’ from continuing as it did before.

Let’s go on to another statement. This time the hon. minister said, reporting from the Leader-Post:

“The fundamental right of individuals to engage in political activities was at stake. Even if a minority want to contribute, they would be prevented from doing so.”

This is utter nonsense, as the Premier would say. There is absolutely nothing in this motion to prevent any person, or any group of persons from engaging in political activity; having money stripped from your pay cheque is not a ‘must’ to participate in political activities. As far as the minority contribution, they can always do this, as I mentioned previously, Mr. Speaker, by a voluntary contribution, and for the best interests of the worker this should be done by someone who is not responsible for or connected with their job.

Now we can go on a little further, and find the statement is made that,

“There is no valid reason to suppose the people of trade unions were opposed to political action by their union, but if there are any who do not want to support political action, they are quite free to do so.”

Now, he’s wrong again. There are a good number of reasons, Mr. Speaker, to suppose that the people of trade unions were opposed to political action by their union. The Canadian Brotherhood of Railways, Transport and General Workers said, “The New Democratic Party must not do anything which relieves the individual member of making up his own mind.” The Saskatchewan Civil Service Association went on record May 19 at their annual convention, “It is not, never has been and never will be connected with the new

party or any other party.”

As I previously mentioned, a member from the Saskatchewan Power Corporation Union criticized the new party on their policies of collecting dues by check-off. The C.L.C. have refused to affiliate with the New Democratic Party, probably for the same reason. So there are a good number of reasons against, and a lot of opposition to political action by unions at this time.

Then the hon. minister tries to muddy the water by phrases such as ‘abrogation of rights’, ‘denial of rights’ and what have you. Mr. Speaker, the only rights that are abrogated or denied are the rights that the union bosses would like to have, to use to control the workers on their jobs, and to force them into contributing to a political party which he has no wish to support. No man should be forced to disclose his politics.

Now we come to the member from Moose Jaw (Mr. Snyder). He went on to say, “There should be little objection to a wage-earner having five cents a month deducted from his cheque for a political party.” He, of course, has missed the whole principle involved. The amount of money that is going to be deducted has nothing to do with it; it is the principle that counts — the whole principle of the motion, which is to protect the rights of the working man, to choose without fear of discrimination the political party of this choice.

The member for Moose Jaw goes on and says: “referring to the political dinosaurs that remain in this country and the province, that the fact remains that this is out of tune with the world of today”. Well, we who sit on this side of the House, admit we are out of tune with the socialist world, the compulsion and regimentation and force, but we are in tune with the everyday democratic rights of every individual in this province and in ‘Canada, in fact, I am sure this resolution is music to the ears of every union man in Saskatchewan today.

Mr. Speaker, as I said when I rose to participate in this debate, I have never seen so many misrepresentations by three members in such a short space of time. Surely the members of the Opposition with fanciful phrases of this kind, and therefore I certainly must support the motion of the hon. member from Gravelbourg (Mr. Coderre).

**Mrs. Mary J. Batten** (Humboldt): — Mr. Speaker, I as the preceding member, had no intention of entering into this debate, but as a lot of people who are in this legislature, and who are in various legislatures of Canada, we have put ourselves into the position of being criticized, and have gone into politics because we do believe in the democratic process. The things I heard this afternoon from the hon. gentlemen across the way certainly got my dander up, because I think if ever a man has the background to appreciate what a union should be, this is the gentleman who spoke on your right, and yet he showed complete ignorance of the basic concept of freedom and democracy.

Mr. Speaker, the Liberals on this side of the House certainly are not interested in putting any kind of a risk into unions, or in sabotaging unions. The only reason we bother with this motion, which we certainly didn't have to — we could have ignored the problem entirely, is because we appreciate the necessity for unions. We want strong unions, and we want democratic unions that are a support to the people that are in them; that preserve the rights of those people and their rights as workingmen all over Canada.

There is no one, Mr. Speaker, who has read the history of working conditions, or the history of unions that does not appreciate the fact that we need strong unions; we need good unions; we need democratic unions; we need people in unions who are aware of their rights as human beings, aware of their rights as working people, and aware of the rights that a working man should have. We need people who can appreciate the fact that capital and labour are not enemies. People who can appreciate that capital and labour should be a partnership, and need to be a partnership in any sort of a democratic nation that is going to achieve a high standard of living for its people. Surely there is no one who would destroy this partnership; this feeling of goodwill which should exist, deliberately. Therefore, I cannot understand the attitude of the members of this so-called New Democratic Party, when they would like to destroy the unions, and I mean this (say it in all seriousness) as they have destroyed other organizations by political interference.

**Opposition Members:** —Hear! Hear!

**Mrs. Batten:** — This has been said in many debates in this House — there is nothing

sacred to these people who are so infiltrated with their socialist thinking that they will use any organization for political advantage, and this is exactly what they are doing to the unions.

Mr. Speaker, surely there is a right of majority to govern, but there is a right, too, of minorities — there is a right that every human being has. And the very basis of democratic government, of democracy in its essence is that a man has the right to a secret ballot, not only a free ballot, but a secret ballot. This has been the whole history of the British democratic system. Surely these people can understand that. Surely they should realize that they are destroying this for every workingman. Is a man any less a man in a democracy because he belongs to a union, and this union has affiliated with this New Democratic Party? Is he less, so that he has no longer the right of the secrecy of his ballot? Has he become a mere ‘thing’ that his wages can be deducted from, to support a political party to which he owes no allegiance? In which he may not believe? This used to be the case many years ago, when one was less than a person, because one was a woman, or because one belonged to the ‘wrong’ religion. This surely is not the case today. We’re not going to make something less of a group of people because they belong to unions. Surely they are every bit as good; entitled to every right that the rest of us have.

I wouldn’t belong to the Law Society of Saskatchewan if they had the right to deduct from me money to pay to any political party, Liberal, Conservative, or C.C.F. I would rather lose the right to earn my livelihood in this province than to be compelled to belong to an organization that could do that.

**Opposition Members:** —Hear! Hear!

**Mrs. Batten:** — Luckily I am in a position where I have a husband who would support me if I did that. These working people who belong to unions are not in that position. They have to stay in the union; they have to be members of that union in order to keep their job. If they vote and say they don’t want this union to affiliate, and the majority defeats them, then they either have to reveal their ballot; they have to show that they are against this New Democratic Party; they have to lose their basic democratic right to a secret ballot, or else they have to support something in which they do not believe.

Mr. Speaker, as long as there is breath in our bodies we won't submit to this indignity to any workingman in the province of Saskatchewan, and that is why we have put this resolution on the order paper of this legislature.

Professional associations are there for the good of their members, not for the majority of the members — for all their members. Therefore, how could any professional association justify the deducting of money from its members to pay to one political association or to another; unless every single one of those members is in agreement, and voluntarily signs up to give that money, I don't believe . . .

**Hon. Mr. Nollet:** — Where is this done?

**Mrs. Batten:** — Well, it's true. It's true of the doctors, too and many doctors upheld their rights not to donate, not to a political party, but to a cause.

**Hon. Mr. Nollet:** — Such nonsense!

**Mrs. Batten:** — This comes from your own mouths. You yourselves said, and I believe I read this in the paper, that the Canadian Medical Association had to pick up part of that tab because individual doctors would not donate that money. They are still practising in this province. The College of Physicians and Surgeons hasn't cancelled their license, because the doctors realize they have a certain dignity they have a certain right as professional people, and every workingman has that same dignity and that same right.

**Opposition Members:** —Hear! Hear!

**Mrs. Batten:** — Don't talk to me, Mr. Speaker, about freedom of choice. A lot of freedom these people have, when they have to listen to people like the hon. member for Saskatoon (Mr. Stone) who got up before the last election, in Saskatoon and said to the working people he was addressing: "If you don't vote C.C.F. you're traitors." Mr. Speaker, this is the type of freedom they are talking about. This is the freedom to coerce and frighten working people because they are dependent upon that wage; they are dependent on that membership in a union; to support a political party that doesn't represent them, Mr. Speaker, and will never represent the great body of our working people.

**Opposition Members:** —Hear! Hear!

**Mrs. Batten:** — For this reason, that working people are dignified human beings, and more and more are beginning to realize, as do the rest of us, that there is a common humanity in us that unites us, no matter what the colour of our face; no matter what our religion; no matter what kind of occupation we are indulging in, and nobody, Mr. Speaker, that tries to divide class against class, and nation against nation is going to success, political or elsewhere, except for a short period of time.

Mr. Speaker, I don't intend to lose my temper, but this makes me see red to see a minority group trampled under (and I mean red advisedly) because there is a party that would do that; there is a party that doesn't have to have unions and that is the Communist party. By trying to say to the working man that they were going to support them; that they were going to protect the proletariat; they took over the proletariat and now the union has no rights under the Communist regime. This is exactly what happens to that type of thinking, and this is why everyone on this side will fight for the right of the individual to make a contribution to any political party he wishes, and to do so voluntarily, as a person — not as a member of a mass or group. He votes as a person; he lives in a democracy as a person; he is a parent as a person; he belongs to a church as a person; he admits to his God as a person, and as a person he has a right to decide what kind of a government he's going to have — not as a member of a class, or group, or profession.

**Opposition Members:** —Hear! Hear!

**Mr. W.J. Berezowsky** (Cumberland): —Mr. Speaker, I certainly did not intend to participate in this debate, but when the hon. member from Humboldt (Mrs. Batten) got up and started to enunciate the rights of people in a democratic country, I couldn't help but think that she left one thing out — two things out. One thing is that people have the right to associate themselves, and as groups make certain decisions. Secondly, she forgot to tell this House, that in a democratic country the majority decides and also that the minority is protected.

I would like to point out that the whole basis of democracy is the right of this majority to make the decisions, whether it is in a government, as we find out in this House, or whether it is in an association such as she has mentioned, or in a group, or in say a labour union. All throughout our democracy we find that the minority has certain protection.



Minorities can stand up and speak on their own behalf, and a minority can withdraw from any decisions which may be made on behalf of the majority.

I will just take a minute to point out why I think, for example, the unions have taken as their stand, that they should work as a group and as a majority to achieve certain purposes. We will recall during the great depression of the thirties, the labouring people and others were sickened by the sufferings, the unemployment and conditions that existed in those days. They have learned, as apparently the hon. members opposite have not learned to this day, to work together, and they are quite prepared as a group to make certain decisions to bring their case forward to the people of Canada, or to the world, for that matter. Because political action is necessary with any particular group, whether it is farmers or working men — (and no one will deny in this House that if you are going to achieve social justice that it has to be through political action) — and because of that simple fact so the only way, in my opinion, that they can achieve this social justice is through combined effort as a group. Yet they have gone so far as to provide in their own group — the minority — that group which does not wish to associate itself with the majority — these can still withdraw support from such a political party if that is their wish.

**Mr. Gardiner:** — With an axe over their head, they're going to support it.

**Mr. Berezowsky:** — This thing about having an axe over your head is getting sickening. We live in a democracy; I have lived here for many, many years and I have stood on the opposition side in many cases in many organizations, and I have never yet had an axe held over my head. This kind of thing that is being peddled here I think is beyond the dignity of those people who believe in a democracy.

I would like to refer to the British Columbia government's action, and again I would like to say that the decision, in my opinion, of the British Columbia government was certainly incompatible with the true meaning of democracy. I may be wrong. The hon. member from Humboldt (Mrs. Batten) expounded and explained what she thought was democracy. I'm not a lawyer. I'm an ordinary man and to me democracy means some of those things I have mentioned at this time.

We have various organizations, and my experience in

these organizations, whether they are commission-operatives, or whether they are local organizations, or labour unions is this, that to collect dues you collect memberships, you appoint an executive who is given authority to go ahead and expend these monies wisely, in the interests of that particular organization. That is exactly what is being done in these unions, for their own protection, for publicity of their case, to fight for their social rights as workers, they have decided that is the way to do it. Yet what is this resolution preparing to do? Exactly what the hon. member from Humboldt (Mrs. Batten) and others have said they don't want done. They don't believe in dictating to people, and yet they want to put on the statute books of this province a restriction telling the membership in these unions what they cannot do. By what right under a democracy can one tell people they have no right to do something they wish to do as a group — be it for political purposes, religious, purposes or any other reasons.

I shall not support the motion.

**Hon. A.M. Nicholson** (Minister of Social Welfare): — Mr. Speaker, I would like a few minutes of the House to make my contribution to this debate. The Leader of the Opposition the other day made reference to the fact that I had used a good deal of pressure on him some years ago when he was an active member of our party, and I must say that the Leader of the Opposition was at that time the wealthiest member of our party and we took the reasonable position.

**Mr. Thatcher:** — Mr. Speaker, on a point of order. I was not suggesting that at all. I was suggesting that my hon. friend was the treasurer, and he made calls on many businessmen in the country, and I didn't blame him for it. The more he got the better, but in his capacity as treasurer . . .

**Mr. Speaker:** — Order! Order!

**Hon. Mr. Nicholson:** — I'm not going to say anything to embarrass the Leader of the Opposition.

**Mr. Speaker:** — Order! Order! I am a little bit afraid that possibly I haven't been following this discussion as closely as I should have, but it appears to me that both the Leader of the Opposition and the hon. minister speaking are both somewhat out of order. The Leader of the Opposition is a little wrong in getting up to reply, and I do not think that the hon. minister speaking

should refer to anything said by the hon. Leader of the Opposition, as he has not spoken in this debate. If he is making reference to something that he said earlier in other debates, it cannot be brought up here.

**Hon. Mr. Nicholson:** — The Leader of the Opposition probably wasn't on his feet, so I will not pursue that further, but I would like to say that a great many people seem to be unduly concerned about the prospects of trade unions in the country contributing a nickel per person per month to a political party of their choice, and I think there is nothing improper about that. I think it is unfair in this chamber, and out of this chamber the references to labour are so irresponsible. I think that the senior member for Saskatoon (Mr. Stone) for example, is a credit to any assembly as is the Minister of Labour, and the members for Moose Jaw (Mr. Davies; Mr. Snyder). These men have belonged to trade unions for a lifetime; they have had excellent training in democratic procedures. I was at the meeting in Saskatoon to which the member for Humboldt (Mrs. Batten) referred, and the speech which the senior member gave was a carefully prepared speech. He was speaking to some of his friends, and he was elected by the people of Saskatoon to head the polls as a tribute to the outstanding work he had done for many years.

A good deal was said about gangsters in trade unions in some parts of the world, but the trade unionists in Canada have had an excellent record. I happen to have the jails as part of my responsibility, and as far as I know we haven't a trade unionist in the provincial jails in this province, and our trade unionists are very good citizens. The members opposite do not seem to get excited about contributions from large firms, and some of them with their assets held chiefly from outside of this country. The junior member from Moose Jaw (Mr. Snyder) referred to a recent article in MacLean's in connection with the Beauharnois incident. Robert Gardiner, who was then a United Farmer member in the House of Commons charged that the Beauharnois was a \$30 million swindle, and Mr. Sweezy, the President, admitted before the House of Commons committee that his company gave over \$700 thousand to the campaign funds of the Liberal party. They also contributed \$125 thousand on the understanding that this was to go to the campaign funds of the Conservative party, but there was some controversy about this. Mr. John Aird, Jr., in his evidence, admitted that he interviewed the president, Mr. Sweezy (had better read exactly what the report says about this). It is quite an interesting section on campaign funds, and the special committee on Beauharnois power project, and starting on page 19 of the report it says:

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“Mr. Sweezy has admitted in his evidence that he was responsible for the following . . .”

**Mr. Danielson:** — I would like the year and the date of that report.

**Hon. Mr. Nicholson:** — Yes, it was July 9, 1931.

In due course we hope to have some information in connection with the famous pipeline scandal, but that isn't available at the moment. This is a public document.

“Mr. Sweezy has admitted having made contributions for a campaign fund totalling \$864,000 which includes \$125,000 paid to John Aird, Jr., of which mention will be made hereafter. Of this total approximately \$300,000 were company funds and the balance was raised by Mr. Sweezy personally, and probably at least in part came out of the large profit made on the sale of syndicate assets to the Beauharnois Power Corporation, and therefore indirectly out of the monies borrowed on the sale of the company's bonds.”

Regarding this payment to John Aird, Jr., who was the son of the President of the Bank of Commerce at that time, Mr. Sweezy said:

“I know we made a contribution to someone who represented himself as standing up for Ontario funds of this kind, and this representation was made to him by Mr. John Aird, Jr.

Asked what Mr. Aird said, Mr. Sweezy's answer is: ‘That he thought a contribution would be in order to the Ontario Conservative party, because we would probably be having a lot more dealings with the Ontario people, and a gratefulness will always regard it as an important factor in dealing with a democratic government.’”

In the course of the evidence Mr. Sweezy was asked if he had been canvassed for a contribution for the Progressive

party, (and this was before the days of the C.C.F.). His reply was that he had not been canvassed, and had not made any contribution. I think it is significant that members opposite do not seem to think there is anything improper with a corporation which, it was charged, had put across a swindle of \$30 million on the Canadian people, admitting before a parliamentary committee that this company had given a total of over \$800,000.

I want to submit, Mr. Speaker, that if the trade unionists in Canada, in their democratically controlled organizations, want to give five or ten cents a month, or any amount they desire, to do anything with it, that they should be at perfect liberty to do so. I will be interested to see how many members in this chamber are prepared to stand up and vote for a proposition such as we have before us.

**Mr. Bernard D. Gallagher** (Yorkton): — I would only like to make a few comments on statements that have come from the other side of the House. The member for Regina city suggested that the manufacturers, the banks, the mortgage companies are all free to contribute to any political party. Yes, they do contribute to political parties possibly. I wish that we were getting some of their money, but there is no law that says that they have to contribute to any political party, any more than there is a law that says that the breweries have to contribute to a political party. It is quite a different thing, Mr. Speaker, that the laws of this province should force working people, often against their will, to contribute to the financing of any political party in this country.

Now the member for Regina (Mr. Whelan) mentioned the fact that union members can vote against belonging to this political party. That is quite true, they can. But at the same time, even though they may vote against joining the N.D.P. there may be 49 per cent vote against it, but because 51 per cent of them voted in favour of aligning themselves with N.D.P. those other people are forced to finance it. And if they don't want to finance it they must sign out. Now this is destroying the secret ballot, something that we have cherished in this country for hundred of years, every since this country became settled. He mentioned also that the medical association taxed their members \$100 or some figure, I don't know just what it was. That is their privilege to tax their members as much as they like. The government didn't force them to do this. Under the laws of this province because of the Trade Union Act, the trade union members are being forced to finance the N.D.P.

This is a case, Mr. Speaker, of freedom of choice. I think it is a very important thing for the members of this legislature to stand up and defend the people of this country, the working people of this country.

I think the reason members on the other side of the House are opposed to this motion, is because when they look over the history of this country, they realize the working people by and large, over the last 50 years, most of the time have supported Liberal governments, and when they were looking for a new base to get off the ground because the C.C.F. had failed nationally, they latched on to some socialist union leaders, whom they thought could deliver both the vote and the money. I think that working people of this country who have had freedom of choice, freedom of speech, freedom of religion, freedom of the press for so many years, should be protected to have the freedom of the right to vote for whoever they like and the right to finance any political party that they may feel fit to contribute to. I am sure there are many working people in this country who contribute to no political party. That is their business, if they don't want to contribute they shouldn't be forced to. If the group that sits to your right thought that they could get away with it, they would force the farmer's union members to contribute to them, or force the Wheat Pool members to contribute to them. I am going to say this, Mr. Speaker, before I sit down that anybody that will not support this motion believes in a one party system of government, and that is why I am going to support this motion.

**Mrs. J.E. Cooper** (Regina city): — Mr. Speaker, I had had no idea whatsoever of participating in this debate. The member for Humboldt (Mrs. Batten) said it made her see red. Well she made me see red a little bit too, and some of the pious statements that have been coming from that side of the House about freedom and democracy. They don't know the meaning of the words.

I would like to say this. I have sat here and listened, not only in this session but in other sessions, and particularly now, to the members opposite express utter contempt for the workingman — utter contempt for union members. You tell us here that the workingman who joins a union is a jellyfish, a spineless individual, an individual who trembles and cowers every time he sees the big union boss with a club. Now is that sincere? Do you really believe that? What kind of people do you think the union members are?

**Mr. Danielson:** — I resent the member for Regina . . .

**Mrs. Cooper:** — You can resent it when I am through.

**Mr. Speaker:** — Would the hon. member from Regina please sit down.

**Mr. Danielson:** — . . . making statements that have never been made on this side of the House.

**Mr. Speaker:** — I am standing and would hon. members please take their seats. I have been doing my utmost but I cannot make him sit down.

**Government Member:** — No you can't, but it is time that you made him sit down.

**Mr. Speaker:** — Order! Did the hon. member have a point of order when he rose.

**Mr. Danielson:** — Yes.

**Mr. Speaker:** — What was the point of order.

**Mr. Danielson:** — She is accusing me and other members on this side of the House of standing up in utter contempt for the labour men.

**Mr. Speaker:** — I don't think that is a point of order. Will the hon. member please be seated.

**Mr. Danielson:** — The statement has never been made on this side of the House and she knows it.

**Opposition Member:** — Hear! Hear!

**Mrs. Cooper:** — Mr. Speaker, I still contend that the kind of statements they are making show utter contempt for the working people who belong to unions.

**Mr. Coderre:** — On a point of order, Mr. Speaker, is there not a rule in the House where a person cannot impute motives? she has been imputing motives throughout . . .

**Mr. Speaker:** — I don't think she is imputing any motives.

**Mr. Coderre:** — Well I don't know, it certainly sounds that way.

**Mr. Speaker:** — As I said before, I consider that the imputation of motives is to be condemned if it is in regard to individual persons, but in regard to groups I don't think it is a serious offence.

**Mrs. Cooper:** — May I continue? You have referred to their leaders as gangsters — Union bosses that dictate to the people and they don't dare say anything. The ordinary union member hasn't got the courage to stand up and speak for what he believes. That is what you have been telling us — member after member from that side of the House. This is what you've been saying.

**Opposition Member:** — Let her go, nobody is going to pay any attention.

**Mrs. Cooper:** — Let it be a point of order for goodness sake.

**Mr. Foley:** — Could the hon. member quote any statement made by the opposition in which we question the courage of the working people of this province?

**Mrs. Cooper:** — Yes. I can quote plenty.

**Mr. Foley:** — Would you quote one statement.

**Mrs. Cooper:** — On a point of order, I have just been quoting them.

I would like to say this, Mr. Speaker, that in my opinion, there is one reason for this motion. It has nothing to do with freedom or democracy. It is fear on the part of the Liberal opposition that for once the New Democratic Party may have enough funds to compete with the other political parties.

**Government Members:** — Hear! Hear!

**Mrs. Cooper:** — I think that will do.

**Mr. A.T. Stone** (Saskatoon city): — We have seen much confusion and division amongst the Liberal caucus in this session more so than any other session we've been here.



Now we're seeing confusion and division amongst their political affiliation in other parts of the country. It is hard to reconcile the stand the opposition, the party to your left, Mr. Speaker, has taken after the stand that was taken in the B.C. legislature a little while ago.

Now I suggest that some of the members of the opposition haven't even read the resolution before them. They are asking that the Trade Union Act be amended to, in simple words, do away with the check-off for a political party. Most of their argument has been against the check-off. They don't like it. They think it is a vicious form of collecting. There has only been one member, that is the lady member for Humboldt (Mrs. Batten) in her vehement manner has in some way implicated the government on this side, that we have forced the workers to do this. Because of this we should correct this situation by amending the Trade Union Act. Yet she put up no proof in any shape or form how this government was responsible, and I suggest that the members go the trade unions themselves and present their argument to them, and convince them in some way shape or form that they have made a mistake. I am sure that the unions will be interested to hear their point of view.

Mr. Speaker, when the motion first came on the order paper, I thought I would spend a lot of time in research, dig up a lot of data, statistics and get a well-prepared speech. Then after you sit in this legislature some time, and sort of size up the members on the opposition side, and I have no doubt they have sized us up in the same manner, my second reaction was, why spend the time and the effort to try and convince those who have no conception of the labour problems. So, Mr. Speaker, I think my decision was a very wise one because I heard the Minister of Labour, the two members from Moose Jaw, who had spent years of active participation in the labour movement, give very excellent speeches, speeches that I'm sure must have taken a lot of time and a lot of research, only to have them fall on deaf ears, Mr. Speaker. Although I think it had to be done, I am glad I did not spend the time that these members did.

I like the member for Gravelbourg (Mr. Coderre), Mr. Speaker, I like him very much, and I think his one desire in public life is to become an authority in labour matters. I wish him well. I wish he did understand the problems of labour management better than he does, and if I can offer him any advice, in any way shape or form, I would suggest that he doesn't get his information on coffee row, or in the warehouses as he suggested, he might get a lot of misinformation that way, but if he could possibly read up — we have some very good books in our library here, or he might contact some good labour men in the city.

Now I know there are certain labour leaders that the opposition don't think very highly of, but there are a lot of good labour men in the city who I am sure would be happy to spend some hours trying to put some knowledge into the head of the member on the other side. But, Mr. Speaker, I am not suggesting that this is the best way. The best and the only way to become an authority on labour is to get it the hard way, to work up through the ranks of labour and know just exactly what the problems of the workers are. I think most members on this side will remember our late and beloved leader Mr. J.S. Woodsworth, who deliberately became a longshoreman with the express purpose, he lived among them, worked among them with the express purpose that when he stood up on their behalf, fighting their cause, he knew what he was talking about. More especially, Mr. Speaker, it was from his heart and not from his head, as so many well wishers who give lip service to labour, do on so many occasions.

I think, Mr. Speaker, that labour is coming to the point where they realize they can no longer send nice men and women — they are honest and sincere, they speak well, but they just don't understand the problems that face labour. We hear much said about our labour relations board, and the opposition to it. I can understand those that have been successful in the court of law, and I can also understand other people who do not realize the complex problems that do face labour not really understanding the reasons for a labour relations board. We have autonomous boards for the injured workers. Even in this province, Mr. Speaker, this was brought in by the Anderson government and it was a condition of labour support that they brought in this autonomous board. Unfortunately the constitutional rights of the B.C. compensation board is before the Supreme Court of Canada at this time. It would be a very tragic day for the injured workers if these boards are lost to us across Canada.

**Mr. Coderre:** — Are you speaking on the motion?

**Mr. Stone:** — I am trying to point out the fact that so many nice, well meaning people think they are doing a wonderful job for labour and actually they are doing them much harm.

The debate was adjourned by Mr. Stone.

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