

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Second Session — Fourteenth Legislature
16th Day

Wednesday, November 15, 1961.

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

On the Orders of the day:

QUESTION RE PRAIRIE POTATO PRODUCTS

Mr. David Boldt (Rosthern): — Mr. Speaker, before the orders of the day I would like to direct a question to the Minister of Industry and Information, but he is not in his seat, perhaps the Premier could answer the question. Is the government or industrial development office considering more financial aid to Prairie Potato Products of Rosthern, who have been out of operation since May due to lack of finances.

Premier Lloyd: — Mr. Speaker, I am afraid I have no definite and up to date information with regard to it. I know that the problem has been under consideration by the department, but what they have been able to find that they might do to help the operation, I am afraid I can't say.

QUESTION RE SUPPLEMENTARY ALLOWANCE

Mr. Bernard D. Gallagher (Yorkton): — Mr. Speaker, before the orders of the day I would like to direct a question to the Minister of Social Welfare. It seems that, from the answer that I have received on a return that was laid on my desk that there are one thousand less people receiving supplementary allowance on this date than there were two years before, and I would like to know why this occurs and what is most significant to me is that of the 15 thousand receiving it there are 7,754 receiving . . .

Mr. Speaker: — Order! The purpose of asking questions is not to dispense information but to acquire it.

Mr. Gallagher: — Mr. Speaker, could I have the answer from the minister?

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Hon. Mr. Nicholson: — Mr. Speaker, I understood that it wasn't appropriate to debate questions. I couldn't hear what the hon. member stated but if he will give me a copy of what he said I will try and give him the information. I couldn't hear over here, what the hon. member said, and I gather it wouldn't be in order to debate a question of this sort at this stage.

Mr. Gallagher: — Mr. Speaker, all I wanted to know was why there were one thousand less people getting supplementary allowance on this date, to what there were two years before.

Hon. Mr. Nicholson: — The answer would be that one thousand less people qualified for the benefits. Every application is considered on its merits and the economy must be better than it was two years ago and there aren't as many people applying.

Mr. Gallagher: — Could it be, Mr. Speaker, that those people are better off financially or the government has got more miserable.

Mr. Speaker: — Order!

QUESTION RE CRESCENT DAIRIES

Mr. J.W. Gardiner (Melville): — Mr. Speaker, before the orders of the day, yesterday the Attorney General wasn't in his seat at the time that I brought this matter up, but in answer to a question with regard to the operations of Crescent Dairies, the minister stated, or his department stated that nothing wrong had been found in the operations of the company by the Securities Commission. There are many people in the Melville district that have lost money through investing in Crescent Dairies that have asked me to enquire of the government if action and investigation will be taken because none of them were approached by the Securities Commission for information with regard to the investigation the department claims took place. I would hope that the Securities Commission would undertake a proper investigation to protect the interests of the people of the Melville district.

Mr. Speaker: — Order! Is this a question?

Mr. Gardiner: — Yes.

Mr. Speaker: — I must point out to the hon. members that oral questions on the orders of the day are not asked as a matter of right by any members. It is simply allowed by the House. These questions are to be placed on the order paper, and the ministers given a proper opportunity to answer them. They are not asked by a matter of right.

Mr. Gardiner: — Mr. Speaker, I was just asking the minister if he was going to take further action in this regard.

Mr. Speaker: — As the Clerk has pointed out these questions are also governed by exactly the same rules as those on the order paper. They cannot be wordy and lengthy; they must come to the point; and they must seek information.

Mr. Gardiner: — I wonder if I could then have an answer from the minister as to whether any further action is going to be taken in this regard?

Hon. Mr. Walker: — Mr. Speaker, if there is any further evidence that suggests action is necessary, further action will be taken.

Mr. Gardiner: — Mr. Speaker, I contend there is plenty of evidence.

Mr. Speaker: — Order! This is not a place for contending.

Mr. Gardiner: — The people have lost \$30 thousand.

Mr. Speaker: — Order!

QUESTION RE FEES ON CULL LUMBER

Mr. F.E. Foley (Turtleford): — Mr. Speaker, I would like to direct a question to the Minister of Natural Resources. It is my understanding, sir, that the stumpage fees and compensation for cull lumber is the same as it is for first grade lumber. I wonder what the reason is for this, and if any consideration is being given to lessening the fees in order to encourage contractors

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to make better use of cull lumber in the north, instead of having it lie and rot as it is at the moment?

Hon. Mr. Kuziak: — I would like, Mr. Speaker, to say that for cull lumber that has been worm-infested, we're taking off the dues completely, and asking the timber board to take it out, and if the timber board doesn't take it out then anybody go in and get it out, without payment of any dues.

Mr. Foley: — Mr. Speaker, I would like to ask a supplementary question. I have communication from a contractor who is under the impression at the moment that the stumpage fees at \$6 a thousand and compensation of \$2.25 a thousand must be paid for cull lumber. Is this a change in policy, Mr. Minister, or are they not properly informed in the northern part of the province?

Hon. Mr. Kuziak: — It all depends what cull lumber you mean. I pointed out that any worm-infested timber is going to be taken out without any dues, as of a month ago.

THIRD READINGS

Bill No. 2 — An Act respecting Income Tax.

Hon. Mr. Blakeney (Provincial Treasurer): — Mr. Speaker, this is third reading of the income tax bill. We have had in the House a very full discussion of the principle of the bill on second reading and I do not think it is appropriate to add anything to what has been said by members on both sides of the House on that occasion.

As I indicated we had a very full discussion of the full background of the tax-rental agreements, the tax-sharing agreements and the collection arrangements which are presently proposed. We had a good discussion on the bill itself and the proposals which it incorporates for the federal government to collect income taxes on behalf of the province.

Then in committee we had a careful clause by clause discussion of the bill and we dealt with a good number of the particular questions which will arise under collection

agreements pursuant to the bill. There were, Mr. Speaker, no amendments in the committee, except mere typographical ones or drafting ones, nothing which would affect in any way the principle of the . In view of the fact that we have had, as I suggested, Mr. Speaker, a very full discussion of the principle of the bill on second reading, and a very full discussion clause by clause of the bill when we were in committee of the whole, I feel it is not necessary to take the time of the House to dwell on the principle of the bill further and accordingly I now move the bill be now read a third time and passed under its title.

Mr. F.E. Foley (Turtleford): — Could I direct a question to the minister before the vote is taken?

Mr. Speaker: — The time for questions would have been before the minister sat down. You can speak in the debate if you wish.

Mr. Foley: — Mr. Speaker . . .

Mr. Speaker: — At the close of his speech rather — I have not put the question and the debate is open and if you wish to take part in the debate. So far as asking a question of the minister without taking part in the debate, I don't think it is possible at this time.

Mr. Foley: — Mr. Speaker, I didn't want to interrupt the minister. It is my understanding that the province will receive in benefits from the federal government the same amount this year, and possibly next year as if this agreement were not being signed. Now, I would like to ask the minister, during what year will the province begin to feel the pinch, (you might say) as far as this new tax-rental agreement is concerned.

I have attempted to read through the subsidization formulas, which I think even the minister will agree are rather complex — in the black manual which accompanied the act, and I think the colour was very appropriate. I would just like to ask the minister when the province will begin to feel the impact of this tax-rental agreement in terms of dollars and cents — in the next few years?

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Mr. Speaker: — It is my opinion that that question should be held until the close of the debate. Under the circumstances I think it would be advisable to take . . .

Hon. Mr. Blakeney: — Mr. Speaker, I would like to deal with the hon. member's question on a couple of levels. first, to say that we will receive under this bill the same as we would have under the old agreements is accurate if we ignore the six-point surcharge that as we have indicated is in the bill. This will be extra.

Secondly, it is accurate to say that ignoring the six-point surcharge we will receive under these arrangements the same amount as we would have received had the old arrangements continued in effect. We will feel the pinch by reason of the fact that whereas the federal government is progressively withdrawing from the income tax field — from the 16, 17, 18, 19, and 20 per cent successively, we will receive no benefits from this progressive withdrawal. All this benefit will go to other provinces. Furthermore all benefits which might have accrued by reason of advances in the level of activity of the country over and above those which would have been reflected in the old formula will not come to us.

Basically what we are losing is the fact that whereas other provinces will receive benefits from this withdrawal of the federal government from the income tax field to the extent of 16 per cent, we will receive that benefit at the 16 per cent level, but other provinces will in a few years receive it at the 20 per cent level, and we will still be left at the 16 per cent level, if I may over-simplify it to that extent, and I think that is a fair way to state it.

Mr. Foley: — If I might just . . .

Mr. Speaker: — You can ask for a clarification of the same question.

Mr. Foley: — On the same matter, Mr. Speaker, it had been my understanding that as the federal government progressively withdrew from the income tax field, we would of course gradually take it over in the extent of the percentages he mentioned, but that the actual income to the provincial treasury would vary but

little. I wonder if he could just explain why we will remain at 16 per cent while the other provinces will rise to 20.

Hon. Mr. Blakeney: — Well, I don't have my manual here and I can't recall all of the factors in the formula. In effect the equalization formula which previously we got was our share of the yield from these three tax sources — the income, corporation and estate taxes — plus an equalization formula, to bring us up to the level of the highest provinces. Well now, if I again may over-simplify, what has been done is that the equalization formula has in effect been reduced to compensate for the fact that our share of the three shared taxes will go up. It will go up because firstly, it was calculated at 16 per cent. In a few years it will be calculated at 20 per cent. This means that our share of the shared taxes will go up. But unfortunately, our equalization payments will be lowered so that we will not receive anything more than we would have under the old agreements. It is the leveller which is adjusted and this will mean, as I say, that we will be no better off than we would have been if the old agreements had continued at the 16 per cent level. I point out that other provinces will be better off to the extent that they will be sharing at the 20 per cent level.

Mr. Speaker: — Is the House ready for the question? I think possibly under the circumstances that I shall consider that this bill has not been debated.

The question being put it was agreed to on the following recorded division:

YEAS — 33

Messieurs

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

NAYS — 11
Messieurs

Thatcher
Batten (Mrs.)
McCarthy
McDonald

Danielson
McFarlane
Gardiner
Foley

Guy
Boldt
Gallagher

SECOND READINGS

Bill No. 4 — An Act to provide for the Postponement of the Tabling of Certain Documents.

Hon. R.A. Walker (Attorney General): — Mr. Speaker, the various acts governing crown corporations and governing the professional societies and other similar legislation provides for the tabling of bylaws and reports in this assembly within 15 days after the commencement of the legislative session.

I think, Mr. Speaker, that it is generally conceded that the House probably will not wish to see these reports tabled except at the regular annual session, held usually in February, March and April. If we do not pass this legislation then of course we will be in violation of the various statutes. The government would be obliged to table these various reports, such as are available at the moment, now, and if they were tabled now and the session does not continue so as to give the committees an opportunity to review the reports, then the report would be gone — the legislature and the committees of the legislature would be completely deprived of any opportunity to consider these reports in the future.

The government believes that it is in the interests of all members to see to it that the reports which are now ready to be tabled are held until the next session of the legislature so that they will not disappear in the dust bin of history when this session is concluded.

I think it is reasonable to assume that we are not going to have committee meetings now, in this session, at least I haven't heard that there is any demand for committee meetings and it would be a pity if the legislature

were deprived of an opportunity to give full consideration to these reports at our regular session of the legislature when we have machinery functioning to give that consideration.

Therefore, this general bill, will have the effect of setting aside all the multitudinous statutes found in the University Act and other acts — all of these acts will be set aside so far as the requirements to table reports is concerned at this session of the legislature.

This bill will not have application to other future special sessions, but only to this one session. So, Mr. Speaker, with those words of explanation I move that the bill be now read a second time.

Mr. Gardiner: — Mr. Speaker, I would like to ask the minister a question before he takes his seat. I wonder if he could possibly give us an idea of what reports are ready to be tabled at this time. He states that some of them are ready. What reports are ready to be tabled at this time if they were to be tabled in this session?

Hon. Mr. Walker: — I haven't attempted to make an exhaustive list of reports. There are a number of bylaws from professional societies. They are required to file their bylaws with the provincial secretary within 30 days after the bylaw is passed. Now we have a batch of them and they could be tabled. There are some of the crown corporation — one or two whose fiscal year ended after the last session of the legislature ended and before this one commenced. I think transportation is one — that is the only one I can call to mind. It would necessitate getting the report ready and presenting it to the House at this session, with the result that it would be lost for discussion when the regular meetings are held on crown corporation committee.

Mr. McFarlane: — Mr. Speaker, I don't . . .

Mr. Speaker: — Order! If you have a question you can ask it before he sits down otherwise you will have to . . . or do you wish to take part in the debate?

Mr. McFarlane: — I was just going to have a few words to say on it.

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Mr. Douglas T. McFarlane (Qu'Appelle-Wolseley): — Mr. Speaker, my remarks aren't going to be very lengthy, I have just a few remarks I want to make in light of what the Attorney General has said. I was quite interested to know — he says at this time that we have annual reports available from some of the different crown corporations and some of the departments responsible for having tabled reports.

Now the part that I would like to bring to the attention of members of the House would be that in past sessions when we have asked that the legislature convene earlier in February and therefore avoid some of the rush that is always felt later on, the excuse to us in the past has always been that these annual reports weren't available and they could not be tabled, therefore, the opening of the session had to be delayed. In view of what has been indicated to us this morning by the Attorney General, I would suggest that in the interest of the members of this legislature in the future, that possibly now these reports are available at this time of year, certainly then the excuse for holding the opening of the legislature to a later date in February would not be valid. I would suggest that it would be in the interests of the members of the legislature and in the interests of the government that in the future consideration be given to opening the legislature earlier in February, or even in the latter part of January.

There is every indication now that legislatures, not only in Saskatchewan, but throughout the length and breadth of Canada are having more and more work every year. In view of the fact that in Saskatchewan we have a good deal more crown corporations' business, this necessitates more work. So I would suggest, Mr. Speaker, that the government give recognition to this fact, and seriously consider opening of the legislature earlier in the year.

Mr. W. Ross Thatcher (Leader of the Opposition): — Mr. Speaker, I have a word to say in connection with this bill. The opposition of course has no objection to what the Attorney General has said this morning. But, like the member for Qu'Appelle-Wolseley, (Mr. McFarlane) I think it would be helpful in future if we could begin the public accounts and the crown corporation reports a little earlier. I know coming into the legislature now, myself, I found it very difficult . . .

Mr. Speaker: — Order! I can't see how this argument regarding having the session earlier in the year has any bearing on this bill.

Mr. Thatcher: — I am not, Mr. Speaker, suggesting the session should be earlier. But I am suggesting that these reports which have been mentioned, such as public accounts, crown corporations, and the various committee reports should be in our hands at the earliest possible moment. I know there are difficulties. But I think it would facilitate the work of the opposition, if we could get these reports in our hands at an earlier date.

This is particularly desirable, Mr. Speaker, in view of the fact that the government refuses to give us adequate research help — in view of the fact that we still have only one person on our payroll.

Mr. Speaker: — Order! I cannot see how this can have any bearing on the provisions of this bill at this time.

Mr. Thatcher: — I will accept your ruling.

Mr. Speaker: — I think it is a different question.

Mr. Thatcher: — I thought, Mr. Speaker, it might facilitate the effective job that the opposition can do if the new Premier would look into this matter of opposition assistance again, and see that we have better facilities.

Mr. Speaker: — Order!

Premier Lloyd: — Mr. Speaker, I would like to say one word in regard to the out-of-order discussion which has gone on.

Mr. Speaker: — I realize that I do put myself in a bad position, but I think this discussion should cease. The tabling of these reports and the extra assistance for the opposition office have nothing to do with this.

The question being put it was agreed to.

Bill No. 3 — An Act to amend The Education and Hospitalization Tax Act.

Hon. A.E. Blakeney (Provincial Treasurer): — Mr. Speaker, this bill provides for an amendment to the Education and Hospitalization Tax Act. The amendment in effect does two things. It raises the level of the tax from three per cent to five per cent and it changes the name of the tax from the Education and Hospitalization Tax Act to the Education and Health Tax Act.

The bill itself is quite short and consists primarily of insertions of a word such as 'health' for the word 'hospitalization'. The principles involved in the bill require very little explanation. In debates earlier in this House, Mr. Speaker, the then Provincial Treasurer, the present Premier, outlined in a good deal of detail the proposals for financing the medical care plan and in the course of his remarks he indicated that the plan would in part be financed by the application of an increased education and hospitalization tax. He indicated that inasmuch as the revenues from this tax would be going partly for hospitals and partly for the medical care plan, it would be appropriate to rename the tax and call it the health tax. The bill provides for this.

He indicated also that the demands upon the provincial treasury for the financing of education were continuing and were likely to increase and that it would be appropriate in his view to increase the amount which accrues to education from the sales tax from 2 per cent to 2 ½ per cent. He indicated that the requirements of the medical care plan and hospital requirements would require a tax of about 1 ½ per cent. This accounts for the 2 per cent increase. And, as I have just indicated the 2 per cent is to go ½ to education and 1 ½ per cent to the medical care plan, and hospital requirements.

With respect to the 1 ½ per cent which is to go for hospital requirements and for the medical care plan, I think members will be aware of the financial requirements of the medical care plan. The Thompson commission set out its estimates of the costs and the then Provincial Treasurer, as I previously indicated, suggested that these estimated costs — estimated by the Thompson committee — would be met by the three taxes which we've earlier referred to — the per capita tax, the income tax and the sales tax which I'm now dealing with.

In addition it was indicated that additional funds will be required for the hospital plan. Members will know that the costs of providing hospital care have continued to rise, not at an alarming rate but nonetheless at a rate which required additional financial provision. The greatest single increase in the last short period has been the extra requirements for the capital costs of the hospitals. The government's policy with respect to grants for the capital's costs of hospitals has been changed to make these grants much more generous, with the result that whereas previously a local hospital might expect to receive from the provincial government, perhaps some \$2,000 a bed, they may now expect to receive \$6, \$8, or \$9 thousand a bed by way of provincial government grants.

Having regard to the fact that hospital construction is a very costly business, these additional grants necessarily put a very substantial strain on the provincial treasury. Ways had to be found to meet the increasing cost of the hospital plan as well as the new costs for the provincial treasury which will be incurred when the medical care plan is introduced.

I am sure that no members, either on this side of the House or the other side of the House, will be unsympathetic with the requirements — particularly the capital requirements of hospitals. The local communities and local religious organizations and others who have previously been faced with the need to finance the capital costs of hospitals were finding it exceedingly difficult to finance on the basis of the not very adequate federal government grants of \$2 thousand a bed and the previous provincial government grants and with this in mind the program was reviewed and ways were found to provide extra funds.

Now, I am not suggesting that all of the funds will come from this tax but a portion of the 1 ½ per cent increase in the tax will go for hospital requirements, both operating requirements and capital requirements.

Now with respect to the ½ per cent increase for the purposes of education, I can only report to the House what hon. members already know, that all the local government organizations have asked, over the years, for additional provincial support and participation in the financing of education. They have asked also for additional federal participation and support for the financing of education. The federal support has not been forthcoming in

direct form. It can be argued and I think argued with some force that succeeding federal governments have made additional funds available to the provincial governments by way of tax-rental agreements and tax sharing agreements and all the other things we've been talking about in the House and that some of this might fairly be said to assist the provinces in the financing of education. I don't intend to deny this. I will say that the absence of federal support has retarded educational development in this country and this is a view held not solely by me, but generally by people in the education field and people in the provincial government field across Canada.

I don't want to digress too widely. Mr. Speaker, but I think members will know what has really happened to the Canadian economy and to the Canadian approach to governmental services in the last two decades, or three. We have seen our country grow from a relatively low tax, low service country into a higher tax, higher service country. We have demanded from our governments, our provincial governments and our federal governments, and in part our municipal governments, a much higher level of service. We've demanded protection against unemployment. We've demanded greater measures of social welfare. We have demanded higher standards of health care, and we have demanded higher standards of education. It just happens that because of the constitutional structure of our country, almost all of these demands must be met by the provincial governments, in the first instance, because under the British North America Act the provincial governments have the responsibility for providing educational facilities, health facilities, welfare facilities and, previously, unemployment protection.

But, it just also happens that the only really available tax sources to finance these additional services were in the hands of the federal government. It is, I think, fair to say that generally as citizens we agreed that these services should be financed by taxes bearing some relation to ability to pay. So we have more or less agreed as a society that these should be paid for out of income and corporation taxes. So we have evolved ways, the provinces and the federal government have evolved ways of tapping these tax sources — income and corporation tax sources — to provide the services which I have referred to. We found a whole variety of ways. One of them is the tax-rental agreements which I referred to.

Now, with respect to unemployment, we have found a way of dealing with this problem by removing the respon-

sibility from the provincial governments to the federal government. Members will know that in 1940 an amendment to the British North America Act was passed and the responsibility for protection against unemployment was placed with the federal government, and the Unemployment Insurance Commission and the acts were set up — the insurance arrangements.

With respect to health care, we have found ways of infusing massive sums of federal money, income and corporation tax money, into the health field, by a variety of health grants and latterly by the federal participation in the hospitalisation scheme. In the welfare field we have found ways of infusing massive sums of federal money — again income tax money and corporation tax money into the welfare field. Members will know that welfare costs, perhaps 40 per cent 42 or 43 per cent, are borne by the federal treasury.

So in these large areas of provincial responsibility arising as a result of demands by the citizens in the areas of unemployment protection, health care and welfare, we have found ways of infusing massive sums of federal money into the support of these programs. I regret to say that with respect to education — perhaps the most costly service of all — we have found no way of infusing such massive sums of federal money. Members will know that some federal money — direct federal money — has been flowing into the field of financing of universities — not a large sum but not insignificant. Members will know also that some federal money has been made available for financing the capital costs and to a lesser financing the operation of purely technical education. But for the large part of university costs and for almost the whole cost of operating school systems, no way has yet been evolved of infusing any massive sums of federal money directly into providing these services.

I repeat that indirectly it might be said that through the tax-rental agreements, tax sharing agreements, some money finds its way into education. Unfortunately there are many other claims on provincial funds — highways and many other services which are to be provided by a provincial government for its citizens.

So this has left education as something of a Cinderella in the field of sharing the bounty of the federal government which it dispenses as a result of collecting income and corporation taxes. This has put very heavy pressures on provincial governments and on local

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governments. When these pressures have occurred, naturally the local governments have looked to their provincial governments. I don't need to burden the House with repeating the many requests which this provincial government has received from local government organizations for additional support in the financing of education. The Saskatchewan School Trustees Association regularly requests that support. The Saskatchewan Urban Municipal Association and the Saskatchewan Association of Rural Municipalities also request this support. While they do not have any direct responsibility for financing education they do act as the agents to collect the school taxes, the mill rates, and they know that any sharp increase in mill rates will have the effect of restricting the areas of taxation which they are able to call upon to provide for necessary municipal services. The province, in response to these many demands has over the years, attempted to find additional funds for education. Again the result in this field, in my view, has been rather impressive. The school grants have increased ten-fold over the last 13 or 16 years from the order of \$3 million to the order of \$30 million plus. Notwithstanding these very substantial increases, costs continue to rise and they continue to rise for reasons which we would all applaud — because a larger number of young people are going to school — because a larger number are staying on to complete their years of high school and because a larger number are getting additional opportunities and enjoying improved facilities. We would all applaud this but unfortunately we must all pay for it.

One the ways that has been found to pay for this is the direct sales tax. The need of a direct sales tax for education is such that I don't need to defend it here. The 2 per cent existing sales tax for education has as you know been in effect in this province for 20 some years anyway — it is back in the thirties — 1937 or 1938, somewhere about that time. The need was felt then and the need has continued because of the increase in requirements for education. The need is now apparent, I think, for a small increase in this tax to 2 ½ per cent so that additional funds may be found for this very necessary service and that some relief may be provided for our local governments.

I think that we all regret that funds for education cannot be made available from tax sources such as those that are open to the federal government and I speak particularly of income tax and corporation tax, because for the most part, the income tax and corporation tax bear some reasonable relationship to ability to pay. By and large a

person who makes a lot of money and is able to pay a high tax, pays a higher income tax than does a person whose income is small. Not only a higher income tax, but a higher proportion of his total income. The tax is called progressive. It is inordinately difficult for provincial governments to make their taxes progressive. It is now open to them to levy income taxes, but members will know that there are sharp limits to the amount of income tax which any province can levy, unless other provinces across Canada levy a tax of approximately the same level. Therefore, it is not open for any province of Canada to raise massive sums by way of income tax, unless all the provinces resort to the same method of provincial financing.

It is sometimes said that the incidence of the sales tax is regressive in that it is said that a person with a small income pays a greater percentage of his income in a sales tax than does a person with a high income. I would want to say, Mr. Speaker, that that is a generalization which is not accurate for all types of sales tax. Whether or not this is accurate depends to a very substantial extent on the pattern of the tax and the exemptions which are built in. The education and hospitalisation tax in Saskatchewan has a series of exemptions which are built in which have the effect of rendering this tax not, generally speaking, regressive, but rather proportional. Our figures indicate that because of the fact that food and some other items are exempt, people in the lower income brackets spend a relatively larger percentage of their income on food and accordingly spend a relatively larger per cent of their income on tax exempt items. The incidence of tax on these people is such that they do not spend any greater percentage of their income in sales tax, than does someone with a higher income. Let me try to illustrate this. A person with an income of \$2 thousand per year will probably spend half of it on food — on tax exempt items, whereas a person with an income of \$6 thousand a year probably spends only \$2 thousand on food, which is only one-third, on this group of tax exempt items. He spends the rest of this money, by and large, on automobiles and refrigerators and other amenities of life which a person in this income bracket will normally collect about him, but which bear a tax. Accordingly we find, on working out the figures, that the tax has a relatively proportional incidence.

I have some figures and they must necessarily be generalizations, Mr. Speaker, and I have worked them out with respect to the application of the 1 ½ per cent of the tax which will apply for medical and hospital care. Using an income pattern which has been supplied by the Dominion

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Bureau of Statistics I find that for a person with an income of around between \$2,500 and \$3,000 he may, in this 1 ½ per cent, be expected to pay \$13.86 per year in tax, or let us say \$14. Someone in an income bracket of \$4,500 to \$5,000 might be expected to pay \$24.30 a year.

Mr. Thatcher: — What if he buys a car?

Hon. Mr. Blakeney: — He'll probably buy a second hand car and the incidence will not apply directly to him. This will be \$24 a year. Now a person with an income between \$6,500 and \$7,000 may be expected to pay a tax of \$36.14 and this will be — let's say \$36 a year. The group \$2,500 to \$3,000 - \$14 - \$4,500 to \$5,000 - \$24 - \$6,500 to \$7,000 - \$36 and in all cases it works out to just under ½ of 1 per cent of income. In each case it is somewhere between .4 - .5 of one per cent of income.

This would indicate, Mr. Speaker . . .

Mr. Thatcher: — Socialist arithmetic.

Hon. Mr. Blakeney: — Well it's Dominion Bureau of Statistics arithmetic, and I will admit that the Dominion Bureau of Statistics is governmental and accordingly a socialist agency.

Government Members: — Hear! Hear!

Mr. Thatcher: — That's not Dominion Bureau of Statistics, it is Allan Blakeney socialist arithmetic.

Hon. Mr. Blakeney: — But you don't fall into the \$2,500 to \$3,000 bracket. This comes under bill No. 5 and I think it would be out of order for me to discuss it.

There is one aspect of the bill, Mr. Speaker, which I did want to mention before I took my seat. Because of the way the bill is drafted it will — in the form in which it is drafted — apply a tax on purchases of 10¢. This was an oversight on the part of the draftsman. Accordingly, Mr. Speaker, a House amendment will be introduced which will make the threshold at which the tax applies the same threshold which now prevails. Any purchase over 14¢ now attracts a tax and pursuant to the House amendment, any purchase of over 14¢ of a taxable item will attract the 5 per cent tax. So the threshold will remain the same.

Mr. Thatcher: — What would the tax be on 15¢? Will it remain the same?

Hon. Mr. Blakeney: — It will be 1¢.

Mr. Thatcher: — It will still be 1¢.

Hon. Mr. Blakeney: — . . . and will continue at 1¢ to 29¢. Mr. Speaker, I did want to mention that.

So the effect, Mr. Speaker, of this tax is to provide extra funds for hospital operations and hospital capital costs; to provide funds for the financing of the medical care program, and to provide funds for the financing of education. The tax is, as I have indicated, approximately proportional in its incidence. One would have hoped that tax fields could have been found which would have been more progressive, but they unfortunately are simply not open to provincial governments. Members will know that taxes are being levied in these fields — in the income tax field and the corporation tax field — and it is the view of the government that no substantial additional amounts of taxes can be raised in those particular fields at this particular time.

Now I know, Mr. Speaker, that we will doubtless hear members opposite commenting on this bill. I would just ask them to make some comments which may not already have been made in the House. Many of us have heard the hon. Leader of the Opposition give his speech on sales taxes, not once but twice, and I think many of us would agree to take it as read.

I do want to say, Mr. Speaker, that in our view the services which these taxes will finance are necessary services. No one will deny, I think the necessity of providing educational opportunities and the necessity of possibly giving some relief to local governments in the financing of education. No one, I think, will deny the need for financing hospitals, both as to their operations and as to their capital costs and I think no one will deny the need for providing funds for medical care for our citizens. I may be in error in the last comment, maybe there are those who feel that these services ought not to be provided. But at any rate, we on this side of the House take the view that these are necessary services for which funds must be raised. This bill will provide a means of raising some of the funds. The bill itself, as I say, is simple in its form. The principles are clear. Accordingly, Mr. Speaker, I would now move that the bill be read a second time.

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Mr. W. Ross Thatcher (Leader of the Opposition): — Mr. Speaker, it has been my privilege in the year and a half that I have been in the House to hear the hon. minister speak on three or four occasions. Never have I heard him sound so apologetic — so unsure of himself, so pleading, but of course never before did he have such a weak case to make. I have never, and I am sure no other hon. member in this House has ever seen such an iniquitous piece of legislation, introduced into the legislature, as the bill which is now before us.

Yes, I have been here now for a year and a half. It seems that almost every other week this government brings in some additional tax or some new levy. Some of them are minor increases, but many of them have been major increases. This proposal is the latest in a long series of tax increases. Now, just where is this thing going to stop? I think the Saskatchewan taxpayer must feel somewhat like Mark Anthony did many years ago, when he said “This was the most unkindest cut of all.” I don’t know just who played the Brutus over there, whether it was the Provincial Treasurer or the Premier. However, I think the Premier must accept responsibility, because he was the one who brought in the tax in the first place.

Mr. Speaker, this bill which is now before us proposes to increase the sales tax from 3 per cent to 5 per cent. The Provincial Treasurer is proposing to take, next year, from the Saskatchewan taxpayer an additional \$14.7 million. In other words, next year he is proposing to take out of the pockets of the Saskatchewan taxpayer, from this one tax alone, almost \$37 million. I want to remind him again, that that is more money than the whole Liberal budget was back in 1943, and 1944.

I am convinced, Mr. Speaker, whether the people live down in Weyburn or whether they live anywhere else in Saskatchewan, regardless of whether they’re CCF’ers or Liberals or Conservatives or Social Creditors, you won’t find one person in a hundred say that this tax is desirable.

Mr. Berezowsky: — You’ve seen the wrong people.

Mr. Thatcher: — Well you go up and see some of your people and see what they have to say about this 5 per cent tax.

I say that coming as it does, after so many other tax increases, this could well be in Saskatchewan, the straw

that breaks the proverbial camel's back. We're very much afraid that it will be. We in the opposition have some responsibilities financially, and fear that the government members may not have any such responsibility.

This bill today, is the latest penalty which the people of Saskatchewan are paying because they have a socialist government in this province. When this bill is passed, and the government will pass it with their majority, I believe that our average per capita over-all taxation in Saskatchewan will be the highest in Canada. If that is not so, I challenge the Provincial Treasurer to produce figures to refute the charges. I know it is, we've looked the figures up. We have the highest over-all per capital taxes now, of any province in all of Canada, as far as provincial taxes, because we have a socialist government.

I want to say today, that the Liberal party is opposed to virtually every aspect of this bill which is now before us. The minister in his remarks suggested that this original tax came into being back in 1938. I think it was actually in 1937. It was introduced by the Patterson government, a Liberal government at that time. The tax then was 2 per cent and as every hon. member recalls, it was brought in for purely educational purposes to help education. The reason for that original 2 per cent tax is not too hard to find. I want to remind members in this House that economic circumstances in 1937, Saskatchewan was still wallowing in the trough of the great depression. Back in those days wheat had been selling for as low as 30¢ a bushel. Cattle were as low as \$10 a head. We had gone through years of drought. Tens of thousand of our people were on direct relief. Because of the cost of that relief, because of social aid costs, because of unemployment and so on, the government of the day had had one deficit after another. Back in 1936, Mr. Speaker, I would like this legislature to know that the whole revenues of the government were only \$16.1 million. In that year there was very real danger that the government of Saskatchewan would have to default on its bond interest. There was a very real danger that this would happen. So Mr. Patterson decided that a 2 per cent tax was necessary.

I was reading through the Journals of 1937. Conditions in education — I think it was the hon. member for Cumberland (Mr. Berezowsky) who mentioned the subject, were absolutely chaotic. One of the questions in the Journals of 1937, page 17, if you look them up, indicated that

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that year male teachers first-class, were receiving average Saskatchewan salaries of \$523. Female teachers first-class were receiving an average of \$443.

Mr. Meakes: — Discrimination.

Mr. Thatcher: — As everybody well knows, even those salaries in some cases weren't paid in cash. Often the teacher had to take promissory notes. Conditions in education were very serious in those days. So Premier Patterson, summing up the financial position of the province had this to say in his budget speech:

“The experiences of the last two years have gone to prove that under existing conditions the present scale of provincial taxation will not produce sufficient revenue to meet the cost of present governmental service.”

The Leader of the Opposition, at that time was Mr. George Williams. He also that year participated in the budget debate. I direct the attention of hon. members opposite to one paragraph of his speech. He said this:

“To many people the realization comes as a shock that we have to choose between increased taxation, curtailment of social services, or defaulting on bonds and interest payments.”

So the situation had become so serious in 1936 that the legislature and the government decided to set up what came to be known as the Jacoby commission. That commission was instructed to investigate all the aspects of the tax field to see what the problems were, and to see what could be done. In December 1936 they reported back to the legislature. They did make certain recommendations. Two of them I would like to very briefly mention. The first recommendation of the Jacoby commission was that there should be no further taxation on land. How I wish the socialists had listened to that recommendation, in past years!

The second was that the provincial government should bring in a 2 per cent consumer's tax. The Patterson government adopted the recommendation. I think it was in April of 1937, when the first sales tax in Saskatchewan of 2 per cent was introduced. I want the hon. members to note that all proceeds were earmarked for education. I also want the hon. members to remember that there were

important exemptions made. Food was exempted; agricultural machinery was exempted; fishermen's nets; binder twine; fuels were exempted and so on.

In view of the bill which is before us today, and in view of the speech which the hon. minister made a few moments ago, it is very interesting to note the attitude of the socialists in this House, when Mr. Paterson brought in his bill. Here is what the hon. Leader of the Opposition, Mr. Williams, had to say in 1937 during the debate:

“May I warn the government that the path of increased taxation is the road to ruin. The people of the province with some individual exceptions are paying all the taxes they can now stand. It would be well for the government to remember that the people of this province have only a certain sum of money to finance on.”

Those, Mr. Speaker, were the words of the socialists when the Liberals brought in a bill to provide a 2 per cent sales tax to yield \$2.3 million. \$2.3 million and they said “This is the road to ruin.” I wonder what the five socialist M.L.A.'s who were there in 1937, including the Leader of the Opposition, Mr. Williams, would say, if they could read the bill that is now before us. What would they say about this bill which is bringing in a sales tax, not of 2 per cent, but of 5 per cent? What would they say about this bill proposing taxation, not of \$2.3 million, but of \$37 million? What would they say about this bill, not being brought in by the “unprincipled and despicable capitalists,” but by the “humanity first boys” — the socialists? I am sure Mr. Williams would turn over in his grave, if he could read this legislation that the Premier is now asking us to pass.

Back in 1937 when the debate was taking place — if hon. members want to go back and read the Journals, they are in the library — every one of the five socialist members got up and opposed this 2 per cent measure. They said this kind of a tax hits the “little man”. They said the people couldn't afford this kind of a tax burden and so on. When the vote came, the Journals record that every single socialist in righteous indignation got up and voted against the 2 per cent tax. Every single one of them. Well then if the 2 per cent was no good — why is 5 per cent good today?

After 1937, when they voted against that 2 per cent tax, right up to the 1944 election, every socialist,

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from the Minister of Mineral Resources down, went out on the hustings. Whenever they made a speech, they criticized as a terrible piece of legislation — this 2 per cent tax. But they said “if the people of Saskatchewan elect us, we’ll get rid of this nuisance tax. We’ll abolish it. We’ll do something about it.” Down through the years many people in Saskatchewan have become a little bit tired of this sanctimonious attitude of my hon. friends opposite, as far as promises are concerned. I have heard in past sessions, my hon. friends chiding the Liberals about the promises the Liberal party has made and not kept. Well I say again, if there is any party in Canada that shouldn’t talk about promises made and not kept, it is the socialist, because they made dozens of them and never kept them.

Now, my hon. friend the minister said that he hoped I wouldn’t repeat anything I said earlier in the debate. One thing I am going to repeat. I am going to repeat the promises the socialists have made on this education tax, because they campaigned election after election on the fact that they were going to abolish it. I am going to quote some of their past speeches. First of all we’ll quote Henry Begrand, a CCF candidate for Kinistino, June 2nd, 1944. He promised that a CCF government would abolish the education tax within 12 months. He won his election but nothing happened.

Government Member: — What year?

Mr. Thatcher: — June 2nd, 1944.

Government Member: — He didn’t win the election.

Mr. Thatcher: — Well he won it four years later then or whenever it was.

I’ll get on to the statement. My old friend honest Jack Corman. I always like quoting him. June 13th, 1944 in the Moose Jaw Times.

“Just one word about the education tax. The CCF is the only party that will abolish it. We’ve always been against it in principle. We are pledged to work as fast as possible for its removal. We are honest however, and we won’t promise anything that can’t be done. No party can abolish the tax in its entirety during the first session of the legislature.”

Hon. Mr. Nicholson: — Mr. Speaker, on a point of order . . .

Mr. Speaker: — This is a point of order. Will the hon. member please sit down.

Hon. Mr. Nicholson: — I think the Leader of the Opposition is well aware of the rule, that speeches given in previous debates in the same session cannot be repeated. I am sure the hon. member has given this information in a previous debate in this session.

Mr. Thatcher: — Mr. Speaker, may I speak to the point of order. I am giving a quotation which the hon. member knows can be made as many times as necessary during the session in order to make a point. The point I am making is this: This government today is bringing in a five per cent sales tax which on many occasions they promised to abolish in the past.

Hon. Mr. Nicholson: — Mr. Speaker, I wonder if you'd give your ruling on the point of order.

Mr. Speaker: — I don't think that the point of order is well taken. The member is within his rights in quoting again.

Mr. Thatcher: — Thank you, Mr. Speaker. I'll proceed with honest John's quotation. Mr. Corman went on to say:

“We won't try to buy your votes. The education or sales tax is going however and it will be a CCF government that speeds it on its way and most of us will say good riddance.”

Another promise — this time the national leader, Mr. Coldwell, reported in the Star Phoenix, June 9, 1944:

“The CCF will abolish the education tax as rapidly as new sources of revenue are found. It is the worst form of taxation (and I want my hon. friend the minister to get this) the sales tax — it is an abomination. (Did you get that, Mr. Minister) The education tax will gradually be removed. It would be abolished.”

My final quotation, Mr. Speaker, of course, must be the former Premier and I have heard him give this promise

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not once but on many occasions. I will quote him in the Free Press, June 17th, 1944:

“Mr. Douglas said his party believed that the present education tax levied on most purchases in Saskatchewan can be eliminated when new sources of revenue are developed.”

They have found new sources of revenue, Mr. Speaker, to the extent of \$125 million a year. Why haven't they kept their promise? Why haven't they abolished this tax? Instead of abolishing it, instead of carrying out their promises, instead of doing what they promised all over Saskatchewan in the last election — “support the party that keeps its promises” — they are bringing in legislation which in effect will make the education tax 2 1/2 times higher than when they took office.

I remind the people of Saskatchewan that this outrageous piece of legislation was introduced by none other than the present Premier. Once again I will say what I said before the adjournment. I believe that the hon. Premier in the years ahead will come to be known as ‘five per cent Lloyd’ because of this legislation. When he spoke in the House, what was his justification for this tax? He said, other provinces have this tax. Why he said Quebec has it, Ontario has it, the Maritimes have it and so on. Even if that were so, it is no excuse. I do want to remind them that neither Alberta nor Manitoba, the other two prairie provinces, have a sales tax. Maybe the reason they haven't, is because they have private enterprise governments and not a socialist government.

Then my hon. friends across the way, to add insult to injury as far as the Saskatchewan people are concerned, had the audacity to come to this House, and say we're going to start collecting this tax on January 1st. Of course, we're not going to give any services until April 1st. As a matter of fact if we don't get those doctors to sign up, we may not even be able to give the service then. Some newspaper reports are already stating that this scheme may not be able to come in until July 1st. I say that that is collecting taxes on a fraudulent basis. I say that this is virtually legalized robbery. The government is collecting taxes for a service that they are not providing. Well you won't be laughing so loud down in Weyburn in the next four weeks.

I want to say, Mr. Speaker, today that the Liberal party is unalterably opposed to the imposition of a five

per cent sales tax. We're opposed to it in the first place because we believe that taxes in Saskatchewan have already reached the danger point. We believe that taxes in Saskatchewan are already high enough. We think this government at this time should be reducing taxes not putting them up. To take \$37 million from the purses of the average citizen next year, in this kind of bill, is simply inexcusable, in our opinion. Back in 1937 we think there was an excuse for a two per cent sales tax. I said a moment ago the whole provincial revenues in that year were only \$16 million. The total provincial tax load was very, very light. The 2 per cent tax in those years was needed as an emergency measure so that the provincial government could pay its bills. It was absolutely essential if there wasn't going to be a default in our bonds — to have additional revenue. So a case could be made for the two per cent tax back in 1937. But today circumstances are certainly different and the same case cannot be made today.

I said a moment ago that I have sat in this legislature now for about a year and a half. During that time I have seen this government, just about every other day, get up and bring in some new levy, some new imposition, some new tax increase. The hon. member for Moosomin (Mr. McDonald), in his budget speech last year said, that there were 75 of them since the last election. We admit that some of those have been minor ones like court fee increases, but many of those tax increases have been major ones. Major ones like the 37 per cent increase in the hospitalisation tax — the gasoline and diesel tax increases — telephone rates — grazing lease fees — air ambulance charges and a host of others. I say again that I find it very strange to see this action from a government that in its election campaign said — vote CCF and we will bring you more abundant living. Seventy-five tax increases in a year and a half from a government that says they're going to give us more abundant living.

Opposition Members: Hear! Hear!

Mr. Thatcher: —This government when they're out on the hustings, and particularly my friend the Minister of Agriculture, who isn't in his seat, is always talking about being a "friend of the farmer". Why is it then that since 1944 taxes on farms, under this government, have gone up from 3 ½ to 4 times? That doesn't look to me like it is any friend of the farmer government. Now on top of all these increases you're proposing this session to increase income taxes 6 per cent;

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you're proposing to increase corporation taxes. Just when is this going to stop? I guess it won't stop until two years from now when we have a Liberal government and believe me then, it will stop.

Opposition Members: Hear! Hear!

Mr. Thatcher: — I want to remind the House again, and I ask my hon. friend the Provincial Treasurer, particularly, to take note of the fact that our revenues today are infinitely more buoyant than they were in 1937. For instance the budgetary revenue in 1937, even after the tax was brought in was \$17.8 million. Today, with the new tax increase you're going to have revenues of \$172 million. Ten times as much. I want to point out what has happened to the gasoline tax. In 1937, under the Liberals there was a 7¢ a gallon tax. All they got from that tax was \$2 million. Today you've doubled the tax — 14¢ a gallon, and you're proposing this year to take \$25 ½ million from the taxpayer.

Liquor profits under the last Liberal government were \$1 ½ million. This year the socialists will take \$14 million from liquor profits — diluted water in many cases.

As far as subsidies from Ottawa are concerned — does the House know in 1937 all the Patterson government got in subsidies was \$2.1 million? The socialists this year are getting \$42 million. If you take total payments in 1937 the Patterson government got \$3.8 million; this year the socialists are going to get over \$70 million, when you include the health grants and so on.

I say that when you consider all the other taxes this government has already put on, when you consider the subsidies they receive from Ottawa, when you consider the burden that our people are already paying, I say that there is no case whatever that can be made for this five per cent sales tax which is now before us.

Opposition Members: Hear! Hear!

Mr. Thatcher: — We of the Liberal party think that this is a staggering blow to the people of Saskatchewan. It is part of the price they must pay for the dubious distinction of having North America's only socialist government, other than Castro's. I say that this time the administration has gone too far. I believe that this five per cent tax will haunt the socialists in the days, the weeks, the months, and the years ahead.

We're opposed to the tax — we're opposed to the nature of the tax. Twenty-five years ago, the Jacoby report said some things that were very different to what the minister said this morning, as far as this tax being regressive. Here is what the Jacoby report said, and I quote from page 160:

“The commission is cognizant of the fact that a consumer's tax can be regressive. That is a tax with respect to a larger part of a poor man's income, than with respect to a person possessing higher income. Rich persons do not spend all of their income but save a considerable part. The consumer's tax effects only that portion of their income which they spend. On the other hand a person with lower income and many dependents may spend all of his income. The consumer's tax effects the entire amount.”

In other words, Mr. Speaker, Mr. Jacoby warned that the consumer's tax was regressive — that it hit the poor people infinitely more severely than it hit the rich people. So I can't agree with the argument of my hon. friend the minister this morning, at all. I would remind him too that the five CCF speakers in the debate in 1937 those of them who spoke without exception took the line that this was a regressive tax — a tax which hit the little man.

Now if this tax was regressive at two per cent, and the socialists in 1937 said it was regressive at two per cent, surely it is evil at five per cent, or 2 ½ times more regressive to say the least.

I think that this tax in Saskatchewan could be described as being positively vicious. I am inclined to agree on this occasion with the former national leader of the CCF, when he said that this is the worst kind of tax — an abomination. The only difference is he was talking about the 2 per cent tax. I wonder what he'd think of this five per cent tax if he were in the House today.

Now, Mr. Speaker, this tax is going to hurt those in the lower income groups; it is going to hurt those on the old-age pension; it is going to hurt widows; I think it is going to hit the farmer very hard. There is no class or economic group in Saskatchewan that will be affected by this tax as seriously as the farmer. There is probably no group that will pay as much of the tax in the years ahead as the farmer.

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We in the opposition criticize the timing of this bill. Why if we had to have a five per cent tax — if we had to have it and the opposition won't admit that we did — but why did we have to pick this year. A year of drought, a year of recession, a year of unemployment — of all the years we shouldn't be putting in these taxes, surely 1961 is the year.

There is one more difficulty, Mr. Speaker. What about the merchants who live near the Manitoba and Alberta borders. My hon. friend the member for Moosomin (Mr. McDonald) was telling me the other day the towns along the border were losing about half their sales already because of the three per cent tax, to merchants across on the Manitoba side. What will happen now that the tax is five per cent? There are going to be thousands of people who will make purchases on the Alberta side or on the Saskatchewan side, to avoid paying this five per cent tax. I say the tax is going to hurt business in Saskatchewan, and it is going to hurt employment possibilities and development in this province.

For these reasons, Mr. Speaker, the Liberal party thinks this bill shouldn't be proceeded with. I believe that the legislation which we're now discussing will be one of the major issues, if not the major issue in the Weyburn by-election. I invite the people of Weyburn to examine the contents carefully. They can perform a service to the people of Saskatchewan by voting against the socialists — by voting for Jun Staveley. They can tell this government that on this occasion they've gone too far, that the people of Weyburn and Saskatchewan are getting sick of being bled white from taxation by this group of socialists. The Liberal party won Athabasca; the Liberal party won Turtleford; I believe that the 5 per cent tax will go a long way toward making sure that the Liberal party will win the Weyburn by-election.

Opposition Members: Hear! Hear!

Mr. Thatcher: — I think for the people of Weyburn it may be Jun in December. Jun in December.

I wish to move, Mr. Speaker, seconded by the hon. member for Moosomin:

“That this Bill be not further proceeded with because it puts an unwarranted tax burden on the citizens of this province.”

Hon. Mr. Brockelbank: — Mr. Speaker, I would like to raise a point of order in connection with that motion. I think the exact results that are intended by the motion, could be achieved by the members of the House voting against the motion that is now before the House. So I would suggest that the motion is out of order.

Mr. Speaker: — In regard to the point of order which has been raised. Mr. Beauchesne in section 382 does say it is competent to a member who desires to place on record any special reasons for not agreeing to the second reading of the bill to move an amendment of this kind. There is no doubt about it, that by voting against the bill the same thing could be achieved, but in this amendment the hon. member does set forth a reason why he wishes to vote against the bill. I think this is an example of what is known as a reasoned amendment to the bill on second reading. I think on that rule I would have to discount the objection of the hon. Minister of Mineral Resources. I will thus rule this amendment in order.

In debates when all the words after ‘that’ were removed, we considered that the debate should be on the motion as well as the amendment, but I have had some serious doubts about that in this matter of second reading. It is not quite an ordinary motion. I do not feel that this is properly an alternative amendment, although we have been using it as that in the past. I have had some second thoughts on the matter and I believe that we would better serve the purposes of this House if we did consider that the debate now was on the amendment only until such time as the amendment has been dealt with.

Mr. A.H. McDonald (Moosomin): — Mr. Speaker, I have only a word or two to say on the amendment. I was rather amused with the Provincial Treasurer’s remarks in regard to the amount of money the people were going to pay, not only the five per cent tax, I believe he was referring to 1 ½ per cent which would be used for educational purposes — when he was giving us examples of the amount of tax different groups of individuals would pay. I am afraid the Provincial Treasurer has a different group of people in mind than I happen to be thinking about. I think the lowest income group he was considering were those in the \$2,000 to \$2,500 income. Now there are a group of farmers in this province that have conducted a survey of the net income of half and three-quarter section farmers,

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their net income is not \$2,500, it is not \$1,500, it is not \$1,000, but it is about \$800. When you include in that net income all payments that are made to those farmers because of present day conditions, by the federal treasury. Mr. Speaker, do you know that this government, under this bill itself, are asking those people with \$800 of a net income to pay 6 per cent of that income to this government under one tax. This bill that we have before us will take 6 per cent of the net income of the net income of the half section farmers in this province. I happen to know what a half section farmer will pay in taxes, because I have several half section farms in this province. On each and every one of them this 5 per cent tax will take in the neighbourhood of \$50 in taxation per year.

This is what this humanitarian farmer-government are going to do with the very people that they spend most of their time complaining about. They are prepared to take 6 per cent of their net income in one fell swoop. Lenin states not only to people of Saskatchewan, but the people of the western world, that if we were left along long enough we'd tax ourselves to death. That's exactly what you people are doing, wittingly or unwittingly. You now will be taking more than 40 per cent of the earned income of the people of this province through taxation. You and your cohorts in Ottawa. And when I say your cohorts — you are responsible for this Tory government in Ottawa. You put them there. Do you realize that you are now within 10 per cent of taxing the people of this province out of existence. If you are here until the end of your term in 1964 and continue to increase taxes at the same percentage rate that you have over the last four years, that you will have exceeded the 50 per cent maximum. You will have taxed this province into oblivion. You will have arrived at the point, that people who believe in a different way of life to which we believe, stated that you would. You will not only bring about your defeat as a political party but you will bring about the downfall of this province. You will put this province on its knees . . .

Mr. Kramer: — Downfall rubble . . .

Mr. McDonald: — If you think that it is all right to take six per cent of the net income of a portion of our people in one new tax — well then I disagree with you. I agree with the Leader of the Opposition that every free thinking individual should not only vote against this piece of legislation but should get up and speak against it in this House.

My hon. friend, it is in his own constituency that they came up with the survey that I am referring to and if he thinks that farmers in that area — his own constituency, the constituency of the Premier, and the Minister of Education — if they think it is fair to take 6 per cent of the earned income of the farmers in that area in this tax, those farmers with a half section of land. Well I suppose they'll have to bear the consequences. But I do not want this government to take 6 per cent of the net income of my farmers, that reside in my constituency, under this new tax. I think the tax is too high now at 3 per cent and although I am not going to make myself ridiculous, which many of the members and their predecessors opposite did when they promised to do away with this tax. I think any government that sits in office in this province should work towards doing away with this tax.

This is a tax, in my opinion, that is more heavy to bear by those people with low incomes, despite anything that the Provincial Treasurer might have said. Those who live on small incomes pay tax on every dollar except what they spend on food. What about your farmer that I referred to? Why have this humanitarian first government insisted that the farmer pay this tax on his power bills? Why? Why should he? Why have you refused to take this tax off the farmer's power bill? This in itself amounts to \$2 a year. The Provincial Treasurer was saying that these people would only pay \$13 a year. They pay \$2 of that \$13 on power, let alone anything else. If a man has a habit of smoking he will probably pay \$3.65 a year with a 3 per cent tax on his cigarettes. This \$14 is a figment of the minister's imagination.

The half section farmer, I want to repeat, is paying in the neighbourhood of \$50 annually, which according to the survey which was conducted by the people in the Premier's seat, and in the constituency of the Minister of Education, the average net return is \$800 a year. I want to ask this government if they think that this is not an unwarranted tax, to take 6 per cent of these people's income.

Mr. Speaker, we have spent long hours, both in this chamber and in other chambers and in the House of Commons, debating the position which our farmers now find themselves. There is no one in this House who would not agree that farmers find themselves in a depressed condition and especially a farmer who has a half or three-quarter section. We have asked Ottawa to do many things. Can you

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expect Ottawa to do anything to relieve their plight when this so-called friend of the farmer government, will take 6 per cent of their income away in one fell swoop. One new tax. Then the Premier had the audacity to go down and to state to the delegates at the Saskatchewan Wheat Pool convention, and if anybody can understand English and I think I can, and I hope the delegates at that convention understood what the Premier was trying to tell them. This is a disgrace to the intelligence of the farmers and the members of the Wheat Pool in the province of Saskatchewan. I suppose the Premier was preparing these people for the blow he is now asking this legislature to wield at these people.

We ought to be bringing in legislation in this session, which will go as far as the province of Saskatchewan can go, in lifting some of the burden off the shoulders of those farmers who find themselves in very difficult economic circumstances today. But we're going in the exact opposite direction. Increasing the burden and for no other reason — if I had no other reason I would still vote against this bill — if for no other reason I would vote for the amendment that has been proposed by the Leader of the Opposition.

Mr. J.W. Gardiner (Melville): — Mr. Speaker, before voting on the amendment, I would like to say a few words in support of the amendment. I believe, not only on the grounds that have been mentioned by the member for Moosomin (Mr. McDonald) but on many other grounds, that this legislation can be proven to be unwarranted at this present time. We all realize that when this session was called, it was called for two purposes. We have been told time after time that those are the only two things that we were called here to do this session, and that we were to do those two things and then go home. It is very strange when the Provincial Treasurer brings in this tax, that we have added a third duty, and a third responsibility upon the members of this legislature. Not only to provide tax monies for increased health services, but as well to provide increased taxes for education. No member when he was called into this House two months ago, knew or thought that he was called here to discuss the question of education in this province, or the cost of education.

I have stated before, in an out of this House, that the increasing of taxation at this time is illegal on

the part of the government of this province, so of course that would make this present legislation unwarranted as it has been termed by the Leader of the Opposition in the amendment that he has moved. This action is completely illegal. No explanation has been given of the use that is to be made of the extra taxes that are to be provided for educational purposes. There has been no address made in this debate, to date, I don't think there has been any intention up to the present time, of the Minister of Education in this province making any statement as to the use that is to be made of the extra ½ per cent that the Provincial Treasurer has stated is to be included for the purposes of education.

I think one is quite fair in making the statement that this tax that is being presented to us is illegal and as such is unwarranted at the present time and should not now be presented to the members of this House.

The member for Moosomin (Mr. McDonald) and also the Leader of the Opposition had a great deal to say with regard to the burden of taxation and here again, of course, is another reason why this present bill is unwarranted, as is stated in the amendment. I know there are many across the way that do not think the tax burden is heavy, particularly on the rural people of this province, or they would not be proposing to support the present measure that is before us. They don't believe that the tax burden on the farm people of this province has reached the point where many of our farm people cannot afford to pay their taxes.

As an example, Mr. Speaker, of the heavy and unwarranted burden of taxation I have in my hand here tax receipts from the year 1933 and from the year 1961, on the same parcel of land in the province of Saskatchewan. I am prepared to give the parcel of land if anyone wants to check up on the figures that I am using. The NW quarter of Section 7, Township 21, Range 9, W2. In the year 1933 the tax on this particular quarter was \$28.70. This wasn't a low assessment, it was an assessment of \$3,300. The assessment today in 1961 was \$3,600. What was the tax paid? One hundred and sixty-four dollars and forty cents was the tax that this particular farmer paid on this one-quarter of land in comparison to \$28.70 in the year 1933. I don't know whether anyone could find any better example of the statement that farm taxes in this province have come to a point that the farm people can no longer stand increases in taxes. And for any government of this province to come before the members of this legislature, particularly in a year when we know that farm conditions are not at their best, in a year when members on the govern-

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ment side of this House will stand up day after day and lament the conditions of the farmers of this province — how anyone of them can defend his position in standing up in this House and voting for increased taxes to the farm people of this province, is something that I fail to understand.

I think in the moving of this amendment the Leader of the Opposition has placed before this House, something that no member particularly from the rural areas of this province can refuse to vote for, and if he does he is stating that he feels that the farm people of this province can afford to pay increased taxes at the present time. He is saying that he does not think the tax burden on the farm people of this province and others is unwarranted and is difficult at the present time to carry. I say to members across the way that if they do not support the amendment of the Leader of the Opposition, they are saying to their friends back home, that they think taxes should be increased, the burden should be increased on their shoulders. I hope there will be some of the members across the way that will have the courage of their convictions as representatives of farmers in this province to stand up on their feet and vote against increased taxes for the farm people of this province. Then they can go home, perhaps, with some conviction that they have done something for the people they represent, in this present session.

Mr. Speaker, I can assure you that with the small evidence I have placed before you this morning, that we have proved, between the three members who have spoken, conclusively, that the tax burden, particularly on the farmers of this province, has reached the point, almost the point of no return. I think it is about time that we are prepared to take the stand in this legislature that there are other means that this government can use to obtain the revenues that are necessary to carry on the operations of government.

Mr. Bernard D. Gallagher (Yorkton): — Mr. Speaker, before the vote is taken on this amendment I would like to say a few words. I heartily concur in all that has been said by the member from Moosomin (Mr. McDonald), and the Leader of the Opposition. Especially the statement made by the member from Moosomin in that this province is reaching the danger point when we are taking over 40 per cent of the income of people in the way of taxation. I think that it is time that members on the other side of this House took a little more serious view

of what is happening in this province. It seems to me that if the government that sits opposite cannot have their way by socializing — as their first intentions were 0- they are going to socialize this province through taxation. I think that the people of this province are becoming aware of this at this time.

There is one reason, not mentioned by members from this side of the House, why I am quite concerned about this bill and why I am going to support this amendment. That is this — if members on the other side of the House looked around this province — got a map and saw the location of the seats that are held by members in the opposition, they might realize there is something happening in this province today. We start at the south-east corner of the province, the Estevan seat, and we go right up the east side of the province, Estevan, Cannington, Moosomin, Qu'Appelle, Melville, Saltcoats, Yorkton, Pelly — all members sit on this side of the House . . .

Hon. Mr. Brockelbank: — I'm here.

Mr. Gallagher: — We've got all the north side of the province — now we've got the Athabasca seat.

Hon. Mr. Brockelbank: — I'm here.

Mr. Gallagher: — You've got the only corner of the province today, but you won't have it after 1964, Mr. Minister of Mineral Resources.

Hon. Mr. Brockelbank: — I'll be here longer than you will.

Mr. Gallagher: — And if you look along the west side of the province, we have the Wilkie seat and we have the Maple Creek seat, and we almost had the seat held by the member from Kindersley.

Government Member: — Boloney — boloney . . .

Mr. Gallagher: — And something that is becoming more significant is the border that we're building across the south side and I suggest to you, Mr. Speaker, that because some of the people that live down south of us here are awfully close to the United States border that after December 13, we're going to have the Weyburn seat over on this side of the House too.

What I am very concerned about, Mr. Speaker, is this. All these people that live on bordering constituencies in Saskatchewan and especially the people who live close to the Manitoba border, or close to the Alberta border and who are in business are quite concerned about Saskatchewan having a five per cent health and education tax. I am sure that if any of the members on the other side of this House owned a store or a garage or any business that was going to have to collect a five per cent tax, when their neighbour 20 miles away . . .

Mr. Speaker: — Order! I think the hon. member's remarks are becoming quite general. I think they should be contained very much toward the unwarranted tax burdens.

Mr. Gallagher: — I will agree with you there, Mr. Speaker, and I'll just skip what I intended to say and say this. The people that are living along the borders of this province, and especially the small farmers who have a very limited income and have to save every nickel that they can, if there is only a different of 5 to 10 miles between a town in Manitoba or a town in Alberta and the town that they intended to do their business in or the town they had been doing their business in, they are going to go into the other province. I think that the business people along the borders of this province will be quite concerned. There was some mention made by the minister in introducing the bill that there was a necessity at a time like this to increase this tax and he went to some length to show us why we needed these increases in education grants. I agree with him that we do need these increases in education grants. But I suggest to him right now that if the government that sits opposite had a few less of their high paid planners and a few less of their heelers, we wouldn't need an increase in the education and health tax. I am going to be very happy to support the amendment.

Mr. W.J. Berezowsky (Cumberland): — Mr. Speaker, I think no one will complain about any kind of taxation if he gets services for the taxes he pays. That is one of the things that the hon. members have not mentioned. All that they have done in the discussion supporting this particular amendment is to say that taxes are going up and that these are unwarranted taxes, but they

fail to mention what the taxes would do. I can see the other side of the picture and of course I am against this amendment because it is quite clear to me that the taxes to be levied are going to provide very extensive services to the people. And although I have no particular figures to present to the House, I think general figures I might give to you might indicate my thinking.

My area for example, during the years mentioned by the hon. member for Melville (Mr. Gardiner) ratepayers paid \$25 tax on a \$4,500 assessment, or \$28 (it doesn't really matter too much) but the point is this. In those days we had a depression, the teachers were underpaid and many of them worked for grants, and of course many of them didn't even get the grant; they got promissory notes, because the people couldn't pay for teaching services. And they didn't pay because the economy at that time under the Liberal government in Saskatchewan was such that people didn't have any money to pay. Of course the hon. member forgot to mention this. He forgot to tell this House too, when he talked about the particular taxes paid in those days, that for the sum of \$28 they did not provide the kind of services in the municipality that are being provided today.

In those days in my area, and I'm sure in the area of the hon. member for Melville (Mr. Gardiner) the people travelled around in ox-carts or even on ox backs. As a result they were quite satisfied in most cases with trails. Later they used horses over these trails. But in this day our people are demanding good services, and they are getting good roads which cost around \$5 or \$6 thousand a mile. The men don't work for \$2.50 a day doing road work as they did under the Liberal government of that day. Today they are getting reasonable wages — \$15 or \$20 a day. It is a remarkable thing that the hon. members opposite failed to mention those things.

Today with the increase in taxes of some \$100 and some odd dollars per quarter, I don't remember the exact figures given, these taxes are being paid by the people of Saskatchewan! But in the days that he referred to the thirties — Yes, during those times, we had tax arrears as much as three years unpaid. The records for the province of Saskatchewan, and I know the records in the L.I.D. where I live, it will be shown that there is less than one year's arrears Now. It is a rather remarkable thing for the hon.

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members to get up and say that we're imposing taxes and the people aren't able to pay these taxes. They are able and do pay them. I say, Mr. Speaker, that when you provide services then you have to have a tax and if the tax is reasonable, then you will find that the people are not only satisfied, but are able to pay that tax.

Let's take a look at this medical and education tax. What is it going to do to ease the load? Compare for example the school situation — the school grants school units have been getting. I remember when under the system that the Liberals had, we had each individual district carrying out the educational functions. School boards had to go into debt. I know one school, I could name it, Howard Creek School District, when it was taken over at the time the unit was set up, it had a debenture debt, and after paying for about 15 years, it had a debenture debt of somewhere around \$2,500, so at that time the \$20 or \$30 or even \$40 that was mentioned by the hon. member was a load on the people that they couldn't pay. Today there is no debt on that particular school. It is in the unit. They have a lovely school which is centralized in Meath Park. The school in that particular district hasn't got a debt and the people are able to pay taxes levied. They are paying them as I have mentioned. They are not in arrears of 3 or 4 years, but one year.

Here is the important thing, because of the policies of equalization of this government, instead of paying 90 per cent of the tax from land as they did in the days when the teachers were paid by promissory notes, today the government of this province through equalization is paying to that Prince Albert unit the amount of some 78 per cent of the cost of education at good salaries.

Government Members: — Hear! Hear!

Mr. Berezowsky: — And my people, (and I am speaking for the people north of Prince Albert where I live) the half-section or quarter-section farmers are now only going to be too happy to pay another 2¢ on a dollar in order that they can get more assistance for education and for other services that they require. I think it is a lot of foolishness to argue and say that we are imposing a tax that people don't want.

Who, Mr. Speaker, is this tax being imposed upon? The people who are going to pay the education tax are all the people that require community services, but some of them will

pay very little more. The quarter-section farmer may pay \$5 or 46 or \$10 more a year, but I can assure the hon. members and they can't contradict this, that if the individual is an official of some kind or a professional man who makes \$20 thousand a year and is in the habit of getting a Cadillac car every year, (as the hon. member from Cannington) (Mr. McCarthy) said the farmers once used to do (at that time they didn't talk about depression) — that person will pay an extra 2 per cent on that \$10 thousand car and he can very well afford it. In the first place the money he made was extracted out of the rank and file of people of the province of Saskatchewan, and he is the one who should pay it back for essential services. Certainly the people in the country who are trying to make a living and having incomes of only \$5 or \$6 or \$8 hundred a year won't mind to pay the extra \$3, \$4, or \$5 for these added services.

These are the things we must think about when we talk about fair taxes. I am proving the case of the people of Saskatchewan. We want to work together; we want to pay as we can pay. I don't believe that the people in Creighton and on the border of this province, as has been charged by hon. members are the kind of uncooperative people as has been represented here in this House by the members opposite. I think those people along the boarder realize they are going to get certain services in education, medicine, and hospitals and that they are decent enough citizens and will popularise their own Saskatchewan businesses and pay the tax, because after all if they don't pay through an education tax they are going to pay it some other way if they are going to have the services provided. When the hon. members opposite point out, Mr. Speaker, that those people are going to renege on paying a fair and just tax to provide the services they require, then there is something wrong either with them or there is something wrong with the people who speak for them as they do in this House.

I have made it clear, sir, I certainly cannot support the amendment.

Mr. Douglas T. McFarlane (Qu'Appelle-Wolseley): — Mr. Speaker, I thought there may have been some logic in getting up to speak briefly on what was said previous to the member from Cumberland speaking, but after he got up to speak I am sure that the people of Saskatchewan, especially the farmers of Saskatchewan had they heard him here this morning, would have written him off completely.

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He said that the people of this province are in a position where they don't mind paying this further increase in taxes. He said the people are quite willing to pay it. Mr. Speaker, what is the position of the farmers in this province today, and the people of rural Saskatchewan? Are they in a position to pay an additional 5 per cent tax levied on them? Does the speaker not know that the rural municipalities of this province had in arrears of taxes as of 1958, \$25 million? Is that something for a CCF speaker to go out and brag about? Is he proud of the fact that they have the farm people of Saskatchewan in arrears to the tune of \$25 million after some of the best climatic conditions we've had in the history of this province? Are you suggesting to the people of Saskatchewan, that they are willing to pay this increase in taxes, when on monthly billings as of January 1, 1960 they owed \$316 Thousand on monthly billings of power accounts alone? Are you suggesting to the farmers of Saskatchewan that they are in a position to pay further taxes when they owe \$3,661,000 for the installation of power on time payment plans? That was the arrears owing as of December 1, 1960.

This is the position you have the farmers in and you are trying to extract some more taxes out of them. Are you suggesting to those farmers in southern Saskatchewan that they are able to pay a further increase in taxes when they owe three-quarters of a million dollars in mineral tax alone? They are losing title to their land because they can't afford to pay the mineral tax. Are you suggesting to the people of Saskatchewan, the farmers of Saskatchewan that they can afford to pay more taxes when over twelve hundred farmers have been evicted and foreclosed under your type of government, under conditions such as this? This is the type of thing, Mr. Speaker, that those people opposite who are supposed to be speaking for the farmer are trying to hide from them every day in this province. These are the things they are not going to tell the people of Weyburn when they move down there lock stock and barrel during the next month. They are not going to tell them because they can't tell them. But these are the things the people of Weyburn and the people of Saskatchewan, especially the farmers of Saskatchewan are going to tell these fellows when they go down and the new Premier — five per cent Lloyd- tries to saddle them with an extra taxation burden.

The 91,555 farmers in this province who operate a section of land or less, under the conditions pointed out by the member for Moosomin (Mr. McDonald) are certainly not going to be happy when they are faced with an added tax burden.

The new strategy of wiping off taxes was divulged by the member for Cumberland (Mr. Berezowsky) who just spoke. He said that when the CCF came into power the local schools all were in debt. Mr. Speaker, it is no credit to the government who sits to your right, when you look up the list of debts of the school units in the province of Saskatchewan today. They have written off the local school debt by placing them in the larger units. Now look up the debts of the larger units in the province and the debt picture is staggering. I haven't got the total with me at the moment, but some larger school units in this province are in debt over one half a million dollars. If that is any credit to the CCF party, I would suggest that the credit is all theirs.

What is going to happen in the future under conditions like this? The basic principle of levying taxes has never been acknowledged by this government to your right, Mr. Speaker. Before you can levy a tax the people must be able to pay it, and they must be willing to pay it. The figures that I have given you would indicate that the people of this province certainly aren't able to carry on under the taxes they have imposed on them today — how in the world are they going to carry on with this additional levy being placed on them in the future?

Another significant thing that we must remember when this tax was first imposed in 1937, the 10 year average of budget revenues during that period was \$19 ½ million. That was the average total budget revenue over a 10 year period. These last 10 years, Mr. Speaker, it hasn't been \$19 ½ million, it has been in the neighbourhood of \$100 millions. That was the average budget revenues for the last 10 year period. Mr. Speaker, if it was wrong to institute a 2 per cent tax back in 1937, when the total revenues average \$19 ½ million, therefore, it must be grossly wrong at least five times as wrong today, to bring in a tax increase on budget revenues as you have them at the present time.

They like to go back and compare conditions to 1937, as an excuse for their sins of omission up to the present time. I would just like to refer them to the Rowell-Sirois report. You hear them mention the Rowell-Sirois report when they are discussing different matters in this House, and I think it would be significant if they read that report and read what the commission said about conditions in the province at that time. The commission said that “nowhere in the civilized world today had people had to go through conditions caused by drought like the people of Saskatchewan had during those past 10 years.” I give

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everlasting credit to the people in the province at that time for maintaining and establishing services, even to the degree they did up until then. So I say, this is not a reflection on the people who were responsible for the services; it was to their everlasting credit that they managed to provide at least some service and keep the people of Saskatchewan going.

It is no credit to my friends who sit opposite, purporting to speak for the farmers when we realize that since they came into power a quarter of a million people left the farms in this province. A quarter of a million people left the farms since this government came into power. If they couldn't finance their farms under conditions during that time, they certainly cannot finance under the conditions we have today.

Mr. Speaker, the farmers will have little satisfaction when they realize that in the past they have paid, I am sure, their share and a larger share than any other segment of our population in a, in regard to the hospitalization tax. There is no other segment of our society who has paid more towards that tax than the farmers of Saskatchewan. I would suggest, it is going to be little comfort to them, after the conditions they have gone through, and the financial conditions they find themselves in now, and when they realize that the only solution the CCF government to your right have, Mr. Speaker, is once they can't pay, once they can't keep up with those commitments, once they are in arrears and can no longer get out then the only thing they have to rely on is the sheriff coming in under orders of the CCF government to evict and foreclose on them, as they have done in over 1,200 cases to the present time.

Mr. Speaker, because I do not believe the farm industry in Saskatchewan can stand any further tax loads I will support the amendment.

Mr. H. Ray Dahlman (Bengough): — Mr. Speaker, I think I will go along with the old saying that if taxation is the price of civilization then I'm for it. I am just wondering what in the world the Liberals are thinking about? Where do they think this province would be today if we'd followed their line of thinking? I wonder what they'd be saying if we didn't spend a little bit of money on social improvements and education. We'd hear a pretty sad story from the opposite side of the House.

Today I believe we're enjoying the highest standard of education that this province ever enjoyed. I think if you go around the province you will find that we now have school facilities. We are providing bus services so that all rural students can have high school education. If you look at these things and consider them as assets then the capital liabilities that our units have today is something to be proud of. Why don't they go to the people and say this. You can't afford a decent standard of education and good roads and social services in this province. And then tell them why. The reason that we couldn't afford them, according to their reasoning, is that we haven't sufficient income.

The Leader of the Opposition suggested that it was because of the conditions back in 1937 that we had to have this education tax. The same thing applies today, Mr. Speaker. The bushel of wheat in 1933 had about the same purchasing power that it has today. Don't ever forget those things.

Mr. Thatcher: — But your taxes are 10 times higher today.

Mr. Dahlman: — Now we're being criticized by the member for Melville (Mr. Gardiner) because we brought in a surprise bill here, which includes education in the formula. Roughly about \$3 ½ million will be provided for education. Is this wrong? Does that not relieve the necessity of increasing land taxes? Wouldn't that be good for the farmer? Why can't we be consistent once in a while? The increases in land taxes in this province has not increased beyond or even as high average price levels and anybody that retails hardware ought to know. But these things they choose to ignore. They say it is a bunch of socialists over here that though up this thing — socialist figuring. Those members who live near the border of Manitoba and Alberta and Montana on the south ought to remember that they also have tax problems. In the state of Montana, I believe that their mill rate for capital for school construction is almost equal to our total mill rate for education. They never mention that, oh no.

If you can find one province in the dominion of Canada where you can get away from taxation, you better point it out. Can you find a province in the dominion of Canada that provides as much service for the money invested

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in taxes — oh no — you can't do it. The point is — do you want a medical care plan or don't you? In my opinion you don't. In my opinion you do not want good education either. These things we want, and we should be asking for some consideration that agriculture get its fair share of the national income. Let's get down to business. I once stated that I was beginning to have more respect for politicians, but I am losing it very fast.

Mr. McDonald: — Look at yourself in a mirror.

Mr. Dahlman: — The members of the opposition are only stalling for time here for political purposes, and are using this legislature as a sounding board for their political propaganda. I think we ought to adjourn. I am not going to support the amendment.

Mr. Eiling Kramer (The Battlefords): — Mr. Speaker, I haven't a great deal to add to the contributions of my colleagues. You know it is amazing, Mr. Speaker, to hear this hypocritical diatribe from the Leader of the Opposition about this 5 per cent health and education tax that is proposed. First of all it isn't a five per cent raise, it is a 2 per cent raise in the tax. When you hear the crocodile tears being shed, you can almost hear them drip across the floor, about this tremendous taxation burden, and the tremendous load it is placing about the farmers, it comes ill, Mr. Speaker, from a man who chose to leave the CCF party when we were fighting tooth and nail to improve the conditions of farmers so that they would be better able to pay their taxes in Saskatchewan — who chose to leave the party when the Liberal party in Ottawa was raising the sales tax on the little people from 8 to 10 per cent, which they did — while he was in the process of making up his mind to join them. If he refers to our Premier as 5 per cent Lloyd, he ought to be 10 per cent Thatcher. This is when he chose to join the Liberal party, when they refused to increase the taxes on corporations — Mr. Thatcher was carrying the cudgels for big corporations and voting for a 20 per cent increase on the little people.

Mr. Speaker, I must object very strenuously to this type of hypocrisy.

Now the member for Qu'Appelle-Wolseley (Mr. McFarlane) talks about a quarter of a million people leaving the farms. Well if they left the farms, if a quarter of a

million people left the farms as he suggests, and he is probably right, they left during a period when the Liberal government at Ottawa was in charge of farm policies and when the cost of living and the cost of production was going continually higher and their produce return was going lower under a Liberal government.

We had our friend from Yorkton (Mr. Gallagher) suggesting that people close to the line were going to be very upset about this increase in taxation. The people close to the line know that while we were under a Liberal government and this policy is continuing under a Tory government, we were getting about \$1.20 or \$1.30 a bushel for our wheat, that down in the United States they are getting a guarantee of \$2.20 for a lesser grade of wheat. These things, Mr. Speaker, I am sure that the people of Weyburn and all of Saskatchewan are aware of.

Mr. Thatcher: — Why don't you talk provincial politics?

Mr. Kramer: — I don't think the amendment is valid — you were the people who were raising the points and I am simply . . .

Mr. Thatcher: — Let's stick to provincial politics, Mr. Speaker. I don't blame him for not wanting to.

Mr. Danielson: — Surely this gentleman is out of order.

Mr. Speaker: — I believe that the hon. gentleman is referring to the tax burdens, and he is endeavouring to answer the accusations and the arguments brought forward by the hon. member for Qu'Appelle-Wolseley (Mr. McFarlane) in regard to the amount of taxes being paid by the farmers of this country. He is bringing in an argument answering these things, and I think he is in order at the present time.

Mr. Kramer: — Thank you, Mr. Speaker. Regarding this amendment, I suggest that this 5 per cent tax is not anything new. It is simply saving the costs of bills that are already paid — bills the people already pay, Mr. Speaker. The people of Saskatchewan are paying these bills now — we're simply introducing a new method of paying which is going to equalize the costs over all of the people. It is not new money, Mr. Speaker,

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and it has been pointed out before. Therefore, Mr. Speaker, I oppose this amendment strenuously.

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

Mr. Ian H. MacDougall (Souris-Estevan): — Mr. Speaker, when we closed the debate for lunch I was about to take my part in supporting this amendment to the bill which has been moved. I would like to speak out for the merchants and the people in my own particular area because I feel that the 5 per cent tax is going to ruin many of the businesses in the city of Estevan. We are only six miles from the United States boundary and the imposition of this 5 per cent tax is bound to force many people to go across the line to get their material goods — the goods that they have to pay 5 per cent tax on in Saskatchewan. When I was there during the recess the businessmen told me that this was definitely going to hurt their individual businesses and I'm sure this will apply to every town along my seat.

As the member for Yorkton (Mr. Gallagher) pointed out before, all the seats that are on the eastern boundary of Saskatchewan and the western boundary will be hurt. This tax is supposed to supply free medicine for the poor people of Saskatchewan, but the poor and the rich will pay alike. The sales tax will hit everybody and it will hit the poor people a lot harder than it will the people who can afford it. This defeats your purpose of ability to pay. This tax will make everybody poor. We just can't keep up with the taxes.

I know a few people who have already left Saskatchewan, who had jobs down in our area, to go to other provinces to escape this tax. They felt it was very uncomfortable to walk around with someone else's hand on your pocketbook grabbing at your money.

People from towns along the eastern boundary will be going to Manitoba to save themselves 5 per cent. This is pretty good interest on your money. The Alberta government will do very well to stay away from the 5 per cent tax because they know full well they will make more money from the people in the eastern part of the province of Saskatchewan going over there to get their goods at 5 per cent less. The five per cent tax will make everybody poor. People who think they will get their health services for somewhere in the neighbourhood of \$72 will get a terrific shock when they find out that they have to pay an extra 2 per cent on

a \$5,000 tractor or 2 per cent on a \$3,000 car extra — and don't think that the rural people won't see this. The people in Weyburn are going to see this and they are going to hear plenty about it in the next three weeks. Tractor tires and anything that is going to cost them money.

Now I should like to invite the member for Cumberland (Mr. Berezowsky), I don't see him in his seat at the moment, but I'd like to invite him down to my constituency to try and explain to these people how happy they will be when they have to pay this extra 2 per cent tax. The government is unable to tell the people now what services they are going to get for this money so I don't see how this can be easily explained. If they can't tell us in the medical bill what they are going to get for this money, and if the farmers in the northern part of the province and the central part of the province where they have socialist members are going to be happy to pay five per cent sales tax, I can assure them that the people in my area definitely will not.

Mr. Speaker, I will support the amendment to this motion.

Mr. Frank Meakes (Touchwood): — Mr. Speaker, I really had not intended taking part in this debate but after hearing the remarks of some of those members on your left, sir, I felt that I should get up and say a few words.

First of all I would suggest to the hon. member who just sat down that he should read up on what is taxable and what is not taxable prior to getting up in this House and making statements.

During the lunch hour I dug up the Journals of 1937 and then I looked at the list of exemptions of today under this act. Certainly I would suggest to him that if he looked, one of the first things he would see is that all tractors, all farm machinery, all repairs are exempt. They were exempt in 1937 and they are still exempt. I suggest that in future he should talk about things that he knows something about, and not something that he likes to guess at.

I would like to put on the records of this House how many of the articles that have been exempted by this government that previously were taxable by a Liberal government

when they brought in this legislation. Well you go down the list of exemptions that have changed since 1937: all drugs and medicines, artificial limbs, orthopaedic appliances, equipment designed solely for the use of blind persons, cripples, chronic invalids, hearing aids, dentures, dental appliances when sold on prescription of a dentist, optical appliances when sold on the prescription of an optometrist or physician, laundry soaps, including flakes, powders, bleaches, blueing, ammonia, lye, laundry starch, chloride of lime, cleansing powders, matches, weed control chemicals, grain fungicides, grasshopper bait, natural gas, liquefied petroleum gas, domestic fuel oil, newspapers, Bibles, Testaments, Prayer books, hymn books, school texts and school reference books, and all tangible personal property in respect of which education and hospitalization tax has been paid.

Certainly there have been a lot of further exemptions. In answer to the statements of the Leader of the Opposition and the member for Qu'Appelle-Wolseley (Mr. McFarlane) when they talked about this added burden on the farmer. The member for Qu'Appelle-Wolseley went on and he said that we across on this side claim to be the friend of the farmer and yet when were we going to do? Certainly we have relieved the farmer of paying tax on many of the articles that the party that my friends on your left represent, taxed.

I was amused with the question that the Leader of the Opposition asked when he said he wondered what the original five CCF M.L.A.'s would say if they were here today. I know what they would say. One of them was at our convention last week. They would say that the people of Saskatchewan . . .

Mr. Speaker: — Order! I hate to call my hon. friend to order, but I am not too sure that these remarks he is making at the present time have to do with the unwarrantedness or otherwise of the tax burden.

Mr. Kramer: — These questions were raised on the other side of the House.

Mr. Speaker: — Order! Questions that were raised by the hon. Leader of the Opposition, or the seconder of this motion when they were speaking to the whole motion cannot be answered by the person who is speaking only on the amendment.

Mr. Meakes: — I submit to your ruling, sir. I was leading up to the fact that

the hon. Leader of the Opposition, I believe, in his remarks, and I think this would pertain to the question, that the people of Saskatchewan could not afford to pay this tax. This is really what I was leading up to. These five members would have said that the payment of hospitalization, the payment of further assistance to education, the payment of medical care would lift a burden off the people of this province and that these people would not mind paying the tax when they know that they get services.

The member for Melville (Mr. Gardiner) talked about taxation on a certain quarter section and I quite agree with him. Taxes have gone up. I can remember when our taxes were just as low as what the hon. member's were. But I also remember the roads and how we had to drive over them. We had to driver over them with a wagon when we didn't own a car. We couldn't afford to run a car and some people called them Bennett buggies and some people called them Anderson wagons, and I have heard them referred to as Gardiner chariots. No, Mr. Speaker, the people of this province, and I suggest the harder up they are, the poorer the economic conditions of the people of this province, the more necessary it is that we band together through some form such as we're doing in the levying of taxes. This tax, though certainly not completely progressive is certainly quite progressive.

My farmer friend who very rarely has to wear a suit may buy two pair of overalls in a year and two pair of smocks — say it cost him \$20. On this he will pay \$1.00 tax. But if somebody can afford to buy \$100 suit in a year or two \$100 suits a year they will be paying \$5 or \$10 tax. If I can afford to buy my wife a \$500 coat, I certainly should be able to afford to pay \$25 tax to assist in giving medical care to those people who can/t afford it otherwise. Yes, if my hon. friend from Melville (Mr. Gardiner) could afford to buy a Cadillac, he would be paying \$8 to \$10 thousand for that car and he will pay a lot more tax then somebody else who can only afford to buy a \$2 thousand car — a Volkswagen or something like this. Certainly this is quite a progressive piece of taxation the way it is today. Not the way it was, Mr. Speaker, when we had to pay it on some food stuffs, on all meals, on all second hand goods, except farm machinery. Certainly it is much more progressive than the regressive legislation that was passed by the party with members on the left side of the House represent.

Mr. Thatcher: — . . . right from the start.

Mr. Meakes: — If the hon. Leader of the Opposition had been in his seat at the proper time when I read out the different exemptions, but of course he had to be late, pardon me, maybe he couldn't help it, but I did point out that meals were taxed in those days. I didn't point this out, but I point it out now — if you bought tea or coffee or pepper or salt or, many other things you paid tax — it was only the food stuffs that were grown on farms that were non taxable.

Mr. Speaker, I am not afraid to get up, and go into the constituency of my hon. friend from Souris-Estevan (Mr. MacDougall) or any other constituency, or into my own, and defend the stand of this government and what they are doing in bringing in this taxation so that all the people in this province can have a better standard of education and I hope a better standard of medical care. I, for one, am not going to support the amendment, and will support the motion.

Mrs. Gladys Strum (Saskatoon City): — Mr. Speaker, I wish to speak in support of this motion, particularly on behalf of education — pardon me against the amendment, and in support of the 5 per cent tax, part of which will go for education and part of which will go for hospitals and health services. This is the latest figure that I can get, and this to me is far more useful than calling each other names. Heaven knows we all remember the depression and I don't think it was anybody's fault in particular. But I think what we did to people in the depression was pretty bad. I am not going to waste the time of this House to review it, but I think we all are interested in this regardless of which side of the House we sit on.

Here it what we spent in the year 1960-61. These are the latest figures I can get. Saskatchewan spent \$37,840,000 on education — almost \$38 million and this year it will be much more, because we've embarked on a second university and we're going to build two new technical schools with federal assistance. But you'll find that the balance of it will cost a lot of money to build two of them.

Mr. Guy: — Twenty-five per cent.

Mrs. Strum: — Yes, but it's all money, and it all has to be raised by taxes. Here is all you are going to get from the federal government. These are the latest figures that I could find for 1957-58 -

\$4,928,000. But in that year you spent \$23 million and last year that had got to be \$37 million and this year it will probably be around \$40 million, and you'll probably get \$5 million from the federal government. Well where are you going to get the rest of it?

You are going to need health services, or else die quietly and that's the only choice you've got. You've either got to pay for them collectively on the insurance principle or you will find the money individually. If you find the money to take out a pair of tonsils or an appendix or a gall bladder, it would cost a great deal more than your premium in this insurance bill. This is a simple way to do this. This is the useful way to do this. You have only two choices. Either you find a way to pay for it, or you do without it. We in this House are supposed to be responsible people and the sort of drivel we've listened to in the last two days should be beneath the dignity of this House, to offer in the name of debate. I'm ashamed of the level to which the debate has fallen, and I will not indulge in the sort of nonsense that I've been subject to in the last two days. Therefore, I'm very much opposed to, not only the amendment, but the level to which this debate has been dragged by the opposition.

Mr. Ross A. McCarthy (Cannington): — Mr. Speaker, I just want to take a few minutes to reply to the gentleman over there, he is out of his seat now. He read off a long list of articles that presumably were taxed before and are not taxed now. It was quite a list. If you counted up the money that was collected on those items in 1937, it was a very small amount of money.

Mr. Kramer: — Harder to get too.

Mr. McCarthy: — A lot harder than you think. But I think the proper criterion if you're going to make comparisons like that is to make comparisons with the money that is being collected now. If you can go back to 1937 you will find that there was \$2.3 million collected on the whole deal. As I understand it, and I stand to be corrected, this is going to amount to \$37 million. So what he was talking about was peanuts. It didn't amount to anything. You just can't get something for nothing anywhere. If you're going to put this collection on, the simple fact of the matter is that you're taking \$37 million

out of the people's pockets. You're taking a lot more out now, because of bigger amounts collected and also because there is more of them. There is no comparison whatever to the trifling articles that he was talking about, compared with the tax that we're putting on today. I shall support the amendment.

Mr. F.E. Foley (Turtleford): — Mr. Speaker, I would like to make a few comments on the amendment. First of all when the hon. lady member from Saskatoon (Mrs. Strum) make reference to the quality of the debate, I want to say first of all that in my opinion the word "drivel" that she used to describe the debate here is certainly not only unparliamentary, but unladylike and not becoming to the member in any way, shape or form.

It is going to be very interesting to see what the lady member from Saskatoon and the hon. senior member (Mr. Stone) who has so far been remarkably silent in this debate, have to say to the Chamber of Commerce when they get back to the city of Saskatoon, and to a few other public organizations of the same type. As far as I'm concerned we've tolerated the three per cent education and hospitalization tax for a number of years and I'm not on my feet at the moment to discuss the merits or demerits of the purposes for which the funds raised have been raised. Nevertheless we have seen here in the past year, Mr. Speaker, a change of mind on the part of the government with regard to some very essential, and important public projects in this province, that were promised to the people before the last election. I have the Yorkton mental hospital in mind, and I think the contract was in the neighbourhood of \$1 1/2 to \$2 million.

Mr. Speaker: — I don't think the hon. member is sticking very close to the question of unwarranted taxes for the people.

Mr. Foley: — I think this is very pertinent, Mr. Speaker, but I shall try and remain on the point. The fact remains, that here we have the government deciding not to build this very important and much sought public institution on the one hand, and now raising the education and hospitalization tax by 2 per cent while still not indicating whether or not this institution will be proceeded with.

It has been interesting too, Mr. Speaker, in connection with our amendment, which I think comes at a very important time, in this legislature, to note the lack of enthusiasm and the lack of conviction of the speakers on your right. Very few of them have had sufficient courage of their convictions to stand up and speak at all in this debate, because obviously they do not believe in the tax increase. I say, Mr. Speaker, that this is a problem which all members should rise and speak on in relation to their own situations throughout the province, to the present farm crisis and to all the related problems.

As far as I can see, it is not so much a question of what the monies have been used for in past years, or what they may be used for in future years, so much as it is the difference between a tax which may be desirable in way of provincial finance and that which is practical. There isn't anyone in this assembly, Mr. Speaker, who can attain all his objectives when he wishes, and certainly we must keep one foot firmly on the floor with regard to finance, whether it be finance in our own domestic situation or finance in the matters of government.

I suggest, Mr. Speaker, that in voting against this amendment the government is serving notice in no uncertain terms that it is not concerned with being practical, economical or even sensible in many of the areas of taxation presently in force in this province and about to come into force. I know that the people of Weyburn, not only the rural people, but the business people in the constituency of Weyburn are going to be seriously inconvenienced in many ways by this increase in the tax. I think a very important point was made by one of my colleagues, and I would like to reiterate it at this time. We have lost considerable business from the province of Saskatchewan along its borders because of the three per cent education and hospitalization tax. What is now going to take place at the first of the next year when it has risen to five per cent? How much business are we then going to lose outside of this province to the detriment of the people in this province who have been in business for many years and who have a large investment in this province and who like to be able to compete on an equitable basis with our neighbours in the outlying provinces?

So I say, Mr. Speaker, that this government is not properly assessing the problems that are existent in the province today, or if they are assessing them then they are certainly not prepared to recognize them in any way, shape

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or form. When I see the skeleton down town of the Saskatchewan Power Corporation office rise, and think of the millions of dollars that have been tied up in that building, I wonder which would have been more desirable for this government at the present time. I have been waiting all through this session for the hon. minister in charge of the power corporation to try and justify that expenditures and he hasn't uttered a whisper as yet. Maybe now when he is in his seat for the first time in many days, he will stand on his feet and give us some justification.

I might say too, Mr. Speaker, that other situations have developed recently, which are all the more reason why this government might have reconsidered that expenditure at the present time in order that they might have avoided this present increase in the education and hospitalization tax.

There is only one more matter I'd like to deal with. When the hon. member for Cumberland (Mr. Berezowsky) in this debate on the amendment, Mr. Speaker, made what I felt were some rather extraordinary statements — certainly they would have been extraordinary statements by those who represent farm constituencies, but they were all the more extraordinary for a member who represents a constituency with the diversified type of economy of the hon. member for Cumberland. He stated that his constituents were not only satisfied but well able to pay the additional tax. And yet how many times, Mr. Speaker, have we heard the same hon. member stand up before the bewail the difficult conditions in his seat and of the people in his constituency. Many people share the same difficult position — many of the Metis today are having a very difficult time in making things go, without making it more difficult by raising a tax as basic as this one.

Mr. Berezowsky: — Look at the services we get.

Mr. Foley: — What services? Then I might go on, Mr. Speaker, to his statement that the farmers would only be too happy to pay the extra tax. I wonder if he would be prepared to go down to the Weyburn constituency and tell the good farmers in that area how happy they're going to be when the new tax comes into effect and the \$20 bill in this province is reduced to \$19 by a stroke of the pen of the hon. Premier and the Provincial Treasurer, in the next few weeks.

So I say, Mr. Speaker, that the lack of conviction

and the lack of enthusiasm of the members on your right is sufficient in my opinion to show how they really would vote if they had the personal gumption and courage to stand up and express themselves and to really express the feeling of the people in their constituencies who have sent them down here. Certainly we've seen enough press reports and letters in recent weeks to know the situation there.

There is only one more point I would mention, Mr. Speaker, when we are discussing the various exemptions, which the hon. member who just took his seat mentioned. He mentioned the exemptions on certain farm equipment and so on. For many years up in the constituency which I represent the harvesting of farm fence posts, rails and other materials that can be used on the farm has been quite an important industry. For years now we've been approaching the government, approaching the Provincial Treasurer on behalf of these people, asking that these materials which are so important for use on the farm be exempted from the education tax. It seems to me if this government is so concerned with the agricultural scene and the farmer, that while the broad principle of this tax is now open for debate, that some consideration might be given to exempting these vital commodities needed on the farm at this present time.

Mr. Speaker: — Order! I don't think that the removal of the tax from fence posts has anything to do with the unwarranted tax burden of this statute on the people of this province.

Mr. Foley: — Thank you, Mr. Speaker. You know when I think of the mineral tax in this province I wonder why the Minister of Mineral Resources even makes a mutter. I would like to hear the hon. Minister of Education comment on this amendment. This is an amendment which this gentleman in his former associations with this province could certainly have supported with full gusto. I wonder what he will do now in his present position. Mr. Speaker, I will be happy to support the amendment.

Mrs. J.E. Cooper (Regina City): — Mr. Speaker, I am going to speak against the amendment. I'm going to have courage to get up and say what I think and tell you why I think it. I find it most difficult, Mr. Speaker, to understand the logic or the lack of logic, or the mental gyrations that are coming from the other side of the House. When it comes to the medical bill they vote

for it in principle, although they block it in every way they can. They tell us that land taxes are too high. We can't put any more taxes on the land. They say they want these services, they want more money for education, they want fewer taxes on the land, but when it comes to providing the money, they are against it. When it comes to taking money off the land and another tax in place of it, again, they are against that.

Another thing that I find most difficult to understand is this. They say that this is an unwarranted tax. They say they will admit people need medical care. They say that people can afford to pay their M.S.I. or their G.M.S. or pay individually for their medical care and they are quite agreeable that a man on a \$10 thousand salary should pay the same amount for his medical care as a man on a \$3 thousand salary. That is the kind of logic they are giving me here. Through their G.M.S. or M.S.I. or individually — but they can't possibly afford it if we try a method of spreading this cost more equally, more fairly so that you pay for part of it by this 2 per cent, rather than paying it individually. What they are really saying is they don't want the cost spread. Actually that is what they are saying. They are saying they don't want the plan because they are not prepared to pay for it. But they haven't got the gumption to come out and say it. So they vote for the second reading of the medical bill.

Government Members: —Hear! Hear!

Mrs. Cooper: — You are not fooling anybody. Now they try to tell us, and somebody made the statement over there that this two per cent tax bears more heavily, I believe someone said, on the low income groups. Again I find their logic most difficult to understand. The lower your income, now you'll have to agree with this, the lower your income the greater percentage of it must be spent on these things — food, medical bills, drugs, and clothes. Of these things, there is only one thing that is taxable and that is clothes. Now the people who spend the most on clothes are the people with the largest incomes. That is quite understandable and quite natural and quite true. With the figures that the Provincial Treasurer gave you, \$14 on a \$3 thousand salary, \$24 on a \$5 thousand, \$36 on a \$7 thousand, I don't know how you can argue as you do. I don't know how you can sincerely argue as you do.

It would be very unrealistic, Mr. Speaker, and I would almost say hypocritical if we voted for this amendment

and at the same time said that we're in favour of a medical care plan. I think that would be unreasonable.

Mr. Cliff H. Thurston (Lumsden): —Mr. Speaker, I had no intentions of taking part in this debate until the member from Turtleford (Mr. Foley) accused us of not having courage. I want to say at the outset that I have the courage to stand up in this House as I stand up in the country. My mind goes back to a few months ago in the last provincial election campaign. We had a joint meeting. The Conservative candidate didn't show up, but my Liberal opponent and Social Credit opponent did. The whole field of taxation came up. I was the last speaker. My Liberal opponent named all the taxes that this government had levied and what they were going to do. Then the Social Credit got up and said, "Me too." You can understand my position having to rise in a farm meeting and tell them what I thought. I told them I was sure we would be re-elected. It is very nice to talk about these things, but if you have a responsibility you have got to live up to it. I want to say in this regard, Mr. Speaker, that in 1956 I lost that poll and lost it very badly. In 1960, with those same farmers, we had the biggest majority we had ever had in that poll. I make no apologies for standing up in this House and supporting a tax that I believe will bring many times more benefit than the tax itself.

I have a situation in one of my towns that is in a medical scheme. It is financed by a per capita tax of \$24 for single people and \$50 per family and a mill rate of 5.4 mills, of taxation. That criticism that I have had from the council of that town is that there are many people they can't get at. If you are a renter and don't pay the 5.4 mills, the only revenue that they get from those people is their per capita tax. I am sure that the town council will welcome this tax from that region.

Mr. Speaker, I am not going to take any more time, except to say that I am not a bit ashamed to stand up and support this tax. I will support it in my own constituency and if I am called on to do so I will do it in Weyburn.

Mr. John Thiessen (Shellbrook): — Mr. Speaker, there is only one word that prompts me to rise and this is the word used by the member from Turtleford (Mr. Foley) 'unconcerned'. He said we were unconcerned. I think that if we look at this properly we

can see that the opposition is unconcerned. We have been here now over two weeks, trying to do something for the people of Saskatchewan, which will touch every one of the population inside of two years and they have bucked it every inch of the way. They have fought it for everything it is worth.

Mr. Speaker, I have dealt with people in public affairs for 35 years — health, education and all the rest of it. I can go back to the days when people were taken to the hospital, and taken into the lobby and they were not allowed into the hospital until the reeve or the councillor had okayed the bill for them. The little municipality that I represented at that time owed the hospitals \$20 thousand in Saskatoon and we had nothing to pay it with. Not one mother in confinement went to that hospital. We told our doctor that we couldn't afford the hospital for maternity cases. Those are just natural things and they happen at home. Today you haven't got that.

Mr. Speaker, if anybody is unconcerned it is the opposition. It is because I am concerned about this, because I am concerned about the people whom I represent at the present time — we have a lot of Metis people in there, we have a lot of Indian people, and we have a lot of white people who need to be concerned about. It is for this reason that I am at this House at this moment, and it is for this reason that I am concerned about these people and I will vote against the amendment and for the motion.

Premier Lloyd: — Mr. Speaker, the member for Turtleford (Mr. Foley), when he was speaking a few moments ago accused members on this side of the House generally of having lack of courage and also lack of conviction. In his definition it seemed to me that he seemed to measure courage by the extent of noise which was made. I must admit that measured in that way he stands up pretty well. I have long since been suspicious of people who tried to prove courage in that particular way.

He made some reference to the number of persons who had or had not taken part in the debate on this side of the legislature. We have a bit of a quota system over here, Mr. Speaker, we usually calculate that one here for every five over there is about the right comparison . . .

Mr. McDonald: — You don't stick to that with radio time.

Premier Lloyd: — Mr. Speaker, the one thing that has become crystal clear in this discussion and in discussions which have preceded it is that the Liberal members of the legislature who have spoken do not want a medical care program. This is the one thing that must be crystal clear to anybody that follows in any detail whatsoever what has been said and what has been done by the members opposite. There have been a lot of statements made about what will happen in Weyburn and what this will mean to the people of Weyburn. Mr. Speaker, when the people of Weyburn know, not only that little portion of the story which members of the opposition will tell them, but know the whole story they may have quite a different opinion from what is expected on the other side of the legislature.

Let's just look back and see what has happened. Here is a group of people who voted not long ago, on second reading, in support of a medical care bill. Here is a group of people who subsequently, as lately as this morning, voted in third reading against income tax proposals which will provide part of the money on the fairest basis possible for the payment of these costs. Here is a group of people now just a few hours later, who are going to vote against another means of financing this particular program. What is it the hon. members want?

I submit, first of all, there are only two conclusions one can come to. Either they don't want a medical care bill whatsoever, or secondly if they do want it, they want to pay for the whole thing out of the per capita tax — the most regressive of all the taxes that have been suggested.

Mr. Klein: — On a point of order, Mr. Speaker.

Mr. Speaker: — The hon. member has risen on a point of order.

Mr. Klein: — It is my understanding that we will be able to discuss the whole medical care bill in reply to what the Premier is now saying to this amendment?

Mr. Speaker: — No. I believe what the hon. Premier is endeavouring to point out is that this tax is warranted.

Mr. Klein: — Would it be all right to reply to this?

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Mr. Speaker: — I don't think the hon. Premier or anyone else can discuss the whole medical care bill.

Mr. Foley: — On another point of order. I believe you have already ruled that no speaker may impute motives in this House in the manner in which the Premier is now doing.

Mr. Speaker: — I regret that I did not notice any personal motives being imputed.

Premier Lloyd: — I didn't intimate personal motives. I don't want to offend the sensitivities of the hon. member from Turtleford (Mr. Foley). I am drawing what seems to me to be the only obvious and possible conclusions from the specific action which members of the opposition have taken.

Mr. Speaker, to continue, the discussion of the amendment on the warrantability or otherwise of this particular tax. The Leader of the Opposition in his remarks, in discussing the amendment suggested that I would henceforth be known as five per cent Lloyd. I had no objection to be known in this way — as five per cent for something that is real and valuable for the people of the province. Much better to be known that way, as I said before, Mr. Speaker, than to be known as two-bit Thatcher for no good reason whatsoever.

Government Members: — Hear! Hear!

Premier Lloyd: — It is quite true, as has been mentioned that this act as proposed will go into effect prior to services being given, which are to be paid for by the proceeds. It is quite true also that other taxes, speaking specifically of the per capita payment, will not be collected until some time after the services are being received. Consequently these two do balance out.

Great emphasis has been placed by some speakers, nearly all of them on the opposition side of the House, that this bill will take out of the pockets of the people of Saskatchewan some \$14 million of additional money. It is true that this means that the people of Saskatchewan will be paying that much more in taxes. But it is absolutely untrue, as well so well stated just a minute ago by the lady member for

Regina (Mrs. Cooper), that this means an additional burden necessarily on all of the people who contribute to this tax source. People are taking out of their pockets now the money to meet their medical bills either on an individual basis, or through one of the voluntary plans, or through a group plan, or through the Swift Current health region. They are taking out of their pockets to the extent of \$18 million at least for this purpose now. I want to emphasize, and I have stated before in this legislature, Mr. Speaker, that a dollar which goes to pay for taxes to provide a service, is not in any sense different from the dollar which goes to pay to a voluntary plan or to one's physician directly. It doesn't leave any bigger deficiency when it is gone, it isn't any harder to earn. The suggestion that this means an added burden, an added extraction from the people of the province, is just definitely not correct.

The reference to incidence has already been made of this taxation. I simply want to add again, that this is a tax which is proportionate in its effect, it is a tax which takes about the same percentage of income from all groups of taxpayers. It is admittedly not progressive, but it is not regressive in the sense that the per capita is.

Just to put on the record another set of figures as to what the full 2 per cent of this tax would cost in an average way for families across Saskatchewan: In a family with an income of less than \$3 thousand, approximately \$18, in a family with an income of roughly \$5 thousand the tax would amount on the average to about \$32, in a family with an income of around \$7 thousand about \$48. In each case this works out to about .7 per cent of the income.

Let's remember that in addition to this, Mr. Speaker, that there are a great many people in the province who are going to be relieved of paying certain taxes which they now pay. There are over 100 municipalities in the province who now pay for part of their medical care program by means of a tax on property — a tax rate which runs from one mill to 10 mills. In addition to that there are 75 municipalities in the Swift Current health region which pay on the average about 2 ½ mills. These payments will not be needed. There are a great many hundreds of thousands of people in the province who pay something to G.M.S. or M.S.I. or some other plan. These payments will not be needed. Our calculation indicates that for 80 per cent of the families of the province they will pay less as a result of the plan being proposed here than they would have paid had they belonged to either G.M.S. or M.S.I. Eighty per cent of our family groups in the province will pay less than they would have paid had they received services, not as great as they will receive, under M.S.I. or G.M.S.

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The other factor that has been constantly overlooked by members of the opposition is that this is a ledger which has two sides to it. They continually talk about what people are going to pay, not once have they suggested, and I'm afraid they will not point out to the people of the province, that they are going to receive services for this, services which they are now paying for, which they would have to pay for out of their own pockets if this plan wasn't implemented. The welfare of the people, Mr. Speaker, is dependent in part on how much they have to pay out admittedly, it is also dependent in part on what they receive back for what they pay out in taxes — it is dependent in part for what they don't have to pay out, outside of their taxes.

There has been some discussion, in this particular discussion, about the effects on industry. One of those who participated in this particular mention was the hon. member from Estevan (Mr. MacDougall). He had some dire things to say about what has been done to his constituency in the past and what great worse things this would do. Just a few days ago there was distributed in this House a pamphlet by the Chamber of Commerce, I believe it was in Estevan, and what you find in this? Population 1950 — just over 4000. Population 1960 — 8750. Gross income of the population in 1950 — \$7 1/2 million. Gross income of population in 1960 - \$19,627,000. Trading area population, 1950 — 28,500. Trading area population, 1960 — 39 thousand. Number of industrial plants 1950 — 4; number of industrial plants 1960 — 15, and so on and so on, Mr. Speaker. It seems that the hon. member ought to take a look at what is going on around him in his own constituency.

I need only to finish, Mr. Speaker, this particular portion of the debate by adding this. Reference was made to medical care costs in regard to abundant living and this bill is in connection with more abundant living. Let me say, that to the person who looks at the plan that has been proposed there can be no doubt but what when this is in operation, we in Saskatchewan will have made one of our most significant steps toward guaranteeing that there is available to all of the people of Saskatchewan more abundant living.

Mr. McCarthy: — Could I ask the minister a question before he sits down? Would you give me the name of the municipality that pays 10 mills for health?

Premier Lloyd: — I said that the spread of municipalities is from one to 10 mills and I'm informed by the Provincial Treasurer that it is the Spalding municipality that pays 10 mills.

Mr. Karl F. Klein (Notukeu-Willowbunch): — Mr. Speaker, in speaking to the amendment, I would like to deal with the phase of the amendment — the ultimate effect that the bill has. I would like to also point out that the taxes are unwarranted and unbearable in the minds of the people. However, before I do that I would like to reply to some of the statements made by the Premier.

He said that we failed to mention that it's going to provide a service to the people. Precisely on this point is where I have many doubts, because you are first of all proposing a tax for a service you do not intend to render for some three months and perhaps never. I say 'never' because there is a federal election in the offing next year and if both major parties, and one of those two parties will form the next federal government, if they are elected and start implementing a national health scheme, we'd be utter fools to get into the field. You may laugh about it if you like. The Minister of Health, if he keeps dilly-dallying around, by the time he implements this one, the federal one might be implemented simultaneously to your own. Therefore, I say you are taxing for a service which we may or may not get and this government has done some foolish things but I don't think would be quite foolish enough to institute a medical scheme in this province when they are starting to implement a national health scheme. Then the 5 per cent that you are levying would just go to fill the coffers, - to do the other things that you hope to do. That is one of the first things that I think we should look at. Is it right to tax for a service that is not rendered, or do you render the service first and tax afterwards?

The next objectionable feature I find in this method of taxation is perhaps personal in a way. But, I can see, regardless of the incidence you claim, — the lady member for Regina (Mrs. Cooper) stated that those people on high incomes spend the most on clothes. I would like to tell her that the families with the most children spend the most on clothes.

Opposition Members: —Hear! Hear!

Mr. Klein: — If you don't believe that — and that is why I said it was sort of personal with me, but I would like to have you clothe my six children and see what it costs you and find how much incidence it is on just the clothing bill alone. Now that is perhaps the most unfair part of this method of taxing in that it is going to hurt those large families most.

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No one has said more often than this government that those who do pay taxes should be the ones that can afford to pay them. You have the opportunity now of illustrating whether you really believe this or not. What did you do with the so-called vested interests? You charged a one per cent corporation tax — one per cent on income tax — two per cent on all the people in the province increase. Is that taxing on the basis of those who can afford to pay?

Now, I think we must, of necessity, try to determine where we are going ultimately to wind-up if this taxation continues. I have no hesitation in saying that the CCF government of the past have been half-baked socialists. They weren't total socialists. They relish taking money — that was because of the productiveness of other people, and they relished in distributing the wealth produced by someone else. But they have always been anxious to evade the field of the production of wealth and the expenditure of wealth at the same time. Once they do that, and perhaps that is what the new party has in mind, the New Democratic Party, or the old party in new clothes, that they want to get in the area of regulating production as well as distribution of wealth. Then you will be complete socialists. You won't be just a half-baked type that you've been for 17 years. Up until now you have like to distribute wealth, but you don't want to take over the responsibility of producing it. The ultimate goal is no doubt to regulate the production of wealth and that accounts for the type of resolutions that came out in the new party convention — if you cannot directly socialize the farmer, there is an indirect method of doing it and that indirect method is simply to increase his burdens of taxation to such a degree that he cannot meet his commitments and he is forced out of business. Once he is forced out of business through arrears in taxes, and the amount of farms up for sale for arrears in taxes is steadily increasing — that land will revert back to the municipality. But to go one step further you people want to do away with the municipalities. You want to establish a county system. I am showing you the ultimate effect of the taxation — the ultimate effect that taxation is going to have on the people of this province. It is an important one and we all need to take a look at it. Now, that is why you are so confounded anxious to have your party invade the municipal field so they will elect CCF members on the county council. That is why. Then when the land reverts back because you can't pay your taxes, it will go to the county and you will have all CCF'ers . . .

Premier Lloyd: — On a point of order. Surely there is a point of order here.

This has nothing, by any stretch of the imagination, to do with the incidence of this particular tax.

Mr. Speaker: — I do believe that the hon. member is endeavouring to show what could be the result of this unwarranted tax burden.

Opposition Members: — Hear! Hear!

Mr. Klein: — To further substantiate my point, the member from Qu'Appelle-Wolseley (Mr. McFarlane) pointed out what the arrears in taxation are now on our farm lands and he said there were \$26 million in arrears of taxes on farm land in all the municipalities. You increase that and the farmer will gladly say, well I'll go to work for you if you take over all my responsibilities and give me a wage. These fellows are the ones that love the type of farming that goes on in China. They love the type of farming that goes on in many of the nations behind the Iron Curtain. They have always wanted co-operative state owned farms in this province and they see a way of doing it by increasing the tax until the present owner of the land cannot meet his taxation and he will have to give it up.

Opposition Members: — Hear! Hear!

Hon. Mr. Brockelbank: — On a point of order. The point of order is that although the explanation of an over-worked and over-excited imagination is very interesting, it has nothing to do with the amendment before the House.

Mr. Speaker: — Order! I do believe that the hon. member is possibly carrying things to an extent. I believe he is trying to show what could be the results of added taxation, an unwarranted tax burden. I don't think he should tax the House too far by carrying on too long, but I do believe he is trying to make a point.

Hon. Mr. Brockelbank: — Would you say China is really out in the field?

Mr. Klein: — That's where your friends are, that is why it isn't out in the field.

Mr. Speaker: — I think he is making the point as far as he needs to, that the unwarranted tax burden could have these results.

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Mr. Klein: — I always find that when they have no argument they resort to ridicule, so I am very pleased to get ridicule because I wouldn't be making any effect on them if I didn't get ridicule from them.

I said the tax burden was unbearable and I pointed out the effects that unwarranted tax burdens could have. But after all what will happen to our school units when the taxation becomes more unbearable than it is now. I would like to point out that I imagine the easiest yardstick to use when the taxation has reached the saturation point, all you have to do is find out whether the arrears are building up. If arrears build up under good conditions, there is only one of two reasons why they would build up. The first reason is they build up because people will not pay their taxes, or because they don't want to pay their taxes. I don't want to say that there is a responsible citizen in Saskatchewan that doesn't want to pay his taxes. All the farmers that I know have always given first priority to the payment of taxes. They saw what dreadful results will result if taxes are not paid.

The second answer, if they do want to pay their taxes, and yet arrears build up is that there is more tax than they can afford to pay. They have to make the choice of whether to pay taxes or keep the money to live. That is the choice the farmer is faced with today — is it more important to pay his tax or is it more important to buy his groceries and live? The farmer says to himself, I shall live first and pay my taxes second. He certainly cannot be condemned for it. But in spite of that you are saying we'll increase the burden. You can call it what you like. You may be providing services for him, but on the basis it is done, it is the most unequitable basis you could possibly find. I would rather pay my \$84 and know that I'm through with the thing, than to realize that every article I buy is costing me that much more. There is no end to how much it is going to cost me, because every time I buy a piece of clothing for my children I am paying more towards the hospitalization or the health insurance.

Mrs. Strum: — You are getting more too.

Mr. Klein: — I am not getting any more than I am under M.S.I. M.S.I. doesn't worry whether I have 9 or 6 or 20 children, it is still \$84. But you fellows the more children you have the harder it is to pay, because there are more things you have to buy that are taxable.

Now I think my main exception to this because that is the ultimate goal of this government, and particularly since they've changed leaders. I am more worried about it now than ever, that the ultimate aim is to have the farm a socialized unit and you will get there by continuing to heap the burden of taxation and that is why I am for the amendment as it stands.

Mr. Berezowsky: — Could I ask a question? the question is this. You made reference, I think by repeating another hon. member, that the tax arrears are so high. I'm not concerned so much about the figure but would you say that the tax arrears for a number of years, I think it is one year behind now, is greater than it was 10 years ago?

Mr. Klein: — I have checked the amount of arrears over the past 10 years. If you get that return you'll find out.

Mr. Berezowsky: — I think it is one year behind in rural areas, and I ask this question. Is that any greater than it was 10 years ago?

Mr. Klein: — You'll be told in the session.

The question being put, it was negatives on the following recorded division:

YEAS — 15

Messieurs

Thatcher	Gardiner	Horsman
McCarthy	Foley	Coderre
Barrie	Guy	MacDougall
McDonald	Boldt	Snedker
Danielson	Klein	Gallagher

NAYS — 32

Messieurs

Lloyd	Thurston	Thiessen
Dewhurst	Erb	Snyder
Williams	Nicholson	Stevens

McIntosh	Turnbull	Kluzak
Blakeney	Stone	Dahlman
Brockelbank	Whelan	Semchuk
Walker	Thibault	Perkins
Cooper (Mrs.)	Berezowsky	Peterson
Strum (Mrs.)	Kramer	Brotten
Davies	Johnson	
Willis	Meakes	
Brown		

Mr. Speaker: — The debate is now on the motion.

Mr. Snedker (Saltcoats): — Mr. Speaker, in connection with the main motion, and the proposed increase of the sales tax. There have been a good number of things said in this House in regard to its effect on farm people, and the farm economy, and I personally wish to state most emphatically that to increase the sales tax at this time, in a year such as we have just passed through, is working a most unfair hardship on all our farm people. This entire tax structure bears more unfairly on farm people, and people in our small towns, than it does on other groups by reason of the things to which the tax is applicable, especially to things which farmers have to purchase. Not only clothing, but the lumber that is used to patch granaries, if there is any grain in them, the trucks which farmers have to purchase in order to conduct their business, in addition to the automobile which they have or they don't have as the case may be, the hardware which they need in the conduct of the business of the farm — all these costs are being increased at this time by the government — at a time when we are passing through an extremely serious drought period. I think a more serious drought period than the one I lived through in the thirties, by reason of the fact that in that period the cost of living was much, much lower than it is at the present time.

Mr. Speaker: — Order! I wish to point out to the hon. member and to all hon. members that we have had an amendment before us dealing with the warrantedness of unwarrantedness of this tax burden which is being imposed on the people of Saskatchewan. At this time this amendment has been dealt with and this House has passed judgement in regard to it. We cannot renew the debate in regard to the unwarrantedness of this tax burden to the people of Saskatchewan. Now you realize my position here. It is going to be very hard for me to differen-

tiate, but I wish to point out that I cannot have a repetition of the argument, which we have just had. If anyone had wished to speak in regard to whether or not this tax burden is warranted or unwarranted it should have been done when the amendment was before the House. We cannot have repetition and going over the whole thing again at this time. I don't know as the hon. member was quite doing that but it left the question in my mind, that there were a good many of the things that the hon. member was saying that were along the line of the things which had been said earlier in the discussion on the amendment. I am afraid I have to rule that we cannot have the House again going into the discussion of what should have been dealt with under the amendment. I hope the hon. member understands me and endeavours to address his remarks that way.

Mr. Danielson: — I can't believe that you're really serious in that statement, Mr. Speaker. This whole bill is open for discussion. The amendment was voted on. The minister started this morning when he moved the second reading of this bill. If you are going to stick strictly to what has taken place here this afternoon then your statement is correct, but you have allowed — I am not pointing to any one in particular, many members to wander far wide in discussing the amendment, and it is absolutely impossible to debate second reading of this bill without getting in on the subject of raising money. If you stock strictly to your statement now, well you might as well close the debate.

Mr. Speaker: — I'm sorry I do not have a copy of the amendment before me, but I believe if read to the effect that this tax was imposing an unwarranted tax burden upon the people of the province. I believe that it is a firm principle in parliamentary procedure that when an amendment has been dealt with that you cannot go back and discuss what has already been dealt with by the House. When the decision has been taken we cannot discuss it again. I realize it raises a question, and the hon. member for Arm River is quite right. The bill is now before us in its entirety but the exception is that I think we should endeavour to refrain from discussing whether or not this tax burden is warranted or unwarranted in regard to this bill. I think that the hon. member from Saltcoats will endeavour to confine himself with the limits.

Mr. Coderre: — On a clarification — I have not had the occasion to speak on this bill or on the amendment. I have always been made to understand that when a bill is brought into the House, it opens up the whole field. Assuming that I am speaking in favour of it, I can now probably use the same arguments that were used when the

amendment was put in. But assuming that I want to speak again, I would like a clarification on that. I had intentions of speaking on the bill and I am definitely opposed — but I did not speak on the amendment.

Premier Lloyd: — Mr. Speaker, on the point of order. The members will recall that the Speaker made it very clear, at the time the amendment was moved and before the discussion started on the amendment, that the discussion was at that time to be on the subject matter in the amendment. The subject matter of the amendment referred to the unwarranted burden imposed by this proposed tax. We have spent the last several hours in discussing this phase of it. We have voted on it and we have disposed of it. As I under the speaker's ruling — now having discussed and voted on it and made the decision, we cannot at this time go back and re-discuss the decision which we have just made. It seems to me eminently fair and in order that this should be the situation. If the hon. member wished to speak on that particular phase of it he should have spoken on the amendment.

Mr. Speaker: — In answer to the hon. member from Gravelbourg, I believe that the hon. member can indeed take part in the discussion. In fact all the members who have spoken hitherto in the debate, except the mover and the seconder of this amendment and those who spoke previously, and the mover of the amendment of course has the opportunity of closing the debate. But everyone has an opportunity now to speak in regard to the motion, but I do not feel that we can go back, whether or not a person has spoken previously in the debate, we cannot go back and reopen the question regarding whether or not this tax burden is warranted or otherwise, at this time. The hon. member from Gravelbourg certainly has the opportunity to speak in the debate, but he should try to keep his remarks from that which we have already covered.

Mr. Danielson: — Could I ask one question for clarification. It is a technical thing, but is a person allowed then to stand up and say I am opposed to taxes for certain reasons?

Mr. Speaker: — I think it would be quite in order, but I don't think he should give as one of them that it is because it is an unwarranted tax burden. Any other reasons can be discussed. There are undoubtedly other phases of this bill, many phases of this bill that have not been discussed and we can go into discussion on those. But whether or not it is an unwarranted tax burden, I think should be left alone from now on. It would be repetition, and that is a very bad principle in parliamentary procedure

to keep repeating and bringing before the House something that has already been decided.

Mr. Danielson: — I suggested, Mr. Speaker, that we should discuss both the amendment and the bill at the same time, and I think it puts this House in a very awkward position and I am satisfied that all of us here were confident that we could speak to the amendment and also have a right to speak to the second reading of this bill. Whether it will be allowed or not I don't know.

Mr. Speaker: — We do not wish to restrict in any way the opportunity of the hon. members to express their opinions in regard to all phases of this bill, but I believe there has been ample opportunity for them to express their opinions in regard to whether or not this tax burden is warranted at this time. I think that the hon. members can go forward and discuss details with regard to the bill. Other amendments that we have had from time to time, some of them have been alternative motions, in regard to the Speech from the Throne, it has been the practice of this House for a good many years to allow the members to speak to the amendment or to the motion, and it was a practice of the House which was observed. And alternative motions, where all the words after the word 'that' have been changed, we have used that principle. The Clerk and I have agreed that these motions are not properly alternative motions where words were deleted and others put in their place. It was an amendment brought in for formal resolution and I think it is expressing some reason why this bill should not be passed at this time. I think that the arguments regarding that reason have been expressed pro and constituency in this House and I think we cannot continue, further, discussing the pro and constituency of whether or not this tax burden is warranted at this time. I think this is quite clear and I think it is a sound principle of parliamentary procedure. I realize it will be difficult to make this distinction and I wish the House would bear with me and give me their commission-operation.

Mr. Gallagher: — Mr. Speaker, is the wording of the amendment 'unwarranted' or 'unfair'?

Mr. Speaker: — Unwarranted.

Mr. Gallagher: — If the word is 'unwarranted' then would it be all right if the member from Saltcoats got up and tried to show members of this House why the bill's unfair rather than unwarranted, because there is a difference between unwarranted and unfair.

Mr. Speaker: — The hon. members can give other reasons why the bill is unwanted. There are many reasons could be advanced. I think it is quite possible to do that. So far as the tax burden being unwarranted, that part we have discussed quite fully and I wish, if possible, we could avoid it in further discussion of this bill.

Mr. Snedker: — Mr. Speaker, I have listened with a great degree of interest to the discussion that has just taken place and I had deliberately intended to reserve my remarks on this bill until after the amendment had been put and cleared out of the way, because I thought I would then have the privilege of more thorough discussion, because we would be back on the main motion — that is the complete bill and I thought I would possibly have greater freedom of discussion. However, having listened to you, sir, I will endeavour to confine my remarks within the realm of debate as you have outlined it. But let me say this — that the remarks of the hon. Premier of the province, that he has just made — when I stop to consider that when the point of order was raised I was discussing the relationship of this tax to our agriculture and farm people, I can understand his desire to limit my discussion and my freedom of speech in the House — that is an attitude typical of socialists, because socialists hate farmers, Mr. Speaker. You shouldn't have stuck your neck out if you don't like it.

Premier Lloyd: — I am not quite sure what this has to do with the amendment. It does seem to me that I must object to remarks of that kind. It has nothing to do with the motion.

Mr. Speaker: — I feel that possibly these remarks to what he said — what the hon. Premier said in regard to the amendment — I cannot see that there was any reason for these personal remarks. I don't think the hon. member from Saltcoats intends to convey anything on this line.

Mr. Snedker: — Mr. Speaker, my remarks weren't personal, they were general, they took in all socialists.

I hardly thought I would hear a socialist recommend, in this House, what his socialist counterparts in the Union of Soviet Socialist Republic did — that is the limit.

Now to get back to the bill, Mr. Speaker, and its effect on our farm people. I was pointing out, when the point of order was raised that I thought this would bear unfairly and unjustly on our agricultural community. Now I said, 'unfairly'. I use the words unfairly and unjustly advisedly in discussing

the raise of two per cent in this tax. It will increase the cost of production of every large or small farmer as the case may be in this province. I understand that a government member said that “taxation was the price of civilization”. I don’t know who it was but somebody said it. This may be very true, but I doubt very much if this taxation is the price of civilization in this province. I think it would be more correct to say that this is the price of socialist propaganda, the price of political patronage, and the price of some of the grandiose schemes that have been engaged in by the socialists. That had they not done these things we would have had greater revenues to do the things that should be done, or which people wanted to do, other than by increasing the sales tax, at this time. Increasing it at a time when our farmers find themselves in, as I was saying, prior to the point of order being raised, one of the most unhappy positions in which they have found themselves in my memory. Not only due to the drought, but due to the fact that the drought has occurred at a time when our cost of production is greater than at any time of the history of agriculture in western Canada, and also our cost of living is higher.

The question of raising money to do what the government thinks should be done, regardless of who agrees or who doesn’t, the question of raising money for the health plan is far different from the original CCF ideas and promises. I can very well remember in the early years of the CCF when we were told and the whole province was told that health schemes, medical schemes and so on would be financed by the production of wealth from the natural resources of the province, also by the industrialization of the province.

I distinctly remember in the election of 1944, the former Premier of the province, in reference to this tax, speaking in the city of Yorkton, when he was questioned about it, said it was just a nuisance tax — we’ll abolish it he said. When somebody asked “Where are you going to get the money from to do the things you propose to do?” — the things that were proposed then, and they are also being proposed now — his reply was that we’ll have production for use instead of for profit. All these things he said will be financed by the natural resources, by industrial activity and so on and so forth. I, of course, remember that and remember it very well. But things that were promised then haven’t been done. This government in my opinion has done more to drive industry from the province, done more to thwart the exploitation of our natural resources in the interests of the people of the province, than any other government would or could have done. I think the revenue was there, I think the wealth was there and I think that the money could have been derived from sources — other than by raising the sales tax. I think it could be raised by

fostering a climate more favourable to industry and the production of wealth in our province.

I don't hear any of the hon. gentlemen opposite talking about production for use instead of for profit now, that seems to have gone into the limbo of lost shibboleths. I suppose humanity first has gone there also and more abundant living may also go that way. I don't know what the next slogan is going to be, but no doubt something or other. It will probably be coined in Weyburn shortly. We're being asked at this juncture in our agricultural history to increase the cost of production to our farmers. I am astounded at the hon. member for Elrose (Mr. Turnbull) who has now become the Minister of Education, over there on the other side of the House. I can very well remember when he used to fulminate greatly against increased agricultural costs, when he was vice-president of the farmers union. He used to decry, and his organization decried the imposition of the gasoline tax on gasoline used in farm trucks. But now we find him in this House voting for anything and everything that will victimize the farmer. I don't know whether he is ashamed of himself or not, but he should be.

I sometimes wonder, what is behind all this. I think it is pretty obvious to everyone on this side of the House and to the majority of the farm people of the province that little by little, and bit by bit this government is doing what one would naturally expect a socialist government to do, anything that is possible to drive as many farmers as possible off the land. Now there is no surer way of driving a farmer off the land than by raising his cost of production, harassing him and harrying him in one way or another by a high tax structure, by dictatorial regimentation into counties, or by any other means. That is what these gentlemen, Mr. Speaker, are trying to do in order to achieve their socialist goal of collectivised farming by the back door route. If they can't get the farmers off the land by one means, then they will use another and taxation is a handy and effective means to use. You can always tax people out of business if you raise the tax high enough. This is just one more brick in the socialist edifice of collectivised farming, piece by piece and bit by bit they are building it. I know they are going to deny it and they don't like my saying it, and the hon. member for Biggar, (Premier Lloyd) the present Premier of the province is laughing. I don't know what he is laughing about, for after all is said and done the former Premier hung this thing around his neck now he's long-gone Tom and the member for Biggar is left here to administer it.

Premier Lloyd: — You should hear yourself, then you would know what I am laughing at.

Hon. Mr. Walker: —It is a pity your constituents can't hear you.

Mr. Speaker: — Order!

Mr. Snedker: — I would be happy for any of my constituents to hear me opposing this rise in the sales tax. I would be very happy for all of them to hear me. I was sent to this House to do just this very thing, because I told them in the past election I thought it would be very possible the socialists would increase the sales tax. I said that if they did that or brought in any legislation of that nature, I would oppose it, and I am doing so. I am doing exactly what I said I would do and I am sure my people will appreciate it. It will be quite all right for members on the other side of the House to go down into my area and tell them that they supported this increase, because that is what they are doing.

This will work an unjust hardship on our farm women. We have people on small farms that are having a pretty tough struggle to clothe their children adequately this winter in order that they may attend school. That is true. I say that in all sincerity. Half section and three-quarter section farmers that haven't raised any more than 2 or 3 bushels of wheat to the acre now find themselves in the position of having to purchase feed and will have difficulty in purchasing the necessary clothing for their children in order to have them adequately clothed when they attend school. This is just another two per cent tax on them, and they are having a tough enough struggle as it is.

All this is going to add to the farm exodus and we have had an exodus of people from our farms over the last 10 years. Members opposite know jolly well that it is going on. They are quite happy that it is going on because for every person you force off a farm, you force one into a city and when you force him into a city then in order to be able to get a job or hold it he is forced into a labour union. Then the New Democratic Party can stick their fingers right in his pocket and pick it. That the real reason you are doing this. You force people off the farms, you force them into the city and when you force them into the city you force them into a labour union, and you force them into your socialist dictatorship. This is all part and parcel of the construction of that socialist edifice that you are building. Everything that you have done is tended in that direction.

In connection with the amount of tax that is being paid by low income groups as compared to high income groups, this too bears more unfairly on low income groups than it does

on high income groups that should be pretty obvious. It is true the increase is two per cent to every group — if a man gets \$10 thousand a year it is two per cent to him, on whatever part of his income he spends on things to which the tax applies. If a man gets only \$1 thousand a year the tax applies to him at a rate of two per cent also but he will spend a greater proportion of his \$1 thousand on taxable goods than will the man who receives \$10 thousand.

Hon. Mr. Walker: — Where did you get that idea?

Mr. Snedker: — Even if he doesn't spend a greater proportion of his money on taxable goods than the man who is in the \$10 thousand a year group, it is a greater hardship to that man to pay \$50 in tax than it is for the man who is getting \$10 thousand a year to pay his 5 per cent. It is quite obvious that it would be easier for a man who is getting \$10 thousand to pay \$500 than it is for a man getting \$1 thousand to pay \$50. That should be reasonably obvious to all members of this House.

They talk about the people who are in the high income tax brackets, people who are getting large incomes — well here we have an increase in the sales tax which will work an unjust hardship on those people who are in the low income tax brackets or who are paying no income tax at all. Many people are on small salaries and low incomes and our farmers are on lower than low incomes, but the labour union organizers that are rambling around this province are living off the fat of the land — it is going to be easier on them than on anybody else. I wonder who the people on the other side of the House are trying to protect, because quite obviously they are now instituting a tax which will bear most unfairly on the lower income groups than on the high income groups. I hope I have made that clear.

Now something has been said about instituting taxes before you're prepared to give the related service. Any time that has been mentioned, in fact repeatedly throughout this session of the House, members on the other side have risen in their places and decried and criticized members of the opposition for standing in their places and saying what they wished to say and what they thought was right to say. I believe by what they have said that they would have preferred to have wound this session up in a few short days and gone home. That is the attitude they seem to have taken on the other side of the House, Mr. Speaker. But, I consider that as members of the opposition we were sent here with a duty to perform and that duty was to say the things which we thought were right and we thought were proper. One of the things I think is right and proper is opposing the increase in this tax, and I'm doing just

that. I wondered why the members on the other side of the House were in such an unholy hurry to pack up and get out of here. Then I picked up the indemnity bill and found that this money-hungry bunch were only getting \$450. for sitting here. Well I don't care if we sit here for the next five months, I will continue to say those things which I think should be said, regardless of whether you want to pack and get out of here or whether you don't.

Hon. Mr. Walker: — Follow the rules.

Mr. Snedker: — That is all I have to say in connection with that. I think I have explained to the satisfaction of a good many members of the House what I think the duties of a member of the opposition are. Surely that duty is more incumbent in the field of taxation than in any other. I will just refer to what I said a few moments ago in regard to the taxes being levied for a service which might not be produced, or delayed until some later date.

I would like to know what guarantee this government is going to give to this House that if the medical services aren't rendered or if before too long the federal government comes across with a scheme whereby they will pick up a part of the cost of the proposed health program. Then what guarantee have we got that these taxes will be reduced, taking into consideration the history of the Saskatchewan Hospital Services Plan which when the federal government came along and picked up a portion of the cost to the tune of I think \$14 million last year — the capitation fee of the citizens of this province wasn't reduced, it was raised excessively.

Now, this is my opinion and I think a lot of people in the country and in my constituency will agree with me, that if taxes are levied for a specific purpose and if that purpose is not carried out or if somebody else pays part or all of the cost of that service, then indeed we should certainly expect taxes to be reduced. A statement from this government to the effect that these taxes will be reduced in that event should be given. I haven't heard anybody on the other side of the House make any statement in connection with what would happen in that eventuality. I rather imagine in my own mind that if by any chance the federal government comes along and picks up part or all of the expenses of the health scheme our tax structure won't be reduced, it will remain as it is or go the propaganda and the patronage of the people who sit opposite. Therefore, I oppose with all my heart and soul the institution of this 2 per cent tax increase and I will vote against it.

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Mr. David Boldt (Rosthern):— Mr. Speaker, I do not wish to take up the time of the House for too long, but I was interested in the new remarks made by the hon. member from Regina (Mrs. Cooper) and minister of finance, when he introduced the motion this morning. He said the municipalities had urged upon the provincial government for more assistance and for more financial aid. But I don't think the municipalities and school districts urged upon the government for them to make a direct tax to the taxpayers of the province. If that was the case, I believe the municipalities could impose their own taxes and so could the school districts. This two per cent increase is a direct tax to all taxpayers, and I see no reason why if that is the method, if that is the education, I think they would have just as well like to have imposed a mill-rate of their own and collected from their own people.

Then I believe also the minister stated that so far no direct grants up to any substantial amounts had been received from Ottawa. I don't want to go into detail about family allowances and that act, but the way I understood this act, this pays into the hands of the householder of every householder of every family a certain sum of money every month. It was indicated at the time when it was introduced it was earmarked for education, and it certainly was indicated that this would assist all the families in the country as well as in the province of Saskatchewan, that amounts received by the families would assist in their education.

The reason I say this, if I remember correctly the act stated at the time when there was a family that had school age children, and they were not sent to school, this family allowance would be cancelled, so we can see that this is a direct assistance to the family and the province, and the whole country.

I would like to know whether the minister preferred to have the federal government cancel these family allowances, and that they should give them a grant to the province so that they could in return give it to the municipalities to assist them in education. I don't think that the people of Saskatchewan would want that to occur.

I believe this bill, when it will be passed will raise the cost of living. It certainly will. The farmers are crying for more assistance and so is labour. Every time

the cost of living rises, the labour organizations get together and they want a higher pay. So this bill, will tend to sky-rocket the wage level. I believe this time, and especially this year in a time of recession and poor crops, that wages are plenty high in industry in the teaching profession, in any profession that we have here in Saskatchewan today, and should be urged upon all professions to keep the wage level. Therefore, having cited these reasons I shall oppose the bill.

Mr. Allan Guy (Athabasca): — Mr. Speaker, the minister this morning when introducing this bill was very apologetic and said he hoped we would have a great deal of sympathy for him having to introduce the bill at this time. Well, I might say that I do have sympathy for the Provincial Treasurer in having to force through a bill that the 5 per cent Premier had introduced into this House, but I cannot have any sympathy for a government that has placed itself in this position.

I am not opposed, as has been suggested by members on the other side of the House, to increased expenditures for education. That is long past due, but I am opposed to an increase in a hospital and education tax at this time for several reasons. If the government was prepared to cut out its wasteful spending, if it was prepared to show some signs of a little more efficiency in its operation, that would be a different story. But when you see a bill introduced into this House calling for a two per cent increase in education and hospital tax, and at the same time we pick up the newspapers and see where the Saskatchewan Power Corporation has purchased property for \$225,000 — another quarter of a million dollars which they don't know now whether they will ever need, when they continue to build that monstrosity down-town, which even before it is completed, has cost \$7, \$8, or \$9 million and then ask for another quarter of a million dollars. I have no sympathy for that government.

Other excess expenditures have been shown all the time. Here we have \$1,200,000 for a highway going east of Regina; another practically \$2 million for a highway going north of Regina, when half that amount of money spent would have been sufficient to provide the highways that were necessary. Under those considerations I certainly cannot support the bill at this time, calling for increased education and hospitalization tax.

I had hoped today that I would not have had to stand up here and present a case for the residents of

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northern Saskatchewan. We have members on the other side of the House who have northern residents in their constituency, and I was hoping they would stand up here and point out the adverse effects that this legislation will have. Instead they have sat there quietly and suggested this was a good thing. I am afraid I cannot agree this was a good thing at this time.

First of all, these people are in a very difficult position at this time, and that is my concern right now with this particular bill. I might say that calling it by a different name is not going to make it a bit easier for these people to pay. My constituency takes in nearly one-half the province, and they suffered probably more than any other part of the province from the lack of industrial development and natural resources development. This lack of development, with the poor transportation and communication facilities that exist up there, makes it necessary for most of our Metis people to rely upon fishing and trapping and some lumbering for a livelihood. This is a very unreliable source of income at any time.

You will remember last spring the Minister of Natural Resources was complaining bitterly because his department could not collect hospitalization premiums. In fact, he was even prepared at that time to go to lengths of forcing fur buyers and fish buyers to collect this tax for them. If they didn't he was ready to subject them, collectors and customers, to a fine or to a jail term.

The reason why most of these premiums were not paid was pointed out at that time, it was because the money was not available. Today, on these very same people who could not afford \$48 a year, we have now already added another \$24 for a medical care plan, and on this bill we are asking them to pay an increase of two per cent on all their purchases.

Regardless of what the Premier has said concerning this tax being a tax reflecting the ability to pay, I cannot agree with this, as far as these people are concerned. First of all, they just don't buy luxury items. Surely the fact that a few of them may purchase a washing machine or a radio — the first ones they have ever had in their life, certainly that does not place them into a category where they are big spenders and can afford a five per cent tax. These are the people who must buy nets and traps and fishing equipment and guns and shells, sleeping bags and tents — things like that — everyday things, clothes and blankets, that are needed in order to make a meagre living. Now they

are being called upon to finance a plan in which I said previously, there is no guarantee they will receive any benefit or any services under this plan.

With the head tax, if they can not afford it, they don't pay, but the education and health tax must be paid before they get their clothes or their equipment out of the stores. No clothes, no equipment — then they won't be able to work, and if they won't be able to work, they will make no money. No money, they will then have to ask the government for assistance. So where does this vicious circle stop?

I think also of the mining companies, particularly those in the uranium industry. What added burdens will a five per cent tax plus a one per cent corporation and income tax place on them? And the people in these communities who face the very uncertain future which faces them, will now have increased tax burdens to bear. Is this the help the government promised the citizens of Uranium City last spring? Increased taxation? Is this the more abundant living they promised them in 1960?

And then, there is the tourist industry. How will it be affected? From what I have seen, and I am in a place where there is probably more of Saskatchewan's share of tourists come to every year — from what I was able to see they were not very happy in paying a three per cent tax. Next year they will pay five per cent. Why should they come to Saskatchewan, when they can go to Alberta and Manitoba, and do the same things, and pay five per cent less for what they purchase. The answer, of course, will be that they won't come to Saskatchewan any more.

Now, another important group of people affected by this tax will be our university students. Over the past year many of them have had to leave the province in order to find jobs. Now many more of them will have to leave the province because they cannot afford to set themselves up in business or industry in this province.

Premier Lloyd: — Mr. Speaker, on a point of order, is the hon. member not getting back to the discussion on the amendment?

Mr. Guy: — No, Mr. Speaker, I don't believe I am getting back to the amendment. I am speaking on the effects of this tax bill that was brought into the House. It has nothing to do whatsoever with the amendment.

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Mr. Speaker: — Order! I find this a very difficult matter to handle. I think the previous speakers since this amendment was taken off, had indeed said things that could have been said on the amendment. It makes it very difficult for me to rule in regard to this, although I cannot say they are definitely discussing whether or not this tax burden is warranted. Although I think it could easily be interpreted that way, by what the member is saying at the present time.

I would advise that they do their utmost to find other things to speak about than those which could be interpreted as being in regard to whether or not this tax burden is warranted.

Hon. Mr. Nicholson: — Mr. Speaker, on a point of order there is a very well know citation in Beauchesne 200 —

“An old rule of parliament reads that a question being once made and carried in the affirmative or negative, cannot be questioned again, but must stand as the judgment of the House.”

It would appear to me that we have already made a decision, and it is clearly not in order for members to go over the same ground.

While I am on my feet, there is another citation that is also relevant — citation 149 says that a member must not use his right of speech for the purpose of obstructing the business of the House.

Mr. McDonald: — Mr. Speaker, on a point of order. It is true the House has made a decision through their vote that this is not an unwarranted tax, but surely that does not prohibit the member who is now speaking to the bill from pointing out to the House what the effects of this bill will be. The member has never referred to this bill as being warranted or unwarranted, but the thing he is pointing out to this House is the effect that this legislation will have in the constituency that he represents. I think your ruling is absolutely correct, Mr. Speaker. I realize it is a difficult point, but one cannot take part in the debate on the main motion which is the bill unless they are allowed to discuss the effects of this bill, not the amendment, in their own constituency.

Mr. Speaker: — It is a very difficult matter to handle, especially in this case where I personally feel that the amendment pretty well took the centre of this debate. It is a little hard for the members to find things to speak about around the fringe, but I wish they would endeavour to do so and as much as possible refrain from discussing those things which could have been discussed under that amendment which had to do with whether or not this tax burden is warranted or unwarranted.

Mr. Danielson: — Mr. Speaker, on a point of order. I sympathize with you. Here is what happened. This morning in the debate on this amendment to this motion, just as soon as the members speaking on either side of the House want to say something, you call them to order. There is nothing wrong in that. This is correct. Now then, a person speaks here, somebody gets up and says he is out of order. Just where is the demarcation between the amendment and the bill — the second reading of the bill? It is absolutely ridiculous. I have some notes here — this morning there was mention of hospitals back in 1937, and all the other things which I am going to mention when I get up, and you can count me out of order or not, but I am going to try to — and certainly, in a topic such as this we have the right to debate the bill.

Mr. Speaker: — I think it would not be in order to refer to speeches that were made in the debate on the amendment. I do not think that would be in order.

Mr. Danielson: — Then let me point out that the speaker who has just spoken and my friend here is absolutely out of order — absolutely out of order, and so is everybody else. Just as I said a little while ago, if your ruling is going to be quite literally as you stated it, we will then close up shop. Nobody can say anything.

Hon. Mr. Walker: — Mr. Speaker, on a point or order, it is perfectly obvious that before there was an amendment the House was entitled to discuss all aspects of the bill, its virtues and its defects. Some member of the House, and I take it the Leader of the Opposition thought that it was advantageous to debate the virtues and merits and demerits of this bill in two stages, and he was prepared to discuss the question of whether or not the tax burden was warranted or unwarranted as a separate subject. That was debated as a separate subject.

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That having been debated, it was quite proper to limit the discussion to that particular subject as it was contained in the amendment, having elected to have it received that way, they are not in a very good position now to complain about the choice which they made. The only proper subject, and I say there are indications that you are going to rule this way, are certainly justified. The only proper way now is to debate every aspect of the bill except the things which were properly discussed under the amendment.

The opposition have chosen to dispose of those matters by an amendment. Now they must be guided by the ruling that they can no longer discuss matters which are properly before the House on the amendment. They made this choice, Mr. Speaker, not us.

Mrs. Batten: — Mr. Speaker, on a point of order, I think we are all agreed that on an amendment the range of subjects has to be limited and should be interpreted narrowly rather than widely, but on the bill itself, of course, you have to give a liberal interpretation. This has always been your ruling; it has been consistently applied, and it certainly has not been your fault that you have never been able to stop people on the amendment from ranging further than they should have.

I think members did not use as good judgment as could have been used on the amendment, certainly through no fault of the Chair, because you did your best to stop that, but certainly a fair and narrow interpretation of range is the correct interpretation, whereas on the bill, if there has to be an error I admit it should be on the liberal side — I don't mean party-wise.

Mr. Gardiner: — Mr. Speaker, on a point of order, I was going to suggest, as well as ask a question of the Speaker in this regard, and that is in connection with the speech of the mover of the main motion — the Provincial Treasurer — I would take it that in the general debate that is now to follow, that any comments or any contradictions of any statements made in his address would be quite within order in the debate on the main bill itself. I would think that they would almost have to be.

He covered the complete picture as far as this act was concerned. He covered the whole field — the entire field of this tax picture, and I don't see, for that reason, how any member in the House could be prevented now, when he is speaking on the main motion, to object to any of the statements made by the Provincial Treasurer or to attempt to

correct any of the statements in his own mind, or in the mind of the House, that were made by the Provincial Treasurer when he introduced the main motion. I think for that reason much, or most of the statements that have been made are in order, because they are in reference to the address which was made by the Provincial Treasurer.

Premier Lloyd: — Mr. Speaker, my only comment is going to be that there are several members now taking part in this discussion who were not present in the legislature a half or three-quarters of an hour ago when I understood you to make a ruling on this subject. If I understood you at that time, it was to the effect that we had, under the amendment, discussed those portions of the bill which were said to be a burden, or an unwarranted burden. We had disposed of that and therefore we were not in order to proceed to discuss further any matters which tended to deal with this aspect of the bill, namely the unwarranted tax burden which should apply. My point of order, or my interpretation simply was that the member from Athabasca (Mr. Guy) had been doing just that.

Hon. Mr. Walker: — He was dividing it in half, and then piecing the whole.

Mr. McDonald: — Mr. Speaker, I just want to repeat that the debate on the amendment — we were debating whether this proposed new tax was going to be warranted or unwarranted. Is that not true? The House had made its decision by the numbers who sit opposite opposing the members who sit on this side, and the decision had been made that this is not an unwarranted tax. But now we are back debating this bill — second reading of this bill, which increases taxation in the province of Saskatchewan.

I, for the life of me, cannot see how you can prevent a member from criticizing this legislation which is increasing taxation, whether it is warranted or unwarranted. If you are going to prevent a member from criticizing this legislation, then there is little or no use of us debating it. There is no debate. You have to have some material to debate, and the only material you have to debate is either to protect the stand you have taken and defend these tax increases in that they will provide new additional services, or you have to get up and argue against them, saying that the people in this province cannot stand this increased taxation, and I do not think you can rule otherwise.

Hon. Mr. Walker: — Mr. Speaker, if it is in order now to discuss all aspects of

the bill -, then what purpose was there in moving an amendment in order to confine discussion to particular aspects of it? You could discuss the particulars while you are discussing the general, and if it is in order now to discuss all aspects of it, then no amendment is necessary or desirable or proper.

Mr. Speaker: — I think that it is agreed that the discussion on the second reading of this bill is the principle of the bill, that is what we have before us — the principle of this bill. We cannot go into all aspects of the bill but we have before us the principle of the bill. I think what the hon. member from Humboldt (Mrs. Batten) said is quite right, and I think all will agree that I have been following that this afternoon. I feel that to try and impose a narrow interpretation of this kind on the debate would be wrong, but at the same time I do wish hon. members that they should not make reference to the debate which has taken place in regard to amendments.

The hon. member from Melville (Mr. Gardiner) had a good point. The hon. Provincial Treasurer was speaking, and when he spoke he was speaking to the main motion. Anyone speaking now may, of course, refer to the arguments he used. The same thing applies to what was said by the hon. Leader of the Opposition and the hon. member from Moosomin (Mr. McDonald). In moving the amendment they were speaking both to the amendment and to the motion. What was said by them is properly before the House, but what was said by others in the discussion on the amendment is not now properly before the House, nor is the discussion in regard to the matter of whether or not this tax burden is warranted. It is my desire that this be left alone as much as possible at this time.

Now to interpret this with a narrow interpretation or a broad interpretation is rather difficult. My interpretation has been rather broad, and I think that it will necessarily have to be broad, because we are discussing all aspects of the principle of this bill, minus that which has to do with the warrantedness or otherwise of this bill.

Mr. Gallagher: — Mr. Speaker, did you suggest that the member for Moosomin (Mr. McDonald) was speaking both on the bill and the amendment? I thought he was speaking only on the amendment.

Mr. Speaker: — No, the seconder of an amendment speaks both to the amendment and the main motion.

Mr. Guy (Athabasca): — Mr. Speaker, I certainly appreciate the position you are in, and I might say I hope you will bear with me. I deliberately refrained from participating in the debate on the amendment because I wanted to range a little further in my remarks . . .

Hon. Mr. Walker: — You don't understand the ruling.

Mr. Guy: — The hon. Attorney General will have a chance to make a little speech later on, but I was just trying to point out, and I don't think I referred to anything, Mr. Speaker, that was not referred to by the Provincial Treasurer when he introduced the bill, and to the Leader of the Opposition, before any amendment was made to that bill. I have not made any reference to whether it is unwarranted or not. I have just been trying to point out some of the effects on my people in my constituency, as well as some of the other groups that I feel are going to be very adversely affected by this bill.

I might say here that I am sure the Minister of Natural Resources is very concerned about the adverse effects that this bill will have on the people of northern Saskatchewan, because I noted he ducked out and didn't stay to vote on the amendment. He realizes full well the effect that it is going to have. Two minutes later he came back in again. I don't blame him for ducking out of it. I think he might have shown a little more courage. As I was saying there is just one more group I wish to refer to, and that is the students in this province, the university students and the effects that this two per cent increase will have on their livelihood in the next few years. While they are still in the university, their books and clothes will cost considerably more under this heavier taxation.

However, when they leave the college they will feel the full impact of this legislation, because it is at that time when their income is at the lowest that they will be responsible for setting up a business, setting up industry, and there will be many of them who will probably be taking on added responsibilities, marriage-wise, which will mean the setting up of a home, building and buying houses, and so on, and because of their low income at this time and their high expenses, they are going to find it a terrific burden for the first few years.

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Because of that there is no doubt in my mind there will be many of them who would have stayed in this province to set up their business that will now pull up stakes and move to Manitoba or Alberta, or some other province.

All these things which I have pointed out, to me show that this bill is a typical result of socialism. For 18 years the government that sits opposite has been promising free health care, free education, free this and that. Whenever the question was asked, "Where is the money coming from?" the members of the government looked wise and said, "Don't worry. We'll find the money because we are like Robin Hood. We will take from the rich and give to the poor; the government will take over the development of natural resources from the profiteering private enterprise. There will be untold wealth available to the people of this province." They were going to fill the sky-line with factories and industrial developments. These profits wouldn't go elsewhere, because they were determined to have the highest corporation and income taxes and royalties in the dominion of Canada. Over the years I must admit, and I must commend the government for carrying out their plans, at least in this regard. It is unfortunate that the people of Saskatchewan didn't commission-operate with them too well. Those who were rich, or wanted to become rich, left the province, so the socialist now have no rich to rob, so they started robbing the poor. They chased the private enterprises out of the lumbering, fishing and mining industries and with them went any hope of resource development. The industrial people were not fooled. They knew what socialism means. So few, if any, came to the province, and instead of making money from industry, Mr. Speaker, the only industries which have come into the province we have had to subsidize them through many millions of dollars out of the taxpayers' money. That is what the socialists found — that there was only one source of wealth left — the poor people of the province, and by this time everybody could be classified in that category.

So for the last 16 years taxation has steadily increased.

For those reasons, Mr. Speaker, I certainly cannot favour the bill at this time.

Mr. John Thiessen (Shellbrook): — Mr. Speaker, just one word — socialist, as said often over there, 'socialist government' seems so complicated to unmatured people.

Mr. WM. Berezowsky (Cumberland): — Mr. Speaker, I think it is necessary to rise and answer the hon. member from Athabasca (Mr. Guy) because I certainly feel that he has not told the whole story, and I would not suggest that he tried to misrepresent. I think he is honest enough, being a school teacher and I have a tremendous respect for good school teachers. I hope he is one of them.

The fact is this, the hon. member has overlooked the fact that when you consider the part of the north he represents, and I represent, as well as the hon. member from Meadow Lake (Mr. Semchuk), and including other parts of northern Saskatchewan, we find certain resources there which the people of Saskatchewan, particularly and people of other provinces of Canada, and also people of the United States, benefit from. As these people travel into the north (and I am referring to people who have a little money to spend over and above their daily needs) — when they come into such areas such as Lac La Ronge, which is represented by the hon. member from Athabasca, 7,000 or 8,000 tourists more or less a year — spend not hundreds, but thousands of dollars. They spend as much or more than the local people spend in that particular area. As a matter of fact, the local people could not exist in Lac La Ronge and other areas without this kind of holiday resource and from incomes derived from tourists, who come into those areas.

Those are the people that would be paying this tax — the people who buy shells, the people who buy equipment of one kind or another — the people who have the money would be paying this tax, and what happens to the rest of the population. They are the ones that are going to benefit as they have benefited over the years. The hon. member knows that under a Liberal administration they had no hospitals there; they had no schools — no public school, only a residential church school. They had none of the services that people elsewhere are entitled to, and it is because of the fact that this government has levied in the past, and intends to levy a tax of this nature in the future, that we were able to bring free of cost of those people a government-aided school, a government-aided hospital and many other such services.

Hon. Mr. Blakeney: — And even paid the teachers.

Mr. Berezowsky: — And even paid the teachers, yes, that is true. I agree with the

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hon. member in one thing, many of those people — not all, but many of those people haven't income sufficient to be able to pay the taxes that the rest of us can pay.

so I would like to point out one or two other things insofar as students are concerned. The hon. member apparently forgets that it is this kind of tax that we collect from those who can pay (which means such as the hon. member for Athabasca who is on a salary). He probably makes a lot more than I do as a farmer, who hasn't had a good income. But we collect from those who can pay and give scholarships to many northern students he has mentioned, to the students across the north, across the width and breadth of the province of Saskatchewan who have not been able to otherwise get that kind of an education. This is exactly what this statute is going to do. Yes, those people will pay a few cents for the goods they buy, but on the other hand when they need services of this nature such as scholarships to go into university, and so forth, we as a government have been able to provide those services, which was not the case when you had a different government in this province.

Now, talking about mining companies, I am rather surprised that the hon. member feels so sorry for the mining companies. I wish he had not mentioned it, because I would like to quote some figures. A number of years ago I pointed out to this House that one of the companies in the north that was operating there — Gunnar, I think it was, had no paid any federal taxes for two or three years, - no taxes whatsoever. They are much better off than most of us are, because when we earn an income we have to pay taxes from the very beginning — both income and corporation taxes. They didn't have to pay, and they made a net profit at that particular time according to the records, of \$14 million in one year.

What happened in the last statement that I saw? The same company which hon. members feel so sorry for was able to make \$7 million net profit for the shareholders who probably bought the shares at 25 cents a piece which today are selling around \$7 or \$8 a share. Yet the hon. members opposite shed crocodile tears for such mining companies.

What about some of the other mining companies? There are only two others I think in Uranium City that mean anything at the present time — it is not the fault of any government. One is Eldorado, and the other is Lorado, and the hon. member knows that. Lorado is doing very well

making profits for his shareholders, and Eldorado is a federal crown corporation. I don't know whether they pay any taxes or not.

Mr. Guy: — They're not making it in Saskatchewan, I can tell you that. They're making it in Bermuda and the West Indies.

Mr. Berezowsky: —Again I feel sorry for the hon. member for mentioning private enterprise in the north, because some of us know what the private enterprises did, particularly before the hon. member was born, at least when he was very young. They were the ones that went through the northern part of our province of Saskatchewan and robbed the people of their forests which they ravished. They cut out the best timber that existed in this province so that today, instead of cutting two or three or five hundred million board feet per year, I think the best they can do, and the hon. Minister of Natural Resources can correct me, is about 50 million board feet per year. There again you have the same hon. member crying for these operators who he says have left this province.

I am glad, Mr. Speaker, and I am sure the people of Saskatchewan are glad that these people did leave the province of Saskatchewan, and that in their stead we have a non-profit organization which is today helping out the small operators, such as we have now across the province, who are producing poles, producing lumber and giving other services to this province. Whatever profit is made through this Timber Board crown corporation goes back into the treasury and provides services such as roads and other trails in this province so people can go hunting and enjoy the northern resources, in addition to the need of these roads for those who operate.

These are the kind of things the hon. member has mentioned, and I think when we sit back and listen and think about the value of this particular tax, there can be no doubt in our minds that if we weren't quite sure where we stood on this matter, after we got through we certainly can't do anything else but support the motion to levy this tax so that those who can pay will be able to pay, and those who cannot pay will pay whatever they can, and we will provide a service for the people of Saskatchewan which in any civilized nation, people are entitled to.

Mr. Herman Danielson (Arm River): — Mr. Speaker, after listening to the last speaker, I see I have quite a field to ramble over before I get through, if I don't go any farther than he did. However, I am going to go back to the beginning — to the Regina Manifesto, which the past Premier of this province (he has now disappeared) said was the greatest political document that was ever written. He still believes that, no matter what he calls himself today or what he calls the party he has today. But in the beginning we hear, this morning, and I am going to repeat it, two members stood in this House and condemned the education tax and they admitted that they, as a party, went out and were elected in 1944 on a genuine promise, an honest promise that they would do away with that tax.

The member from Swift Current stood up here and said 'that stinking tax'. Coldwell said the 'abominable tax' and Jack Benson said something worse than that.

Mr. Speaker: — I must call the hon. member to order. The hon. member from Swift Current is the Speaker.

Mr. Danielson: — I was referring to the member from Swift Current ten years ago. I have been following this thing much longer than you have, and I sympathize with the predicament you are in, Mr. Speaker.

I suggested that we discuss the amendment and the second reading of the bill at the same time, because I don't see how in the world anyone could draw the line some place and distinguish between the two, but that is what we are up against now.

Anyhow, that is what we had, and that was a solid promise. I remember up in my seat in Arm River in 1944 that they had nothing else, so they talked about this stinking tax and this abominable tax. These three men who went out of this House to face their people — they had the courage to stand on the floor of this House and vote with the opposition a long time before you came here, Mr. Speaker. They went back and tried to get their nomination, but the political party to which they belonged cut their throats and they didn't get the nomination. This, because they had the courage of their convictions to stand up and vote for a promise that they themselves had solemnly demanded.

This morning another thing was brought up here in this House, and that was the school grant that was paid under the government of the province of Saskatchewan, before this act was put into effect, before 1937. I cannot remember which member, but I think it was the member for Touchwood (Mr. Meakes) — I may be wrong . . .

Mr. Speaker: — Order! I cannot allow reference to what was said by members speaking in regard to the amendment this morning. I suggest it is out of order to refer to what was said in the . . .

Mr. Danielson: — Mr. Speaker, that is what I already have done. I haven't said anything that was not said here this morning.

Mr. Speaker: — But I am referring to the hon. member for Touchwood, you are referring to the present time when he spoke in the debate on the amendment, and the debate on the amendment is now concluded.

Mr. Danielson: — He spoke on the whole matter. He wandered all over the whole matter.

Mr. Speaker: — He was speaking in the debate on the amendment, and that debate is closed at the present time.

Mr. Danielson: — Well, I am going to say to him (I don't believe he is in his seat at the present time), but one of the chief CCF'ers in this province, Mr. Ealy who sat in the constituency of Canora, was paying the lowest salary to any teacher in the province of Saskatchewan; he was chairman of that school board. He had the distinction of paying the lowest salary that was paid on the province of Saskatchewan. At the same time he was sitting here condemning everybody else in the province of Saskatchewan because they weren't paying higher salaries. I'm not blaming him. I don't think the people up there could have raised any more money. For seven and practically eight years there was no revenue from anything, and in the 1937-38, Mr. Speaker, there were 56 million dollars worth of relief distributed in the province of Saskatchewan for human relief, and feed and fodder for livestock during the winter. There was no seed, oil or gas or seeding supplies in that amount of money. We didn't have it, but we got it, and I would like to see you go out and get that amount of money . . .

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Hon. Mr. Walker: — That's the year you put on the tax.

Mr. Danielson: — You don't know anything about it; you were out snaring gophers . . .

Mr. Kramer: — You know, that is all we had to eat!

Mr. Danielson: — You were probably standing around throwing eggs at the gophers! I have seen that, too. The price of eggs wasn't high enough to make it worthwhile delivering them to town.

But these were the years you glory in; that you draw comparisons between. Why didn't the CCF — we had just as many CCF then, probably more than we have today, I'm sure — why didn't they have some solution to the problem? I was a member then. I did my best and we got through, and there was no money. There was a calamity — not only a world-wide depression, Mr. Speaker. That is a good indication of his mental ability and his mental status.

I will tell you one thing, Mr. Speaker, that the party, after 16 years in office, that has been collecting from 4 to 10 times the amount of money that we ever collected in one year. They have had billions of dollars handed to them by the federal government on top of that and they have nothing else to justify themselves but compare the dirty thirties with, and they have been in office for the last 16 or 17 years — there is absolutely something wrong with them mentally. I think they should have more mental hospitals in this province, to check them over very carefully, because there is absolutely something wrong with the reasoning of these people. They should be taken care of in some way or another, and I am sure that the time is not very far distant when that process is going to be taken by the people of this province, just as sure as I am standing here. This drought started in 1960 and it is still continuing at a rapid rate.

The condition of those who have supported this party have finally come to the conclusion that there is no hope for those who sit in power here today, and that if they care going to stay in power, the welfare of this province is lost, and they as well as everybody else will go down with it.

There was something said here a few minutes ago about the economic social condition of this province, particularly the economic condition. Mr. Speaker, you are a

practical man. You know there is more than one way whereby a person can lose his property, his home and everything he has. Calamity might strike; drought and destruction or some other thing might happen, but there is another way, and that is a painless way. That was forecast in the Regina Manifesto, when they said socialization of land was going to come about gradually and that they were not going to be disturbed — whoever is on the land now is not going to be disturbed. Whenever there was an estate cleared up, or someone sold his land and moved out, that property was not going to be handed to anybody else. It was going to be vested in the state of Saskatchewan — in the socialistic state of Saskatchewan.

By the way, when they did come into power back in 1944, they socialized the crown lands in this province. There hasn't been a piece of crown land sold here in this province except some place . . .

Hon. Mr. Walker: — That land . . .

Mr. Danielson: — That juvenile gentleman over there laughs, but I know more about this than you do.

Hon. Mr. Walker: — That land has been sold . . .

Mr. Danielson: — Any member in this House who knows anything knows that this government has absolutely refused to sell crown land and the only piece of property which has changed hands in the province of Saskatchewan is some little piece where they traded, or put in a community pasture, or some odd little piece of land that was not connected with any other piece of land. And today — by the way, this political machine has been tried on such a policy such as that. You know, Mr. Speaker, I don't think there has been a grazing lease handed out in the province, or a pasture lease in Saskatchewan during the past 17 years, without it has been given to a political friend to pay their debt insofar as this party is concerned.

Hon. Mr. Walker: — Most of them are . . .

Mr. Danielson: — Yes, but I have something to do with it, so I know that is so. I know that at least in this province the original lease-holder still has his lease, and they left that lease to somebody else who didn't have any cattle, but thought he could cut some hay on it.

Mr. Speaker: — Order! I fail to see the relationship between this and the bill.

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Mr. Danielson: — This puts more taxes on to the farmer and the people of the province, no matter whether they are farmers or not, but the farmer is particularly interested. The sooner you can bring into operation the — socialistic heaven into this province which was forced in by the forefathers of this gentleman who sits here — who formed the socialistic party back in 1932-33, and when they brought in the Regina Manifesto in 1933-34 . . .

Hon. Mr. Walker: — Mr. Speaker, on a point or order.

Mr. Danielson: — Mr. Speaker, the hon. Minister is discovering he doesn't know anything.

Mr. Speaker: — Order!

Mr. Danielson: — I am talking about something that I know of, and I would draw his attention to it. They came to me and said they wanted me to run for the CCF party in 1934.

Hon. Mr. Walker: — What a calamity that would have been.

Mr. Danielson: — And you know, I wasn't particularly — I'm going to tell you this. They said, "Well, we'll nominate you." I said, "Then what?" They said there was a party sitting in Regina — sort of a super brain — a super intellect, to pass whether I was a fit and proper person . . .

By the way, Mr. Speaker, they have it now.

Hon. Mr. Nicholson: — Mr. Speaker, on a point of order, I am sure the hon. member is thinking of the Social Credit party at that time.

Mr. Danielson: — Don't mix these people up with you fellows. No, Mr. Speaker, after all they set up a body, some holier-than-thou gentlemen in the convention here, to pass on the nomination of the man who is going to run for this New Democratic Party — this new socialist party . . .

Then there was another step added to what I said -

Mr. Speaker: — Order! I wish the hon. member would endeavour to remain on the principle of the bill.

Mr. Danielson: — Mr. Speaker, — I never said anything about this bill. It has been said here that in the thirties there were a lot of people who could not get into the hospitals. I don't doubt but what people could not get into the hospitals, and there are a lot of people who cannot get into hospitals now. I know it has been six weeks before some people can get into a Regina city hospital, and still others who have not been able to get in. Someone told me it took them three months. It couldn't be anything really serious, but after all it is a condition which should not be allowed to exist. We should have assistance of the federal government and this government, as well to build hospitals.

When the hon. member said this morning there were certain people who couldn't get into hospitals because the people wouldn't let them in . . .

Premier Lloyd: — Mr. Speaker, on a point of order, the hon. member is propagating statements that were made in the amendment. All of us have a great deal of deference to the member for Arm River (Mr. Danielson), but surely this whole thing is becoming just a bit of a sham insofar as prepaid health services are concerned.

Mr. Speaker: — Order! I have to agree with what the hon. Premier says. We must refrain from referring back to what was said in the debate on the amendment.

Mr. Danielson: — Mr. Speaker, I think this is very, very important insofar as this bill is concerned, and in the increase in hospitalization tax. We can discuss the hospitalization tax all we like. As a matter of fact, every hospital in the province of Saskatchewan — and if the first minister of the crown doesn't know it, I'm going to tell him that every hospital in the province of Saskatchewan that was in receipt of grants from the provincial treasury of this province could not turn a patient down if they had a room. I was chairman of my own hospital during the thirties. We took \$28,000 off hospital expenses — and we came back with less than \$7,000. But if you wanted a hospital bed, you couldn't say no to anyone, and it was not done, except if there was no room. Of course the gentleman this morning didn't tell you that. I wanted to clarify this.

I wonder if the hon. members opposite have really seriously sat down and checked over the decision, the fiscal

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position of the province — like your municipalities; like your hospitals; like your school districts — to pile your units with a tremendous burden of debenture payments that hangs over them.

I am just going to state a personal matter. My taxes a year ago — last year they were just a few dollars less because I cancelled my hail insurance — there was no crop, but there was \$702 on the section in 1960. That is about three and one-half times of what they were just a few years ago. I will say this, there isn't a person in the province in a similar crop district that I am in, and I am not in the best one by a long, long ways. I am in a fair to average district and during the last three years when he paid his insurance on his buildings, paid his taxes and took care of everything else that a landlord must do, that he would have one penny in return for his investment — one penny in return for his investment. That was during the time we had a CCF administration, and still they don't think the farmers pay enough taxes. They are going to stick some more on to them now. It has been pointed out here that the farmer — the man who is on the land earns his money, and don't think that he doesn't He earns his money; he renders service for that money but he has no other investments. He's not in any other business such as mercantile business, or other business — he's just a working man. But the farmer of the province of Saskatchewan today is obligated to a \$40 thousand, \$50 thousand or \$60 thousand investment in an ordinary farm. Mr. Speaker, the price of a combine or tractor is more than the three-quarter section is worth. Look at the investment.

That isn't all. He's got to have lots more. He's got opposite have all kinds of machinery besides that. I don't think this tax of two per cent on sales tax is the biggest part of it, but when you extend that into all this — dozens of things that the farmer must have on his far, then you are putting a tax on production, and that is my opposition to all these bills — you're putting a tax on production, when the fellow who is producing the goods in this province — it is from the land — he is from thee rural areas; he is competing in the world market with everyone, with everybody. He has nothing to say about the price, but he certainly has nothing to say about what it is going to cost him to produce it, either.

We can talk about taxes on fuel and all these things. A truck on a farm today, Mr. Speaker, is a necessity. A car is a necessity on a farm today, and when we've been talking about the new taxes, or no taxes at all for fuel for farm trucks, that amount of money that is paid — 14 cents

a gallon which is one of the heaviest taxes — as a matter of fact I don't think he ever fills his tank without paying at least \$2.60 from his profit in taxes. Don't forget that this is the tax on his production, which is sorely, sorely pressed for time — it is difficult for him to carry on because the return or revenue from that investment is not taking care of the expenses and overhead, let along charging up the depreciation. That is their position.

So when we come to vote for more taxes for the rural people of the province, as has been pointed out by the member for Saltcoats (Mr. Snedker) there is no class of people, or group of people, in this province that is going to be hit harder than the farmers. They haven't got any farmers over there, anyhow. I don't think any more than two or three of them really know what the farmers really mean — what is his problem; what he has to do to stay in business. I question very, very much whether any of these gentlemen have any idea or conception — Mr. Speaker, this is supposed to be a farmers' government, but there has never been a government in the province of Saskatchewan, Mr. Speaker, that has shown less for the farmer than this government has. Everything in the world has been done for the farmers. They have nothing to thank this government for, because, as has been point out there is not a solitary tax which has not been tripled, and more than tripled, time and time again.

I looked at some figures in regard to the outstanding debenture payments in some of the districts here, and this is not up to date, by any means. It is up to December 31, 1959, and submitted by the departments here. The school debentures, December 31, 1959, there was \$11,674,000. If they were up to date today they would probably be another \$300 thousand to make it over \$12 million. That is the same with everything. We have debentures on hospitals. My school districts up there, in the hundreds of thousands of dollars worth of debentures. Just let us have one more crop, Mr. Speaker, the same as we had last year, and see these fellows squirm. They are just having a small taste of what we had for seven or eight years in the 1930's. There is none of these fellows that know any different. They holler now. They think this is terrible when the Minister of Agriculture said he had paid out \$16 thousand to help the farmers out this fall, and then he had to charge them \$29 thousand. So you see, that is a business proposition if they do anything for the farmers. Then I think he could have \$16 thousand invested in Diefenbaker, so that is what they do to the farmers.

I could quote you figures, but it is no use wasting time; these fellows are not interested anyhow. You

don't care anything about that. Their actions indicate that they don't give a damn as far as the farmers are concerned.

I don't think these city people, these labour people — I don't think too much of them, but I sometimes wonder why there are a few farmers (or at least I think they are farmers) sitting in the back benches over there who don't take this government into some corner and tell them what's what. They could do that and try to get some kind of a sensible motion, if they would just wake up to the fact, Mr. Speaker, that there are some real problems here for the farmers of the province of Saskatchewan. They don't know it today, or else they would not have the gall that they have now to sit down here and vote a \$22 million to \$24 million worth of new taxes on the people of the province at the present time. That is what they are doing. I will bet you that in three years it will be close to \$30 million if this goes into effect. In three years they won't have a \$22 million plan; they will have a \$30 million plan. Look at the hospitalization - \$7 million; in 15 years it is \$36 million. Where would you be today, Mr. Speaker, with your hospitalization premium of \$24 per head and \$48 for two, if it wasn't for the \$14 million or \$15 million which Diefenbaker is sending into this province to help pay for it? Where would you be? You want to take that into account. It started at \$5 a head, and today it is \$24. If we took off that \$15 million which comes from Ottawa, it would be up to \$35 per person for hospitalization today. That's the position you're in.

I make the statement that inside of five years, that you will have to have a bill for medical services in this province exceeding \$30 million — I am absolutely sure I am underestimating what is going to happen. If that plan was operating by health regions and by municipalities, which it could be, you could save probably two or three million dollars a year from what you will have to spend at the present time. There's nothing in the world that this government ever did without it costing an enormous amount of money in administration. Look at the hospitalization scheme. That could be cut down. It looks to me, being on a hospital board for over four years — I am still on the board, and was finance chairman for the new hospital — I have had something to do with this, and it looks to me that there is hardly a week without one or two men coming around in a government car, taking a look at that hospital, the nurses' home, or something else. You can cut down on this expense, and if the government had been serious in their application of this business proposition of medical health, or had tried to give a service at the least possible cost, they would have checked over their whole system — not only the hospitals

but the whole civil service. There is not just a few people working behind the counter every day, but there is an army driving thousands of government cars across the highways of this province — they could save and save and save, but there is no cut-down or sacrifice or service for the people of Saskatchewan. These people are out to earn a living, and half of them are political agents.

Now, Mr. Speaker, you know what I think. I shall certainly vote against second reading of this bill.

Mr. J.W. Gardiner (Melville): — Mr. Speaker, before putting the question on second reading, I would like to spend a few moments dealing with the remarks of the minister, when he introduced the bill in debate, and some of the remarks that have been made on the second reading of the bill, and I trust not the amendment, as far as I possibly can. I will admit, though, that most speakers on the principle of the bill have gone about as far afield as those of us did who spoke on the amendment, so that as you stated yourself, it might be difficult. I hope to stay away as much as possible from the discussion that took place on the amendment which was moved by the Leader of the Opposition.

In introducing the measure which is now to be called The Education and Health Tax Act, I can remember that the minister this morning was dealing with the use that was going to be made of the various parts of the tax that has been imposed on the people through the legislation that has been presented to us in Bill No. 3. I can remember in stating first that two and one-half per cent as it mentions in the second clause of the bill, half of the money collected will go for education; one and one-half per cent stated would go for the provision of medical services, under the act we are considering at the present moment, and the other one per cent would go for the cost of the hospitalization plan in the province, and chiefly as he stated, for construction of new hospitals.

We can all remember when the act was changed the last time, so that some of the money could go to paying the cost of hospitalization in the province, and at that particular time most of the members in this House — I wasn't here at that time, but I imagine most members felt that that increase was to go towards the payment of hospital services themselves, and I think myself that that one per cent was originally intended not for the construction of hospitals. I believe that was originally intended to come

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out of the general revenues of the province — not out of the one per cent tax, and the one per cent tax was meant to pay the actual cost of hospital services to the people of the province.

Of course, the same exception has been made with regard to the hospital card system and the change was made in that not very long ago. A change in principle was made in that tax as well, so that \$4 for a single taxpayer, and \$8 for a family taxpayer would go to the capital construction costs of hospitals in this province, which of course at that time was a change in the principle in that particular bill.

So now today, in the explanation of this act the minister has indicated that this one per cent is to go to help his head, but I remember him quite well mentioning the cost of hospital construction in his address, and saying, “We need money in order to carry out these improvements.” Well, if we need money I would think in presenting this bill he was then saying that this one and a half per cent tax was money they needed in order to pay the capital cost of construction of hospitals. But the one and a half, as far as I am concerned, and as far as the Minister of Health and the previous Provincial Treasurer are concerned, was meant to pay the costs of the new medical insurance bill which has been presented to this legislature, and not for the purpose of the capital construction of hospitals. Even the former Provincial Treasurer is shaking his head. He has presented to this House, or did present, the cost of the medical insurance scheme and said he was going to collect the money in order to make that scheme possible through the increase in education and hospitalization tax; through the increase in personal tax; through increase in income and corporation tax. At that time when he made his presentation he said nothing about the monies in this act being used for capital construction of hospitals.

I think here we come to another example, which can be heaped on examples we have already had in this legislature in the past, of members on the government side of the House not being quite certain what these taxes are being placed on the people for, and in other words saying to the members of this House, “We’re not too sure what we want this money for” and “We’re not sure what it is going to be spent for”. We had an example on second reading from the member for Cumberland (Mr. Berezowsky) who said this money for educational purposes was going to be used for scholarships. I didn’t hear the minister this morning say anything

about the money going to be used for scholarships. I don't know whether any member on the other side of the House is to have the opportunity to decide for himself just exactly as to what the funds in this particular bill are going to be used for. I didn't hear any reference of that to that effect, when the minister introduced this bill.

We have had other examples of this, of members getting up and saying, "This is what this money is going to be used for". As I have indicated before, Mr. Speaker, we have no clear indication of what this money is going to be used for, from the Provincial Treasurer, the Premier or from the Minister of Education, - we have had no statement at all from the Minister of Education with regard to this particular act.

Before moving the adjournment of the debate, I would like to move an amendment to the bill No. 3, in order that the Speaker may have an opportunity to consider it, if he desires, before continuing my remarks in the morning, if that is necessary. I would just like to say in preliminary that, as other speakers have mentioned here this afternoon on second reading, there are many ways in which the government could find the money to carry out the improvements and services of the people of this province. So because of that, and with the view that I will have the opportunity to make further remarks on adjourning this debate, I would move, seconded by Mr. McFarlane, the member for Qu'Appelle-Wolseley,

That all the words after the word 'That' be deleted and the following substituted therefore:

"this Assembly recommends to the Government that all possible economics in government expenditures be explored, and that all unnecessary expenditures be dispensed with in order to provide necessary revenues for the provision of needed services."

I will reserve the right, Mr. Speaker, to continue my remarks after your decision, and I beg leave to adjourn the debate.

Mr. Speaker: — It is rather a moot question apparently as to whether the hon. member has the right to move an amendment and the adjournment of the debate at the same time. Due to the lateness of the hour, I am not too sure of my grounds in regard to this, but I would be inclined to permit it, although I do not wish to establish a precedent in this regard.

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Premier Lloyd: — Before we adjourn the debate, Mr. Speaker, does this mean that you have declared the amendment to be in order?

Mr. Speaker: — No, I am holding the amendment until the next sitting of the House.

(Debate adjourned)

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