

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
SIXTH SESSION – FOURTEENTH LEGISLATURE
11th day**

Thursday, February 20, 1964

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

WELCOME TO STUDENTS

Mr. D.W. Michayluk (Redberry): Before the Orders of the Day are proceeded with, Mr. Speaker, may I draw to the attention of the house, and to your attention, Sir, a fine group of grade 12 students from the Hafford High School, who are accompanied by their teacher, Mr. Water Daviduke and the driver, Mr. John Gramiak and his wife, and Mr. Andy Tkaryk and his wife, Mr. Raymond Kohut and Mr. Bill Haryluk. This group is from the village of Hafford, and the surrounding area and have since this morning travelled some 200 miles to be here with us this afternoon. On behalf of the hon. members and myself, Sir, may I extend to this group a sincere welcome and also assure them that we are indeed happy to have them with us this afternoon. I trust that their two day stay in the capital city will be both educational and enjoyable.

Some Hon. Members: HEAR! HEAR!

Mr. G. Strum (Saskatoon City): Mr. Speaker, before the Orders of the Day are proceeded with, I should like to draw the attention of the house to a group of students that have just arrived in the east gallery, with their teacher, Mr. Madeen. These students, are from my city of Saskatoon and they are from the Grosvenor Park School and we trust that they have enjoyed the day so far, and that the rest of the day will proved equally exciting and rewarding and that they have a safe journey home.

Some Hon. Members: HEAR! HEAR!

WILD LIFE CROP INSURANCE ACT AND THE GAME ACT

Mr. F.E. Foley (Turtleford): Mr. Speaker, before the Orders of the Day are proceeded with, I would like to direct a question to the Minister of Natural Resources. I would like to ask if the minister contemplates legislative changing respecting the Wild Life Insurance Act or The Game Act, during the present session?

Mr. Speaker: ORDER! I think the hon. member is aware that questions cannot be asked on future policy. They can only be asked on what is a fact in the legislature. Future policy must be announced by the minister when the due time comes. We cannot permit questions and debates of future policies.

Mr. Foley: Respectfully, Mr. Speaker, there is some urgency in matters respecting these acts and I feel that it is in the best interests of this legislature to have knowledge of the minister's intention in this regard.

Mr. Speaker: The rules are quite clear. The member could discuss it with the minister privately, and see what the intentions are of brining it in, but we cannot permit this kind of question on the Orders of the Day.

QUESTION RE: PUBLIC HEALTH – HEPATITIS

Mr. D.T. McFarlane (Qu'Appelle-Wolseley): Mr. Speaker, before the Orders of the Day are proceeded with, I would like to direct a question to the Minister of Public Health. Has the Department of Public Health done anything, and is it doing anything at the present time, to curtail the incidence of Hepatitis that broke out some months ago in Indian Head and the immediate vicinity?

Hon. A.E. Blakeney (Regina City): Mr. Speaker, I would not at this time be able to outline all of the steps taken to deal with the outbreak referred to by the hon. member. I can assure the hon. member that the Department of Public Health, the medical health officer for the health region, and the staff of the medical health office here have been giving very close attention to this matter and steps have been taken and will continue to be taken to deal with the outbreak.

Mr. McFarlane: Mr. Speaker, may I ask a subsequent question of the Minister of Public Health? Are any staff of the health region stationed at Indian Head at the present time to cope with the incidence of Hepatitis?

Mr. Blakeney: Mr. Speaker, I am unable to answer the hon. member's question. I do not know whether they spend the night there or not.

Mr. J.E. Snedker (Saltcoats): Mr. Speaker, before the Orders of the Day, may I ask a question of the Minister of Health? I would like to ask him if there are any indications of any outbreak of hepatitis in any of the institutions in the province of Saskatchewan under jurisdiction of the provincial government?

Mr. Blakeney: Mr. Speaker, I would not wish to refer to the cases of hepatitis which may be present in the institutions as an outbreak of hepatitis. I do not want to quibble with the hon. members. It is true that in the Training School at Moose Jaw, at the present time, there are a number of cases of infectious hepatitis, both among the staff and among the patients or students.

MOTION; INCOME TAX REGULATIONS

Mr. J.E. Snedker (Saltcoats): Moved:

That this assembly respectfully request that the government of Canada amend the income tax regulations to provide that expenses, incurred by workers for transportation to and from their places of employment be permitted as a deductible expenses for income tax purposes.

He said:

I think hon. members will all agree, Mr. Speaker, that this motion is timely, self-explanatory, reasonable and just and I would like to say a few brief words in its support.

Mr. Speaker, this request involves federal law. A federal law in which the province of Saskatchewan, together with the province of Manitoba, participates to a greater extent than other provinces in Canada, because only in the province of Manitoba and Saskatchewan, do we have direct provincial levy for income tax purposes.

It, therefore, I believe becomes a provincial responsibility, to a greater degree than to other provinces due to the manner in which this tax is raised and purposes for which it is collected. Under the existing federal-provincial agreements, 17 per cent of the income tax levied in the province of Saskatchewan is returned to our province and in addition a direct levy is made by Saskatchewan which amounts to an additional 6 per cent, making a total return to the province of Saskatchewan of 23 per cent of the basic tax levied by the Income Tax Department.

Mr. Speaker, the basic principles governing the collection of income tax are first, there must be a gross income and secondly that from the gross income, shall be deducted that which is considered to be an expense for the purpose of obtaining income and the amount that is arrived at after that mathematical process is considered to be the net taxable income, upon which sum the taxpayer must pay his tax.

The definition of a deductible expense, I am given to understand, is that an expense is considered as being a deductible expense within the meaning of the Income Tax Act if it is an expense laid out for the purpose of obtaining taxable income.

Mr. Speaker, those of us who are engaged in agriculture, are allowed as a deductible expense, a percentage of that expenditure which is deemed to be attributable to the use of our automobiles in our business. Professional people who are deemed to have used an automobile in their business in order to produce income are also allowed this expense as a deduction from income.

However, in the case of people who work for wages, there is no provision for any deduction for expenditures or costs that are involved in getting to and from their places of employment. Those people who are working for wages, whose income is solely derived from wages, their entire wage income is taxable at the source. But before they can earn those wages they have to get to the job, where ever it is, they have to travel and it costs money. If they don't travel, they don't have a job, If they don't have a job, they don't get any wages, the government gets no taxes, it surely follows that the cost of travel should be allowed as a deductible expense.

The classification of travel expenditures as a deductible expense, I believe is, therefore, justified. I want to draw the attention of the house, Mr. Speaker, to the recent developments, particularly in my area of the exploitation of our potash beds. We have at the present time in my constituency in excess of a 1,000 workers, working either in the existing shaft in the refinery or at the site of a second shaft which is about to be dug. This is an expanding development and some of our people are travelling 60 miles one way, or a total of 120 miles to and from their jobs. I think, although I haven't worked it out to the last decimal point, that it would be reasonably safe to say that the average distance travelled by workers in that area is 25 miles one way or 50 miles per day, both ways. I think members all realize and agree that this is a considerable distance and, therefore, very expensive.

When the potash development first took place, it was considered by almost everybody that it would be based on one community. That hasn't been so, because the workers who are working in that development at the present time are living in multiple communities within the area. In addition to Esterhazy, they are living at Spy Hill, MacNutt, Saltcoats, Churchbridge, Tantallon, Bredenbury, Gerald, and Atwater and there isn't one single delivery point in my area that doesn't have somebody working at the potash mine. Either in construction or production, one place or the other.

Towns have developed services rapidly in our area by putting in sewer and water – Langenburg, Saltcoats, the village of Yarbo and many others are proceeding or are considering installation.

People live where ever they think it is best for them to live, but where ever that may be, they have to travel to and from the job.

We hope there will be increase industrialization in this province, we think that this will take place, and I think it will take place in other areas in addition to ours. The present development at Belle Plaine, at Patience Lake, just outside Saskatoon will all involve large distances for workers to travel in order to reach the work site.

Mr. Speaker, I wish to draw your attention to a submission made by the Saskatchewan Federation of Labour, in their booklet outlining policies and resolutions adopted at annual conventions. They state on page 45, it is their opinion and I quote as follows that:

Expenses incurred by workers using their cars as a means of transportation to and from their place of employment should be permitted as exemptions for income tax purposes.

Mr. Speaker, I heartily agree with this statement. I think it is reasonable and I think it is elementary justice that workers should be treated even as other people and allowed to deduct as an expenses the expenditure which they have laid out in order to gain that income which is taxable.

I don't believe, Mr. Speaker, that a government can spend money more wisely than the people. I also believe that big government tends to become bad government and that big government is greedy government. I believe it is high time that we reversed the trend toward every-increasing taxation at the provincial and federal level.

In other words, and in short, Mr. Speaker, I believe that the worker should be allowed to spend more of the money which he has earned, rather than having it spent for him by a government and I consider that we can help to accomplish this end by supporting the motion which I have just made.

In the interest of justice, fair play and better living for all our workers, I respectfully urge the unanimous support of the legislature of the province of Saskatchewan for this resolution, moved by myself and seconded by the member for Weyburn, Mr. Staveley. I will read the motion once more, Mr. Speaker, in order that no one will be under any delusion as to its wording.

This Assembly respectfully requests that the government of Canada amend the income tax regulations to provide that expenses incurred by workers for transportation to and from their places of employment, be permitted as deductible expenses for income tax purposes.

Mr. A.T. Stone (Saskatoon City): Mr. Speaker, I wish to say at this time that I agree with the intent of the motion that has been produced by the hon. member. I wasn't just quite clear in introducing it whether he wished just the part of the income tax that the province levies or whether, as the motion says, that they wish the government of Canada to take a look at the whole thing.

This has been a matter of great concern with workers for quite considerable time. We believe that whenever possible and practical the incidence of taxation should be apportioned according to ability to pay. We believe that the personal income tax could be designed to meet that end, but it appears, at least to working people, that there are many loop holes to those in the higher income brackets to a degree that defeats its purpose. I think it would be desirable to determine to what extent this list of expenses account and perquisites might become a means of evading income tax.

Along these lines it was interesting, about a couple of years ago, I was playing golf with a couple of businessmen and they were saying what they had made over the last year, the money that they had made, and the conversation got around to income tax. One chap said that he gave the caterer a cheque for \$25.00 for his meals and his refreshments and the refreshments of his friends, and when the cheque had gone, he had written another cheque for \$5.00 and this of course, was charged up to entertainment. The accountant that was making up his returns said it was all right to put one bottle of rye a week on his account, but he didn't suggest that he do anymore. It was another fellow worker of mine who was in the company of businessmen and it got around to income tax, and they asked him what he paid and he said a little over \$200.00, they said he was crazy, how much did he earn, and he said a little over \$3,000.00, they didn't believe him, couldn't believe him Well he said, I could show you my receipts, and one chap said, I made over \$25,000 last year and I never paid any income tax. I'm not sure whether that was gross or net, but these are things that worry workers that we are taxed at the source, the only exemptions that we do have is our dependents and maybe a little savings we put in the pension plan, and maybe a few small charitable donations.

I say, Mr. Speaker, if it is determined that the exemptions for running a business are in line, then some look, closer look, ought to be taken at some of the expenses incurred by the workers in pursuit of their employment. I agree that there is merit in the motion of expenses for travelling to and from their places of employment, and then there is the matter of board and lodgings. Some workers are forced at times to live miles away from their base. There is also a question of the cost of tools in connection with his work, which is often a very heavy item in a worker's expense

Mr. Speaker, I would like to elaborate a little further, but I believe it is the desire of the house to move on to the next resolution on the order paper, that of rail abandonment, therefore, Mr. Speaker, I beg leave to adjourn the debate.

Debate adjourned.

MOTION: RAIL ABANDONMENT

Mr. J. Thiessen (Shellbrook): moved:

That this Assembly urges that no rail line abandonment be permitted until the federal government establishes a proper agency to study the full economic and social consequences suffered by farmers, business and residents of rural and small urban communities, and the adverse effect on the financial position of local governments, and urges further that before the abandonment of any branch line shall be authorized, the railway companies shall have implemented plans for rational re-organization of their systems.

This Assembly urges further, that such a federal agency (a) study all means by which the railway companies either jointly or separately might rationalize their operations without abandoning branch lines, and (b) consider whether all, or part of, the mineral rights or other advantages held by railway companies as a result of land grants given to build such rail lines should revert to the Crown upon the abandonment of any line.

He said:

Mr. Speaker, So much has already been said on this resolution, so much has been written, and so many investigations have been made in regards to this, that I don't know whether I can add very much to this or not.

However, to start with, I would ask you to just put your mind's eye on the map of Canada for a few minutes, and if you look at the railway set-up, at the mileage of railways we have in Canada, you will find that we have roughly 40,000 miles. Forty thousand miles of railways built to handle the transportation of the dominion of Canada.

Now when these lines were built in the dominion, we don't want to lose track of the fact that millions of dollars worth of property, such as lands, mineral resources and other things were given to the railway companies to establish this system of 40,000 miles.

Then if you narrow your view somewhat and take a look at the four western provinces of British Columbia, Manitoba, Saskatchewan and Alberta, you bring this down to about roughly 23,000 miles of railway lines, or 55 per cent. fifty-five per cent of the total railway mileage in the dominion of Canada is in the four western provinces.

Again I don't want to lose sight of the fact that in here to the dominion of Canada gave a lot of money towards royalties to these people. Then if you bring it back to Saskatchewan alone, the province in which we are interested, you will find that we have 20 per cent of all the railway lines in the dominion of Canada, or 8,600 miles roughly in Saskatchewan alone.

These lines too, Mr. Speaker, were built with public assistance, and the railway companies were given assistance to construct them. If you take a closer look at the map of Saskatchewan, you will find that railway lines are not all built just to give service to people, a number of these lines are built for competition. Just going west out of Saskatoon a little bit, you will find that railways run so close that you can visit on the trains as you are riding on both tracks. These lines were not only built for service, they were built for competition between the Canadian National and the Canadian Pacific. The Royal Commission when studying where the breaking point is between profit and loss on railways, struck on the figure of 200,000 gross ton miles per mile, or 100,000 net ton miles per mile, to be a paying proposition. When they used this ratio for a profit making line, they find that 20 per cent of the railways of the dominion are under this category, or 8,600 miles are not paying a profit in the dominion of Canada. If we use a pro-rata basis on this for Saskatchewan, this would mean that Saskatchewan would have roughly 1,700 miles which are not in a paying category.

The Commission feels that in the end, the railways are going to ask for 2,000 or 3,000 miles of abandonment in this province. Again 2,000 or 3,000 miles of railway covers a lot of territory in Saskatchewan. When we realize that only a 160 miles between here and Saskatoon, or 250 miles between here and Prince Albert, it would take a lot of lines out of Saskatchewan which are receiving services at this time.

The railways possible are not to blame for some of the business they have lost, but in the biggest, and in the majority of cases, I would say they were to blame because of being 20 years behind times. Taking for instance a look at a section of branch line in my own constituency, from Prince Albert to Big River, there are stockyards in every one of these little towns. Shellbrook has one, Big Beaver, they all have stockyards, and I don't think that a carload of stock has gone out of these yards in the last 10 or 12 years.

I suppose that probably the Canadian National the Canadian Pacific didn't know that we had a good government in Saskatchewan which was going to build highways, so they didn't need the track to haul stock anymore.

The people in Big River can now pick up a carload or a truckload of stock and it is cheaper for them to take them into Prince Albert, then take them into the stockyards, load them on a car, and wait for the money. They can now get through from there to Prince Albert and deliver their own cattle, so that this part of the business probably they're not too much to blame for.

Well, we had another case last year, where they shipped a carload of tractors and we have a good strong John Deere Agent in Canwood, and he sold quite a number of tractors, with the result that Canwood, Debden and Big River got a carload of tractors, on flat car. Well, this flat car was not stopped at Canwood, nor did it go through to Big River, it took this flat car of tractors to Debden, and stopped it there, shoved it into a siding and these other dealers from Canwood and Big River had to go to Debden to pick up their tractors.

I was talking to the agent shortly after that, and he said, "well if that's the case, if this is what the railroad wants, we might just as well go to Prince Albert and pick up our tractors and drive them home from there".

Then another thing, the express charges which they used to take out. I don't think that they have any express at Canwood at the moment. Debden is a good point, but we have quite a construction outfit in our municipality and we used to ship all our repairs and tracks and one thing or another by track. One winter we shipped a set of tracks for a D7 caterpillar to repair. This was supposed to be a two weeks service, we shipped them in one week and we would get them back the next week. We waited two weeks for these tracks, and we didn't get them, so our boys came over, and they said, "we're ready to roll the tractor out and get the racks under it", so I phoned Regina, and they said, "oh, we shipped those out last week", we finally tracked these tracks down in Vancouver, and we waited five weeks for the tracks.

This again is the fault of the railroad. It wasn't anybody else's fault. The railroad shipped them to somewhere, lost the car and we eventually got our tracks back. Today our boys are not ordering anything on the railroad. All the stuff is being brought in by Dawson Transport Company from Prince Albert or Ray's Transport from Saskatoon and it is not because they railroad is not here, the railroad could have had all this business, if they would have attended to it. They didn't attend to it. We would order parts from Saskatoon during the summer and they'd say "well we will have it on the rail line tonight", and then, "if you call Prince Albert, you can pick it up". I made a number of trips into Prince Albert, and the parts were not on the train, we phoned Saskatoon, well they were either left at the station in the freight shed or somewhere and they didn't get on this train, the company had delivered them, but the railroad didn't deliver them to the destination. Since that day, I don't think our boys are shipping any parts by rail and these the railroad could have had.

Big River Fisheries used to ship carloads of fish out on rail, the late Mr. Waiton said that he would sooner phone a transport because if he phoned for refrigerator cars from the Canadian National, he'd be a week to 10 days sometimes waiting for his car and by this time, the Chicago people didn't want his fish, they had other fish on order, so that now he phones a transport and he does all his shipping by transport.

Passenger service too, of course on back lines, passenger service has never been any good. The railroad people felt that they could keep their 25 or 30 mile an hour trains and still capture passenger business. When the government saw the provinces build highways which will let cars go 50-60-70 miles per hour, the cars are built to this extent, the railroads cannot capture business by going at 25 or 30 miles per hour.

Postal services are the same way. Postal service they let go a long time ago, and municipalities have had to build excess roads in many cases to outlying post offices so that the trucks could get into these areas.

Now, I want to spend just a few minutes on the part of the rail which is going to be abandoned in my own constituency and part of it running through my own municipality. This is the Amiens line from Shellbrook to Medstead. In this case there are nine points that will be left without any connection, there are 15 elevators in these and 765 permit holders, pardon me, 765 farm families which will be disturbed if this line is taken out. The capacity of the elevators alone on this line, run very close to a 1,000,000 bushels, a 1,000,000 bushel capacity and a turnover, the last 10 years the average turnover, Mr. Speaker, was at 1,500,000 bushels.

There are 1,086 urban people on this line. Now I realize that in the last number of years, possibly the railway did not transport too much more than grain, but this 1,500,000 bushels of grain hauled into or transported into their regular lines has helped in maintaining the system in its entirety. Looking at the whole picture of the lines which will be abandoned, we have a much larger picture. Here we have some 50,000, pardon me, 426 elevators or very nearly 15,000 people who are permit holders or farm families who are going to be disturbed. Fifteen thousand farm families are a lot of people. There are storage spaces of 27,000,000 bushels along these lines, 27,000,000 bushels of storage space which if these lines were abandoned would have to be built somewhere else. The average shipping from these lines on a yearly basis, based on the last 10 years, is 50,000,000 bushels, and there are somewhat over 23,000 urban people in connection with this.

Mr. Speaker, as I see it, there are possibly a lot of things, possibly many things, that should be done before any lines are abandoned. Not losing sight of the fact that they got a lot of assistance in building these lines, and that they owe the people of the areas some consideration in regards to this. First of all, they should take a very good look at the economic situation of the people who are being disturbed. They should take a very good look at the businesses which are there. They should also possible take a look at the possibility of electrifying the railroad, which would be probably cheaper than what they are doing today. Another thing they should take a look at is I think, on many of the branch lines, at least on some of the ones I know, they have been handling the trains in exactly the same way as they did 20 years ago, running the trains probably back and forth each day, and sometimes more than back and forth, when they're not hauling anything except grain.

Then there is the idea of solids pipelines, and I think this should probably be studied. There are a number of things, many more I think than probably I know of, which can be studied, and the resolution covers this hoping that many things will be discussed before any abandonment takes place. I bought the Financial Post of February 15th, and find they have a long article written on "What the railroads intend to do". This is a good article and should be read by a lot of people. The one that interested me more than any other is, trucking, again remembering the fact that railways were built by the dominion of Canada, and shareholders of the railroad. The railroads are now really a big trucking business too, using the provincial roads. I want to read to you, Mr. Gordon from the C.N.R. and this is what he says:

I doubt that we'll go after more truck companies. Of course, our own truck service will expand with the master agency system, but if we get more freedom on rates, we can compete with trucks in the areas where the railways can serve better.

Then Mr. Crump from C.P.R. says:

Apart from normal expansion of our existing system, I do not see us getting into more trucking.

and they have quite a trucking system. The Canadian National Railways has very nearly 4,000 trucks and the Canadian Pacific operates some 6,000 trucks on highways now.

Another little article that interested me was the solids pipeline. We read quite a few articles on solids pipelines and I imagine the presidents of the railroads were asked about this, and this is the word of Mr. Gordon, and I quote;

I don't see us in the solids pipeline, anyhow they're a long way off, and we certainly aren't going into any thing, unless it's a reasonable, economic proposition.

Then Mr. Crump was asked too, and this is what he said:

I believe solids pipelines can feed the railways from points aren't economic for branch lines. We are already sharing with the Alberta Research Council in studying these pipelines. There are problems about them to be solved. Its far too early to see whether we will be in them or not. But there's a possibility they could replace a branch line with something different than railroads.

Mr. Speaker, I hope that these things will all be looked at, and he covered before any branch lines will be taken out and this is what the resolution asks for and I want to move seconded by Mr. Broten.

That this Assembly urges that no rail line abandonment be permitted until the federal government establishes a proper agency to study the full economic and social consequences suffered by farmers, business and residents on rural and small urban communities, and the adverse effect on the financial position of local governments, and urges further that before the abandonment of any branch line shall be authorized, the railway companies shall have implemented plans for rational re-organization of their systems.

This Assembly urges further, that such a federal agency (a) study all means by which the railways companies either jointly or separately might rationalize their operations without abandoning branch lines, and (b) consider whether all, or a part of, the mineral rights or other advantages held by the railway companies as a result of land grants given to build such rail lines should revert to the Crown upon the abandonment of any line.

Some Hon. Members: HEAR! HEAR!

Mr. H.A. Broten (Watrous): Mr. Speaker, I do not want to miss speaking on this important resolution. In Watrous constituency, as in all of the west, there is great concern because of railway applications for abandoning the lines. In my area there is application for abandoning 55 miles which is about the full length of the constituency. When we hear of all the miles that are requested in the overall picture, it is indeed a frightening thing. When the whole picture of proposed abandonment gets into focus, and that is the full 8,600 miles that have been spoke about thus far in Canada, and the full 3,500 miles more less in Saskatchewan, I think all of Canada should be concerned because the results of the abandonment can be devastating and damaging to the greater part of our country.

In asking for the study of the resolution, I would like to relate what is and can happen close to where I farm and a couple of communities close to mine. First, the people in two villages want to put in sewer and water and because of the rail abandonment threat, they have delayed this move. Secondly, businessmen have delayed expansion for the same reasons. Thirdly, the village councils are hesitant to expand and improve streets for the same reason. Fourthly, farmers fear the future because if they have to add hundreds of dollars to their costs of grain hauling and servicing the farm, in most of these communities, the business section can be forced out altogether. The result would be that these farmers would have to travel, pardon me, if they farmers have the added costs because of the business places being removed, the result would be that these farmers would have to travel not on one to eight miles to service their farms, but 16 miles or more.

On this last point, Mr. Speaker, I would like to add a little more. If farmers are forced to change the delivery point for hauling grain, there will be also changes in their trading habits. These changes in trading patterns can empty and have emptied front streets of the business places.

Farmers will not only see their business friends lose out, but if the stores and the garages lose 25 or 30 per cent of the business because of these changing patterns of trading to other towns, they will have to close their doors. Hence, the farmers will find themselves going not only a few miles to service farms, but 17 or 18 miles just to buy a loaf of bread.

This disappointment of service centres can be the single largest cost extra to the farmers, because the everyday travelling distance to service a farm is perhaps one of the largest cost that the farm has. This extra time and travel and general inconveniences in travelling so far to service this farm adds to his already high costs. He, the farmer may have to shut his doors also. The net result would be devastating to the whole community.

Let us look at the picture from the view point of a farmer for a moment. Can the farmer stand this extra cost? Mr. Speaker, I made a survey of income in one of these communities along with three elevator agents. We took the specified cultivated acres in the quota book and took an eight bushel quota as the average amount the farmers can grow and deliver. The number of farmers involved was 125, and the average cultivated farm was 390 acres which is almost the average size farm. This eight bushel quota on the cultivated acreage would be about an 18 bushel crop on the seeded acres. This has proved to be a little bit more than they sell on the average. Further, if the man had livestock to sell, he did not fill his eight bushel quota, because the grain was feed, hence the income can be related to eight bushel wheat quota. We come with an average gross income of about \$5,300., and if you take an interest rate of five per cent on the 35,000 investment, and his hardware expenses, his taxes, machine depreciation, repair costs and fuel bills, we come up with an income, net income, Mr. Chairman, or Mr. Speaker, of less than \$1,500. This is in this one community, and it is mighty real.

This is the income bracket of people that will have to bear the cost so that the C.P.R. and C.N.R. can have five per cent profits, I maintain that if other people with similar incomes in our country were asked to add hundreds of dollars to their conveyance costs, it would not be considered.

Mr. Speaker, there have been too many commitments by the federal government already to implement some of the McPherson report before any body was equipped to fully assess the impact on people and communities involved. May I say this resolution is important for that reason. Over the years there has been much said regarding problems of the C.N.R. and C.P.R. In volume two of the McPherson report on page 146, we read this:

Some witnesses appearing before us believe that this probability at least of making substantial savings by eliminating duplications and by generally greater co-operation between the two major railways, a saving could be made by the unification of the two systems. But wasteful competition, duplication and lack of co-operation is the major fault of Canadian railways and is not a new accusation. The Duff Commission rightly did implore the condition that it found in 1930. The invasion of territory by competing branch lines and the red threads of extravagance that ran through the operations were said by the commission to be a major reason for the financial difficulties of the railways. These conditions super-imposed by the overbuilding of main lines in an earlier era, were being brought to the attention of the nation with new force, at the time of the serious depression. These matters are still a great concern to the general public of Canada, and for that reason, a brief review of events since the Duff Commission may be of interest.

I go further to quote, Mr. Speaker;

As the result of the recommendations of the Duff Commission, the parliament passed a Canadian Pacific, Canadian National Act, in a sentence this acts exhorts the railways to eliminate wasteful competition and unnecessary duplication of plans and services. An arbitration mechanism was provided to settle issues that could not be agreed upon by the two railways. Initially, progress was made. Many passenger trains in the Toronto, Ottawa and Montreal area were pooled and some agreements on the abandonment of unnecessary branch lines were arrived at and carried out. However, the savings were much

smaller than anticipated, the financial difficulties of the railways continued. The working of the C.N. and C.P. Act were examined by a senate committee appointed to inquire into the report of the best measures for relieving the country from the extremely serious railway conditions and the financial burden consequent thereto. The commission heard extensive evidence including that of the president, then president of the Canadian Pacific, Sir Edward Beatty, and his plan for unification and amalgamation of the two systems.

In his report of May 1939, the committee rejected Beatty's plan of unification and stated that under policy of forced co-operation, annual savings of from \$10,000,000,000 to \$15,000,000,000 might be effected. They strongly recommended that a more serious attempt should be made by the railways to give effect to the letter and spirit of the Canadian National, Canadian Pacific Act. The committee concluded that it was not advisable to modify the terms of the act until the possibilities were more thoroughly ascertained. The subject was raised and in the first post war general rate case by council for the province of Saskatchewan, it was argued that the railways should be required to show that they had carried out all proper measures, plans and arrangements, possible to effect the economy, and directed by the act before any increase in freight rates were allowed. The board ruled that the Canadian National, Canadian Pacific Act does not confer upon the board any duty . . .

Listen very closely, Mr. Speaker, this is one of the things that I think Western Canada and Canada should know.

The board ruled that the Canadian National, Canadian Pacific Act does not confer upon the board any duty or authority to require the railway waste study and to undertake co-operative measures with a view to affect economics, or to review and investigate what measures the railways have taken or might have taken under the act. The board said that this is not a matter which would seem to invite any special inquiry on their part.

Here, Mr. Speaker, is where it shows up very clearly that the Board of Transport Commissioners have had not the power or lacked the desire to make the railways move in regard to the Canadian National, Canadian Pacific Act. There has been allowed the condition to exist under government authority in the field of transport which is not in the best interests of the people of Canada.

I must say that a national transportation policy has to be evolved that will effectively get the necessary results. Mr. Speaker, I'd like to quote a little further on the McPherson Commission to gain a point,

Among most railway lines in Canada, there are factories, warehouses, mills, and other structures whose operations have been geared to rail transportation for the receiving or shipping of goods to be handled. The fact that some of these lines have become uneconomic from the railways position, does not mean that they are not, may not still be vital to the existing of the railside investments, but it is found to be necessary to ban the trackage a considerable hardship may be imposed upon the owners of such property.

Here I would say, Mr. Speaker, that it has been noted that underneath the heading that I should have read in the first place, this is, "Considerations of the impact of Abandonment on investment tied to rail transport". I've read over a large section of the Commission's report and I find that the problem of the rural community is not mentioned as such, and that we the rural communities to a very large degree have been left out of the picture as far as rural investigation by the necessary powers, by a body with necessary powers and personnel to make the investigation, and I think this is very important in this whole question. Again further in the report, under the same heading, it says;

Whether or not a large scale effort to consolidate grain handling facilities at this time was not studied by the Commission. However, where adjustments are forced upon the industry by the rail abandonments, it would seem highly appropriate to replace elevators with larger and more

economical elevators now being developed. The use of tax and benefits to produce, hold or change the desired pattern of investment has come into wide use in recent years. And these devices have been used in practically every country in the world in one form or another, and Canada has at different times made use of various forms of incentives.

It goes on to mention some of these incentives and there are five of them, Mr. Speaker, and I do believe that it goes on to point out, it shows that these incentives are for cattle allowance, for the building trade, for the ship building trade and for various other things but again the rural communities are left out.

I have tried to emphasize the fact that the federal government has mentioned that it will carry out some of the recommendations of the McPherson Commission when the commission has made a full and extensive study. A case in point is the commission does speak of elevator companies and the need for consideration on their behalf when they have not made a study of the railway abandonment that relates to the farmer.

They have taken for granted that the farming community will take it lying down. Well, I assure you, Mr. Speaker, as far as I am concerned, and the communities that I represent will have a lot to say about this matter in the not too distant future and I assure you that the rail line abandonment problem is a lively question out in the country and is a very serious problem. One of the reasons is that people do not realize that farmers with low income cannot stand this extra cost at this time.

I will support the resolution, Mr. Speaker.

Mr. L.P. Coderre (Gravelbourg): Mr. Speaker, in rising to speak on this motion, I must say that I am rather disappointed with the pussy-footing and sort of wishy-washy effort that has been put forward in this respect. I fully anticipated that what with the statistical information and history of the railroads versus the needs of the people of this province, that they would have taken a firmer position insofar as railway abandonment is concerned.

I'm not too conversant with this, except what I have read in the press, insofar as matters of statistics and information in that respect are concerned. Mr. Speaker, I am very, very conversant with the moral and social aspect of this very disrupting talk at the moment.

It seems to me that the members opposite, Mr. Speaker, so far, are not too concerned about the railway abandonment. I think they are more concerned with centralization, which is exactly what railway abandonment will bring. Now whether it is caused by centralization, whether it is caused by government, or whether it is caused by big business, I am opposed to rail abandonment.

The resolution in point, Mr. Speaker, is not complete or positive enough to prevent rail abandonment and centralization. The records will show that the government opposite, Mr. Speaker, the party that they represent, have some plans afoot somewhere to destroy our urban communities, small urban communities in our rural areas.

An Hon. Member: Bosh!

Mr. Coderre: Their intentions have not been dedicated and it has been proven time and time again, that there are afoot, studies insofar as the hospitals are concerned in trying to centralize hospitals.

Mr. Speaker: That is not the motion.

Mr. Coderre: It is a question of centralization, Mr. Speaker, and in order to show the point and what is happening, and the wishy-washy approach that members of the government have taken so far on this very urgent, very important subject, it is rather important to show the reason why they are not putting the effort that they should behind it.

The intention for example, Mr. Speaker, of centralization, and the county set-up, is another one that comes into the picture, all part of a plan.

Mr. Speaker: ORDER! ORDER! I think the member must realize that he must confine his remarks to the motion, not other subjects which are not covered here.

Mr. Coderre: Mr. Speaker, railway abandonment is a form of centralization, and I believe that whenever you put a discussion or an argument against centralization, then you must consider all the effects and all the ways and means that will centralize. The intentions, Mr. Speaker, of using for political purposes, the railway abandonment seems to me to be the ultimate plan of the government, to destroy by centralization the very cradle of its birth. It is disgusting, Mr. Speaker, to say the least. For if they are really opposed to railway abandonment, why don't they stand up and say so? We do not want railway abandonment.

Hon. R. Brown (Minister of Industry and Information): Tell Ottawa . . .

Mr. Coderre: The hon. Minister of Industry and Information can laugh a lot about this, but he doesn't seem to be quite serious in the effort of combating railroad abandonment.

Now is the time, Mr. Speaker, where we must stand and take a very firm position to safeguard these areas, these rural areas of the province of Saskatchewan and its many small communities from the effect of centralization.

What have you done in that respect, to assist in that way? If resistance is all but eliminated when the rail lines are taken up, the socialist plan of centralization will be all but completed. I wish to make it quite clear, Mr. Speaker, that I oppose and will continue to oppose any centralization or abandonment of railroads.

We on this side of the house, Mr. Speaker, say that if the socialist government is so seriously opposed to the taking up of the railroads, why do not they say it in a very flat way, and say no? There has been no concern on the part of the government, as indicated insofar as the resolution is concerned. It indicates complete resignation on their part, Mr. Speaker, of the political capital that can be gained by pretending to oppose it.

The resolution indicates that, Mr. Speaker, nowhere in this resolution does it say we do not want rail abandonment. Well they say, and I quote from the first paragraph;

that this assembly urges that no rail abandonment be permitted until the federal government establishes a proper agency to study the full economic

and so on and so forth. No rail abandonment until the federal government establishes a commission, after that, they can go ahead and take it up, in the meantime, until they have made a study.

This probably could have been put into two forms of resolution, one resolution against the abandonment and probably another resolution recommending a more thorough study be made in this report.

Mr. Speaker, at this point I would like to move an amendment to the motion;

That all the words after the word "that" where it first appears in the first line be deleted, and the following substituted therefor:

this assembly urge the federal government not to allow the abandonment of any rail line or lines which might adversely affect any community in Saskatchewan.

Mr. Coderre: Mr. Speaker, the reason that I oppose the removal of all branch lines . . .

Mr. Speaker: ORDER! ORDER! If you wanted to speak, you should have spoken while you made the motion. You can't make a motion, sit down, and then speak again.

Mr. Coderre: Well, in that case I would like to withdraw the motion . . .the amendment.

Mr. Speaker: I don't know . . .

Mr. Coderre: The temporary withdrawal of the amendment . . .

Mr. Speaker: You should have spoke then on your amendment when you concluded your . . .had you indicated you intended to move an amendment, and no doubt this is along the lines of the original, it would have given you a latitude of speaking time. Is it the wish of the house that I withhold this for the time being?

Mrs. M. Batten (Humboldt): Mr. Speaker, is the hon. member not entitled to speak on the amendment?

Mr. Speaker: He has moved his motion and then sat down, taken his seat, so that he has exhausted his right, but I am prepared with the consent of the house to withhold.

Some Hon. Members: Agreed.

Mr. Speaker: Very well, you may proceed.

Mr. Coderre: I am sorry, Mr. Speaker, I only intended to read it and pass it on for perusal while I carried on. I felt so concerned with this resolution as such, that I had thought I had put it in to make it quite clear where I stood in that respect. The reason that I so oppose the removal of all, or any portion of railroads and branch lines are many. For one, the moral side of it; secondly, the economic side, from the point of view of the rural people and thirdly, the economic side, from the point of view of the urban people, small businesses of which there are many; fourthly, the complete disruption of the transportation system, because of no other alternative at the moment, under the present conditions and fifthly, the Royal Commission on rail roads failed to study completely all aspects of transportation, therefore its work I believe, Mr. Speaker, is absolutely incomplete. Then increased unemployment is caused by railway abandonment. On the moral side, Mr. Speaker, the railroads whether they are publicly owned or privately owned, I believe have a moral obligation to the people of Canada, because of commitments made in their formative years, and conditions in Saskatchewan are now too instable. It would take reams and reams of paper and hours of the house, and of your time, Sir, to bring all the details to light.

Most of these facts, Mr. Speaker, I am sure are known to all concerned, however, here are some of the highlights from the moral point of view.

Privately owned railroads were in the early days operating only short lines, and no doubt, Mr. Speaker, doing a very good job. Confederation came into the picture and in order to join up and solidify this confederation, complete communion of the provinces was essential. Communication, Mr. Speaker, was necessary and therefore, large tracts of land were given to the railroads, plus good substantial cash construction grants in order to make the final construction across the country from coast to coast. Added to this, provincial government gave tax concessions in order to give them sufficient head start, as assurance for years of operation.

All this boils down, Mr. Speaker, to the fact that railroads were given a beautiful plum, and I don't believe, Mr. Speaker, that anyone would object to it then, and nobody would object to it now., if, and this is a big if, if they leave the branch lines where they are.

Therefore, Mr. Speaker, I oppose railway abandonment. But what about the publicly owned railroads? This was done in somewhat a similar manner. But with a different approach. Somewhere, someplace, somebody figured they might as well get in on this gravy train, so we had a series of small railroads, some fairly large, start in opposition to the privately owned line. But they got bogged down and eventually things began to happen. They got into difficulties financially, and had to go to receivership. What happened then is that the government of the day, being concerned with development of Canada, jumped in lock, stock and barrel and now these defunct, broke, railroads were bought and I believe, Mr. Speaker, at probably too high a price, and a perpetual debt was left on our shoulders.

In any event, Mr. Speaker, both railroads in view of the fact that they have received from the people of Canada, construction grants, oil rights, do in fact have a moral obligation to the people of Canada, particularly western Canada, from where the bulk of these grants came from, such as land taxes and oil in the provinces. It is essential, Mr. Speaker, for a good sound confederation to have complete means of communication if we wish to keep this confederation and be united here in this province, we must make an effort together to keep these branch line communications open.

Dealing from the economic point of view, insofar as the rural areas are concerned, I'm opposed to railway abandonment, Mr. Speaker, because no consideration seems to be given to the people, particularly the farmer in this respect, he was given a small tract of land in the early days, very often without mineral rights, he had to till with the sweat of this brown, and had to protect himself against the ravages of the prairies. Prairie fires quite often, even caused by railroads. He had to pay taxes. The railroads, they were exempt. He settled down in the west to create a pattern of living that was and is unexcelled anywhere in the world. Here again, we could illustrate over and over again, the trials and tribulations of the farmers. That day would be brought upon him all over again, and this railway abandonment would cause another complete social upheaval.

Economically from the point of view of the small businessman scattered across these prairies, they are opposed to railway abandonment. Has it ever been considered what degree of disruption, and I even say distraction, to these many fine businesses across our prairies, scattered from north to south and east to west. They had to carry a tax burden in these small urban and rural areas. The railroads, they were exempt.

There seems to be no consideration by this resolution in regards to them. The motion did not consider the business people as a whole. Again we have to deal with disruption of our lifeline, complete disruption of transportation. The railroads are means of communication that are essential to Canada, just as much as the blood stream is to our body. What happens when a blood vessel bursts or stops pushing blood to the vital parts of the body? You die. What will happen if we take up these railroad lines, these urban, small urban communities? These small communities will die just as well. It is essential to the well-being of our country, Mr. Speaker, as a confederation to have communications now as it was essential 100 years ago to have communications then.

I'm opposed to railway abandonment, Mr. Speaker, because of the Royal Commission that was established. The Conservative administration in Ottawa established the Royal Commission on railroads, and the terms of reference in my personal opinion were somewhat incomplete.

When the McPherson Commission studied railroad branch line abandonment, they should in my opinion, have studied all aspects. When the commission had a good look into the costs, operational, depreciation, interest, etc. various revenues from all points, disruptions of communities, all these were considered into this study, one thing and one thing was left out. As an example, I as a member of the opposition, when I study the crown corporations, operations of the present administration, I like to have a look at management.

The terms of reference did not recommend a complete study of the administrative, executive management of regional as well as the whole operation of railroads. There they failed, because how do we know it is not management's fault that our railroads are in trouble today.

It was illustrated a few moments ago by members opposite, of what has happened to their services, in their facilities and everything else, and what people are doing about it. This trouble is management's fault, no doubt. I think we should have had a look, a good look at management as well. This alone, Mr. Speaker, is sufficient grounds insofar as I am concerned to completely disregard any recommendations made by the commission, because they failed in this one point. On that ground alone, Mr. Speaker, I am opposed to railway branch line abandonment. What about the disruption of unemployment caused by railway abandonment? This is another objectionable situation and this is why I am opposed to railway abandonment, in that it will increase unemployment in the west.

The methods used by the railroads in establishing their centralized agencies from branch line agents, is I believe, a work that is not fair and not right. They establish a master agency and withdraw all the books, all the operations, anything that is to be left from the hands of these agents and they are left without any form of revenue, with the result that when the railways apply for abandonment, six months or a year later, the railroads can show that there was no money coming in from agents handling all the funds.

For that reason, Mr. Speaker, I am completely opposed to rail line abandonment. That was the reason, Mr. Speaker, I wanted to qualify myself on this amendment to the resolution.

Some Hon. Members: HEAR! HEAR!

Mr. J.H. Staveley (Weyburn): It is my pleasure to second the amendment introduced just a moment ago by the hon. member from Gravelbourg, (Mr. Coderre), on the motion before this house at the present time.

I do not know of any single item which has caused more concern to the people of this province over the past few months than the possibility of the abandonment of hundreds and hundreds of miles of railway branch lines in the province of Saskatchewan. This is something which is of great concern to all of us, and I am quite sure, Mr. Speaker, that everyone in this house is opposed to rail line abandonment.

The question before us now is, I think just what form does this opposition take or should take.

I am quite surprised to hear the motion brought forward by the hon. member of the government for this reason, Mr. Speaker, it states in that motion that, "the assembly urge that no rail line abandonment be permitted until the federal government establishes a proper agency to study the full economic and social consequences suffered by farmers", and so forth and so on.

Now surely, Mr. Speaker, all members of this legislature must be aware that such a committee has already been set up by the federal government, and I am quite sure that the feeling . . .

Hon. W.S. Lloyd (Premier): Will the hon. member permit a question? What assurance have we that such a committee has been set up? Where did this information come from?

Mr. Staveley: Well, if I may answer that question, Mr. Speaker, it came to me personally, from the former Minister of Transport, about two and a half weeks ago. It is to be brought into the house at this session. Possibly, I am incorrect in saying that it has been set up, I should have said that provision has been made for such a committee to be set up. I might say also, that it is not termed a Rail Abandonment Committee, Mr. Speaker, it is termed Branch Line Rationalization Committee. I think that the members of the government in this province have been making quite an issue over some thing which is not quite as large as an issue as they would like us to believe.

Hon. I.C. Nollet (Minister of Agriculture): Is the hon. member now making an official announcement on behalf of the federal government?

Mr. Staveley: The hon. Minister of Agriculture knows that I am not, Mr. Speaker.

Mr. Speaker: ORDER! ORDER!

Mr. Nollet: The hon. member has said, and now he says he had confidential information and I submit . . .

Mr. Speaker: ORDER! That is not a point of order. That is a point of debate.

Mr. Staveley: I think the hon. minister must have misunderstood me, I'll suggest that he might have misunderstood me.

Now, I know that there is going to be a great deal of discussion, Mr. Speaker, on the motion before the house and on the amendment, and I think for that reason at this time, I would like to adjourn the debate.

Some Hon. Members: HEAR! HEAR!

Debate adjourned.

MOTION RE: REGULATIONS COMMITTEE

Mr. A.H. McDonald (Moosomin): by leave of the Assembly moved:

That in addition to the powers contained in the Order of Reference dated April 5, 1963, the Select Committee on Regulations be empowered to invite any regulation-making authority to submit a memorandum explaining any regulation which may be under consideration by the Committee or to invite a representative of any regulation-making authority to appear before the Committee as a witness for the purpose of explaining any such regulation.

He said:

I wonder if I could have your indulgence and the indulgence of the house for a moment.

As chairman of the Committee on Regulations, we find ourselves in the position that we would like to request this house to broaden our terms of reference.

Mr. Speaker: One moment, Mr. McDonald, is the house agreed that the hon. member should have privilege to introduce this matter at this time?

Hon. J.H. Brockelbank (Provincial Treasurer): If he would present his case, I don't say we could deal with . . .

Mr. Speaker: Yes, but in order to present it, he has to have leave granted because it is not on the order paper. Is it agreed?

Some Hon. Members: AGREED!

Mr. McDonald: As you know, Mr. Speaker, the normal procedure would be to give notice today, notice of motion, but I would like to ask the unanimous consent so that we can present the motion today and hope that it would be passed on, so that this committee can proceed with their work in order to be in a position to present a report to this legislature during this session, and I would like to ask for unanimous consent to move the motion at this time, Mr. Speaker.

Mr. Speaker: If you present your motion then maybe we can give consent when we know what the motion is.

Mr. McDonald: Well, Mr. Speaker, we have found in the committee that our terms of reference, in our opinion are not broad enough to allow us to perform some of the functions that we felt the committee ought to perform.

In other words, we have no authority to communicate with the departments of government and we would like our terms of reference extended to give it that authority to communicate with the different departments of government. The reason we are asking this, is because there are many, probably minor, amendments to regulations that we feel could be brought about through communications with the departments, without it being necessary to bring the particular matters to the attention of the house, and we feel that in presenting our annual report to the legislature, if we were going to report the minutest details in which we would like to clear up in the committee, our report would be so large that probably most members wouldn't even bother looking at it. But we feel that a good percentage of our work could be completed by communicating with the departments of government and avoiding the necessity of reporting these minor changes to the legislature, therefore I would like to move;

That in addition to the powers contained in the Order of Reference dated April 5, 1963, the Select Committee on Regulations be empowered to invite any regulation-making authority to submit a memorandum explaining any regulation which may be under consideration by the Committee or to invite a representative of any regulation-making authority to appear before the Committee as a witness for the purpose of explaining any such regulations.

It is not our intention, Mr. Speaker, to demand that departments answer our correspondence. What we would like to do is to have the power to communicate with departments and it would be left to their discretion whether they wanted to answer our communications and settle these small matters or not. We would like our terms of reference broadened to allow us to communicate with the departments.

Mr. Speaker: I notice, Mr. McDonald, on this motion, you have Mr. Snyder as seconder on this motion, he is absent from the house, would you . . .

Mr. McDonald: Mr. Davies is seconder.

Mr. Speaker: Is leave granted for the hon. member to introduce this motion.

Some Hon. Members: Agreed.

Mr. Speaker: The motion is now before the house.

Motion agreed to.

SECOND READINGS

MR. A.H. MCDONALD, moved second reading of Bill No. 27 – An Act to amend The Saskatchewan Election Act.

He said:

Mr. Speaker, on Bill No. 27, I think it should be obvious to all members what the intentions are that I have as far as the amendments are concerned. If the amendments are adopted, Mr. Speaker, what it will mean is that it will remove the provision that were enacted in chapter 30, pardon me, chapter 31, during the session of 1959. I think most members will recall these two sections took away the right of many of our Servicemen to vote in provincial elections. In other words it placed the members of the armed services in a different position as far as qualifications to vote were concerned from other citizens in Saskatchewan.

I believe that members of the armed services should qualify under the same section of the act as other private citizens, as far as the place of residence is concerned. You will probably recall that when the amendments were originally made to the act, we were told at that time that the sections were taken out of the federal statute and were placed in the provincial statute. This is quite true, Mr. Speaker, but the application in the federal act simply meant that these two sections made sure that in federal elections, every member of the armed service would be qualified to vote somewhere in Canada, but when they apply to the provincial act, it means that most members of the armed services residing in Saskatchewan are disqualified from voting.

In other words, Mr. Speaker, the armed services must do something more than the ordinary citizen in order to qualify to vote in a provincial election. Surely it is not the intention of this legislature or the members of this legislature to place our members of the armed services of Canada and those who are serving in Saskatchewan in a different position than all other citizens. Surely this house is not prepared to say to the men and women of the armed services, "That you are the second class citizen as far as voting rights are concerned."

I would hope that this legislature would take the stand that the members of the armed services should be placed in the exact same position as all other citizens of Saskatchewan. In this day and age, there are many of our people moving from one part of Canada to another. It is not only the members of the armed services who place of residence may not be chosen by him or herself. Most people working for large companies today may be transferred into Saskatchewan this year and out next year, but we have not said to these people who move back and forth across Canada, with the exception of the armed service, that "You must take a declaration, declaring your place of residence", we have said to these people that if you are a British subject, if you are 18 years of age or over and if you resided in Saskatchewan for six months, you can vote in a provincial election.

Surely this is all the qualifications we should ask of members of the armed services. Surely we're not going to continue to say to members of the armed services, "You must have greater qualifications, or you must sign a declaration, declaring that you are a resident of Saskatchewan in order to vote in provincial election". We have not exempted members of the armed services from the tax policies and the taxes that are levied on the people of Saskatchewan. If a member of the armed services drives an automobile, he must buy a Saskatchewan license for the automobile after he's been in the province the same length of time as any other citizen, and I think this is right, and he must pay the automobile insurance on his automobile in Saskatchewan, and why shouldn't he, we haven't exempted him and I don't think we should. He has to pay the 5 per cent sales tax the day he comes into Saskatchewan, and I think he should. I do not think that members of the armed services should be treated differently to any other citizen, and of course, this is all I am asking the members of this house to consider in moving that two sections be deleted from the act, to give armed services the same rights the same privileges, as every other citizen of our province.

Mr. Speaker, I sincerely hope that all members of the house will vote on this matter as their conscience guides them. In other words, I hope we will not see government members voting one way and opposition members voting another. Surely this is a matter where people's conscience ought to guide them as individuals. If you believe that it is fair to ask young men and women to volunteer their lives, if need be, in the defence of the way of life that we believe in and yet to pass legislation that places them in a position of being second class citizens, than you're perfectly willing to oppose my amendments. But if you believe that members of the armed forces should, we're not asking any special privileges for them, be given the same consideration as all other citizens of Saskatchewan, then you will support the motion.

Mr. Speaker, if my colleagues on this side of the house will give me their support and I think they will, and if veteran members on that side of the house, give me their support, this legislation will pass. Now surely, if there's any group of people in this house who ought to be interested in the welfare of armed services, it will be the veteran members of this house and I appeal especially to every ex-serviceman to give me his support.

I can recall during the short time that I spent in the services, that there's nothing that would have aggravated me more than to have been told that I was a second class citizen in my own province or in any province in Canada. Surely, if I were serving as a member of the armed services in any province of Canada, and had the same qualifications as any citizen in that particular province, but I couldn't vote there, I would be highly insulted. We have asked, I want to repeat, our young men and women, and are asking them today, to go into the troubled spots of the world, to endeavor to preserve freedom and I want to repeat, to volunteer their lives, if need be, and some of them are doing this at this very moment, and yet we as a legislature have said "you cannot vote in a provincial election in Saskatchewan, unless you are prepared to sign a certain declaration". We haven't asked any other citizen in Saskatchewan to sign a similar declaration, why should we segregate members of the armed services. I don't care how they vote, Mr. Speaker, but I think they ought to have the privilege and the right to vote, the same as all other citizens.

Let us not discriminate against people who have volunteered to protect and to stand up for the way of life that you and I believe in, and that many members of this house have fought for. I want again to appeal to especially the veteran members on both sides of the house, to give me their support, and I want to repeat if they do, this legislation will pass.

In conclusion, I can only say, that I'm not asking for any special privileges, I'm just asking that the members of the armed services to be considered as first class citizens in Saskatchewan. If you do that, then we will extend this privilege to them and again I hope members will vote as their consciences guide them and not along a party line if there is a party line on this particular question.

Mr. Speaker, I would like to move second reading of Bill No. 27.

Hon. R.A. Walker (Attorney-General): Mr. Speaker, I want to say that insofar as we on this side of the house are concerned, we are in favour of seeing to it that armed service personnel have no less rights than any other resident of Saskatchewan. Insofar as we on this side of the house are concerned, we would support the motion of the hon. member and the bill of the hon. member, if we could be satisfied that the bill which he propose does in fact enlarge the opportunity and freedom of military personnel in Saskatchewan. I would say that we agree emphatically with the opinion that he has expressed, that armed service personnel should not in any way be relegated to the position of second class citizens or that they should be deprived in any way of any right which would accrue to any other resident of Saskatchewan. I think that there maybe some question however, whether the bill which he proposes has that effect, and I may say that at this stage all I can do is to remind the house of some the considerations which prompted the house to put in these two new sections 10 and 11 in 1958 or 1959 as I recall it. The bill not only deals with armed service personnel, but it also deals with students attending an educational institution and if I'm not mistaken, the bill proposes to delete clause of rule 10 as well as rule 11 from the act.

Mr. McDonald: Mr. Speaker, 11 and 12, if you will read the paragraph one . . .

Mr. Walker: Yes it is, well looking at rule 11, we find it deals entirely with armed services personnel. Now, if rule 11 is withdrawn, then the right of the armed service personnel and their status as residents, fall to be decided by other rules, primarily the rules 2, 3, and 5 and to some extent they will see that the acquisition of a residence in Saskatchewan depends upon a fixed intentions of remaining in Saskatchewan. Rule 2 for instance, says the residence of a person shall be the place where his habitation is fixed and to which when absent from there, he has the intention of returning to the place he enlisted, for instance, in some other province, then obviously that rule works against him, acquiring residence in Saskatchewan. He's got to satisfy himself that he has no intention of returning to the place from where he came at the time of enlistment.

Rule 3 says, "a person shall not lose his residence by reason of a temporary residence away from home". If the armed service person enlisting in some other province and coming to Saskatchewan considers his stay here a temporary absence from home, temporary in a sense that it is not permanent,

and that he intends to return there, then that rule militates against his acquiring a legal residence in Saskatchewan. In rule 5, "the place where a person's family resides shall be deemed to be his place of residence until he takes up or continues his residence at some other place with the intention of remaining there, in which case he shall be deemed to be a resident of such other place". A single man whose family resides, say in Ontario, and who is here merely by virtue of being a member of the armed services, stationed here, would have some difficulty in establishing that he has an intention of remaining here. The hon. member and I are both former members of the armed forces and he will recall that we spent most of our time speculating on the latest rumors as to where we might get posted tomorrow and the hon. members know full well that armed service persons really don't decide on the basis of their own volition or their own intentions where they are going to be at all. Indeed, when a person joins the armed forces, he gives up any further intentions as to his place of residence and gives up any volition he may wish to exercise as to his place of residence. So that the ordinary rules, I submit, make it very difficult for an armed services person to qualify as a resident.

Now I conceive that there may be some cases where such a person might be able to establish his intention of remaining permanently at the place where he is posted or stationed. It's possible that such a person may have purchased his own home, may have married a girl in the place where he's stationed, may indeed have arranged for employment there on his discharge, and may have in other way established the fact of his intentions.

In the absence however, of some clear evidence on such an intention, such a person is in an extremely difficult position to say that he has established a residence in Saskatchewan to qualify him under this Act.

It is especially doubtful if an armed service person on his enlistment, in let us say Toronto, who files a declaration as all persons must at the moment of enlistment, stating where they consider their permanent home to be, who has filed such a declaration stating that he considers his home to be Toronto at the same time, Sir, for the purpose of an election in Saskatchewan, to say that he is resident of this province. As hon. members know, on enlistment a person is required to designate the place where he wishes to have his remains sent in the event of his death during the period in service, where he wishes to have notices of this death sent in the event he dies, where he wishes to be discharged when he is demobilized because he's entitled to be transported back to that point, and if an armed service person has in his documents on file, a document saying that, "I consider my residence for all purposes to be the point where I enlisted, that I intend to return to the point of my enlistment on discharge," this of course makes it very difficult for him to say, in the next breath that he is a resident of say a point in Saskatchewan for election purposes. A person who did ask to be registered as a voter in Saskatchewan when this other document still extant, might very well be exposing himself to embarrassing situation.

Now the effect of section 11, as I understand it, is not to put any special burden upon armed service personnel, but to provide them with a clear means of indicating an intention. Ordinarily they have difficulty indicating an intention of choosing some other place of residence. In fact, as I recall when the legislature adopted this section about 1958 or 1959, this legislature thought it was most appropriate that we accept the rule laid down in the Federal Election Act. In other words, under The Federal Election Act, every armed service person must designate what constituency in Canada he considers himself a resident of, for the purpose of voting. Normally it's the constituency where he enlisted at, but he may designate any other community in Canada where he is stationed or where he has relatives, his next of kin living. He may enlist in Toronto, he may be stationed in Regina, and he may name Neepawa, Manitoba as his place for residence for election purposes.

Every member of the armed services has such a declaration on his file. Every member of the armed services has such a declaration from the time he enlists until he is discharged on his file, stating the place which he prefers to consider his residence for federal election purposes.

Now we thought by passing rule 11 in 1959, that there was some logic in being consistent for federal a provincial election purposes, it was thought here in the legislature as I recall, that one ought hardly to claim that he is a resident of Toronto Davenport constituency in the federal election and a resident of Saskatchewan constituency in a provincial at the same time and so it was decided here that we would simply adopt the rule in the Federal Act, so that his provincial rights would correspond to his federal rights to provide that he wouldn't have any burden of establishing his residence in Saskatchewan if he wished to do so.

Now, as far as I am concerned, I think the position of the government is this; we would very happily withdraw clause 11, if we can convince ourselves or if any member can convenience us that this will indeed enlarge the voting rights of armed service personnel in Saskatchewan. But the considerations which I have referred to seem to suggest that a repeal of rule 11 might very well restrict the rights of armed service personnel in Saskatchewan. The section was put in to assure then that could not afterwards be in violation of the Election Act if they voted in Saskatchewan and to give them a clear right to claim Saskatchewan as their residence for voting purposes. A right which was not dependent upon some court's interpretation of intention, a right to designate their own intentions, beyond the possibility of a court arriving at a different conclusion. If hon. members think that the repeal of section 11, and throwing the armed service person back on to the ordinary rules will help him, I am sure the government is prepared to consider it.

When I first saw the draft of the bill, which I think was yesterday, I asked my law officers to prepare an opinion on the question and I still haven't got it. I am certainly prepared to support the bill if my law officers will tell me that this will enlarge the rights of voters, or broaden or liberalize their freedom of choice of residence.

I am not prepared to go along with it, just because the hon. member for Moosomin says it enlarges the voters' rights. If it does enlarge the voters rights certainly I will go along with it, but in the meantime I would like to reserve my opinion until I have a legal opinion on the matter from the law officers.

I think in view of that, I would like to ask the house for leave to adjourn the debate until such time as I can get that.

Debate adjourned.

HON. I.C. NOLLET (Minister of Agriculture moved second reading of Bill No. 1 – An Act to amend The Veterinary Services Act.

He said;

There are no new principles involved in this bill, one of the main amendments is to provide that a Veterinary Service District may be extended in size, and the other to set up an advisory council, and the details of this bill, I think Mr. Speaker, can be more readily considered in the committee since there are no new principles involved, I move second reading.

Mr. D.T. McFarlane (Qu'Appelle-Wolseley): Before the question is put, I would hope that the Minister of Agriculture would give us some assurance that these amendments aren't being brought in to increase the size of these veterinary districts just for the sole purpose of giving the people the idea that there are more veterinarians available, because I don't think that at the present time, there are enough veterinarians in the province to service the veterinary service districts that are presently set up, and in view of the fact that sometime in the future we might have a veterinary college in Saskatoon, I would hope that by increasing the size of these districts, we wouldn't give the impression that we have enough veterinarians at the present time. I would hope that measures will be taken to see to it that students will be continued to be sent to Guelph to be trained and eventually return to service the districts that we haven't got veterinarians in at the present time. If this is the case, then I think we could pass the bill with some assurance, but if the amendments are drawn to give some type of illusion that we have enough veterinarians to service the districts, then I don't think the amendments would be serving any useful purpose. I hope that when we get into the committee of the whole, on this bill that the minister will be prepared to give us some definite information as to the facilities for serving the different districts as outlined in the different amendments.

Mr. Nollet: Merely in reply to the hon. member's misgiving, there is no reason for the amendments in relation to any supply of veterinarians which we expect to see increased. They have been increased, but it was requested by the rural municipality association that it is necessary to make some adjustments within some districts. There's a possibility of increasing them in size to the point where two veterinarians may service one district. This would provide better service and provide an opportunity too, for service when the veterinarian is ill or away on vacation and this sort of thing.

Motion Agreed, and the Bill read a second time.

MR. NOLLET moved second reading of Bill No. 2 – An Act to amend The Department of Agriculture Act.

He said:

Mr. Speaker, the purpose of this amendment is to make certain that we have legal authority to pay grants that we have been paying for years to the livestock associations, the breeders association. The Attorney-General's Department has been carefully scrutinizing the basis and the authority for certain order-in-council, and I think in the past it was overlooked. Obviously in The Department of Agriculture Act, it was intended that the minister should have authority to pay grants to organizations for any improvement of agriculture, and this amendment will give us authority, make clear that we have authority to pay these grants to livestock associations and others, and any organizations which in the opinion of the Lieutenant Governor and his council, is worthy of some assistance to promote agriculture. With this brief explanation, I move second reading.

Mr. McFarlane: Mr. Speaker, I would hope that when this bill is amended that we can get some clear indication of what the minister, or what the executive council classes as agricultural associations. There may be instances arise in the future, there may have been some in the past, where grants may have, or may not have been made to organizations, but which would leave some doubt in people's minds as to whether they were recognized as an association actively engage in the promotion of agriculture.

I think it would be quite in order, as it has been over the years to give grants to recognized breed associations, and to recognized agricultural associations, and societies that are set-up by charter as such. When you come to some other organization that you may think is acting in the best interests of agriculture and in somebody else's opinion may not be, and so I would suggest to the minister, if these amendments go into effect, that very close scrutiny be attached to some of these organizations which may be spending the taxpayer's money and I know that there is a crying need among agricultural societies today for further increases in grants. I am thinking in terms of those agricultural agencies who are sponsoring class "C" fairs. I think if there is any place in the agricultural policy or in these acts where some further assistance can be given to these agricultural societies, sponsoring class "C" fairs, they should get top priority, because they are the smallest of our country fairs and they are working with the people who are most vitally concerned at the present time in furthering the agricultural interests in their own interests.

So, Mr. Speaker, I thin that I would give first preference to agricultural societies that are set up at the present time and to organized livestock boards and livestock breed associations; after their requirements are met, and after we are sure that we are furthering the agricultural needs of the province by way of these grants, then we may be able to decide whether some of these other associations or organizations qualify for certain grants. At the present time there is a doubt in some people's minds in that regard.

Mr. Nollet: For clarification the hon. member is under some apprehension that agriculture societies may be included in this. They are not. The agricultural society has clear cut authority within the act and the horticultural societies as well. The only agricultural associations that were overlooked, I think, it is specifically mentioned in the Department of Agriculture Act were the breed associations, and on all the rest, we do have legal authority under some legislation.

Motion Agreed to and bill read the second time.

MR. NOLLET moved second reading of Bill No. 3 – An Act to amend The Stray Animals Act.

He said:

This, Mr. Speaker, is an amendment to The Stray Animals Act, an amendment requested by the S.A.R.M.

At the present time section 12, sub-section 4 reads;

When a bylaw has been submitted to a referendum of the electors, no similar bylaw specifying the same area shall be submitted for a period of one year, from the date when the vote was taken.

There might be a request for another bylaw to add a few sections or delete a few sections and the municipality may thus be required to submit another bylaw. The amendment is to make clear that this cannot be done in keeping with the original intent of sub-section 4 and it adds the words as you will note;

part or any part thereof

This makes it clear so there will be no misunderstanding in this regard. With this brief explanation, I move second reading.

Motion Agreed to and bill read a second time.

MR. NOLLET moved second reading Bill No. 4 – An Act to Amend The Horned Cattle Purchases Act.

He said:

This is to make clear that pure bred animals are excluded from the horned cattle penalties. I move second reading, Mr. Speaker.

Motion Agreed to and bill read a second time.

HON. R.A. WALKER (Attorney-General) moved second reading of Bill No. 17 – An Act to amend The Legal Profession Act.

He said:

Mr. Speaker, members of the house who are also members of the legal profession, will be familiar with this bill. This was the result of some discussions at the last meeting, indeed, the last two or three meetings of the Law Society, and the bill makes certain changes to the mode of electing benchers. It provides that exofficio benchers can't vote at meetings of the benchers. It increases the number of benchers from 12 to 15. The benchers of course, are members of the executive of the Law Society. They are the governing body of the Law Society. It also provides for some change in the mode of electing benchers. At the present time, they are elected at large over the province. It is proposed to set up a number of different constituencies. It provides for certain additional powers for the auditing or supervising of trust accounts of members of the Law Society. At the present time there is some question about whether the benchers have the right to examine the books of account practitioners. As you know, the Law Society maintains an indemnity fund to guarantee against defalcation by individual lawyers. The Law Society has certain rules requiring that clients' money must be kept separate from their own money, and it seems very reasonable on the face of it, and in order to ensure that these rules are observed the Law Society needs to make certain spot checks of solicitor's account. There is some doubt as to whether it has the power to do this.

There are certain other changes, all of which have been asked for the Law Society, none of which seem to me to involve any great earth-shaking matter of principle, and I intend that if the bill receives second reading to move that it be referred to the Committee on Law Amendments, so that the Law Society may be here, and so that members of the committee may question them as to the purpose of the various sections, and I think that will be a good enough opportunity for members to go into details as to the effect of the various provisions.

With that, Mr. Speaker, I would move that the bill be now read a second time.

Motion Agreed to and bill read a second time.

MR. WALKER moved second reading of Bill No. 18 – An Act to amend The Saskatchewan Evidence Act.

He said:

Mr. Speaker, these amendments to The Saskatchewan Evidence Act deal with two areas. At the present time the definition of a bank in the Saskatchewan Evidence Act includes only a bank which The Bank Act of Canada applies to.

The Act provides that a bank may tender statements of account in evidence in court, affidavits verifying statements of accounts. They may be tendered into court as evidence, and a bank has certain privileges which aren't accorded to everybody in the matter of proving these matters and it is thought it is just as well to extend this also to credit unions. If the definition of "bank" is extended to include credit unions, then it means they won't have to get an officer of the credit union to come and testify as to the statement of account if it needs to be put in evidence, but instead they may put in documentary evidence of that account and it will be admissible in the court. That is the one aspect of it.

The other is an amendment to section 31. Section 31 permits the court to compel any person to give evidence in any cause or matter even where the person compelled is in fact the accused or the defendant. It means for instance that a person accused under The Liquor Act or The Vehicle Act, would be summoned to appear as a crown witness to testify against himself. Now I may say that this is rather an archaic provision. It is not permitted under the Criminal Code of Canada, and it is not permitted under federal offences, but this provision has been in the Saskatchewan Evidence Act for a long time. It hasn't been used, at least I thought it hadn't been used, but I discovered not long ago, that it was used in one case in Saskatchewan within the last seven or eight years, and without the knowledge of the department, and we have been asked over the years to repeal that provision or to provide that such persons cannot be compelled to give evidence against themselves. This has been urged by the Law Reform Committee, and by the Law Association and others, and it is proposed to deal with it at this time, stating that no person is compellable in prosecution against him under any act to give evidence against himself.

It just accords with what has grown up to be a very ancient and very reputable principle of justice, and the act shouldn't be allowed to carry this archaic provision any longer, so it is proposed to amend the Evidence Act in those two respects.

I, therefore move, Mr. Speaker, that the said bill be now read a second time.

Mrs. Mary Batten (Humboldt): Just a question, Mr. Speaker, I have just a question to ask, Mr. Speaker, which maybe the hon. Attorney-General can answer when he closes the debate, and this is whether this would remove the provision under the Deserted Wives Act, whereby the deserting husband can be made to testify in a charge laid against him? You will appreciate, Mr. Speaker, that in these cases, it is almost impossible to get evidence of a husband's earning power where he has deserted his wife and children, unless he can be compelled to answer questions because in most of those cases the wife has no knowledge of what he earns. I realize his employer can be called when he is employed, but when he works part-time or works for many employers, this cannot be done and if he is a farmer there is no way of getting evidence at all about his earning capacity, unless he, himself can be called as a witness.

Mr. Speaker: I must warn the members that the minister is about to close the debate. If anyone else wishes to speak, they must do so now.

Mr. Walker: Mr. Speaker, if it is permissible in closing the debate, I would be happy to check into that particular question and I would like to be advised on it before answering, so with your leave, I don't know if this is permissible under the rules. Maybe if the hon. lady would adjourn the debate, this would solve the problem.

Mrs. Batten: I will adjourn the debate, Mr. Speaker, with your leave.

Debate Adjourned

MR. WALKER moved second reading of Bill No. 20 – An Act to amend The Surrogate Court Act, 1960.

He said:

This act authorizes the surrogate court judge to tax the bill of a solicitor for any services which he renders to the executor of an estate.

There is some question about whether the judge has the power. This bill authorizes him to check it over in reference to matters in connection with the estate, but which are outside the surrogate court, for example, the filing of income tax returns, and such things as this might also be done by the solicitor, and it is proposed to simply enlarge and clarify the present section so that there is no doubt that the court has the right to review the lawyer's bill and examine the various items on it and to assess the various fees in all matters, with reference to surrogate court work and not just those matters which are in the court. Some of the judges have believed that they don't have this power and it is proposed to make sure that they do.

It will broaden the section to cover an area which has been commonly thought to be covered, but which I think the judges are undoubtedly right when they say that it doesn't really cover that area at that moment. I move that this bill be read a second time.

Motion Agreed to and bill read a second time.

MR. WALKER moved second reading of Bill No. 21 – An Act to amend The Queen's Bench Act, 1960.

He said:

Mr. Speaker, with respect to the Queen's Bench Act, the court has the power to sit en banc in Regina and to make rules or to make or draw up procedures, forms and so on for use in the courts throughout Saskatchewan, and these rules made by the whole court are known as the rules of court, and once a year or so, the justices meet to revise the rules or to amend them and bring them up to date. Until recently, the judges resided in Regina with the exception of one in Saskatoon and one in Moose Jaw. They are no longer required to live in Regina, they are free to live now in whatever centre they wish and quite a number of them, as would be expected when they get this freedom, choose to live in Saskatoon, and consequently, about half the court now lives in Saskatoon, and about half in Regina, and it happened last summer that the chief justice had all the judges together in Saskatoon and they wanted to enact a slight amendment to the rules of court. They recognized that they had no legal right to hold a meeting in Saskatoon, and since that is such a pleasant place to meet, I think that the legislature ought to extend their venue to include Saskatoon as a possible place for such meetings, and so we propose to add the words, "or at the city of Saskatoon". They can meet then either in Regina or in Saskatoon. This amendment is proposed on the request of the chief justice of the court. I now move second reading of this bill.

Motion agreed to and bill read the second time.

MR. WALKER moved second reading of Bill No. 22 – An Act respecting the Consolidation and Revision of the Statutes of Saskatchewan.

He said:

Mr. Speaker, it has been the practice in Saskatchewan to consolidate the statutes every 10 or 15 years. They were consolidated in, I think, 1910, 1920, 1930, 1940 and 1953, and it is proposed that they be consolidated in 1965.

This is about a two year job of work, and it requires authorization by the legislature to undertake it. I may say that the work has been undertaken already in this fiscal year in anticipation of introducing this legislation.

The consolidation will, we hope, be completed by this time next year. The bulk of the work will be completed by this time next year, but it is intended that the amendments at the 1965 session will be included in the consolidation, so that when they come out they will be dated 1965, and include amendments made next year as well as those made this year.

I'm assured by the law officers that this bill is in a standard form, and that it makes the usual provision. With that, Mr. Speaker, I would move that the bill be now read a second time.

Motion Agreed to and bill read a second time.

MR. WALKER moved second reading of Bill No. 23 – An Act to amend The Farm Security Act.

He said:

Mr. Speaker, you will recall that every two or three years, we had an amendment to The Farm Security Act. It is provided in the act that the sections are of a temporary nature, usually for two or sometimes for three years and this necessitates them being extended periodically. This section 2, is the section dealing with the 1/3 share crop limiting the amount payable under any agreement for sale to 1/3 of the crop and also providing for some extension in a crop failure year when the value of the crop falls below a certain value. It makes no change in the principle of the act, it merely extends the operation of that section for another three year period, and with that introduction, Mr. Speaker, I move that the bill be now read a second time.

Motion Agreed and bill read a second time.

MR. WALKER moved second reading Bill No. 25 – An Act to amend The Wills Act

He said:

As the house knows, Mr. Speaker, The Wills Act provides that a person of the age of 21 years may make a will and it has been urged upon the government that we should introduce amendments to permit married folks to make out wills, notwithstanding that they are under 21. This was urged on us this year by the Saskatchewan Federation of Home and School Incorporated, and it has also been recommended by the Law Reform Committee.

The Law Reform Committee said, "it is the opinion of this committee that section 4 of the Wills Act be amended to permit any infant, who is or has been married to make a valid will" It is noted that such an amendment would be similar to the rule in the revised part 1 of The Uniform Wills Act, which has been enacted in some provinces, though not in Saskatchewan, so it is proposed to give such persons this power.

With that, Mr. Speaker, I move that the bill be read a second time.

Motion agreed to and bill read a second time.

MR. WALKER moved second reading of Bill No. 26 – An Act to amend The Trust Companies Act.

He Said:

Mr. Speaker, The Trust Companies Act of Saskatchewan requires that the trust companies registered in this province are limited in the sale of guaranteed securities to an amount equal to five times the paid up share capital and reserves, unimpaired reserves of the company. This five to one ratio applies also in Manitoba's legislation, but in the federal legislation, we find that there is a 12½ to one ratio. That is, trust companies as may sell guaranteed securities, debentures, or other securities equal to 12½ times their paid up capital and reserves.

The Trust Companies Association of Canada in their submission to the Royal Commission on Banking and Finance, recommended that the ratio should be 15 to one. We are not proposing this, we are proposing to adopt the rule which applies to trust companies incorporated under federal statute.

I believe there are only two trust companies incorporated under the Saskatchewan statute. There is the C-operative Trust Company and one other. The present restriction imposes a very heavy burden upon them and is thought that the 12½ to one ratio would provide ample security to the holders of these guaranteed debentures.

The house will appreciate that if you have a five to one ratio, it means that the assets of the company would have to decline by 20 per cent, before the security of the debentures would be impaired. With a 12½ to one ration, the assets of the company would have to decline by eight per cent in order to commence to impair the security of the debentures. This eight per cent margin of safety is considered satisfactory for federally registered companies or for companies incorporated under dominion charter and in some of the other provinces. The trust companies in this province feel that a higher ratio does impose an unfair burden upon them.

Some of the provinces indeed, Ontario and Quebec, provide for no limitations at all in the ration. It is also proposed that in calculating the amount of these liabilities that provincially guaranteed loans should not be reckoned and one will appreciate that if the province is guaranteeing the loan, there is no possibility of its value declining and impairing the security of the debentures outstanding. The security should be as "good as gold" or as "good as wheat". So it is proposed to exempt liabilities which are guaranteed by the provincial government from any reckoning in this relationship. I may say that this has been strongly urged by Co-operative Trust company and concurred in by the other trust company operating under the provincial charter. We have no idea what Manitoba may do, but Saskatchewan and Manitoba are the only ones presently which maintain a five to one ration.

So, Mr. Speaker, with these words, I would move that the bill be read a second time.

Mr. G.H. Danielson (Arm River): Mr. Speaker, may I ask the minister a question? You mentioned one trust company and we didn't get the name, there was another one there, there were two of them.

Mr. Walker: It is my understanding that there is only one other trust company but there may be two, I'm not sure.

Mr. Danielson: What about this legislation?

Mr. Walker: Oh, I only mentioned the Co-operative Trust company requesting the legislation.

Motion agreed to and bill read a second time.

Hon. W.S. Lloyd (Premier): Mr. Speaker, I believe arrangements have been made for dinner at 5:30 and for a meeting later on. Before I move adjournment, I would suggest that or express the hope that come next week, we might be in a position to go into evening sittings as a matter of more or less a regular course, with that I move that the house now adjourn.

Mr. Speaker: Before I put the motion, I would like to draw to the members attention that supper has been arranged downstairs for the convenience of members to go to the meeting after supper.

The Assembly adjourned at 5:21 o'clock p.m.