

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Second Session — Fifteenth Legislature
24th Day

Friday, March 11, 1966

The Assembly met at 2.30 on the
Orders of the Day

WELCOME TO STUDENTS

Mr. C.G. Willis (Melfort-Tisdale): — Mr. Speaker, it is not very often I have the opportunity of rising in my seat and introducing students from the Melfort-Tisdale constituency. This is one of the occasions that I have that privilege. In the gallery, the Speaker's gallery, Mr. Speaker, there are 28 grade 12 pupils from the town of Star City in the heart of the Melfort-Tisdale constituency. They are accompanied by their teacher, Mr. Harrison, their bus driver, Mr. McArthur. I want to welcome them here today on your behalf, Mr. Speaker. I know that this day will stand out as one of the feature highlights of grade 12.

Mrs. Sally Merchant (Saskatoon City): — Mr. Speaker, we have a great representation of students here this afternoon. It seems to me there is hardly a day goes by that the students in the Saskatoon schools don't avail themselves of the opportunity of coming down here and spending a day in Regina and in the assembly, but today we have two classes from Henry Kelsey School under the direction of Mr. and Mrs. Peterson who are two of the teachers in the school. I know members will want to join with me and with other members from the city of Saskatoon in welcoming these students to this assembly.

Hon. Members: — Hear, hear!

Mr. J.E. Brockelbank (Saskatoon City): — Mr. Speaker, with regard to the students from Saskatoon, I think it is a great pleasure of the members of the legislature to have them here. We are having a little trouble pinning them down, I noticed yesterday the list showed, according to the Commissionaire that they would be in the east gallery and they were apparently spirited to the west gallery, however, there are so many students here from Saskatoon today that I imagine they are covering two out of the three galleries. I might say that we hope their stay will be educational and enjoyable and that they will have a safe journey home.

Hon. Members: — Hear, hear!

Hon. D.V. Heald (Attorney General): — Mr. Speaker, it is my pleasure this afternoon to draw your attention and the attention of the members to the presence in the Speaker's gallery of 16 students from the Grand Coulee School comprised of grade 6 to 10 inclusive. Grand Coulee as you all know is a thriving farming community immediately west of

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Regina, in my constituency. These students are accompanied here today by their teachers Mrs. Hennie and Mrs. Brandhagen. I am sure, Mr. Speaker, that you would want me to extend on your behalf and on behalf of all the members of the legislature our best wishes and our warm welcome to these students who are availing themselves of this opportunity during Education Week to attend the legislative sittings. I appreciate very much their coming and I am sure that we all extend a warm welcome to them.

Mr. R.A. Walker (Hanley): — Mr. Speaker, I don't want to let this occasion pass without saying a word of welcome to the students of that fine school of Brevoort Park who are here. I want to remind the members for Saskatoon who have welcomed the students from Brevoort Park that we in Hanley constituency appreciate their solicitude for our constituents. The Brevoort Park School, of course, which is the school where my children attend and where I am rather closely connected, is in the Brevoort Park subdivision of Saskatoon, which is part of Hanley constituency, and none of the members for Saskatoon can yet claim that they represent that area. Indeed there are certain rather technical and rather formidable formalities that must be complied with before any of them will represent that area. It is still Hanley constituency and I am still proud to represent them and welcome the students from Brevoort Park to our midst.

Hon. Members: — Hear, hear!

Mr. F.K. Radloff (Nipawin): — Mr. Speaker, before Orders of the Day, I would like to express a few words of welcome to the students from Star City who are visiting the assembly today. As you may know, Star City is my hometown. It is where I was born and raised and I certainly am happy to see the students from Star City in this legislature because I am sure they will find it most interesting. I wish them a very safe journey home and a very successful and happy afternoon.

Hon. Members: — Hear, hear!

Mr. G.F. Loken (Rosetown): — Mr. Speaker, I would also like to introduce a group of students from Rosetown constituency. They are located in the west gallery. They are the grade seven and eight classes and they are accompanied by their teacher, Mr. Smith and I know the assembly will join with me in extending a hearty welcome and an enjoyable afternoon.

Mr. D.G. MacLennan (Last Mountain): — Mr. Speaker, I would like to draw the attention of the assembly to 27 high school students from Earl Grey in the constituency of Last Mountain. I am sure this assembly welcomes them and hopes that they have a safe journey home. They are located in the Speaker's gallery, Mr. Speaker.

Mr. E.F. Gardner (Moosomin): — Mr. Speaker, I would like to bring to your attention and to the attention of the assembly a group of students in the Speaker's gallery from the Langbank High School. Langbank is a hamlet of about 90 people but has a very fine public and high school with about 160 students. They are accompanied by their

teacher, Mr. Baines and bus drivers, Mr. Morrison and Mr. Blackwood. I am sure you will join with me in wishing them a very happy day here and a safe journey home.

Hon. Members: — Hear, hear!

Mr. H.H.P. Baker (Regina East): — Mr. Speaker, I think it is most fitting when we have so many here from outside the city that I, as Mayor of the city, do welcome them most sincerely to the capital. I hope that they will enjoy their stay here and that the proceedings will be most fruitful. We welcome the teachers most sincerely and to all those who escorted them here, thank you for coming.

Hon. D.G. Steuart (Minister of Health): — Mr. Speaker, as former Mayor of Prince Albert I would like to say if you ever get up that way, welcome.

Hon. L.P. Coderre (Minister of Labour): — Mr. Speaker, I refuse to be outdone. I draw your attention to the three front rows of the west gallery. Without casting any reflection on the wonderful bunch of students we have in the Speaker's gallery, I say that in my opinion, the three front rows of the west gallery have the finest students in the whole assembly. They are from the Gravelbourg constituency and Glenbain High School. They are accompanied here today by Mr. Thomas, Mr. Schada, and their teacher Mr. Smith. I hope that their trip to this fair city and to the legislature is both fruitful and educational. I understand, of course, the students will be given an assignment upon their return home. I wish this assembly to join with me in wishing them welcome and a pleasant day and also a good trip home.

Hon. Members: — Hear, hear!

Mr. I.C. Nollet (Cutknife): — Mr. Speaker, after listening to and witnessing the performance that just went on a moment ago, I want to say to you that I regret very much that there are no students here from my constituency so I could put in an election plug too.

Mr. Radloff: — Mr. Speaker, before Orders of the Day, I would like to say that I wouldn't like to see Mayor Baker get ahead of the town of Nipawin. As the former Mayor of the town of Nipawin for many years, I would like to express to all students in the legislature congratulations to them for coming to the house and hope they have a very successful day.

Mr. Speaker: — I think all the members would wish to know that if they all got here, and it appears that they did, there will be in excess of 300 students, future citizens of our country, in the galleries today. The heaviest day we have had this year.

Hon. Members: — Hear, hear!

QUESTION RE ACCIDENT STATISTICS IN DBS

Mr. W.S. Lloyd (Leader of the Opposition): — Mr. Speaker, before Orders of the Day, I would like to say that it has been drawn to my attention that in some of the Dominion Bureau of Statistics Publications with respect to accidents on the roads, the statistics with respect to Saskatchewan are, and have been for a few months, missing. I ask the government whether this is accidental or a matter of policy; and whichever it is would they see to it that the service is continued?

Hon. W. Ross Thatcher: — Mr. Speaker, I am not sure whether it is accidental or not, I will look into the matter. I may say the government is concerned about the terrible conditions the Socialists left our highways in and we are trying to rectify the situation that probably caused the accidents.

Mr. Lloyd: — Mr. Speaker, if I may follow it up, the accidents to which I refer have nothing to do with terrible conditions of roads. It may have something to do with the terrible lack of respect for vital statistics from the member opposite.

QUESTION RE CONTRACT — TOWN OF CREIGHTON AND HUDSON BAY MINING AND SMELTING COMPANY

Mr. W.J. Berezowsky (Cumberland): — Before the Orders of the Day, Mr. Speaker, I recall the Liberals have left a terrible situation at Creighton. I would like to ask the Minister of Natural Resources (Mr. Cuelenaere) if an agreement has been signed with the Hudson Bay Mining and Smelting Company so that the town of Creighton and the School Board can proceed with their budgeting and financing for the year.

Hon. J.M. Cuelenaere (Minister of Natural Resources): — Mr. Speaker, the answer is that no agreement has as yet been signed. A number of conferences were held last year and again during the past two months, but the parties have not been able to get together, I intend to make a full disclosure as to the nature of the negotiations that have been carried on and the present position very shortly.

BIRTHDAY CONGRATULATIONS TO MR. SPEAKER

Hon. D.G. Steuart (Minister of Health): — Mr. Speaker, before Orders of the Day, I would like to call the attention of all members to an event that took place at least 39 years ago in a place called Towcaster in England. I think it had a great bearing in one of the constituencies in this province and I refer to the birth of one James Edgar Snedker. I know all members joint with me in wishing him a very happy birthday and very many more of them.

Hon. Members: — Hear, hear!

An Hon. Member: — Did the hon. minister say 39 years ago?

Mr. Steuart: — I said at least.

Mr. Speaker: — Well, if he said 39 years ago it makes me feel a lot happier and a lot younger and I thank you all.

SECOND READINGS

Hon. W. Ross Thatcher (Premier) moved second reading of **Bill No. 67, An Act to Amend the Fuel Petroleum Products Act.**

He said: Mr. Speaker, the purpose of this bill is to increase the gasoline tax by 1¢ per gallon, from 14¢ to 15¢ on gasoline and from 17¢ to 18¢ on diesel fuel. We believe that the increased revenue will amount to \$2,200,000. In 1961 a similar bill was introduced into this legislature. Only at that time the government of the day was increasing the tax on gasoline not by 1¢ but by 2¢, and the Leader of the Opposition who was the Provincial Treasurer on that occasion, made this statement. I quote from the official records:

Expenditures have been rising much more rapidly than gasoline tax and motor license revenue, with the result that those revenues have been paying a decreasing portion of road costs. During the last two years, for example, they paid only about 81 per cent of the government's expenditures on provincial and municipal roads. On this basis my colleagues and I concluded that it would be appropriate to raise the fuel-petroleum products tax, effective April 1st, by 2¢ per gallon.

Now, Mr. Speaker, we are going to plead exactly the same reason for raising it today. According to the Leader of the Opposition, in 1961, as I say, the various taxes were only paying for 81 per cent of the cost of roads. This year the same taxes are only paying for 72 per cent of roads. This year our government will spend on highway systems, on highway building and municipal grid roads assistance a minimum of \$58,000,000. If the minister is able to find equipment we expect to increase that amount to well over \$60,000,000. On the other hand the revenue from the gasoline tax and the motor tax will only be \$41,600,000. In other words, we will be short; motorists will be contributing about \$16,400,000 to \$20,000,000 less than they are receiving in highway spending.

Now, if this particular measure should pass, and I hope it will, Saskatchewan will still be paying a gasoline tax which is considerably under the level of most provinces. In Newfoundland the gasoline tax today is 19¢; New Brunswick — 18¢; Prince Edward Island — 18¢; Nova Scotia — 19¢; Quebec — 16¢; Ontario — 16¢; neighboring Manitoba — 17¢; Alberta and British Columbia have a tax of 12¢ per gallon.

Now, Mr. Speaker, we make no apologies for introducing this levy. We think the people of Saskatchewan want us to build good roads. As I said in the Throne Speech, we are going to build them, but we must have revenues to do it. I would remind you, Sir, that while the Liberals today are increasing the tax by 1¢, Socialists cannot be very critical because in the years they were in office they took the gasoline tax from 7¢ a gallon to 14¢ a

gallon. Mr. Speaker, I move that this bill be read the second time.

Mr. W.S. Lloyd (Leader of the Opposition): — Mr. Speaker, I would like to say a few words about this bill in relationship to the general situation in the province. I think it is fair to say that there were in the budget only a few surprises and those are unpleasant surprises. We had heard all about other items prior to the budget being brought down, but had heard nothing about the proposal to increase the tax on gasoline and on diesel fuel, and nothing to increase those 10 other taxes which will be increased when we get the new tax on detergents, soaps, lyes, ammonia, etc. There must be at least 10 new taxes in that group, I am sure, using the Premier's method of counting up new taxes and increasing old taxes.

But with respect to this bill it has been noted that it is going to add to the revenue of the province, to the extent of some \$2,200,000. It will, as the Premier has said, still leave Saskatchewan with a reputation that it has had for some time, namely that of having a gasoline tax lower than most other provinces, but it leaves us also with a tax which is higher than the province to the west of us. I would have thought with all the talk we have had about difficulties in that regard, the Premier would have been most hesitant to have increased further the disparity between taxation in Saskatchewan and points immediately west of Saskatchewan, or those in the province of Manitoba.

However, we are talking here about an additional \$2,200,000 to be obtained by the device which the Premier usually looks on with awe and horror, namely that of taxation. Yet he doesn't hesitate to make use of it. He doesn't hesitate to make use of it, Mr. Speaker, in spite of much of the glowing and indeed boisterous talk which we frequently hear from the benches opposite, regarding the state of affluence and the state of extraordinarily accelerated development in the province of Saskatchewan. Somehow or other these two kinds of statements — supporting the tax today and the revenues which we should be getting from development if it is at the rate that he suggests — don't quite complement each other.

This tax is undoubtedly going to be a tax which is paid by all people, those who can afford to pay and those who cannot afford to pay alike. It is going to bear with greatest weight obviously on those who are in the lower or less affluent income brackets. Persons who have to use a car in order to get to work, or to perform their work are going to be handicapped more by virtue of this new addition to what is their cost of living.

I would have thought that again faced with steady increases in almost every other aspect of our cost of living, the government would have been reluctant to have added something more to the cost of living of people in the province of Saskatchewan.

I think, in drawing attention to this matter of government financing services, I can do little better than at this time to recall to memory a statement made by one of the participants of one of the groups at the Provincial Local Government Conference a few months ago. I recall this gentleman saying, "Mr. Premier, I have heard and I have been proud of many of the statements that you have made recently about development and growth of our province, how you have frequently described us as one of the "have"

provinces in Canada, yet when we come to this particular conference we are treated as if we were one of the 'poor relations' or words to that effect among the provinces of Canada."

Well, now we find here that, in fact, we are going to be taxed more highly in order to provide some additional money for roads which will be welcomed instead of the money coming from some of those innumerable sources which are so often talked about, instead of having to rely on the kind of resources which have given us over the last number of years a very comfortable surplus. It may be argued that this is offset some by virtue of other decreases in taxes which may be expected. I would point out, Mr. Speaker, that a person who drives a car some 20,000 miles a year, will likely pay an additional \$10 for gasoline tax. He will gain from the reduced income tax if he happens to be a man with two children and an income of around \$4,000, maybe a couple of dollars a year. He is decidedly at a disadvantage when one take these two taxes together. He will lose more, of course, in the whole shuffle. He will have less opportunity to gain in the whole shuffle if he is unfortunate enough not to own his home, and if he is further unfortunate enough not to be a turkey farmer. On the whole, on the balance, he is going to lose, I suggest.

My main point, Mr. Speaker, is that having in mind the revenues which the province anticipates, increased revenues from the federal government to the extent of many millions of dollars, increased revenues that we have experienced over a number of years now from resource development, then this kind of tax, which is certainly far from a progressive tax, ought not to be increased. In particular it ought not to be increased in a year when we find it possible to reduce the fairest of taxes, namely income tax. As a result, Mr. Speaker, I move, seconded by the hon. member from Regina West (Mr. Blakeney)

That the word "now" be deleted and the words "six months hence" be added to the motion.

Some Hon. Members: — Hear, hear!

Mr. G.T. Snyder (Moose Jaw City): — Mr. Speaker, I find it ludicrous at this time that we in the Saskatchewan legislature are being called upon to approve an increase in taxation for the people of Saskatchewan. We all recall that since the year 1959, the member for Morse (Mr. Thatcher) in three particular capacities, first as Leader of the Liberal Party in 1959, after his election in 1960, as Leader of the Opposition, in his third capacity as Premier, has raved about the length and the breadth of this province as well as every province in Canada and a half dozen states of the union in an effort to convince the world that taxes in the province of Saskatchewan were burdensome.

In fact, the Premier has said on numerous occasions that taxes in Saskatchewan were the highest in the whole of Canada. This was not true, Mr. Speaker, but it did not, however, prevent the constant repetition of that particular fable.

I think all of us in this house recall so well that since 1959 the member from Morse (Mr. Thatcher) has been unable to talk rationally about taxes. On each occasion when he spoke about taxation in Saskatchewan, his voice rose to a fevered pitch and he talked about taxation with his eyes glazed and his nostrils flaring. Now, Mr. Speaker, with taxes at a level which we consider

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are perhaps still high from a standpoint of the average taxpaying citizen of the province of Saskatchewan, we find that the Premier stands ready to extract another \$2,200,000 additionally from the taxpaying people in the province of Saskatchewan.

Just a few months ago, Mr. Speaker, the Premier stood in his place and attempted to justify this increase in the gasoline tax by saying that they had stepped up the highway program. In his Budget Address a week ago last Friday, the Premier pointed out that \$2,200,000 would be raised by the increase of 1¢ per gallon on gasoline tax. Incidentally, he didn't mention the diesel fuel tax increase until very recently. This is a more recent addition that wasn't mentioned in the Budget Speech. He suggested at that time that this was \$2,200,000 which was to be earmarked specifically for grid road maintenance, for rural municipalities. I believe there is no one in this house who will quarrel with the basic idea that municipal roads, indeed, need the additional assistance for maintenance. In view of the fact that rail line abandonment has become a problem in certain areas, we are certainly assured that municipal roads will indeed need more in the way of assistance from our provincial government authorities. We don't quarrel with this idea, Mr. Speaker, but we do suggest something else. We suggest that when you are talking in terms of extracting money from the gasoline tax, that surely urban centres deserve some consideration at this time also.

I think it is shocking, Mr. Speaker, that the Premier after boasting around the length and breadth of the country about the buoyancy in this province and after receiving from the dominion-provincial tax-sharing agreement an additional \$10,000,000 over and above what had been expected originally from the last year's estimates and with increased receipts from sales tax and liquor taxes, I think it is shocking, Mr. Speaker, that the Premier should stand in his place and suggest that an additional 1¢ should be added to the gasoline and diesel taxes at this time.

I believe, Mr. Speaker, without a doubt that the Premier should be in a position at this time where he should be considering a clothing allowance for the people of Saskatchewan because of the manner in which the taxpayers' pockets have been worn out by him extracting money from one pocket and putting it into the other, and very little being returned, I might add.

So, I hope, Mr. Speaker, that we, on this side of the house, and the taxpaying people of Saskatchewan are not in a position where we can experience very much more of these Liberal tax cuts because I think the people of Saskatchewan can't afford this kind of Liberal benevolence. I will be most happy, Mr. Speaker, to support the "six months hence" motion that the Leader of the Opposition has presented to this house.

Some Hon. Members: — Hear, hear!

Mr. I.C. Nollet (Cutknife): — Mr. Speaker, I, too, was greatly amazed at the audacity of the Premier to increase taxes when previous to the election he promised the people of Saskatchewan in his usual loud voice from one end of the province to the other "Elect us and we will reduce taxes and we will institute great economies and efficiency in the government which will permit us to more greatly reduce taxes."

Now, Mr. Speaker, what is the situation? As a result of a prosperous economy handed to him on a platter by the previous

administration there was a \$26,000,000 surplus of revenues this year, Mr. Speaker, but what has happened to our economy minded friend who told the people of this province "Elect me and I will economize; I will perform the magic trick of somehow not only reducing taxes but giving you more besides." He has become an instant spendthrift, Mr. Speaker. He has spent the \$26,000,000 surplus and he is budgeting next year for an increase in the budget of \$48,000,000. I hope he has good luck, Mr. Speaker, and the economy of the province remains buoyant. I wish him well in this regard. But I do want to ask the Premier before I sit down, will these service station operators in Lloydminster be expected to remit the entire increase in the gasoline tax or will they remit the same amount of tax as that collected on the Alberta side of the border?

Some Hon. Members: — Hear, hear!

Mr. F.A. Dewhurst (Wadena): — Mr. Speaker, I am going to support the amendment to this motion and oppose the motion. I believe that this is not the time that we should be increasing the gas tax. The Premier in moving this motion said that the gasoline tax only pays for 72 per cent of the road building cost. Now, if hon. members will look to the questions and answers — on question no. 82 you will find that the policy which this government has been pursuing of increased cost of road building is accounting for that additional difference between 72¢ and \$1.

You will see on that question that for oil roads the government's own crew, in round figures, oiled a mile for \$25,000. But in round figures for contractors it takes \$3,100, \$600 more per mile according to the information given to us in this legislature by the Minister of Highways (Mr. Grant), \$600 more for contractors than it did for government crews.

Mr. Snyder: — . . . and a worse job.

Mr. Dewhurst: — I know in my own constituency as I mentioned earlier in this house, that a piece with a contract price of \$72,000 in round figures cost \$109,000 in round figures. Mr. Speaker, that road had not passed inspection and a lot more money has to be spent. I think that is where the money could be got rather than by trying to increase the gas tax.

Also as the member for Moose Jaw just mentioned, all through the by-election in Bengough, through the debates in this house, we never heard anything mentioned about the increase on diesel fuel but it is in the bill, an increased cost. It is true that last year, for farm use, the farm trucks were given the right to use under certain conditions purple gas in farm trucks. But this does not solve their problem where they have to haul grain a long distance to elevators, because the large truck, in order to make an economical haul of grain a long way to elevators, must use the taxable fuels because you can't haul grain a long distance with small trucks. Therefore, this extra cost is going to put another cent of cost on the farmers. The same for the hauling of our livestock. A lot of the farmers' livestock today is not just hauled into the local railroad point and then shipped out by train like it used to be. We have to pay truckers to haul our stock to Saskatoon, Prince Albert or Winnipeg or Regina, wherever the market is nearest to this farmer. So this is going to increase the cost of getting our livestock to market.

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Now the Premier mentioned that the tax was increased a few years ago by the previous government. That was true, Mr. Speaker. Those were the days when we were building and developing the potash and other industrial developments of this province which have been turned over to this government. That's where the revenue has come from. If we had left the province in the same state of confusion and the same state of bankruptcy as it was when we received it 20 odd years ago, this government wouldn't have known what to do today. But we left the economy in a buoyant condition with \$32,000,000 in the bank, industry established and oil wells and things beginning to boom. But now we see the present Provincial Treasurer taking from those who have not in the form of soap taxes and giving to those who do not need the relief in the form of reducing income taxes, as I have mentioned earlier in this house. But here we see him putting the cost on the little people in the urban centres and others who have to use their cars and trucks for their work or pleasure. We see the gas being increased in cost.

A year ago we saw the price of wheat decline from 12 to 20 cents a bushel. We didn't see much of a fight from our friends across the aisle from us, Mr. Speaker, at that time on behalf of the farmers' plight. But when our grain payment comes, now the final payment, we find that on the average it is some 15 cents a bushel less than it would have been if we hadn't had the decline in the price of wheat. That means \$150 per 1,000 bushels of wheat. So we lost on the wheat and now we are going to have to pay more for gas for our cars and for hauling our products a distance to market. If we had the income as farmers, if we were getting a fair share of the income as we should be having in our society, farmers do not object to paying taxes. It's not the amount of tax that one pays that affects them, it's what is left over after they have paid this tax. I say these are the taxes which take from those who are the least able to pay and give the benefit to those who need it the least. In view of the state of the economy at this time, as reported by the Provincial Treasurer himself, I do not see the need for increasing this tax.

It is true that the budget's estimated surplus is only for about \$300,000. But a year ago it was only for \$250,000. If his estimate is as bad this year as it was last year, there is more than enough in the surplus because last year he was out by 10,500 per cent on his estimate of surplus.

Mr. Thatcher: — You made the speech before.

Mr. Dewhurst: — It didn't seem to sink in so I'll give it again; maybe it will sink in. You've made your same speech for 20 years but Liberals talk now and they act. They talk of giving relief but now they give relief, but whom do they give it to. Not to the people they were talking about during the past 20 years. They talk about decreasing taxes, they take them off, sure, on turkey saddles. They talk about minor increases — they put it on detergents. They talk about other decreases — they take it off income tax. They talk about a minor decrease and put it on the people who have to use the gas.

Mr. Speaker, I believe that this is not necessary at this time so I cannot support this motion.

Mr. W.G. Davies (Moose Jaw City): — Mr. Speaker, I just want to add a few words, without being repetitive, to what has already been said. It seems to me first

of all that the Premier in introducing this bill today has the ambition of bringing Saskatchewan up to the level of the other Liberal provinces that have already raised their gasoline taxes higher than we have.

An Hon. Member: — Can't reach that high.

Mr. Davies: — It seems that apart from all this, it has been pointed out that it is a wholly unnecessary tax in a year of record revenues, \$48,000,000 more coming in revenues this year, Mr. Speaker, and we are being asked to come up with another approximately \$5,000. It will probably exceed that when the whole tax is in for this present fiscal year.

The Premier, Mr. Speaker, talks about 1961 when there was an increase in the gasoline tax. I can remember the howls of execration that came from the Liberals when they were in opposition at the time that the tax was raised. I want to point out this, Mr. Speaker, that 1961 was a short-crop year. It was the year of drought. It was a year of exceedingly difficult financing for the government of this province. There was some reason at that time to consider raising the gasoline tax to maintain the tempo of general services as well as road services at that time. I say again this is a wholly unnecessary tax.

I want to point this out too. If one looks at the supplementary expenditures for this last year of, I believe, some \$28,000, it is a fair judgment that this year is going to be the same kind of a year. We will find that not only is the tax wholly unnecessary as we look at it now, but as a result of the real revenues finally accruing there may be another \$20,000,000 or \$30,000,000 over and above the amount the government has budgeted for. So there is just no question as far as I can see it, Mr. Speaker, that this tax is entirely unmerited because of all circumstances.

We talk, Mr. Speaker, about tourist development. I say that this is going to be just another impost to discourage the tourist development that the former government labored and tried so hard to build up and of which the present government is now beginning to reap the results.

Just a word apropos the tax itself. Mr. Speaker, I have been one of those urban members that have consistently and loyally supported the idea of a grid road network in our countryside. I wanted to see those 12,000 miles of grid road built up because I knew our rural residents needed those roads as no one needed them and that we need to put a special effort in that direction.

A special effort was put in that direction and over a period of time, Mr. Speaker, as the house knows \$45,000,000 or \$50,000,000 of provincial revenues was put into the grid road system to assist rural municipalities in doing what they could not do themselves. It seems to me, however, that when we are considering an increase in the gasoline tax, that this tax on principle should apply to all municipal roads. I say that apart from the fact that revenues expected this year should make any such tax completely unnecessary. But if the tax is to be considered surely, regardless of what portion goes to urban or rural roads, the principle should be that it is a tax for municipal roads wherever those municipal roads happen to be.

Now, for all of these reasons it seems to me, Mr. Speaker,

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that this tax is one that the house should not support, in all logic and in all reason. That is why I shall vote for the amendment.

Some Hon. Members: — Hear, hear!

Mr. R.A. Walker (Hanley): — Mr. Speaker, I, too, must join with the members who have announced their intention of voting against this bill and voting for the amendment.

I must say, however, that I was a little disappointed that we didn't hear from some of the members on the government side of the house on this question. I would liked to have heard something from the member from Shaunavon (Mr. Larochelle) who is in the trucking business, I believe. I would like to know what he thinks about the necessity of this increase in taxation. I would like to hear the Minister of Public Health (Mr. Steuart) who went about this province for the two years prior to the election in April, 1964, extolling the intentions of the Liberal party to make widespread tax reductions. I think that this is an illustration, Mr. Speaker, of the kind of confused and muddy thinking that pervades the provincial cabinet when they present this along with the argument that the Liberal party believes in tax reductions. Liberal tax reductions, Mr. Speaker, are becoming almost an epithet throughout the country. The people of Saskatchewan know that when they hear of Liberal tax reductions it means higher prices for gasoline, and cigarettes, soap, etcetera, and that Liberal tax reductions, the very word, is becoming almost a joke and is being uttered by most lips in Saskatchewan with almost a sneer of derision. We know that this government doesn't mean what it says when it proposes tax reductions.

I think, Mr. Speaker, that if we in this legislature, including the members on the other side, are to go along with this proposed tax increase, they are adding to the hypocrisy of the Liberal party's stance. They are adding to the confusion which the Liberal party is trying to create by talking tax reductions and granting tax increases. I think that every member of the other side of the house who is concerned about preserving the image of the Liberal party, who is interested in trying to establish the integrity of the government's word about these matter, ought to, at this late date even, try to persuade the Provincial Treasurer that he should drop this bill. It isn't necessary.

The vast increases in provincial revenues that have accrued to this government as a result of the industrial development base which we had left for them to inherit make it unnecessary for this government to adopt repressive and burdensome taxes at this time. I think that the Premier having quoted from Hansard from 1961 ought to have read a little further and read something of the speech of Mr. A.H. McDonald, the former member from Moosomin, who was at that time the government's financial critic and who expressed the Liberal party's attitude toward this question. He has, of course, now gone on to his reward but nevertheless the words which he uttered at that time I think still have relevance in this present situation. He says:

Had the government so handled the financial affairs of our province in the past in a businesslike manner this bill would not be necessary at this time.

I say, Mr. Speaker, those words could not be truer than they

are today. Here is a government which has boasted about tax reductions and has imposed a \$34,000,000 increase in the tax burdens on the people of Saskatchewan. Surely this extra \$2,000,000 could be done without. Surely with a \$34,000,000 increase in provincial tax yield this year as compared with the last fiscal year that the previous government was in office, this government could, if it had husbanded its resources properly, have done all of the things that it has done and much more without the necessity of grinding people down with another tax increase.

Mr. Speaker, if this government has to increase taxes at this time, at a time when the whole North American economy is booming at an unprecedented level, then what is in store for the people of Saskatchewan in the event of a slight decline in the level of business activity?

Mr. Nollet: — Everything spent.

Mr. Walker: — It seems to me that at a time when revenues are burgeoning this government ought to be laying by some store for the future, ought to be, if possible, reducing some of these taxes, ought to be leaving this field open for possible future tax increases. I can see the situation where the provincial debt is getting larger and larger and I can see the situation where, if this province had a recession, if we had a short crop, or if the Canadian economy, the North American economy should subside, or if peace should break out in Viet Nam, this government would be in financial difficulty. They have frittered away every opportunity to obtain a little extra revenue by exploiting this tax to the absolute ceiling. You couldn't make this tax higher today if you wanted to without encouraging bootlegging of gasoline from the other provinces.

Some Hon. Members: — Hear, hear!

Mr. Walker: — So the government is giving up an area which would be open to it in the event of economic recession to pay the interest on our growing public debt and is depriving itself of this resource at a time when, well, it's like a spendthrift son who has just inherited from his father a huge estate, going into debt at the same time by exploiting sources of revenue which ought to be kept for a rainy day.

This government has not established its reputation either as a government of its word, a government which keeps its promises of tax reduction, nor has it established a reputation for financial probity, for financial restraint in these matters, particularly at a time when we are confronted with the railroads threatening to abandon rail lines, at a time when the people of this province and the economy of Saskatchewan will lean more and more heavily upon the motor trucking industry. We are threatening, we are here putting a thorn in the side of the trucking industry. We are imposing upon them an extra burden. We are depriving them of an advantage in the competitive battle between themselves and the railroad. There again I quote from now Senator McDonald who said:

I suggest to you that the trucking industry is in its infancy and that if given an opportunity to grow could provide ten or twelve times the employment that it is providing today.

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I think those words are also very true today. I think that while one cent a gallon, Mr. Speaker, — I want to make perfectly clear — one cent a gallon is not a huge tax impost, it is nevertheless, a trend being set by this government of increasing taxes when revenues are buoyant and the economy is thriving.

Now, I know that the Premier will say that there are other tax reductions which will offset this. I know that he will say that it isn't all tax increases, that there are only certain tax reductions; but this, Mr. Speaker, only makes the matter worse because the tax reductions are in areas which will not stimulate economic activity but will simply reward people with large incomes for incomes which have already been earned. This puts a deterrent fee in industry, on business, on commerce. This is the kind of tax which tightens up economic opportunity. Income tax is something which doesn't arise until after the income has been earned but this tax, however, actually places a deterrent on business and industry. I think it's in the wrong direction. If the Provincial Treasurer has large revenues, which I think we all concede he has, this is an area which it seems to me, he ought to be granting tax relief and not imposing an increased tax. It seems to me that when he has large revenues he should use those revenues to stimulate the economy to greater activity, that when he has large revenues he should reduce the tax burden on direct commercial, that is, a direct tax on commercial activity and on business, and thereby encourage the development of Saskatchewan.

We have seen figures produced, Mr. Speaker, by the Dominion Bureau of Statistics, which show that Saskatchewan is not now maintaining its former lead over the other provinces of Canada in economic and industrial development. We have seen figures which show, Mr. Speaker, that Saskatchewan's economy is not prospering as it did in the early sixties. The Premier ought to take note of this fact.

Mr. Thatcher: — On a point of order. What on earth has this to do with the gasoline tax?

Mr. Walker: — Well, I'm suggesting, Mr. Speaker, that the gasoline tax should be reduced in order to stimulate the economy of Saskatchewan and to allow Saskatchewan to maintain the economic lead which it enjoyed over the rest of Canada prior to 1964. As a matter of fact apparently the hon. members opposite don't read the figures. Apparently they listen to the wild hallucinations of the Premier and substitute that for thinking.

Some Hon. Members: — Hear, hear!

Mr. Walker: — Well, it just won't wash, Mr. Speaker. The figures just do not show that Saskatchewan is maintaining the lead which it enjoyed over the other provinces of Canada. I should think that the Premier would have been thinking about this when he was considering whether or not to bring in this tax increase and that he would have granted a reduction in the tax.

I particularly say, Mr. Speaker, that for the trucking industry these taxes are extremely onerous. In the final analysis it is the consumer who pays. It is the public who pays and if the Premier is building roads which he says he intends to do, although so far there is not much of evidence of it, the only

evidence of it so far is that there has been a vast increase in capital expenditures and a large increase in the cost of moving dirt, a large increase in the per cubic foot cost of building roads. But if the result is more roads eventually, then there ought to be some encouragement to the trucking industry to take advantage of these roads by removing a part of this impost, particularly when it is well within the means of the Provincial Treasurer to grant that sort of tax concession.

Mr. Speaker, I can't support this tax for the reasons given by Mr. A.H. McDonald, speaking in a similar debate in 1961. I cannot support it because I think it is an impost on a commercial activity of the province. I cannot support it because I think it is unnecessary and finally, I cannot support it because I think that I would be contributing to the air of hypocrisy which the government spreads around this province by pretending that it is in favor of tax reduction. It hurts me as it hurts every citizen of Saskatchewan to see a government maintain this hypocritical attitude and get away with it. I, for one, don't believe that they should be encouraged in this. Therefore, we should defeat this bill in order to make the government live up to the claims which it propounds around Saskatchewan, that it is generally a low-tax government.

Some Hon. Members: — Hear, hear!

Mr. E. Kramer (The Battlefords): — Mr. Speaker, I must rise for a word or two on behalf of thousands of people who last year were discriminated against by the various tax shifts, and once again here today we find them discriminated against further.

I am talking, Mr. Speaker, about the hundreds of back-country farmers and not so back-country farmers, some of them with large families, who do not even own a truck, who only own a car. The people who have large families and must take their farm produce, their cream, eggs or any other produce that they do market, several miles, a great deal more miles than some of the wealthier farmers, to market. These people were forgotten last year; now they are not forgotten, they are further discriminated against by adding a further impost on taxable gasoline. These people quite often drive an old model car that requires a great deal of repairs which add further to their cost of living. Not only that, Mr. Speaker, but a good many of the fathers of these families leave their wife and children to take care to the farm and travel great many miles, great distances, to work on construction jobs in order to eke out an extra income for their families. In order to get home on weekends they have to travel hundreds of miles quite often in order to spend some little time with their families at their fireside in their homes. So here again the Liberal government adds another burden, another tax. It is not satisfied with invading the family wash, as someone said "taxing godliness" now has to add a further burden to these people in their travelling expenses.

Mr. Speaker, this is not all. We have a good many commercial truckers who make a living, again a meagre living — it's not a good one but it's a living — out of trucking in the smaller towns and villages throughout the country, trucking cattle and so on. These people here again are going to have to pay an extra impost whether they burn gasoline or diesel. Here again is another added burden on a needy group. These people are definitely going to feel the pinch once more. Then there is an overall increase that our very august Premier, the great tax cutter, has not recognized, or has recognized and hoped we wouldn't. Do you think that

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we are going to add an extra cent on diesel fuel, on the great commercial trucking network and not add to the general costs of foods and everything that is brought in by trucks. Do you not think this is going to increase our cost of living? Once more a tax on those who have the least ability to pay, Mr. Speaker. This is inflationary, certainly it's inflationary and will further increase the cost of living. It is little wonder that we find that Saskatchewan has in the city of Regina the highest cost of living of any part of western Canada. If this government stays in any longer we are going to find it impossible for low income people to remain in Saskatchewan without having to see the very generous Minister for Social Welfare (Mr. Boldt) and have some little addition to their income, and I wish them luck.

Some Hon. Members: — Hear, hear!

Mr. D.W. Michayluk (Redberry): — Mr. Speaker, I was amazed by the somewhat timid manner in which the Provincial Treasurer and Premier introduced this motion to the house. It was not in his usual flamboyant, boisterous loud voice.

Mr. Thatcher: — Wait until I . . .

Mr. Michayluk: — As a matter of fact not only was he timid but he wouldn't even hide behind his own shadow or the shadow of his deskmate, the Deputy Premier (Mr. Steuart), he had to go back to 1961, Mr. Speaker. Oh, yes, he had to hide behind someone. So he says, "well, look how good we are, we are only introducing a one cent increase in the price of gasoline in the province of Saskatchewan. Look what those bad boys did in 1961, they raised it two cents!" Will the Provincial Treasurer and the Premier hide behind his own shadow and take responsibility for his own actions. Mr. Speaker, this is not the same Premier, not the same man that prior to the 1964 election said, "We will bring real tax reduction, yes, we will bring real tax reduction." What did he do? Mr. Premier, you were warned when you brought in the purple gas for farmers that you would shift this tax somewhere else, and here it is.

The Minister of Municipal Affairs, (Mr. McIsaac) mentioned in this house several days ago that they are going to provide funds for snow removal on grid roads, and provide further assistance to local municipal governments in the maintenance of the grid roads. Yes, the government is going to provide the money which the taxpayers of this province are going to pay. The people must pay for the services which they are expected to receive; \$2,500,000 in additional increase in gas and diesel taxes. During the last session of the legislature he exempted newlyweds four per cent on household appliances that they would buy during the first year. According to the figures released a slight amount over \$10,000 was rebated to these groups . . .

An Hon. Member: — Big deal . . .

Mr. Michayluk: — . . . \$10,000 in rebate on four per cent sales tax for newlyweds, \$2,500,000 additional tax on the automobile and truck drivers in the province. Yes it is a big deal. This is not the

only increase made by this government. In my speech I mentioned in this house several times, as has been mentioned by many members that there has been a \$20 increase in the hospital and medicare premiums. There has been an increase in grazing lease fees, and grazing fees, automobile driver fees, marriage, divorce and death certificates, all have increased substantially and brought in by a government that was elected on a promise of tax reductions. This government had a Johnson Royal Commission bring in a report of how economies and efficiencies would save revenues in the province. This increase is certainly more taxes and not tax reductions.

An Hon. Member: — Big Deal.

Mr. Michayluk: — Big deal, yes, big deal is the proper term. A four per cent sales tax is off harnesses, and it's off turkey saddles, and the hon. member for Wadena (Mr. Dewhurst) suggested it should have been removed off buggy whips and neck yokes. But a four per cent tax is to go into every kitchen in the province of Saskatchewan on commodities which are essential to the health, cleanliness and sanitation of our people.

Now, Mr. Speaker, this game of give here, take there, is getting to be somewhat stale. Liberals are keeping their campaign promises, at the bottom of this document authorized by the Liberal Association, it says sales tax will be reduced from five to four per cent. Yes, it was reduced from five to four per cent, but this year that four per cent was instituted on items which will bring more, and I am sure, because the Provincial Treasurer is very good at concealing figures, that at the end his revenue income is larger than the original estimate. This has been shown by the revenues which came in during the last fiscal year. One hundred thousand dollars additional revenue from detergents and soaps! This is nonsense. This will bring over \$1,500,000 in additional revenue to the province. A Premier who is Santa on one hand, is contemplating Home-owner grants, there's lots of money to give away. I could call it a good way, if I'm in order, Mr. Speaker, to buy votes. It's a good gimmick. There are other ways that this assistance could be made. If the government and the Treasurer of this province have buoyant revenues and their revenues are above what they anticipated a year ago, why then increase the gas tax by one cent? Not only gas tax, but last night was the first time, Mr. Speaker, that I've learned since the opening of this legislature of February 8th that there will be an additional one cent tax on diesel fuel used for trucks and transportation on highways. They didn't tell us that. Mr. Speaker, I don't want to be repetitious but for the reasons that I have given and for the reasons given by some hon. members on this side, I will certainly not support the motion but will vote for the "six month hoist" on this resolution.

Some Hon. Members: — Hear, hear!

Mr. G.G. Leith (Elrose): — Mr. Speaker, I don't like the tax any more than the hon. friends opposite. I don't like any increase in the taxes and I don't like the taxes the CCF imposed. In fact it would be wonderful if we as a government could reduce taxes to a minimum or to nothing and never impose a new tax. I want to remind the members opposite that this is one of the things that local governments have been wanting for some time. They have been wanting a share of the gas tax. I went to the councils whom I represent in the Elrose constituency. In five of those places they said "Why don't

you put an extra cent on the gas tax and make sure we get it back for our own roads?" This is exactly what is going to happen with this money. It is for this reason, and this reason alone that I will support this increase in the tax. And you members, the opposition members, all represent parts of rural municipalities. Each of you has been driving on roads that have been built mostly with provincial money. Each of these councils and each of these rural areas have been wanting extra help for maintenance and rebuilding and resurfacing their grid roads. They are going to get more help from this government than they ever got from members opposite, Mr. Speaker, and this extra cent is going to pay for it.

I will support the motion.

Some Hon. Members: — Hear, hear!

Mr. W.J. Berezowsky (Cumberland): — Mr. Speaker in reply to the hon. member who just sat down (Mr. Leith), I recall quite well that not so long ago the Association of Rural Municipalities, Saskatchewan Farmers' Union and others, did not want non-taxable gas though they did want grants from the government. However, this government removed the tax from farm fuel and now finds itself in a position where they have to contribute assistance just the same as when the tax was collected, because roads must be built and we all agree with that. I don't intend to be onerous in this debate but I do think I could make a few remarks on the subject.

I would like to say to the government and to the Premier in particular that this is a vicious tax. It is going to hurt ordinary people more than anyone else. This tax is going to hit people who live in depressed areas such as around Prince Albert. Many have cars, they may not be modern cars, but these people, as has been pointed out by the member from the Battlefords (Mr. Kramer) have to go places for business or for pleasure. Now they will be paying 14¢ more every time they fill their tank. As well there are thousands of families of Indian origin who are not going to get any kind of benefit from the reduction of other taxes and they will have to pay this additional gasoline tax. Here is a government that has been preaching how it is concerned about the welfare to these natives. Some of these natives, such as I have at Deschambault Lake and such as the member from Athabasca has at Pelican Narrows, have to travel at times two hundred or three hundred miles to the closest community and they will be paying a tax which they cannot afford to pay. Members know that they have very low incomes. In some cases they have only \$175 to \$200 per capita per annum. These are the people who are going to be hurt.

What about all those truckers who are trying to eke out a living operating in the bush in northern constituencies? How will they feel about having to pay an additional one cent of gas tax? They have been working and trying to make a living in a marginal income area; these are going to be the ones hit very hard. There are others. Farmers are going to be hit hard too. Some farmers are going to pay taxes who can't afford to pay them. I am, of course, talking about the little farmers. I am not talking about the big farmers such as those sitting opposite who have said that farmers have never been so well off as now. They still believe in that kind of fairy tale today, otherwise they wouldn't be imposing this kind of tax. Yes it is the small people who are going to be hurt, and I suggest to the members opposite if they

are sincere to the electorate and not to the Liberal party that they would vote with us to give this motion a hoist.

Mr. Speaker, I must mention other facts that have not been mentioned such as alleged reduction of taxes. Where do you see the reductions? Yes, I am not going to say the Premier and his party have not kept their promises because I remember a year or so ago in this house when the Premier said they were going to give tax concessions to business. I would like to point out at this time that when . . .

Mr. Thatcher: — What has this got to do with the gasoline tax?

Mr. Berezowsky: — I am relating, Mr. Speaker — I'm relating it to the gasoline tax. On one hand he is taxing the people, the little people of this province who shouldn't be taxed but should have a reduction; on the other hand he is relieving corporations from taxation as he promised to do a year or two ago and during election time. Yes, he is relieving them of taxes! Had he imposed the taxes as he should have done and saved millions of dollars that he could have saved for this province from royalties and other taxes then it would not be necessary today to impose this kind of insidious tax on the people of our province least able to pay. The hon. member should know that whether you have rich farm areas, or poor farm areas, farm revenues in the past year or two have been going down for farmers, so I must speak on behalf of the farmers who are going to resent this tax just as much as other people are going to resent it. Paradoxically, Mr. Speaker, when you consider that here was a government which had a surplus last year of some \$26,000,000 as admitted by the Premier himself, and when the government discovered this surplus, they ordered the staff of the departments to spend this surplus money just as fast as they could spend it in order to empty the treasury. Mr. Speaker, it must be remembered too, that when we look at the estimates at this time, we see another thirty or forty million dollars being imposed upon the people of Saskatchewan again. And it is true as the Premier admitted, that this money comes from the taxpayers. Though he didn't say which taxpayer, or admit it was the people like you and me, Mr. Speaker, who must pay, he led us to believe that others would pay too. But, as I said before and I say it again, the facts are, he and his government are relieving those who can pay and are imposing this vicious tax on those who can't pay. This is the straw that's going to break the camel's back for the Liberal party. Believe me if you dared to call an election this year you will be wiped out completely out of this province. I am telling you what the people of this province are thinking of your legislation, Sir.

Some Hon. Members: — Hear, hear!

Mr. W.E. Smishek (Regina East): — Mr. Speaker, at the outset I would like to suggest a possible alternative for the Premier to consider. If there is a need — and I don't really see it, that we must have \$2,200,000 more in revenue — I would suggest to the Premier that we retain the income tax surtax as it presently stands at six per cent which gives us \$1,100,000 — I understand that the one per cent represents this amount — in place of the one cent increase in the gasoline tax that it be one-half a cent increase. These two taxes would net the province a similar amount of money. This would be more equitable, a better way of getting this \$2,200,000. The one

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cent gasoline tax will fall most heavily on the low income people, there have been members in this house who have expressed opinions that today transportation costs are getting too high, particularly to workers who have to travel by automobiles and that steps should be taken to relieve them from some of the costs through measures to reduce their taxes. The hon. member for Humboldt (Mr. Breker) the other day presented a very strong case why we should have some relief for wage earners in respect to travel costs. I think he did an exceptionally good job and I commend him for it. On the other hand, here we see the Premier adding to the cost of transportation for wage earners.

Mr. Speaker, we will recall that during the last provincial election, the Liberal party in this city promised the people of Regina that if they were elected they would take steps to provide an equitable share of gasoline revenue for Regina road construction and maintenance. This year in the budget the Premier tells us that there will be \$500,000 to be shared among all urban centres in the province of Saskatchewan for road construction. Mr. Speaker, the urban dwellers, as I pointed out the other day, on a per capita basis will be paying \$35.40 in gasoline tax, and will in return get only 88¢ for road construction in the major centres of the province. This, Mr. Speaker, is far from any kind of equitable sharing. The Premier tries to hide behind the argument that rural municipalities have asked that one cent of the gasoline tax be earmarked for municipal road construction. Mr. Speaker, I submit that while the rural municipalities did propose that there be this kind of earmarking, they did not propose, I suggest, an increase in gasoline tax, they suggested one cent of the present 14¢ be earmarked for this purpose and not that the tax be increased. We know that in this province much remains to be done in terms of improving roads for our people. It is reported that we have in this province somewhere in the neighborhood of 30 per cent of Canada's roads and only have five per cent of Canada's population.

Certainly the budget of the department for road construction is a heavy one. I think that the government does deserve some commendation for their efforts to build and improve roads. However, there is a breaking point and I submit that this proposal is going to far on taxing the people when at this stage it is unnecessary. We know that from the budget that has been presented, the per capita tax this year will be something like \$141.50; it was about \$115.57 two years ago, an increase of \$26 per capita. We know from all predictions, the prospect for the coming year looks quite favourable. There is a possibility of again having a surplus in the province. We had a surplus of \$26,000,000 last year. There are more monies coming in from the federal sources.

Mr. Speaker, this is, I submit, an unfair proposition. It is a proposition that is going to bear most heavily on those with the least ability to pay. It is also out of keeping with promises made by the Liberal party during the last election. It is also opposed to the principle of equitable sharing of taxes.

Mr. Speaker, I must support the amendment and vote against the motion.

Some Hon. Members: — Hear, hear!

Mr. J.A. Pepper (Weyburn): — Mr. Speaker, I fail to see or to recognize the need for this bill, which, if it is passed, is increasing the tax of gas from 14¢ to 15¢ per gallon and of diesel fuel from 17¢ to 18¢. I do not realize this need, Mr. Speaker, because lately we have heard a lot about the buoyant conditions of our province from

the hon. members across the floor, and how now that they are able to make such huge slices and cuts in our taxes. And now they bring in a bill, Mr. Speaker, asking for an increase in tax on gasoline and diesel fuel. Might I suggest, Mr. Speaker, that if the government had not been so generous in their give-away programs on tax concessions and reductions to induce industry to come into our province, and if they had collected a greater amount of tax and royalties from them, perhaps many of the citizens of our province would not be faced with this increase in gas tax today. Mr. Speaker, many of our citizens are not able to pay this increase in gas tax, not nearly as able as those who are in industry and able to reap the benefit of tax royalty concessions. Again, Mr. Speaker, those who are most able to pay, pay less, and the citizens who are less fortunate, are faced with an added tax. Might I add, Mr. Speaker, it is industry which causes such excessive wear on our roads and necessitates large sums of money to be budgeted in this program. For these reasons, Mr. Speaker, I cannot support the motion, but I will support the amendment.

Some Hon. Members: — Hear, hear!

Mr. E. Whelan (Regina North): — Mr. Speaker, the affluence boasted about by the government opposite, the fantastic expansion of revenue from resources, terrific income from new industries. Mr. Speaker, all these statements, mocked members on the treasury benches when they introduced this tax.

Mr. Speaker, they are going to give incentive grants for school units. "You must cut costs" they say. They hold it over them like a whip and then they introduce a tax that will beyond a doubt raise costs. What an incentive they have supplied to assist the school units! Mr. Speaker, this is a tax that will be paid by school buses, in the operation of school buses, school buses that are operated by hard-pressed money-starved school units.

Construction workers who travel to and from work and anyone bringing supplies home wherever they live, Mr. Speaker, cannot escape this tax. If you drive an automobile, and in this day and age, you must, you will pay this tax whether you drive a Cadillac or a Model A.

Mr. Speaker, the only consolation is that it will take a huge supply of a very strong detergent to wash-up the public image of the Liberal party for this performance. And, Mr. Speaker, they will pay their very own four per cent tax on this supply of detergent.

Mr. Speaker, these tax-cutting, cut-back, reduction-bent, economy-minded politicians present an image of hypocrisy unparalleled in Saskatchewan history when they introduced this tax. Mr. Speaker, they talk about Liberal action. If this is Liberal action for automobile owners, well I am sure that they can do without it. Combined with the compulsory automobile insurance increase, it is evident that the government puts a restriction on the use of automobiles.

Mr. Walker: — The CCF talks, the government acts . . .

Mr. Whelan: — In summary, Mr. Speaker, this tax increase suggests hypocrisy. The government was elected on a tax-cut program. They have misled the electorate, this is political deception. I will

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support the hoist, I will oppose the motion.

Some Hon. Members: — Hear, hear!

Hon. D.G. Steuart (Minister of Health): — Mr. Speaker, after listening to the member that just sat down, I was going to call for the author. I thought his wife was in excellent form but he didn't go very long. He might have even written it himself, you can't tell.

He talks about hypocrisy. I would just like to suggest we take a look for a moment at the CCF record in their twenty years of office. What did they do with the gas tax? Did they raise it one cent, two cents, three cents, they raised it 100 per cent. Let's look at their record on the sales tax, the education tax. They went up and down this province and said we'll take off this terrible tax that works a hardship on the little people. The Little Minister from Weyburn went up and down, backed up by those backbenchers and frontbenchers and the rest of them over there. Did they take this tax off? What did they do with it? They put it up to three per cent, then to four per cent, then to five per cent, a 250 per cent increase. They have the intestinal fortitude, the gall to talk about what happened to the municipalities under their government. The taxes jumped one per cent to ten per cent or 20 per cent; the municipal taxes went up 400 per cent during their term of office. In fact the people of Saskatchewan when they finally threw that outfit, the Socialists, out of office after 20 years of stagnation, paid taxes in Saskatchewan which were the highest paid by people anywhere in this nation. What's our record? Mineral tax, I could name and many others. In fact, as our Premier has pointed out on many occasions they not only increased 600 old taxes and charges, they introduced over 600 new taxes and charges. An abominable record, Mr. Speaker, that stands anywhere in this nation and one I suggest that will stand for a long time. Look at our record, the first year in office we reduced the sales tax from five to four. We took the mineral tax off farm lands. We reduced taxes that first year. This budget will reduce taxes further. And the Home-owner grants, I don't know whether they will vote against the Home-owner grants or not.

When the Home-owner grant is paid, when you add up the tax bill last year and this year, the people of this province not only will be paying less taxes, Mr. Speaker, but they will have far more ability to pay taxes than they ever had under the dead hand of the Socialists. They talk about progress. Well, you know, Mr. Speaker, it's really amusing. First, I don't know if the hon. member from Hanley (Mr. Walker) is supposed to be their new financial critic, if he is, I say God help the Socialists. I thought they were in trouble when they had the member from Regina West (Mr. Blakeney) as their financial critic, they are in real trouble if they get that other lawyer. They claim for example that they gave this province 20 years of prosperity. Then the hon. member from Hanley gets up and says "You should never tax people when they are prosperous. You should wait until they are poor." You know, wait until they haven't any money. Wait until there is a crop failure. Wait until they are unemployed. That's when you put the taxes on them if you are a Socialist, Mr. Speaker, don't you think it might be a good thing when times are good if you have to increase some taxes, if you have to increase some taxes to give more help to the rural municipalities. If you have to increase some taxes to give more spending on highways, that you do it when people are working, when they have got the highest

salaries they have ever had in the history of this province, as they have this year. More people are working, fewer people are unemployed, times were never better. This is the time you can add a little burden. Especially if you are taking millions and millions of dollars of other unnecessary taxes off the back of the individual taxpayer.

Mr. Speaker, our record is clear. We have not only created more prosperity and more opportunity but have given people more hope in this province in the two years we have been in office than in all the 20 years that they had. Mr. Speaker, look at our highway program. A new record. Saskatchewan under the CCF displayed the worst record of any province in Canada for per capita expenditure on highways. Even little Prince Edward Island spent more per capita on highways than our friends opposite. Mr. Speaker, we have really started a highway program. A fifty per cent increase last year. This year we'll spend twice as much as was ever spent in the best year when they were in office. They have the hypocrisy to shed crocodile tears for the so-called little people, for the so-called little people that they drove out of this province, not by the tens of thousands, but by the hundreds of thousands, in the 20 years they were in office because they couldn't find opportunities and jobs here at home.

Mr. Speaker, we have changed the climate. We have brought prosperity to this province and we have cut taxes. We have kept faith with the people of this province. We'll continue to keep our promises and keep faith.

I will support this, not that anybody likes a tax increase, but because we are going to give more honest real help to the municipalities, especially the rural municipalities in this province. We are going to develop a real highway program in the province of Saskatchewan. Even if these people don't know the first thing about business which is obvious every time they stand up in their places, these programs must be paid for. I will support the motion, Mr. Speaker.

Some Hon. Members: — Hear, hear!

Mr. M.P. Pederson (Arm River): — Mr. Speaker, I must say that I get a little sick and tired of listening to all of these claims about what has been done and what is going to be done. I believe that the motion before us deals with another area entirely, and that is, whether it is necessary to increase this tax. As I outlined in my remarks in a previous debate in this house, when I spoke on this, I felt and stated at that time that I didn't think it was. I believe that the prosperity that was mentioned in the previous debate that I have referred to, by the Premier, is a fact. I believe further that the budgetary surplus that is estimated for this year is far below what it actually will be. As I pointed out at this time, Mr. Speaker, and will do so again, I don't think that it is necessary to impose a tax such as this to get the municipalities the help that they desperately require.

Mr. Steuart: — Are you against giving the municipalities some help?

Mr. Pederson: — Not at all. I made my position very clear on that, Sir, when I spoke previously. I think that the government does have ample revenues in other areas that could have been diverted for

this purpose. The total amount involved is not that huge, but the increase in a taxation such as this, in my opinion, at this time, is unjustified. I am not too sure of the legal technicalities of the amendment that has been moved but as I understand it this would, in effect, drop this item from this year's order paper and it would have to come up a year from now. I am not too sure of the legal technicalities. But if this is the case then I must support that because I believe most firmly, Mr. Speaker, that this tax is not a necessary tax, particularly in view of the inherent prosperity in this province, a prosperity that has been brought on by an increase production from farmers, increased production in minerals and so on, and that my hon. friends opposite seem to agree on. I cannot understand why we must impose an additional tax in this particular area in order to help the municipalities the way the government wishes to do it. This is what I meant when I spoke of priorities when I entered the previous debate and this is precisely what I meant when I said that I would have something further to say on these matters when the appropriate time came. That time is now, Mr. Speaker. I think the government is wrong in imposing this tax and for that reason I am going to oppose it.

Some Hon. Members: — Hear, hear!

Mr. A. Thibault (Kinistino): — Mr. Speaker, listening to all the debate, I'm sometimes interested in who's going to be the next Premier. One thing that I notice is that the member for Prince Albert (Mr. Steuart) won't make it because he doesn't shout loud enough. I want to say that this bragging about tax reduction is finally catching up with the people who have been trying to make the people of the province believe that their taxes are being reduced.

I also want to point out that the people in the province haven't got as much money as he is trying to make us believe. Your sale of Saskatchewan bonds has slowed down compared to last year. I'll tell you why. The price of wheat has dropped. Their final payment is down at least ten cents a bushel. That's another reason why you should not raise this tax at this time — that a "six month's hoist" would be perfectly all right.

I think that the people of this province have had enough increases now, such people as the patients in the geriatric centre at Melfort having to pay an extra \$40 per month. The price of machinery has gone up. I am told \$300 per tractor is about an average increase this year. So let's slow down a bit. The school buses are going to burn an awful lot of that gasoline. Where are the school units going to get the money when you tighten up on them also? I suppose that is an incentive to cut taxes.

You refer to the taxes having been increased in recent years. I want to say that the amount of extra gas that is being burned on account of the grid road program should be sufficient. There is more gas being burned now than ever before and will make up for it. Well, they could cut down on their legislative secretaries. It wouldn't hurt.

Some Hon. Members: — Hear, hear!

Mr. Thibault: — I think one other area they could have slowed down a bit was the fire sales of our natural resources. I think we could have got a little more money out of them. It is always for the big fellow by the sound of things.

An Hon. Member: — How about the Premier's refrigerator?

Mr. Thibault: — Well, we'll allow him a frig. He needs it. And with this I'm sure you know where I stand. I will not support the motion, but I will support the "six months hoist".

Mr. E.I. Wood (Swift Current): — Mr. Speaker, I would like if I could to say a little in this debate. We are talking about an increase in the gasoline tax, I think that we need this increase in the gasoline tax for the same reason as the Provincial Treasurer needs another refrigerator. We have this year a huge budget, undoubtedly the biggest and most affluent budget that this province has ever had, in fact some \$268,000,000 worth of it. There is money for many things. I am not going to decry the fact that money is being spent on these things, but it is a large and very plentiful budget. But apparently the Provincial Treasurer felt that he needed more money to do some of the things that he wanted to do and so he put on this gasoline tax which would enable him to do some of the things he wanted to do.

He could have charged this gasoline tax against any of the things that are in the budget just as well as not because you cannot, when you are spending \$268,000,000, just pick out one item and say that this tax is applied on that. This tax is going into the Consolidated Fund and the money from the Consolidated Fund is being used to do all these things in the province. He could have just as well said that this money is going to be used for income tax reduction. Half of it will be and he could just as well as not have said that half of this money will be used for income tax reduction. I think he would have been a good deal nearer to the truth possibly.

Some Hon. Members: — Hear, hear!

Mr. Wood: — It could also have been charged against the highways. The hon. Minister of Health (Mr. Steuart) who just sat down, has bragged a great deal about what this government is doing about highways. They are very proud of what they are doing. I'm not saying that they should not be doing these things but he could just as well have said that this money is being used for highways. The Provincial Treasurer, I believe, said that there is much more money being used for road building these times than there is being collected from road users taxes. It would have been just as applicable to have said that this money is going to eke out the money that is being collected from road users taxes to help build the highways as well as the municipal roads.

In fact if you will look at the budget you will find that there has been some \$20,000,000 of an increase in what has been spent on roads in the last two years. Actually whereas we had a small reduction in the amount that was spent on municipal roads in the budget a couple of years ago, taking into consideration that we had another \$900,000 added to the Municipal Road Assistance Authority budget last year by way of supplementals, the amount that was spent on municipal roads this year in excess of what was spent last year is only some \$2,600,000 or \$2,700,000. As compared with the big increase in highway expenditures I think it is entirely unnecessary to charge this increase in gasoline tax against the municipal roads and not the highways or some other things that are being charged for. I think, seeing that everybody

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uses highways, practically everybody, and only the rural people chiefly use the rural municipal roads, I think it would have been much more applicable to have said that this was used for highways rather than for municipal roads.

Speaking of hiding, as someone has here today, I think that the Provincial Treasurer here is hiding behind the rural municipalities. I'm very glad to see these increases in road expenditures. I'm very pleased to see the budget we have in regard to the Municipal Road Assistance Authority. I think that one of the things that we definitely need in this country is more rural roads. I think that this is a good thing and I can plainly say, I think without fear of contradiction, I doubt if there is anyone in the house who has worked more to endeavor to do these things as a municipal councillor and reeve, and two and a half years as Minister of Municipal Affairs, as I have. I've done as much as I could to assist and to build up the rural roads in this country. I'm very glad to see that this is going ahead. But I also have spoken to a good many rural municipal people. while they do say that they would like to have a part of the gasoline tax for use on their roads — I've heard this a good many times — I've never heard them ask for more taxes.

Now, I'm not going to contradict the hon. member who has said that they have told him this, but I wonder if possibly there was not something in his approach to them that may have brought this out. I have talked along these lines and they have never volunteered that information to me, that they were asking for higher taxes that more might be spent on the municipal roads.

I don't think that we need this tax, Mr. Speaker, as has been said here today. I believe that quite possibly there will be a surplus again next fall. I think that when the smoke all blows away and the Treasurer stands in his place a year from now, if he is still here, if it's still the same Treasurer, he will be able to say that we have this great surplus. I think you will find that it will be proven that it was unnecessary to place this tax upon the users of vehicles in this province this year. It was certainly unnecessary to endeavor to blame it upon the rural municipalities. I don't think that he will be able to make this stick when they say so, Mr. Speaker. I don't think that the people of this province are going to blame the rural municipalities for this tax. I think they will blame the great emancipator, the redoubtable reducer of taxes, the Provincial Treasurer, whenever they pay this extra amount at the pumps. I think he is the one that they will think about and I don't think they will mention him in their prayers when they go to bed at night. I doubt it very much.

Mr. Speaker, I think you have gathered that I will not be supporting this motion but I will support the amendment.

Some Hon. Members: — Hear, hear!

Mr. J.E. Brockelbank (Saskatoon City): — Mr. Speaker, I hadn't intended to take part in this particular debate but after the hon. member from Prince Albert (Mr. Steuart) rose and delivered that address I decided I might just as well say a few words about it.

It is obvious that he is an anchor man on this bill. He is the weighty one and one of his main remarks was that we didn't

know anything about business on this side of the house. I think from the tenor of his remarks and the meaning of his remarks and the truth in his remarks that he does know something about business. Unfortunately it's funny business.

The Premier when presenting his case for a tax increase felt that he should hearken back to a few years ago when there was a different government in power. His argument was quite weak, therefore, he had to go back to get some support. We don't mind the Premier hearkening back to the past provided he is consistent about it. If he is consistent I think this really gives us a good chance on this resolution on the Abolition of the Senate.

I noticed the Premier was drinking something out of a cup over there. I assume that this might have been liquid courage because he promised that he was going to give a rousing closing to this particular debate. I also notice he is reading the Saskatchewan Liberal newspaper. That should do something to stiffen his back for closing off the debate on this particular resolution.

As far as this tax goes, Mr. Speaker, it won't hurt me. I might say my income runs into six figures. That's providing you count the two after the decimal place. What this tax will do is to hurt a lot of people that make less than a six figure income or a very small four figure income. There are a lot of those people in the province of Saskatchewan. I would say the bulk of the wage earners in the province of Saskatchewan earn considerably less than an MLA earns in a year. I think statistics will bear me out. I think the only thing I can do other than vote for this six months' hoist and vote against the bill is something of a symbolic nature. I would do it at this time on behalf of those people who earn less income than I do in a year and who drive an automobile and must pay this extra tax, I think on their behalf I'll offer the Premier the coat off my back for the people of Saskatchewan.

Mr. Speaker, I will support the amendment.

Some Hon. Members: — Hear, hear!

Hon. D. McFarlane (Qu'Appelle-Wolseley): — Mr. Speaker, I've listened with a great deal of interest this afternoon to members on the opposite side of the house trying to draw a red herring across this resolution for the simple reason that they hate to see the people of Saskatchewan at long last getting a break as far as highways and municipal roads are concerned. They hate to see the government on this side of the house bring down a budget which will allow for the spending of twice as much money on miles of highways in this province as was ever done by a Socialist government. They hate to see at long last a government which is recognizing some of the requests of the municipalities of this province. The member for Swift Current (Mr. Wood) isn't convincing anybody in this house or anybody in this province, especially none of the municipal men in Saskatchewan, when he said by way of the fact that he was a reeve and because he sat as a minister for some few short months that he did everything he could for the municipalities. Because time and time again, Mr. Speaker, representatives of the SARM and representatives of the urban municipal people in this province went to him as a minister and asked if a portion of the gas tax couldn't be earmarked for municipal roads in Saskatchewan. Now, I believe in

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all sincerity the minister tried to do something but certainly the minister never had the support of any of his cabinet colleagues or the rest of the members of his government. By virtue of that fact the municipalities got nowhere in their request to the Socialist government over the past 20 years.

Now, Mr. Speaker, I was amazed, not only in this debate but by other statements made within this house and outside this house by the attitude taken by some of those who would profess to represent the urban people in Saskatchewan. I would like to make one suggestion, Mr. Speaker, it may be out of order, but I think when the hon. member for Regina East, the mayor of this city, (Mr. Baker) gets up as he has on every occasion lately and welcomes all the students into the city of Regina, that he should warn them that when they travel on the streets in this city they travel at their own risk because it's an absolute disgrace; and I would say to the member for Regina East, the Mayor of Regina, if he would spend more time looking after the administration of his own city affairs instead of getting his picture taken, or kissing babies, and looking after some of the issues that have been brought to his attention, maybe we would have streets in this city that we could travel on.

Mr. Speaker, the urban representatives, the member for Regina West, all the Regina members, have tried to drive a wedge between the urban people and the rural municipal people in this province. They have no regard whatsoever for the farmers in Saskatchewan who don't have an access road out to a municipal road. It doesn't impress me at all when they try to indicate that this gas tax isn't going to help. There are all kinds of farmers in this province, Mr. Speaker, who don't have access to a municipal road let alone to a grid road or to a highway. When I took over as Minister of Municipal Affairs, as I said on former occasions, the letters I got for the first six months were from people pleading for some assistance, for maybe a \$200 grant or \$300 grant to fill a mud hole or to build a little bit of grade or clear some bush so they could at least get out of their own farms. This, of course, was taken care of.

Then, Mr. Speaker, they are not indicating in this house the plight of the farmers of this province who are responsible, by virtue of property tax, for the construction and the maintenance and the snow removal on 55,000 miles of municipal road. There are the people, the rural municipal officials of this province who came to you as a government and asked for assistance and also came to us as a government and asked for assistance. By virtue of the many requests over the long period of time, Mr. Speaker, in this budget we have allocated a one cent increase in the tax to help the rural municipal people in Saskatchewan.

We heard as long dissertation from the member from Wadena (Mr. Dewhurst) talking about the disadvantages of the farmers using purple gas in their farm trucks. Sure he was one that got up last year in the house and opposed it as did the member for Cumberland (Mr. Berezowsky) as did the member for Pelly (Mr. Larson), as did the member for Kinistino (Mr. Thibault). When these people go back home to their own people I am certain that they don't compliment them for the stand they took on that occasion. It's absolutely ridiculous for the member for Wadena to get up in the house here this afternoon and say the farmers aren't getting the advantage of using purple gas in their farm trucks, trying to indicate that they have to haul all their grain in small trucks and that bigger trucks don't get the same advantage of the

use of purple gas. When the legislation was brought down all classes of farm trucks were taken into consideration. Then when haying time came, we gave them extra provisions and allowed them to use pup trailers to increase the size of the loads for hay. So, Mr. Speaker, by virtue of that piece of legislation alone, that was one of the first things that this government on this side of the house did to recognize the plight of the farmers.

I am certain, now that we have asked for an increase in the price of gas by one cent a gallon, all the farmers in rural Saskatchewan are certainly going to benefit by the service that is going to be rendered to them. Certainly when another winter comes along, by virtue of the extra maintenance for grid roads, by virtue of the fact that we can increase the construction of highways and above all that we can now go into the largest program of hard-surfacing and oiling, both municipal roads in the future and our present highway system today, all of the farmers of the province engaged in the trucking industry like my friend from Shaunavon (Mr. Larochelle) is. Both he and the trucking industry, for the first time in years, are happy with the things that this government is doing. Certainly the past government was no friend of the trucking industry in this province and certainly there was no group in Saskatchewan happier to see the downfall of the Socialists than were the truckers in Saskatchewan. For the first time in 20 years they, too, as an industry are getting a break, both in the provision of better roads and setting up their own industry on a much more practical basis.

Now, Mr. Speaker, there were a great many other things said here this afternoon but I know what the member for Pelly is going to do. I don't know how long he is going to sit in this house . . .

Mr. F. Larochelle: — A lot longer than the member for Canora (Mr. Romuld).

Mr. McFarlane: — He may be in here a lot longer than or a lot less time than the member for Canora (Mr. Romuld) but what he will probably do now is go back home and say to his people, if he is re-elected, as he did here in a newspaper clipping a year ago; "All these things will be restored." And so you will go back to the days when you have to pay all these added taxes we repealed. You'll go back to the days when you have no services, when you couldn't get municipal roads, you couldn't get farm access roads, and to a highway program that only was half the program that we are presenting to the people of Saskatchewan for this year.

I want to say to my friends opposite all this debate this afternoon has only been a red herring to try and draw the attention away from the people of Saskatchewan to the biggest and best highway program ever instituted in this province. Believe me when the next election comes, whether it's this June or whether it's next September or whether it's two years from now, there won't be too many rural people sitting on the other side of the house and I doubt that there will be half the urban people sitting there either.

So, Mr. Speaker, because this is a good resolution, because at long last it's recognizing the requests of the people of rural Saskatchewan and because the people of rural Saskatchewan have faith in the government on this side of the house, by virtue of the fact of all the rural members that are elected to represent them, I have no fear but that they will accept this resolution.

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They will gladly pay the one cent extra to get the services of better roads. When an election comes, Mr. Speaker, you may still be Speaker, but you may have two or three as an opposition on the other side of the house.

I will support the motion.

Mr. Dewhurst: — Mr. Speaker, the hon. member (Mr. McFarlane) who has just taken his seat said that I stood in the house last year and voted against the purple gas. That is not correct. He should check the records before he makes those statements. What I said last year was that I didn't agree with their principle but seeing that they were getting so little help from any other source, any help that the farmers could get would be appreciated. I did not vote against that and he had no right to make those statements.

Mr. McFarlane: — If I said that the member didn't vote against it and I'm wrong in that statement, I wish to withdraw because I'm sure when he went back home over the weekend the people got hold of him and straightened him out, Mr. Speaker.

Mr. Dewhurst: — Mr. Speaker, no member can withdraw a statement on qualifications. He must withdraw a statement without having qualifications or strings attached, and nobody in my constituency pressured me one way or the other, and I ask him to withdraw the statement.

Mr. Speaker: — This is a question on the reflection of a vote of a member previously made in the house. I think if the member satisfied the house or stated that the vote was other than it was stated by the other member, then I think that he would have to withdraw. The record shows how the vote was anyway.

Mr. McFarlane: — Well if the member supported the motion at that time, Mr. Speaker, I am very happy that he did, and I will withdraw the inference that he didn't.

Mr. W.A. Robbins (Saskatoon City): — I just want to say a few brief words with regard to this particular bill. I note that the minister of Agriculture (Mr. McFarlane) made a comment that members opposite were friends of the trucking industry, but with friends like those on the government side, who needs enemies? The gasoline tax increase of one cent per gallon is a direct cost-of-living increase. The one cent increase in diesel fuel from 17¢ to 18¢ per gallon is not only a direct tax increase it is also an indirect tax increase because that levy will show up, to some degree, in terms of all goods trucked or moved by any transportation facility in this province.

Just the other night there appeared in the Leader Post DBS figures with respect to the cost of living, which indicated the cost of living had reached the highest point in our history. Now, I know the government is always after records, so they won't be too upset by this additional new record. I might say that I do a considerable amount of financial counselling to individual families. I would suggest that the four basic things in any family budget are food, clothing, shelter and transportation. Transportation has become so important in terms of our modern economy that it affects everything. I think because of this it was an error on the part of the government to institute a proposed

increase of one cent per gallon on the gasoline tax and one cent increase in the diesel tax at this time.

I feel that their priorities are wrong. I feel that the surcharge reduction in income tax is not justifiable when you turn around and put a one cent increase on fuels which has a major impact on the total cost of living of all persons in the province. I would say that I know people on modest incomes who earn their living travelling. They must travel in terms of making their living. The Minister of Public Health (Mr. Steuart) when he spoke in this debate, mentioned the fact, or tried to get across the point that they had reduced taxes. Yet in the estimates it is clearly indicated that \$134,850,000 is the estimated tax revenues on the tax levies for the year 1966-67 as compared with the \$107,552,240 for the year before, an increase of over \$27,000,000.

In addition, Mr. Speaker, it will even raise costs for the government. After all their legislative secretaries put in a lot of miles on the highway and they are going to have to pay an additional one cent per gallon for every gallon used. The situation really reminds a person of a husband looking over his budget and saying to his wife, "We should have saved during the depression so that we could have lived through this period of prosperity." Quite rightly, Mr. Speaker, I know the government needs money. I realize that gas tax brings a lot of revenue to a government. I see some justification in terms of gasoline tax levies in relation to highway construction. But I agree with many of my colleagues who have said this is an unnecessary tax at this time in view of the very large surplus the government had last year, the buoyant conditions in the province and the North American economy and the fact that a very large surplus will probably appear a year from now in the budgetary return which will appear as of March 31st, 1967.

Therefore, Mr. Speaker, I am opposed to the motion and support the amendment.

Some Hon. Members: — Hear, hear!

Mr. H. Baker (Regina East): — Mr. Speaker, I just wondered why the minister of Agriculture (Mr. McFarlane) just walked out of the chambers, I guess he knew I was going to get up and say a few words. I didn't intend to speak on this at all . . .

Mr. Steuart: — You got stuck on the road . . .

Mr. Baker: — The Minister of Health (Mr. Steuart) said I got stuck on the road. I want to tell you something. This morning I had a call, I am glad he brought this up. I did call a crew of 20 men out to fill a hole on the road that the Power Corporation filled last year. They won't permit our city crews to fill these cuts they are making in the roads. They are doing it by contract. This morning, right on Winnipeg Street and 17th avenue, I had to go down and pull several people out of the wonderful things he is doing to the city streets that we have had so good over the years. I know he is a bit of a confused man, and I would suggest to the Premier he has the wrong former mayor as his seatmate.

Now this Minister of Agriculture (Mr. McFarlane) got up here and started talking about roads. I suggest he do something about his department because he made a mess of the municipal affairs and he is making a worse mess of this one, Mr. Speaker, I would

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suggest that he start thinking and looking after the farmers to see that they get a decent price for wheat, to see that the cost of farm machinery is kept within reason, with parity with the things that the farmers pay or sell their goods for.

Now, I didn't intend to speak on this because I had expressed my views with regard to unconditional grants and my stand is still the same. The urban municipalities, in this budget, literally got nothing. The rural municipalities got something like, I believe, \$3,500,000 as grants, some of this in snow removal. I see the Minister of Welfare (Mr. Boldt) has gone too. I will tell the Minister of Health (Mr. Steuart) that we have spent more for snow removal in this city than they have put up as a whole grant for the province of Saskatchewan.

We don't get on nickel of this. When you spend \$250,000 out of a city budget in the winter time — and the winter is not over yet — I would have thought that the Premier in his budget would do something for the urban area. But why didn't the urbans get anything? Because it is the Minister of Health (Mr. Steuart) who is sitting there that has the Mayor of Prince Albert in his right pocket. He didn't dare let him ask for anything. I will give the Premier credit, he asked Mayor Barsky, "What do you want for the urban municipalities?" I sat here as an onlooker and he stood there like a school boy and couldn't answer him. We know what we want, we mayors of this province know what we want. We need unconditional grants for current purposes. Sure we are getting some for capital construction of roads, which they say comes out of the gasoline tax. The CCF brought in this program, of 50 per cent for construction costs on arterial and main roads.

So, this budget does not give us one cent. Yet when you look at the \$29,700,000 that is to be realized out of the gasoline tax that we contribute 25 to 30 per cent of that; \$17,000,000 or \$18,000,000, and we get nothing in return. This is the complaint. This is the reason why we as urban representatives must go against the tax increase on gas for the people of this whole province. The Minister of Welfare (Mr. Boldt), and the Minister of Health, (Mr. Steuart), of course, criticized roads. I am sorry the Minister of Highways (Mr. Grant) is out of his seat. He was mayor of this city, 10 or 15 years ago. When I became mayor of this community, over half the city had highway type roads, board sidewalks, and 5,000 homes didn't have sewer and water. Today every road is black-topped, and we have cement walks, or ready for paving. We have cleaned up the non-modern parts with the exception of 200 houses which cannot be modernized, which will come out in our program of replacement. People like those on the other side, who were in office in the city of Regina for 30 or 40 years, kept this city as a non-modern community. Today we have more paved roads than any other city in Saskatchewan and in most cities in western and eastern Canada. We have good roads . . .

An Hon. Member: — More snow . . .

Mr. Baker: — Yes, we have snow. We did get plenty of snow, more than anyone else except Winnipeg which got it last week. Yet, when the government saw what problems we had with snow removal, did they come out and say we will give you some grants to help you? We had snow storms every day for two weeks; it was somewhat of a disaster. But no one came out here to say we will help you financially. This is the kind of money the people of Regina had to put up. The Minister of Welfare (Mr. Boldt) comes out and says "It is because of the streets that the insurance rate is going up."

Imagine! We spent more per capita, per mile, than anyone else in this province, than anybody in western Canada until Winnipeg came into the picture.

So, Mr. Speaker, there are people who are good men across the way, who are trying to do a good job. I said to the Premier at the start that the man he has beside him is going to uproot him out of his position. And I want to tell the Minister of Agriculture (Mr. McFarlane) today I don't go for anonymous letters at all, but I have an anonymous letter, I haven't it here, but if the Premier wants it I will give it to him, naming the five cabinet ministers and MLAs that are out to get him. I've got it in my home . . .

An Hon. Member: — . . . more than that.

Mr. Baker: — . . . and there is a lot. I will hand it to the cabinet ministers who are named, and I will tell the Minister of Agriculture (Mr. McFarlane), and if you want the other four I will give it to him. This is no story. But anyway I wish he spent his time in his department rather than trying to criticize the good things that the people of Regina are doing. It is a reflection on council, and the City Council is made up of a majority of people who are like those across the way.

Mr. Speaker: — Order, I am going to ask the member to stop rearranging the cabinet and make his remarks to the gas bill.

Mr. Baker: — Mr. Speaker, I agree with you, but I think the Minister of Agriculture (Mr. McFarlane) got off on a tangent and he usually does . . .

An Hon. Member: — He is back.

Mr. Baker: — Oh, he is back in, is he? I am glad to see he is back in, but he is afraid to come into his seat, because he can't take it. He likes to dish it out but he can't take it.

Now what about this gas tax? I said I understand that revenues according to the budget bring in something like \$48,000,000 and I believe \$10,000,000 more that we are going to get out of the cost-sharing. Now, I must agree that we all know that we need tax monies but when you have the buoyant economy that we have had for the past 22 years, we have reached the stage now where I don't think we need to increase taxes, when you have that kind of money coming in annually. There will also be the extra money that will be coming in from the federal government, and I will give them credit for doing this, even under the Canada Assistance Plan.

Now, I ask the Premier for unconditional grants of, I thought, perhaps \$4 or \$5 per capita. If it was \$5 per capita, the city of Regina would receive, or realize \$650,000 to \$700,000. We need that money right now, because our budget is going to be in jeopardy because of the sale of the power plant that men like those across the way helped to give away, or sell in this city. I am not blaming you for buying it. It was underway before you got here, and this is the money we are going to need. In growing cities we need more money. We are proud to see our cities expand, but these costs and the rising costs are making it much more burdensome on every community or urban area.

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I said that our municipal tax since I have been mayor went up slightly over two mills, the education tax, 12.06. We have done our job in Regina; we built new streets and roads and sidewalks; it is one of the most modern cities in this country, if we have had some bad conditions on our streets this winter, they are not the fault of the city Council, they are the fault of the people that like to criticize us, who don't want to give us any money to help remove the problems that we do have.

Now, what else should we be getting out of this one cent tax that is going on? In Alberta, they pay from 50 to 90 per cent of the construction of arterial roads or highway-type streets throughout communities. They also give for maintenance \$500 per mile, and for the 300 to 350 miles of road we have got they give us \$175,000 as a grant from this gas tax. I'm glad they are giving the rural people money, for they need these grants. I am glad they are giving \$250,000. It is a mere pittance, mind you. As I said we spent that much in Regina this winter already, so that, Mr. Speaker, I believe that we have reached the stage where we must stop putting on taxes if we are not putting them to good use. In the cities, the urban municipalities are getting the worst deal that they have ever received since I have had the privilege of being in local government. I blame the Minister of Health (Mr. Steuart) because he is the one that told the mayor of Prince Albert, who is the President of SUMA, "Keep quiet, boy, we will look after you." They sure did look after the urban areas, and every other mayor of this province is pretty fed up with it. There he sits, with a "holier-than-thou" attitude, as well as the Minister of Agriculture (Mr. McFarlane) sitting there just ready to devour their leader and they are going to do it. You mark what I tell you today. I said it before, I'll take him any day before any of those five that were on that list that was mailed to me.

Mr. Steuart: — Henry, you are just jealous . . .

Mr. Baker: — Yes, I have had lots of opportunity but I let you have it and you made a mess of it too . . .

Mr. Steuart: — You never had one.

Mr. Baker: — When he was president of it, I remember. Well I won't tell you what he did.

Mr. Speaker, I could go on and recount many more things. I think the urban areas are part of Saskatchewan and eventually all the 80 or 85 per cent of the people will be living in the urban centres. I can see Saskatoon complaining as well as Moose Jaw, Prince Albert, and other centres that need this kind of money. If you want to get a growing community, or attract industry to a community, you must keep it up to date. You must modernize it. You must spend money to have good streets and roads. We have the best and the most up-to-date of any city, the smallest number of non-modern homes of any city in Canada. In fact, the 200 that are here wouldn't be if we could move the people some place else. This is what we did.

I see the Minister of Highways (Mr. Grant) is back. When he was mayor this city was over half non-modern, no streets or roads, nothing done in this community, until some of us got there and had the courage to do something about it. Now you get the Minister of

Agriculture (Mr. McFarlane) who probably doesn't know the difference between a lane and a street, trying to come out and say that things are not so good. The Minister of Welfare (Mr. Boldt) oh, he blew his top. Wait until I get at him with a few more other things.

In fact, I like the Minister of Welfare (Mr. Boldt). Most of them don't like him on the other side. Of course, give him credit, he and I do get along in many ways. But when he stands up and criticizes the city of Regina, the City Council, because of the bad streets — and most of it is an act of God — when he gets up here and ridicules our council, many of the aldermen retaliate. I am going to give the Minister of Welfare (Mr. Boldt) a pat on the back, at least when I worked with him on this housing project, nursing home, he gave me the fullest co-operation. He helped press to get it through. He did help in this regard and I want to thank him and give him credit for it. But I don't think he has a right to stand up here and ridicule the people of Regina, the City Council, who have spent more and got nothing out of the government, for snow removal than any other centre in Saskatchewan.

So, Mr. Speaker, I will support the amendment in this regard. I would hope that before this session is over that we will receive more unconditional grants. I hope the Premier will take it under advisement, even though SUMA made a very, very poor presentation. I explained the reason why, and I repeat again, he did try to get that stature, not knowing where or what kind of money it wants, you couldn't blame the Premier for perhaps bringing in a budget the way he did. But I hope he reconsiders. He can put blame squarely on the member beside him, for ruining the urban centres of Saskatchewan, for setting them back, not getting enough to pay for their current costs, and not getting enough to continue to hold the mill rate as we have done in this city so well, — the municipal rate over the past eight years. I hope we will get some more, I have asked the Minister of Health (Mr. Steuart) for a further grant over and above the 75¢. I think he agrees with me it should be the same as other regions. So we are in as desperate need as urban centres, we need some of this money. It is all going somewhere else. If they would come clear and clean here and tell us they are going to give the urbans a \$5 per capita unconditional grant, that would make it a different picture. So, Mr. Speaker, I must support the amendment and not support this one cent increase.

Mr. C.G. Willis (Melfort-Tisdale): — Mr. Speaker, I, too, must oppose this tax increase which is supposedly in aid of the motorists of Saskatchewan. Like all other members on this side of the house, I believe that the Provincial Treasurer could have just as well stood up in this house and said that this tax increase was for the aid of the people in higher income tax bracket friends of the people on the other side of the house.

The main reason I am getting up today, Mr. Speaker, is that I am getting tired of hearing about the terrible condition of Saskatchewan highways before 1964.

Mr. D. MacLennan (Last Mountain): — Pretty sensitive.

Mr. Willis: — I'm very sensitive about the truth being spoken, Mr. Speaker. The truth of the matter is, Mr. Speaker, that no government has improved roads, and built provincial highways and grid roads more than has the CCF government during its term of office.

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In 20 years they largely overcame the lack of decent roads in this province, roads that were inherited from a former Liberal government. When we left office we had 50 per cent of the highways in this province dust-free; 75 per cent of the traffic on those provincial highways was on dust-free roads. These figures have been mentioned before in the house, Mr. Speaker, but I mention them again for the benefit of the members on the other side of the house.

Today I have dug out a 1964 Department of Highway's Annual Report and on pages 110 and 111, there listed all of the highways in the province of Saskatchewan. They show bituminous surface, they show oil treated, and they show the gravelled highways in the province. Now, I would like, Mr. Speaker, if I had time to go through all this list for the edification of the people across the way. It might encourage the people on the other side of the house to dig out their 1964 reports and read pages 110 and 111.

Highway no. 1, Manitoba boundary to the Alberta boundary, paved entirely for 410 miles; no. 2, international boundary — north 254 miles of paved road, 77 miles oil; no. 3 highway, total of 50 miles paved, and 99 miles oiled; highway no. 4, 52 miles paved, was paved at the end of 1964, 230 miles oil treated; highway no. 5, 175 miles paved, 95 miles oil treated. As I said, Mr. Speaker, I could go through all of these and prove to the satisfaction of the people opposite, if they want to be reasonable about it, that we did something in this matter and that we left the highways in a state we could be proud of during the 20 years we were in office.

Mr. Speaker, I am rather concerned this afternoon about the increased costs which I see coming up for the Department of Highways. The department's budget has been raised to \$47,500,000. I want to congratulate the government in doing this, regardless of what condition our highways are in. We will always have to have more and more money to keep up and increase the number of highways to ever better standards. But when the Premier talked, Mr. Speaker, of raising the budget from \$45,000,000 to \$60,000,000, within a matter of a month or two, I say that something is wrong on the other side of the house. He surely couldn't have gotten this advice from the Department of Highways. What will this do to bid prices, Mr. Speaker? Bid prices over the last year have gone up 20 per cent on the average. Bid prices for moving dirt — up 20 per cent. If the Department of Highways were foolish enough to put on the market a tremendous amount of improvements to roads, up to \$60,000,000 in the space of two or three months, we would have an escalation of prices which would bankrupt the Department of Highways, and probably bankrupt the government as well.

Mr. Speaker, we are not only wasting money in improving our highways in announcing the increase in highway budget to this extent. We are also wasting money in taking into the highway system low volume grid roads. This is not, Mr. Speaker, what the municipalities want. Municipalities want to be treated fairly and equally. When they see some municipalities in the province having low volume grid roads taken into the highway system they know there is only one reason for this, Mr. Speaker, and that reason is a political reason. These roads were not taken in because of advice of highway engineers. Mr. Speaker, this policy of the government opposite to increase our highway budget from \$47,000,000 to \$60,000,000 in one year, and taking into the highway system low volume grid roads, is wasting money. This we have to protest

against. This, Mr. Speaker, I protest against most emphatically and I will this afternoon vote for the "six months' hoist" and against the main motion.

Mr. A.E. Blakeney (Regina West): — Mr. Speaker, I just want to say a few words before the debate is closed. I must say that some of the remarks that have been made previously have been such as to suggest that someone ought to say a word. Here we have a bill which is going to make it more expensive for a young man to entertain his girl friend. And now we have the Minister of Agriculture (Mr. McFarlane) suggesting that it is improper for politicians to go around kissing babies. Surely this is one of the few perquisites and non-cash emoluments which we have, and he even wants to take this away. It seems to me that he has become infected with a foreboding sense of ill that he has caught from the member for Rosthern (Mr. Boldt). It seems to me that he may well be trying to protect the Premier's newlywed bonus.

There are two or three things about this bill that I want to say. Firstly the Premier's comparisons with 1961 are particularly inept and inapt. It's true that comparing 1961 and 1965 the highway and grid road budget has increased from \$32,000,000 to \$41,000,000 — an extra \$9,000,000, but he ought to have pointed out that in this time the federal-provincial payments went up over \$20,000,000. The increase in money which we got from Ottawa was well over twice the increase in the highway and grid road budget between those two years. It has already been pointed out that 1961 was a year which was a disaster crop year and which followed years of poor crops. We have come a long way since 1961. We've had four good crops in succession. As the Premier indicated, we will have an increase of over \$30,000,000 in federal payments in the coming year over 1961. And under these circumstances, to appeal to the conditions of 1961 in support of a tax increase in this year is, I think wholly irrelevant. The question surely is not whether it was a good idea to raise taxes in 1961 but whether it is a good idea to raise taxes in 1966. He is fond of talking about efficiency but it seems to me that he hasn't displayed any particular measure of efficiency in this regard.

There are two or three other points that I want to make. Firstly, a tax on gasoline and diesel fuel is a tax on development. Gasoline and diesel fuel are sinews of development and if it is true that he and members opposite want to arrange our tax structure so as to encourage development this is certainly not the way to do it.

We are, as a province, almost wholly in the grip of our transportation facilities. In years gone by we were really in the grip of the railroads. Whether or not we had prosperity depended upon whether or not we had adequate rail transportation. Well, I for one and I think many other people in Saskatchewan have lost confidence in the railway companies; in particular with the Canadian Pacific Railway Company, lost confidence in them and their willingness to move passengers, to move goods, to maintain branch lines. The railway companies have flouted every moral obligation that they had, based upon the concessions which they got when they were set up. They have ignored all the parliamentary pressure which our western members have been able to mount. The only language that they understand is competition. In eastern Canada they keep their rail rates down because there is competition. This is the only way that we will be able to talk to the railway companies. Therefore, we should be fostering our trucking industry. we should be encouraging low-cost trucking, and we do not encourage

low-cost trucking by increasing the price of fuel. I don't know whether the Premier has become disenchanted with the trucking interests, or whether he is once again demonstrating that he is a friend of the Canadian Pacific Railway Company. But whatever it is, certainly the move which he is making is one which will be welcome by the railway companies and which will not be welcome by the trucking interests or any of the people of Saskatchewan who depend upon them. I think particularly of employees who need their cars to go to work and we all know that the pattern of industrial development which has come in Saskatchewan has been one where the major employers have located their plants on the periphery of the cities. I only need to mention Saskatchewan Cement or IPSCO near Regina, Potash Company of America, outside Saskatoon, or International Minerals and Chemicals where workers come from 10 to 15 miles on the average at Esterhazy; Kalium whose workers come probably on an average of 20 or 25 miles, all these people need their cars. The same will be true at Allan or Delisle, at least in part. It will be true if we get a pulp mill at Prince Albert. All these people must drive many miles to work, unlike former employees who used to be able to have public transit available. These will be the people who will pay a big proportion of any increase in gas tax. Mention has already been made of school units. In earlier debates it has been pointed out that the Premier has loaded his school grant figure with almost every conceivable expense — for technical schools and teachers' pensions and school texts — and now he is going to make some of this school grant figure go into his coffers for gas tax. Think of all the increases in the general cost of living and of things which have a particularly high transportation content — milk, bread. As I say, a very substantial portion of the price of milk and bread is the transportation content. And these have been going up in price and will continue to go up in price if transportation costs continue to rise.

The mayor of Regina, the hon. member for Regina East (Mr. Baker) has put the case for a more equitable distribution of this tax yield better than I can. So I will say no more on that but I want simply to remind this house that in some years past, even in those dark CCF years when the highway budget was supposed to be so small, the city of Regina got \$200,000 or \$300,000 from the highway department. I'll bet you it won't get a half of that this year out of this bloated budget of the minister from Regina South (Mr. Grant).

Hon. G. Grant (Minister of Highways): — \$1,000,000 . . .

Mr. Blakeney: — For Regina, I am very glad to hear that and I recommend that the member for Regina East (Mr. Baker) get that in writing.

The question that really faces this house is whether or not the Provincial Treasurer needs this extra revenue. As has already been pointed out, he has already demonstrated that he doesn't need it if he is cutting income taxes. When did any provincial government in Canada raise gas taxes and cut income taxes in the same year? When did that happen? To find that sort of example and precedent you have to go to the federal Liberal government when they lowered income tax and raised sales tax in the same year. They raised the price of houses and lowered income taxes for the wealthy all in the same year, but other than Liberal precedents, which shouldn't commend themselves to anyone, you will not find any precedent in Canada. Only Liberals raise sales taxes and cut income

taxes in the same year. Only Liberals persistently choose regressive and proportional taxes instead of progressive taxes. Liberals so often tell us who their friends are that we ought to know by now and if we didn't know before we know now. In one budget we find the income taxes paid by the wealthy reduced and the sales taxes paid by the little man increased. There is nothing which would more demonstrably state the Liberal position than that and because it does demonstrably state the Liberal position, because it shows such a perverse sense of priorities, I will be supporting the amendment and will be opposing the motion.

Some Hon. Members: — Hear, hear!

Mr. H.D. Link (Saskatoon City): — Mr. Speaker, if there is one thing that all Liberals have in common it is, of course, the fact that they know nothing about business. If I had any doubt about that the member from Prince Albert (Mr. Steuart) certainly settled it once and for all when he spoke. Now as far as I am concerned after listening to about 30 or 40 speakers, there is very little left to say. However, I think it can be summed up very easily. After listening to hundreds of reasons why we shouldn't have this tax, it seems to me the answer is very simple. There is just simply no need for it at the present time and the government knows it. They had the Johnson Commission and spent about \$200,000 and all the government got out of it was the fact that it should raise taxes at the present time when there is no need of it. Now if it is going to spend some \$58,000,000 on roads, we have not too much quarrel with that, but as an urban member it seems rather odd that only about half a million will be spent in urban centres. And this certainly isn't a very good proportion. We do not deny that the rural people need good roads and more roads, but the fact remains that we in the cities will probably pay about 60 per cent toward these roads. I think we should have more than half a million out of it. Last year we had tax-free purple gas and we didn't quarrel too much with that. The farmer needs a break, but we also have people driving trucks in the cities. Last year they were left out. Now we have one cent a gallon tax on car gas and the urban dweller will put up his share of it. So again I say, Mr. Speaker, the main reason, of course, for not supporting this bill is the very simple fact that there is no need to do it at the present time.

I propose to support the amendment and not the motion.

Some Hon. Members: — Hear, hear!

Mr. Grant: — There have been figures given out here this afternoon that are far from accurate. I would like to correct the hon. member for Saskatoon (Mr. Link). The budget for urban assistance this year is \$5,300,000, we spent \$4,500,000 last year, and for the information of the hon. member from Regina West (Mr. Blakeney) I've repeated it twice in the house — but I guess he wasn't here — that the commitment for Regina this year is \$1,000,000. The subway alone is three hundred and some thousand dollars, one item and for your information, Sir, at Saskatoon last year it was \$1,800,000.

Some Hon. Members: — Hear, hear!

Mr. Thatcher: — Mr. Speaker, there are a few things I should like to say in rebuttal. I guess I had better exercise restraint if we hope this

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may go through this evening so I won't say some of the things I would like to. I was a little amused at the remarks by the hon. member for Regina East (Mr. Baker). The mayor has become a little more bitter the last few months as time has gone by. I suppose this is because his colleagues have taken all the good seats in Regina from him and he has been left with Regina East, which the Liberals certainly consider one of the sure seats for us in the next election. However, Henry, never become bitter.

Well, now I repeat, Mr. Speaker, that this tax is needed for obvious reasons. It is needed because the Liberals have brought into Saskatchewan a massive highway program. We will spend this year more than double the amount that was spent in the last year of Socialist government.

Mr. Walker: — Make up your mind.

Mr. Thatcher: — We're building roads to resources, punching them through the northland, we're building four-lane highways like every other province already has, we're building new roads, paving them and oiling them, we're passing on an increase of \$3,700,000 in various methods of assistance to municipalities for road construction and maintenance. For the first time we are beginning to pay them for grid road maintenance. For the first time we are starting to give adequate grants, at least for this year, for grid road construction. For the first time we have a new program to help the municipalities with snow removal and so on.

Mr. Kramer: — When's the election?

Mr. Thatcher: — Now, I do believe, Mr. Speaker that the people of Saskatchewan want good roads and they are prepared to pay this one cent a gallon in order to get good roads. I want to assure you that in the years ahead this Liberal government intends to pave and oil all the main highways in this province. Now, my hon. friends opposite have suggested that there must be some reason why we should use any surplus that might have taken place this year to build highways. We maintain that there must be a relationship between the amount that is spent on roads and the amount that is collected from the owner of an automobile. I repeat that this year the ordinary taxpayer will be subsidizing highway construction to the extent of \$16,500,000 approximately. Now my hon. friends opposite say that it's the little man that is going to pay this one cent gasoline tax. I say that simply isn't correct, because the average owner of an automobile in this province is not a man in the lowest income group. Sure there are some in the lower group but the average one is not. Moreover the government will get greatly increased revenue from tourists who come from outside the province. Now I say that there must be a relationship between the amount of money collected from licenses and gasoline with the amount that is spent on highways. I think when the present opposition was in the government they felt likewise. Here is what the former Premier had to say in the last debate: "I don't think that the government need to make any apology to anyone for suggesting that the people who use the roads in the province are the people who ought to pay the major part of the bills for constructing and maintaining the highways. I see no reason why the ordinary taxpayer of the province who doesn't operate a vehicle should be asked to pay taxes to maintain a road on which someone else must run a vehicle." That is the way my hon. friend spoke when they were in the government. "I think that the average vehicle driver would

prefer to pay a higher tax and have a better road on which to drive." That's what they said, as I say, a few years ago when they were the government. Then finally the former Premier said this, "Nobody likes increased taxes, but I think the people of the province generally will support the idea that if we are going to spend more money on roads, then the people who use the roads are the people who should make the major contributions to that end." Now they are talking completely different today.

Now, Mr. Speaker, just one final point. The former government set up the McLeod Commission. They said this is a wonderful commission. When the McLeod Commission reported, the Leader of the Opposition said there is great merit in some of their recommendations. Now what did the McLeod Commission recommend? They suggested that the gasoline tax be put up immediately by 2¢ a gallon in order to finance some of the highway requirements of the province and other services. Now if my hon. friend thought what the McLeod Commission said was good a few months ago, why is it not correct or good today? I say again, Liberals today are raising the gasoline one cent a gallon to build roads. The Socialists raised them 7¢ when they were in opposition.

Mr. Kramer: — Tell us about it.

Mr. Thatcher: — And so I'll go on, Mr. Speaker, and say again that I am not going to support the amendment, and I am going to support the original bill.

Some Hon. Members: — Hear, hear!

Mr. J.H. Brockelbank (Kelsey): — Mr. Speaker, I would just like to say a word or two before we come to a vote on this amendment.

Mr. Thatcher: — Mr. Speaker, is he not out of order? Didn't I close the debate?

Mr. Brockelbank: — No, you didn't close the debate.

Mr. Speaker: — Order, order! The Premier spoke on the amendment.

Mr. Brockelbank: — I just want to tell the house very briefly why I am going to vote for the amendment and against the motion.

This government was elected after years of propaganda around the province for lower taxes and more services, for reduced taxes and more services. Now they are not doing it because in this coming year it is proposed in the budget that they collect \$32,000,000 more in taxes than was collected the last year there was a CCF government. This is no reduction in taxes. This government has been dishonest with the people of Saskatchewan. It is not a question of just whether this tax is a desirable tax. I agree that when taxes are used for good purposes and are necessary, they are desirable and you must have them. But this government has been absolutely dishonest with the people of Saskatchewan. It cannot be trusted, and I am going to vote against this motion and for the amendment.

Some Hon. Members: — Hear, hear!

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The amendment was negatived on the following recorded division.

YEAS — 24

Messieurs

Lloyd	Nicholson	Broten
Nollet	Kramer	Larson
Walker	Dewhurst	Robbins
Brockelbank (Kelsey)	Berezowsky	Pepper
Blakeney	Michayluk	Brockelbank (Saskatoon City)
Davies	Smishek	Pederson
Thibault	Link	
Willis	Baker	
Whelan	Snyder	

NAYS — 28

Messieurs

Thatcher	Grant	Radloff
Howes	Coderre	Weatherald
McFarlane	Bjarnason	MacLennan
Boldt	Trapp	Larochelle
Cameron	Cuelenaere	Hooker
Steuart	McIsaac	Coupland
Heald	MacDonald	Gardner (Moosomin)
Merchant (Mrs.)	Gallagher	MacDougall
Loken	Breker	
Mitchell	Leith	

Motion agreed to and bill read the second time.

THIRD READING

Hon W. Ross Thatcher (Premier) moved third reading of **Bill No. 67, An Act to amend the Fuel Petroleum Products Act.**

Mr. W.S. Lloyd (Leader of the Opposition): — Mr. Speaker, I won't detain the house for more than a minute. We've had ample time to express our point of view and our members have done it well. May I just reiterate, Mr. Speaker, our opposition to the bill. It is in our opinion unnecessary. It is particularly unnecessary because of the devices which the government is using to reduce its revenues in other ways. We feel the application of the bill is an unfair application in respect to taxation, and we are definitely in opposition to the passage of the bill.

Motion agreed to and bill read the third time.

On the motion of the Hon. Mr. Steuart, the assembly adjourned at 5.29 o'clock p.m.