

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Third Session — Sixteenth Legislature**  
**28th Day**

**Wednesday, March 25, 1970.**

The Assembly met at 2:30 o'clock p.m.  
On the Orders of the Day.

**WELCOME TO STUDENTS**

**Mr. Speaker:** — I wish to introduce to all Hon. Members the following groups of students situated in the galleries; 67 students from Buena Vista school, Saskatoon, from the constituency of Nutana Centre, represented by the Member, the Minister of Municipal Affairs, Mr. Estey, and they are under the direction of their teachers, Mr. Tetreault and Mr. Loy; 72 students from St. Peter school in the constituency of Regina North West, represented by Mr. Whelan, under the direction of their teachers, Mr. Fortin and Mr. Schleschuk; 31 students from Massey school, from the constituency of Regina South, represented by the Hon. the Minister of Health (Mr. Grant), under the direction of their teacher, Mr. Radmacher; 33 students from St. Mary's school, from the constituency of Souris-Estevan, represented by the Member, Mr. MacDougall, and they are under the direction of their teachers, Mr. Hugh Bitts, Miss Loraine Pho and the bus drivers who brought them here, Mr. Tony Mack, Mr. Leo Seipp and Mr. John Nickel. I assure all Hon. Members will wish to extend to everyone of these students in the galleries an extremely warm welcome and express the sincere wish that they will find their stay here enjoyable and information. We wish them all a safe trip home.

**Hon. Members:** — Hear, hear!

**INTRODUCTION OF GUESTS**

**Hon. C.L.B. Estey** (Minister of Municipal Affairs): — Mr. Speaker, through you I would like to introduce to the House 50 ladies whose husbands are attending the SUMA Convention which is presently taking place in the city of Regina. I think I speak for everyone in this House when I extend to these ladies a very warm welcome and hope they will enjoy their stay with us and enjoy their stay in the city of Regina while attending the SUMA Convention.

**Hon. Members:** — Hear, hear!

**ANNOUNCEMENTS**

**GRAND CHAMPION BULL**

**Mr. P. Schmeiser** (Watrous): — Mr. Speaker, before the Orders of the Day I would like to inform the Legislature that a farmer from my constituency, Mr. Bill Kirsch of Pilger, took the grand champion for his Polled Hereford bull, Molloy Blazer. He also won the reserved senior champion with another Polled Hereford bull, Molloy Beaumode. Mr. Kirsch's grand champion bull was sold this morning for \$10,500. He created quite a sensation last year when one of his bulls sold for \$39,000. I know the House will join with me in offering Mr. Kirsch our congratulations.

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**Hon. Members:** — Hear, hear!

### **RESERVE GRAND CHAMPION BULL OWNED BY PREMIER**

**Mr. D.M. McPherson** (Regina South West): — Mr. Speaker, before the Orders of the Day, there is an announcement I want to make. I know the Members of the Opposition will be very happy about this because they never mention anything good coming from Morse, Saskatchewan. Yesterday, the Hon. Premier won the reserve grand championship with one of his Hereford bulls and we all wish him the very best. This is the first time he has won a championship and I know that he is very pleased and I know all the Members of the House go along with him.

**Hon. Members:** — Hear, hear!

### **SHELLBROOK HOCKEY CLUB — INTERMEDIATE 'B' CHAMPIONS**

**Mr. G.R. Bowerman** (Shellbrook): — Mr. Speaker, before the Orders of the Day, it is a pleasure to announce again this year that the Shellbrook Hockey Club have again taken the Saskatchewan Intermediate 'B' championship. I know that the Members of the House, as we did last year, extend to them our good wishes for the efforts they put forth in this regard. I might say that they won the final game from Eston in the best out of a two-game total goal series. I extend to them my personal good wishes and I trust that the House will do as well.

**Hon. Members:** — Hear, hear!

### **CONGRATULATIONS TO PREMIER**

**Mr. W.S. Lloyd** (Leader of the Opposition): — Mr. Speaker, I want to concur on behalf of all of us here our congratulations to the Premier. It is not just a matter of having a championship bull but at last having found his true profession in life. I am happy that the Premier, now having established himself, will always have something to fall back on. All I wonder about is why it took so long to establish his prominence in this respect.

**Hon. Members:** — Hear, hear!

### **ADJOURNED DEBATES**

The Assembly resumed the adjourned debate on the proposed motion by the Hon. D.G. Steuart that Bill No. 36 — An Act to amend The Income Tax Act be now read a second time.

**Mr. A.E. Blakeney** (Regina Centre): — Mr. Speaker, this Bill is a bill to amend The Income Tax Act. The Bill does two things: it sets out detailed provisions for the basis on which corporations are to pay their income tax on an instalment basis; and it increases the rate of income tax for Provincial purposes on individual incomes.

As I indicated the Bill does two things, but we might say that the Bill does two things and we might phrase it another way. We might say that it increases the rate of income tax for

individuals and it leaves unchanged the rate of income tax for corporations. In short, Mr. Speaker, the Bill says this: it says to farmers in Saskatchewan, you may be a little hard-pressed to meet your expenses; you may be a little hard-pressed to make your payments to machinery companies; you may be a little hard-pressed to make your payments to the fuel dealer, to Esso, or Gulf or Shell, or whoever you are buying your gas from. It says to these farmers, "Sure you may be a little hard-pressed, your income may be a little small, but we are going to ask you to pay a little more tax on that small income." If it gets small enough the farmers won't have to pay any income tax. But he has to get well below an income received from the minimum wage, with this Government at Ottawa, before he won't have to pay taxes. And I may say that the Member for Prince Albert West (Mr. Steuart) is going around this country right now complaining about a proposal which is going to raise that exemption. But I leave that aside. I am going to say that the Member for Prince Albert West is saying to farmers, "You are to pay more tax." But as for the machinery dealer, Case or John Deere, he says, "Oh, no, you don't have to pay any more corporate tax." He is saying to the farmer who is having a little trouble paying Esso, "Pay a little more tax." But as for Imperial Oil, no, no, they don't have to pay anymore tax. We have reports to indicate that the profits of the machinery companies are excessive and in the face of this the Minister is saying to farmers, "Pay more income tax," and machinery companies from their excessive profits, "Don't pay anymore income tax."

This Bill says to city people, "You may be working part time, you may be out of a job, you may have to support your family on maybe \$300 a month but out of this \$300 a month we will ask you to pay more." The fellow who, is supporting his family in the city on \$300 a month says, "I don't have very much more, "I'm already buying groceries at Safeway or groceries at Loblaws, and it is taking far, far too much of my pay cheque already." The Minister says, "That doesn't matter, pay some more." He doesn't say to Safeway — "Pay some more" — even though the profits of Safeway according to Judge Batten are excessive. We had a report prepared by a Judge in this province who was a former Member of this House, who sat as a colleague of the Member for Morse (Mr. Thatcher), saying the profits of Safeway are too high, the profits of Loblaws are too high. But what does the Minister say — "You who are making \$300 a month, you shall pay more tax." But as for Safeway — no, no. As for Loblaws — no, no.

Now, Mr. Speaker, the action of the Government in this regard is entirely unacceptable. If the Government needs more money it should spread the burden evenly. In a year such as this it would be fair to ask the great national corporations to pay some more tax. It will be fair because across Canada and across North America there is a generally high levy of prosperity. True, company profits are beginning to dip a little now, but year in and year out right up to now company profits have been at top level. Certainly the great national corporations like the machinery companies and the banks and the oil companies are still making profits that are among the highest in the history of these companies.

This is the problem, Mr. Minister. The Member for Rosthern (Mr. Boldt), is interjecting, asking the lawyers to pay more. But he is not asking the law-book companies to pay more and they have been raising prices to astronomical levels. I suggest that in a year such as this it would be reasonable to ask the national

and international corporations, who are enjoying a substantial level of prosperity in Canada and in North America, to pay a little more. It would be reasonable to ask them as well as, or indeed instead of, the hard-pressed citizen, to pay some more tax. But that is not the Provincial Treasurer's (Mr. Steuart) approach. He says, "Our individual taxpayers all of whom live in Saskatchewan have got to pay more. But our great corporations, many of whom are Saskatchewan branches of national corporations or international corporations, they shall not pay more."

As I said elsewhere, what kind of a bill is it that says to a person working at Kresge's or Woolworth, who may be working at the minimum wage, what kind of a bill is it that says to the saleslady who is working at the minimum wage, "You shall pay more tax," but says to Kresge's and says to Woolworth, "You don't need to pay anymore tax."

I suggest to you, Mr. speaker, that no act of this Government, at least at this Session, more clearly outlines its set of priorities, more clearly indicates who it considers its friends are, more clearly outlines just who this Government believes should bear the burden of the government than this Bill before us.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — And, perhaps, Mr. Speaker, no Bill discloses so clearly the hollowness of the Government's claim that it is a friend of the farmer or the working man, than a bill like this which imposes extra taxes on the farmer, extra taxes on the working man, right down to the minimum wage level, and leaves those who are making a very substantial profit, at the expense of the farmer and at the expense of the working man, without paying any more tax than they do now.

Mr. Speaker, the provincial Treasurer (Mr. Steuart) in his defence, it that word can be applied, of this Bill put forth the excuse that we must attract industry and therefore we can't touch the corporations. Well, Mr. speaker, the Government puts forth that excuse in good times. It puts forth that excuse in bad times. In the years back, two or three years ago, when there was some measure of temporary prosperity in this province, at that time the Government said, "Oh, but we can't tax the corporations." Now when things are tough all of a sudden we can't tax the corporations again! Two years ago the Provincial treasurer raised almost every tax in the books except the tax on corporations. Now he is at it again. He is putting extra taxes on fuel, and he is putting extra taxes on hotdogs, and now with this Bill, he is putting extra taxes on the smallest individual incomes in this province, but he is still saying, "No more taxes to be paid by the corporations."

It is clear, Mr. Speaker, that in all conceivable circumstances for every single type of circumstance that the Government opposite can contemplate, it still says their corporate friends shall be exempt from any increase in taxation.

Mr. Speaker, I believe that the people of Saskatchewan are prepared to pay taxes. I believe that they are prepared, with some reluctance, even to pay taxes imposed by a Liberal Government in order that public services may be paid for. But they will resent, and they have every reason to resent, further

burdens on the income of ordinary citizens when every major corporation in this province is exempt from further tax. The public has every reason to reject that sort of policy, and the public will indeed reject that sort of policy.

That, Mr. Speaker, is Robin Hood in reverse. Certainly this House will reject these policies or every Member of the House who is thinking of his constituents and if you have any feeling for what is an equitable tax system will vote against this Bill so long as it means extra burden of individual taxpayers and does not impose any extra burden on corporations.

Mr. Speaker, so that there may be no doubt as to where Hon. Members stand with respect to this, I am going to move an amendment to the motion moved by the Provincial Treasurer, seconded by Mr. R. Romanow (Saskatoon-Riversdale):

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

This House declines to proceed with Bill 36 until the subject matter thereof has been investigated by a Select Special Committee of this Legislature, with a view to the said Committee recommending a bill which will raise an equivalent amount of revenue from taxes imposed upon incomes of corporations rather than on incomes of individual citizens.

Debate continued on the motion and the amendment.

**Hon. W.R. Thatcher** (Premier): — Mr. Speaker, might I just raise a point of order. I could be wrong but would this amendment not affect the way and means. If it were proceeded with it could affect the amount of money which can be raised by the Government. If that is the case I would think that it would be out of order. I just wonder if you might take a look at that.

**Mr. Speaker:** — I think when the Government introduced the Bill it was leaving itself open to other alternatives that other Members might propose for the raising of a similar amount of another amount of revenue. That is the attitude that I would take in the matter. I will look at the matter.

**Mr. R. Romanow** (Saskatoon-Riversdale): — Mr. Speaker, the amendment moved by my colleague of Regina Centre (Mr. Blakeney) calls on the Members of this Legislature to set up a Select Special Committee of this Legislature to recommend a bill which will raise an equivalent amount of revenue from taxes imposed upon incomes of corporations, and not on incomes of individual citizens.

In effect what the amendment is saying, as has been said, i.e., that we as legislators ought to be looking to the corporations as a source of income and not to the individuals who are so hard-pressed in these very difficult economic times in the Province of Saskatchewan for raising the money that the Government requires to operation on.

And with that proposition, I one hundred per cent concur, Mr. Speaker. I want to remind the Hon. Members of this House

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that we are looking at a Provincial Government that assumed power in 1964 on promises that it would be reducing taxation for the people of Saskatchewan. We are looking at a Government that made a myriad of promises that taxation would be reduced; that the taxation level would be reduced; that the number of taxes would be reduced in 1964. I want to remind the Government and the Members opposite that they were elected and given a mandate to do precisely that, to reduce the taxes and not increase them.

Now here we are in 1970, in another Session, and there is another broken promise put forward by Premier Thatcher and the Liberal Government opposite, another broken promise with respect to taxation. I have taken the liberty of taking a look at a few clippings with respect to the promises that this Government has made in the area of taxation. Some of the Members opposite have rather short memories when it comes to the question of taxation. I think that it is the duty of Members opposite to remind themselves from time to time.

Here is one from 1964 during the election campaign and the headline in The Regina Leader Post says, "Twenty wasted years, Thatcher's theme." And it goes on to talk about taxation and he set the mod for the entire Liberal campaign. The mood was set for the Province of Saskatchewan that great election year by saying the following. He said, Mr. Speaker:

Taxation levels in the province are shocking and unfair.

And he repeated Liberal promises to reduce the taxation, sales taxes and income taxes, Mr. Treasurer. I want to remind the Members of the House of the quotation in The Leader Post of the promise made by the Hon. Premier, who was then the Leader of the Opposition, to the people of Saskatchewan. The commitment that he made to you and me was that he was going to reduce the sales tax. He was going to reduce income taxes for the people of the Province of Saskatchewan and now here we have in 1970 a Bill that has been introduced by the Liberals that is imposing an increase on the income taxes for the people of Saskatchewan. I broken promise by the Liberal g.

Here's another headline that the Hon. Minister of Public Works (Mr. Guy) might be interested in. March 20th, 1964, the now Treasurer (Mr. Steuart) of the Provincial Government was the chief spokesman for the Government at that time. The headline read:

Tax relief, concessions, jobs are Liberal promises.

Reporting a speech that the Hon. Dave Steuart, Liberal MLA for Prince Albert was making at that time, he was the guest speaker, in fact, in my home city, the city of Saskatoon at a Liberal nominating convention, he said this:

The Liberal MLA charged the CCF with overtaxing Saskatchewan residents.

The now Treasurer said,

They have taken \$20 million more in taxes than they needed. If we are elected . . .

the now Treasurer so grandiosely promised the people of Saskatchewan, he said:

Why if we are elected, we will immediately reduce taxation and immediately reduce education tax 40 per cent and make further reductions at a later date.

Those are the words of the present Treasurer (Mr. Steuart) of the Liberal Government. His promise to the people of Saskatchewan in 1964 was that he was going to reduce income tax levels. His promise to the people of Saskatchewan was that if he ever had anything to say about the Government of the Province of Saskatchewan he would not bring any increases in on income tax levels. That's the word that the Minister of the Treasury gave the people of Saskatchewan five or six years ago — five or six long years ago — and another broken promise is what the people are faced with today when they are looking at this Bill, another broken promise by the Treasurer, the Premier and the Liberal Government opposite.

There is another quotation that comes from a very reputable source — I'm sure even the Hon. Member for Regina South West will adhere to this — the Financial Times, May 4, 1964. That was after the election.

Financial problems after promises is the question mark.

The article went on to say about some of the promises of the Liberal Government and then said this, Mr. Speaker, and I draw this to the attention of the Hon. Member for Regina South West and the Hon. Treasurer:

The promise was to eliminate the 6 per cent Provincial surcharge on personal income tax.

That was the promise given by the Liberals. This could reduce budgetary revenues from the source of \$4.8 million to \$5 million. Mr. Speaker, what the Treasurer has done and what the Premier of the Province of Saskatchewan has done, is to have misled the people. They have portrayed a program with respect to income tax reductions that they cannot follow. They are now bringing Bills that mean increased taxation. In short, they have failed and betrayed all of us as legislators and the people of Saskatchewan by introducing this Bill. And they are to be held accountable for that. They have produced, as a result of all of these promises, the widest credibility gap that we have ever seen in the Province of Saskatchewan. They have fooled the people of the Province of Saskatchewan. It is even a wider credibility gap, Mr. Minister of Public Works (Mr. Guy), than the President of the United States was once credited with. In that regards, the Treasurer has nothing on the Hon. Lyndon Johnson. This Government cannot be trusted or relied upon to keep its word. I need not remind Members of the Liberal tax increases that have come since 1964. The Member for Yorkton (Mr. Gallagher) would be very interested in this and yet we are faced with another one toady: hospitalisation and Medicare premiums increased by 38 per cent; brand new tobacco tax; liquor prices increased, not one but twice; auto insurance rates, increased not one, twice but three times; gasoline tax increased — another increase going to come up in this Session; hospital revenue tax increased; surcharges up — \$2.00 surcharge on drivers under 25; \$25.00 surcharge on those involved in accidents; telephone rates up; fire insurance rates up; university tuition fees up; university board and room; and on and on and that was only in the first term of power in 1964 to 1967. I have a list here that would take up at least another half hour of Liberal taxation. Tax after tax after tax, the Premier and the Liberals have

imposed upon the people of Saskatchewan.

**Some Hon. Members:** — Hear, hear!

**Mr. Romanow:** — It is a terrible situation that we are faced with here. But in 1968 we had an election. You know in 1967 — 1967 we had the election — the Premier said he did it once in 1964 so perhaps I'll give it a try again in 1968. "Why," he said, "we'll continue our good program of tax reduction in 1967." And the people decided — notwithstanding, Mr. Minister of Public Works (Mr. Guy), the list that I have recited — "Well maybe we will give it one more chance." And in 1968 we had that black session, that session of unparalleled taxation that put to shame the previous tax and totally eclipsed all of the taxes that were put on in a 3-year period. In one session, in 1968, we had more taxation put on the people of the Province of Saskatchewan than has probably been put on the people of Saskatchewan in the last 25 years by this Liberal Government. Taxation on taxation is bad enough if it was just a mere matter of increasing the amount of tax that was to be involved. Some of the taxes were objectionable taxes, the most vicious kind of taxation. Taxes on the sick, deterrent taxes, hospitalisation deterrent fees. Those are still in existence now and are taxes on the people of the Province of Saskatchewan. They then saw that they were back in power for another two- or three-year period; and I'm just going to briefly run down the list of the taxation in 1968. The Hon. Treasurer (Mr. Steuart) sometimes forgets about this, Liberal action! Here is what the Liberal action is: E & H tax increase, extension of the tax to a broader base yet unheard of; deterrent fees — I mentioned them; tobacco tax; gasoline tax; fuel tax — 2-cent tax on farm fuels. Mr. Speaker, this is the party that represents itself to be the friend of the farmers. I have heard the Hon. Member from Yorkton (Mr. Gallagher) and the Hon. Member from Elrose (Mr. Leith) and the Hon. Member from Watrous (Mr. Schmeiser), occasionally, and other Members in this House try to tell the people of Saskatchewan that they are the friends of the farmers. Yet they put on the 2-cent tax on farm fuels. That tax, Mr. Speaker, helped to cripple the farmer in his difficult bind, particularly at this time. That is another tax that the Liberals imposed in 1968. Now they see the errors of their ways and of course this is not the direct item that is the subject of this Bill. They see the errors of their ways. But I say that the reduction of that 2-cent tax is going to be too little and too late and the people of the Province of Saskatchewan will hold accountable the Treasurer and the Liberal Government come the next election with respect to the increased levels of taxation. That's the story that we have, Mr. Speaker. Fifty or sixty taxes at least in 1964 to 1967. I have counted up at least 12 for the one-year of 1968 and we could go on and on. Well, I thought to myself perhaps we could almost tolerate a one per cent personal income tax increase, if we could see what tax decreases the Liberals have implemented. From my very brief search in this area the one tax decrease they have made that I know of are tax concessions to industries and large corporations. Yes, they have given that type of a tax increase. I am also looking down the list and I see that there was a homeowner grant tax relief that has been given by the Liberals. Well that's one small area of relief. Oh, yes, there has also been the relief on turkey saddles that has been implemented by the Hon. Treasurer. Three forms of relief, three small forms of relief by the Liberals opposite as contrasted with hundreds of taxes that have been imposed upon the people of Saskatchewan since 1964.



Well, Mr. Speaker, we have to oppose the increases. I invite the Members opposite and the Minister of Mineral Resources (Mr. Cameron) — he is the one who asks us about where we stand all the time — to oppose this tax increase because the average family in the Province of Saskatchewan can no longer take it. The Liberals in 1964 complained about taxes — I have made that point already.

Let me take one brief look at what the level of taxation generally was in 1964 for families. Roughly speaking, it was about \$844. In 1967, right around the election time, it had gone up under the Liberals to over \$1,280. In 1970 it is going to go over \$1,800 per family as compared to \$800 under the CCF party, that is over 100 per cent increase. And now the Treasurer has the audacity to ask the people of the Province of Saskatchewan to accept yet another tax burden on their already over-burdened tax load that they are carrying. I say, Mr. Treasurer, Mr. Speaker, that's a shameful attitude to be adopted by the Treasurer and by the Premier and the Members opposite.

**Some Hon. Members:** — Hear, hear!

**Mr. Romanow:** — That is a callous attitude at a time when the farmers are facing difficult times. They can't market their wheat. They are in all sorts of financial difficulties. Small businesses are suffering as a direct result of the depression that exists in the farming community. Small businesses are having a tough enough time making a go of it. Where do we have the action taken by the Liberals? With more taxes on the people of the Province of Saskatchewan. They want the people of Saskatchewan to survive these tough times and that's their solution for survival. More taxation to be added on top and I say that it is an action that will not be condoned by the people of the Province of Saskatchewan. Mr. Treasurer, you will be held accountable for this at the next election. Well, the Treasurer laughs about this. But the simple fact of the matter is . . . oh, well, he thinks he is funny but the trouble is the Hon. Treasurer (Mr. Steuart) hasn't been around the people of the Province of Saskatchewan very much. He laughs at the suggestion that he is going to be held accountable for this tax increase. I can tell the Treasurer that, if he and several of his back benchers got out of their offices and out among the people and listened to what they are talking about when they condemn the tax increases of your Administration, he wouldn't be laughing.

**Some Hon. Members:** — Hear, hear!

**Mr. Romanow:** — And I can say this. The people of Saskatchewan will have the last laugh on you after the next election is over with and I don't know whether it will be a laugh, Mr. Treasurer, or a sigh of relief that the Treasurer will finally have implemented.

**Some Hon. Members:** — Hear, hear!

**Mr. Romanow:** — Oh, yes, they are concerned. They are concerned about the tax increases and rightly so they should be. The Hon. Treasurer, I know, feels somewhat very touchy whenever we give him a little dose of truth from time to time. It's a substance that is alien to the system of the body politic of the boys opposite. They have a reaction against it. One reaction of

course is like the Hon. Minister of Mineral Resources' who keeps on asking us where we stand. We stand against this tax, Mr. Minister of Mineral Resources (Mr. Cameron) and we ask you where you stand on this. Will you get in the debate and say that you are for this tax? Will you tell the people of Maple Creek and the people of your constituency you are for this tax? How about the Member for City Park-University (Mr. Charlebois)? He is my good friend. Will he tell the people from City Park-University that he is for this tax? I challenge him to go out and say that he is for this increased tax. What about the Member from Humboldt (Mr. Breker)? Mr. Breker is a man who is noted to stand up and speak forthrightly and honestly in this Chamber. He has done this many a time when he talks about the Canadian Wheat Board and the like. Will he stand up in this House and say that he is against this tax? We ask him to do that. The Member from Elrose (Mr. Leith) is in the same position. Every one of those is going to be asked sooner or later by the people of the Province of Saskatchewan to answer whether or not they are going to stand for or against this tax. If the Government needs revenues, if the Government needs something to bail it out of the mess that it is in right now, then what we are saying to it is what this amendment is saying. We are saying look to other sources. Look to the corporations. The Treasurer has a blind eye as far as the corporate friends of his party are concerned. He doesn't concern himself at all about looking at proper levels of taxation for corporations. I don't think that the Treasurer has introduced a corporation tax in the two or three years that I've been here, none whatsoever. He really has in fact reduced the corporation tax. What he is saying in effect is that large corporations, international corporations, International Minerals, anything you want to name, they can't bear the tax but you and I, the average citizen, can. This is an attitude that is simply just not consistent with the economic facts of the Province of Saskatchewan and far more important, Mr. Minister of Public Works (Mr. Guy), it is an indication of the attitude of the Members opposite. They are concerned only about protecting corporations and the big business firms and that has been the stance of the Liberal party for 25 or 30 years.

**Some Hon. Members:** — Hear, hear!

**Mr. Romanow:** — They will always pass laws to protect large corporations. They will jump up and make statements wherever required to protect the international corporations, but they will not, they have not, they will refuse to step up and present laws that are going to give some protection and some relief for the average person of the Province of Saskatchewan. And this Bill is the prime example of that.

Mr. Speaker, this amendment offered by my colleague, the Hon. Member for Regina Centre (Mr. Blakeney) is a perfectly reasonable and rational solution. Politics aside, we can ask this special committee the Hon. Member proposes to look at whether or not it is in fact feasible and desirable that corporations should have some taxation imposed upon them. The Hon. Member for Regina Centre is making the suggestion that the committee should be looking to the corporations for the increased revenue. The amendment is really saying to the Members of this House that we challenge the Hon. Treasurer when he says that corporations cannot stand the tax. We challenge him to put it on the table of the special committee. Let's look at ways and means of raising taxes on corporations and shifting the tax burden

off the backs of the poor over-burdened local taxpayers. What's wrong with that suggestion? Why are we so concerned and so afraid of sitting down and discussing the question of corporations? Now if the Liberals speak against this, I can only assume that they are going to oppose it because they do not want to reveal the position of the corporations financially. That position is that they can pay more taxes and are more able to pay taxes than any one of the average persons in the Province of Saskatchewan. If the Liberals oppose this amendment, that's what they are going to be saying to me. They are going to be saying to me that it is more important to protect the interests of the corporations. If they really know that these people are able, perhaps even willing to pay the taxation, but they refuse to put that information before the House. That's the amendment as I see it, Mr. Speaker. That's the situation that is before the House and I sincerely invite the Hon. Treasurer and all Members who I have mentioned to vote for the amendment, to put it on the table and have a discussion in this area about corporations. As I say, failure to do so, rejection of this amendment, implementation of this proposed tax increase will yet be another indication to the people of the Province of Saskatchewan, that the Government of the Province of Saskatchewan, the Liberal party has turned its back once and for all on the average person of the Province of Saskatchewan and even I don't believe that that has yet quite happened.

**Some Hon. Members:** — Hear, hear!

### STATEMENT BY MR. SPEAKER

**Mr. Speaker:** — When this amendment was offered by the Member for Regina Centre (Mr. Blakeney) the Premier rose on a point of order and I said that I would give the matter consideration and report as speedily as possible. I thereon want to draw all the Hon. Members' attention the rules governing reasoned amendments to be found on pages 526 and 527 of Erskine May's Parliamentary Practice, 17th edition:

Reasoned amendments — it is also competent for a Member who desires to place on record any special reasons for not agreeing from the second reading of a Bill to move what is known as a "reasoned amendment."

The amendment before us is a reasoned amendment. It proposes to leave out all of the words in the main question after the word "that" and substitute the word "therefore," and so on. I quote further:

A reasoned amendment is placed on the paper in the form of a motion and may fall into one of several categories.

It may be declaratory of some principle adverse to, or different from the principles, policy or provisions of the bill.

It may seek further information in relation to the bill by committees . . .

This amendment does seek further information in relation to the subject matter of the motion by a committee.

We come now to the question as to whether or not the

amendment infringes the prerogative of the Government in regard to the expenditure of money. I draw your attention to Erskine May, page 779, under the heading of, and I quote, "Tests used to determine whether expenditure involves a 'charge.'"

The practice of the House has evolved certain tests for deciding this question which may be summed up as follows. In order to constitute a charge upon public funds, expenditure must be: (1) new and distinct; (2) payable out of the Exchequer; (3) effectively imposed.

I draw your attention to the wording of the amendment which does not seek to place an additional charge on the public purse but rather seeks to raise an equivalent amount by other means. In view of this fact I cannot agree that the point of order was well taken. However, in giving this amendment consideration I wish to draw attention to another fact and that is that the mover of the amendment had previously moved a motion in the debate when he adjourned the debate, and therefore his amendment can only proceed by leave of the House.

The Assembly resumed the interrupted debate on Bill No. 36 — An Act to amend The Income Tax Act.

**Mr. W.J. Berezowsky** (Prince Albert East-Cumberland): — Mr. Speaker, may I begin by saying that taxes should be fairly imposed by any government on people according to their ability to pay. When that principle is forgotten then we have a situation such as could be mentioned; it has happened in different parts of the world. I can't help but think of the Russian czars who imposed taxes on pillows and windows against the farm people and as a result of that we had the 1917 Revolution. This is what eventually happens, and when any government, whether it is this Government or any other government forgets the principle of imposing taxes according to ability to pay, according to a certain amount of social justice, then inevitably that government must pay the penalty the way this Government is going to pay the penalty. It is going to be moved out, I promise you, as soon as it declares an election.

Now, the Government has said, "We will impose taxes, income taxes on ordinary taxpayers and not on the corporations." But let us look at corporations, Mr. Speaker, and find out where they derive their profits from, and some of these profits I will point out later on are quite substantial. Corporations do not make any profits except at the expense of the consumers and the consumers are the ones whom this Government is going to penalize with higher income taxes. Yes, these companies tax the consumer when making profits and some of these profits are quite substantial as I've said. I can mention it right now. Here is British American Oil. In 1962 they had a profit of \$34,594,000 (taken from the Financial Post); and in 1967 the profits increased to \$44,035,000. They aren't suffering. Imperial Oil in 1965 — had a net profit of \$86,178,000; in 1967, \$95,515,000. Do you want last year's? I can give you some for last year. I can give you the profits last year. They were greater, Mr. Speaker, than ever before in the history of this company. The Hudson Bay Mining and Smelting Company which operates in the Province of Saskatchewan, partly at least, made a net profit increase of 40 per cent, nearly \$9.35 or \$9.25 a share. Never before in the history of that company have profits been so high and yet this Government is going to exempt their company and other such

companies and corporations from paying fair taxes. Yet they will impose taxes on the workingman, on the farmer and business people. Take Algoma Steel — I don't know if we have Algoma Steel here in Saskatchewan but certainly we have other companies, like, Massey Ferguson, they are partly in Saskatchewan. Their total profit in 1962, was \$18,074,000. By 1967 it was \$26,623,000. This is the story right across the board and I don't have to repeat that story. It is recorded in every issue of the Financial Post. But, when you compare that to what is happening to small businessmen, this is what the Financial Post of January 10 says — I just happened to pick it up. You can pick it up every week and you will find the same story. What does it say on the front page?

Retailers fight recession boom.

The businessman has been losing money. In my constituency some have gone bankrupt. In the constituency of the Provincial Treasurer some have gone bankrupt and in Regina it has been pointed out that some 100 businesses have closed up. Yet these are the people that this Government intends to tax while it is exempting corporations. Take your banks and it is the same story. I know that you can't tax them directly, but they are taxed indirectly and look what has happened with them. Back in 1965, the net profit was \$111 million. Then in 1967 the profit had gone to \$243 million. That is net profit not counting the reserves and everything else.

The Bank of Montreal last year made 89 per cent more profit than it did the year before. And these are the corporations that this Government is exempting from income tax and corporation taxes. Yet they will tax farmers and businessmen and labouring people.

Now I know something about the farmers that I represent. I have done income tax for them for the last few years and consistently year after year I see their incomes going down and very few of them will be paying a tax. But when they do pay a small tax, that tax is going to be increased by this Government by that one per cent where it will not tax the corporations. So the story goes and it doesn't matter where you are. In order to carry on the business of government, this Government is imposing a load on the little people and exempting the people that can afford to pay. I think this is beastly unjust. I think that it is unfair to workers, small business people, to farmers and it certainly is unfair to follow policies of that kind.

I would suggest to the Government Members, in spite of the fact that the Bill has been drawn up by your Executive Council, that in the interest of the people of Saskatchewan they vote for the amendment and show that you are with the people and are friends of the people. If you do not do that, I hope you never get up on your feet and say, as you have said in the past, "We are friends of the farmers. We are friends of the small business people. We are friends of working people." You will never be able to face them with this kind of record of imposing taxes on those least able to pay and letting off scot-free ones that are able to pay.

I will certainly support the amendment.

**Some Hon. Members:** — Hear, hear!

**Mr. J.J. Charlebois** (Saskatoon City Park-University): — Mr. Speaker, I would like to speak very briefly on the matter the Member for Saskatoon-Riversdale (Mr. Romanow) spoke about and wanted to know where I stand.

I would like to say that I certainly am not too happy to see that we are having to impose this kind of tax. At the same time I do stand in favour. I would like to say in answer to the insinuation that corporations get off scot-free this is certainly utter nonsense. Corporations, as everyone in this room knows, many of them and the larger ones particularly are paying 51 per cent in tax. There is no question about it. We are all taxed very heavily, individuals and corporations. It isn't a question of the corporations getting off scot-free or that we are giving every concession to corporations. This is nonsense and you know it. You talk about red herrings and this is a real dandy.

I think I would like to remind the Members here of a very simple fact of life and that is the demands for service from the Government in this day and age, as compared to the years that the Member for Riversdale (Mr. Romanow) is waving in front of our noses, are two different things entirely. You are speaking here as if under your term of office you gave everything to the people. You talk about yo-yos. I'll tell you when that Tommy Douglas got into his yo-yo act every year of an election, where he yanked off one per cent from the hospital and education tax as and as soon as the Government got in, boom, away it went up two per cent instead of one per cent. We know this kind of a game. Don't try and tell us that you are that sanctimonious that you don't know what it is to yo-yo around with taxes. But here, now, we have the same number of people in our province, or approximately the same number, and you are continually reminding us of that. Well then let's face the fact that with the same number of people we are required now to raise twice as much money through taxation in order to meet the demands of our people. And many of these demands, and I am telling you that I hear you people talk as if we are not doing a satisfactory job, but I hear you fellows talk about free education, and free this, and free that, and all of these things have to be paid for and don't forget it.

There is no question about it that we are heavily taxed. We are not happy about doing this, but don't act like saints over this thing. The corporations are taxed just as heavily as the individual and the individuals that go to make up those corporate bodies are certainly responsible people and are carrying their load too.

**Mr. D.W. Michayluk** (Redberry): — Mr. Speaker, I am disappointed that the Hon. Member for City Park-University (Mr. Charlebois) the junior Member for Saskatoon, is lamenting the fact that we were in the same position at one time as they are. We are not the Government or the party that promised, "Elect us and we will give you tax reduction." You are now the g. You were the party that promised that you would reduce the sales tax from five per cent to four per cent, and later to three per cent. Your party while in Opposition complained that Saskatchewan was the only province that had a surcharge of six per cent on income tax. What did you do on election? From 1965 to 1968 you lowered the sales tax from 5 per cent to 4 per cent. You lowered the income tax surcharge from 6 per cent to five per cent. Now you have gone into reverse.

when we raised the 5 per cent sales tax, Mr. Speaker, we gave to the people of Saskatchewan hospitalisation and Medicare. This is what we used the money for. What did you do to justify your increase back to 5 per cent and now a surcharge on income tax back to 6 per cent? You imposed the vicious deterrent fee on the sick and those people requiring hospital care. Your party and your Government, Mr. Premier, will pay the penalty when you dare to call an election.

Your party and your Government, Mr. Premier, gave exemptions to the potash companies of some \$51 million of tax that would have been used for general revenues of the Province. To justify your decreases up to 1967 what did you do in 1968? You put on a dirty tax on soap and detergents, on meals and telephones. The Member for City Park-University (Mr. Charlebois) has the nerve and the gall to get up and say, "You weren't doing any better." I've said once, and it needs repeating, when we increased the sales tax to 5 per cent we gave the people Medicare and hospitalization. What additional benefit are you providing for people of Saskatchewan by increasing the sales, the gasoline tax, by increasing the income tax by another one per cent at this Session? What additional benefits? The Hon. Member for Saskatoon-Riversdale (Mr. Romanow) has already mentioned the stupendous increases in taxes since you became the Government. Yet to that load that the taxpayer is carrying you have added another load. Mr. Premier, Mr. Treasurer, this is the straw that is going to break your back.

Some Hon. Members: — Hear, hear!

Mr. F. A. Dewhurst (Wadena): — Mr. Speaker, I sat here hoping that some other Members opposite, especially from the Treasury Benches would attempt to justify to this Legislature and to the people of this province the need for this type of increase of taxation. Evidently they stand convicted by their silence. They are not prepared to justify to the people of this province why they are imposing taxes of this type and nature on people today who find it difficult and very hard to pay for the day-to-day living costs. The Member for City Park-University says that the corporations are paying 51 per cent tax now. How much more do you want them to pay? Mr. Speaker, it is not the amount of tax that one pays that hurts a person, that isn't what hurts a person. It is what they have got left over when they have paid that tax, that is what really counts. If a person is paying 51 per cent of \$100,000 they still have \$49,000 left. But when a person's income is less than \$2,000 a year, how much do they have left when they have paid their tax. In addition to the income tax going up on the working people, we have seen in these past five years a property tax increase in this province by over 54 per cent, not including the 1969 increase, which would be anywhere from 7 to 12 per cent, because we saw terrific property tax increases last year. Due to the policies of this Government taxes are going to go up again. We do not see this Government here asking its counterpart at Ottawa to let people deduct property taxes on their homes especially those in the towns, villages and cities, for income tax purposes. They must not only face increase in property tax, but they must also pay income tax on the amount of money they use to pay property tax which is pretty hard on people. I agree that on the farm the taxes on the land are not assessed on the home, the property tax on the farm is deductible for income tax purposes, but not in the hamlets, villages, towns and cities. There is many a home in this

province today that is paying anywhere from \$300 up to \$600 of property taxes. They are not luxurious expensive homes, they are just common decent liveable homes. Yet the people have to include that as income. It cannot be declared for deductions. Therefore this Bill here, Bill 36 is going to mean that the property tax is going to go up because with no deduction of property tax, this is a surcharge on the amount of money that they use for the property tax. Talk about a pound of flesh, this Government is not only taking a pound of flesh, but it is taking the blood as well. I would like to see Members opposite speak on behalf of their farmers and their working people, get up and say where they stand on this Bill. I am sure that they are afraid to. The Member for City Park-University did finally get up, but a few moments ago on a different occasion was quite happy to think that public money is being used to build a hill at Blackstrap. We are not objecting to that, but we do feel that, when money has to be raised for public purposes, it should be raised on ability to pay, and not taken from those with the least ability to help themselves.

We see our old age pensioners living on just the income from an old age pension, and maybe a little bit of meagre life savings. They have to pay an increase in taxes. Our widow women, left with a family and a small bit of property, a small income from their husband before he died, are going to have to pay more tax. In addition to that the working people of the province, the farmers and others, trying to get their sons and daughters through school, university or college, each year are asked to pay more in tuition fees and other costs to education their children.

I wonder how far this Government intends to go on heaping taxes on those least able to pay. It is about time it took an overall look at the situation and placed the tax on those with ability to pay. My colleagues have mentioned some of the implement companies and others. I could repeat the same thing, but I won't because those have been mentioned. Those are the places where the revenue is available, not on the working people, the farmers and the small merchants of this province. We see people of this province every day being driven out due to the oppressive measures that are being forced on them. This again is going to drive more people out of our province and leave a lesser number with a greater load to bear. I cannot support the Bill, but will support the amendment.

**Some Hon. Members:** — Hear, hear!

The amendment was negatived on the following recorded division:

**YEAS - 24**

Lloyd	Dewhurst	Brockelbank
Bowerman	Meakes	Baker
Kramer	Berezowsky	Matsalla
Messer	Smishek	Wooff
Wood	Thibault	Willis
Blakeney	Whelan	Kwasnica
Davies	Snyder	Kowalchuk
Romanow	Michayluk	Byers



## NAYS — 33

Thatcher	MacDougall	Leith
Howes	Grant	Radloff
McFarlane	Coderre	Weatherald
Boldt	Larochelle	Mitchell
Cameron	MacDonald	Gardner
Steuart	Estey	Coupland
Heald	Hooker	McPherson
McIsaac	Gallagher	Charlebois
Guy	MacLennan	Forsyth
Barrie	Heggie	McIvor
Loken	Breker	Schmeiser

The debate continues on the main motion.

**Hon. D.G. Steuart** (Provincial Treasurer): — Mr. Speaker, again we have watched a typical performance of the NDP in opposition, typical of the hypocrisy of the Socialists when they are in opposition.

We are just putting the tax back to where it was when they were the Government, just putting the tax back to where it was before we took over. I would remind the Opposition that we are doing this at the request of the SARM — our friends the farmer — who asked us to take the tax off properties and put it on the income tax. \$2 million plus another \$9 million to give to education. I would point out that corporation income tax is 51 per cent in this province, and it is interesting to note that our friends over in Manitoba, the NDP, have said they are going to increase the income tax, the tax on the people who Socialists in our Opposition bleed for — increase it by 6 per cent. Oh, but they only increased the corporation tax — by 2 per cent . . .

**Some Hon. Members:** — Oh.

**Mr. Steuart:** — 6 per cent for the little fellow and 2 per cent for the corporation. Let me read something from the Winnipeg Free Press, of March 20. I'll make a little guess. It says, "Funds

The Investors Group apparently have given the Provincial Government in Manitoba until June 30 to do something about the corporation tax increase which went into effect January 1, or face the prospect of the corporation moving its funds out of Manitoba.

I predict that the Socialists who now rule over Manitoba will knuckle under and they'll reduce the tax before the deadline.

When the Member from Riversdale (Mr. Romanow) got up, I don't know where he got his facts or if he even bothered to get any. He usually doesn't worry too much about facts. Speaking to the gallery as usual he talked about us raising 50 or 60 taxes. Well, let me refresh the young gentlemen's memory. He likes to get up and say he is a young Member, hasn't got much experience and he doesn't know much. He really doesn't have to tell us this because every time he opens his mouth he proves it. But let me remind him of some history of this province when that group were in the Government. Let's look at their record

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as a government. In fact they had the most outstanding record, the worst record, of raising taxes of any government in this nation in the history of this nation . . .

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — . . . during their term of office as proven by a Return tabled in this House. In less than 20 years, the Government opposite raised over 600 taxes and charges and introduced over 600 new taxes and charges.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — In fact when we became the Government of the Province we were the highest taxed people of any province in the nation and we are not today. We are not today.

Let's take a look. He talks about this tax. What does he suggest we do? Well, the Member for Saskatoon-Riversdale (Mr. Romanow) always has an answer. He says refer everything to a committee. You know it is no wonder they are in the Opposition. They haven't even got the courage, the common sense, or the knowledge to face the problems that they were elected to face. If we had stood up and suggested an alternative, I'd have some respect for him. Had he said, "Don't raise this tax but raise that tax." Had he said, "Don't raise this tax but cut the \$2 million out of this program," I would respect his attitude. But what are they really suggesting? They suggested that we let the people know where we stand. Well let them stand up and tell us what they would cut out. Let them stand up and say, "Okay, don't give \$2 million to welfare, cut \$2 million from the school grants." Let them stand up and say that. Cut police protection out, the grants to the rural municipalities, cut out something from the hospital fund, from the medical care fund, cut out the homeowner grant, cut it down by \$2 million. No, no suggestions. Maybe we should take the welfare increase off, \$1 million. Maybe that's your suggestion. Not one of them stands up and says it. In fact we just heard them standing up here on the DNR grants saying we should spend more. "You should have ski facilities. You should build more hills, more parks, more recreation facilities." Then in the next breath five minutes later getting up and saying, "Don't raise taxes — it's a terrible thing."

**An Hon. Member:** — Oh, shameful, shameful!

**Mr. Steuart:** — Typical hypocrisy, typical irresponsibility. It is not wonder they are in the Opposition. And if their performance like this continues they will all be back one-step farther. They won't even be in the Opposition.

Well, Mr. Speaker, what we are doing here is raising \$2 million more on a very fair tax. We are going to take that \$2 million, plus another \$9.5 million and give it to education. Now it will be interesting when we get into education grants to see if they oppose them. I am sure they won't. But how hypocritical can they be when they don't suggest how we raise the taxes. They just say, "Spend, spend, spend." No wonder the people of this Province lost confidence in them.

Mr. Speaker, it is going to be interesting to see how they

vote on these taxes and watch how they vote when we go through, through the Estimates, to see what they suggest we cut out for \$2 million. I ask all Members to support this.

**Some Hon. Members:** — Hear, hear!

Motion agreed to on the following recorded division:

**YEAS — 33**

Thatcher	MacDougall	Leith
Howes	Grant	Radloff
McFarlane	Coderre	Weatherald
Boldt	Larochelle	Mitchell
Cameron	MacDonald	Gardner
Steuart	Estey	Coupland
Heald	Hooker	McPherson
McIsaac	Gallagher	Charlebois
Guy	MacLennan	Forsyth
Barrie	Heggie	McIvor
Loken	Breker	Schmeiser

**NAYS — 24**

Lloyd	Dewhurst	Brockelbank
Bowerman	Meakes	Baker
Kramer	Berezowsky	Matsalla
Messer	Smishek	Wooff
Wood	Thibault	Willis
Blakeney	Whelan	Kwasnica
Davies	Snyder	Kowalchuk
Romanow	Michayluk	Byers

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