LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
First Session — Fifteenth Legislature
37th Day

Monday, March 29th, 1965

The Assembly met at 10:00 o'clock a. m.
On the Orders of the Day.

ANNOUNCEMENT RE BOWLING GAME BETWEEN PRESS GALLERY AND CABINET MINISTERS

Hon. Gordon B. Grant (Minister of Highways): — Mr. Speaker, before the Orders of the Day, I would like to make an announcement on behalf of a group in the house who, apparently, are not permitted to make announcements. I refer to the Press Galleries.

A while back a group of cabinet ministers bowled three games against the city council, and we did a little bragging that we beat them. The Press Gallery challenged us on Saturday to prove that we were really that good. I am sorry to say that all we proved was that youth prevailed over age. Mr. Ron Chester, I believe, has the trophy the Press Gallery won, and it is the figure of an ape bowling, and our trophy consisted of a Crying Towel. I can assure you, Mr. Speaker, that we will practice up and be in better shape next year for them.

Hon. Members: — Hear! Hear!

ANNOUNCEMENT RE INTENTION OF INTERIM SUPPLY BILL 1965 - 66

Hon. W. Ross Thatcher (Premier): — I would like to give informal notice of the government's intention to ask the house to approve an interim supply bill for the 1965-66 fiscal year on Wednesday next. This bill will provide for one-twelfth of the 1965 - 66 budget estimates and will permit departments to pay for goods and services incurred after April 1st, 1965.

REPORT OF MOOSE JAW PLAY-MORS HOCKEY CLUB CHAMPIONSHIP

Mr. Gordon Snyder (Moose Jaw): — Mr. Speaker, before the Orders of the Day are proceeded with, I would like to draw to the attention of the house that the Moose Jaw PlayMors Hockey Club was successful in winning the league championship for the province of Saskatchewan, and I am sure that all hon. members, and more particularly the hon. member for Yorkton (Mr. Gallagher) would like to take this opportunity to express our congratulations and best wishes to them, and to express the hope for continued success in their entering the semi-finals later on this week.

Hon. Members: — Hear! Hear!

ANNOUNCEMENT RE LLOYD, LEADER OF THE OPPOSITION

Mr. J. H. Brockelbank (Acting Leader of the Opposition, Kelsey): — Mr. Speaker, before the Orders of the Day are proceeded with, I am very happy to announce to the house that Mr. Lloyd is making excellent progress. Some of our members visited him yesterday and when they were coming away, he was up out of bed and walked to the elevator with them without any assistance.

Hon. Members: — Hear! Hear!

Mr. J. H. Brockelbank (Kelsey): — There is then the prospect that he will be out of the hospital in the not too distant future and, I hope, sitting in the house in the not too distant future, at least for a little while each day.

REQUEST FOR INFORMATION RE LOST CAR

Mr. Brockelbank (Kelsey): — There is another matter I want to take up. On March 9th, Mr. Speaker, the house issued an order for a return showing the year, make, and model, serial number, and 1962 license number of the car reported to be found on the legislative grounds by the hon. Lionel Coderre, and the disposition made of the car. That was on March 9th, and we have not heard anything about

Return no. 102. But I got a copy of the March issue of The Saskatchewan Liberal, and sure enough, there is a big box on this page, "The Lost Ford" and it says:

> Labour Minister Coderre told the legislature that after he was appointed to the cabinet, he made a tour of the legislative grounds, and that during the tour, he discovered a 1962 car, complete with 1962 license plates. On checking he found the car had been written off by the previous government as lost. Mr. Coderre said he also understood some other government cars had been found as far away as California.

Now, if Mr. Coderre, the Minister of Labour, is so free with information with The Saskatchewan Liberal, I do not think he needs to be so shy with this legislature. As a matter of fact, it is not very respectful to the legislature to go giving information someplace else and refusing to give the information in this house.

Mr. Thatcher: — I will look into that return.

Mr. Brockelbank (Kelsey): — Yes, you better.

Mr. A. M. Nicholson (Saskatoon City): — The Minister of Labour (Mr. Coderre) was on his feet to give the information now. I wonder could he continue to give the information?

SECOND READINGS

Hon. W. Ross Thatcher (Premier): moved second reading of Bill No. 56. **— An Act to Amend The Income Tax Act**.

He said: — Mr. Speaker, this act proposes three amendments which the government has agreed to make, to bring the Saskatchewan Provincial Income Tax Act uniformly in line with the Federal Income Tax Act and the other Provincial Income Tax Acts.

Hon. members will recall that under the 62-67 tax-sharing agreements, income taxes are divided between the federal government and the provinces. In this agreement the provinces agreed to maintain uniformity in their Provincial Income Tax Acts.

The provincial share of individual income tax was established as a rising percentage of the tax payable under the Federal Act. For the taxation year 1962, the provinces received 16 per cent of the tax payable under the Federal Income Tax Act and this percentage was to increase by one per cent per year until the 1966 taxation year, when the provinces would be receiving 20 per cent of tax payable.

In November of 1963, Prime Minister Pearson announced a further federal withdrawal from the direct tax field. Commencing with the 1965 taxation year, the provinces will receive in addition to the one per cent originally stipulated, an additional two per cent for each of the 1965 and 1966 taxation years. The vote of this additional three per cent abatement equalized to the top two provinces is estimated as close to $4,400,000. This means that the provinces will receive 21 per cent of the income tax collected by the federal government in 1965 and 24 per cent in 1966.

In addition to the federal abatement, the province of Saskatchewan has imposed a six per cent surcharge on federal tax payable so, in effect, we will now be receiving, due to the changes announced in November, 1963, 27 per cent in 1965 and 30 per cent in 1966. Thus, the amendment to section three of the Saskatchewan Income Tax Act was made to allow us to make effective the change in federal policy.

The second proposed amendment will allow corporations to obtain a foreign tax credit for taxes paid to foreign governments on investment income. At present the federal government provides for a foreign tax credit on that part of foreign tax which relates to the federal share of the corporation tax in Canada. However, only the province of Ontario contains a foreign credit on the part of foreign investment income which is subject to the provincial tax.

The consequence of this absence of a provision for foreign tax credit in the other provinces has resulted in some companies, primarily investment companies with foreign portfolio holdings, paying more total income

tax under the present arrangements than they would have had prior to 1962, given the same amount of taxable income. This government agreed, along with, I believe, all of the other provinces that this inequity should be removed, and that the proposed amendment would be introduced at this session of the legislature. I have been informed by the Department of National Revenue that the loss of Saskatchewan's share of the corporation income tax, as a result of this provision, will be negligible since at present Saskatchewan does not have any firm with sizeable foreign investment income.

The third amendment will correct an error in section 6A of the act to amend the Income Tax Act passed in 1964. This section deals with farmers averaging their incomes and reference was made to the wrong section of the Income Tax Act. The present act refers to the section of the Income Tax Act dealing with the computation of the corporation income tax. It should refer to the section on the computation of the individual income tax. The proposed amendment will correct this error.

Mr. Speaker, this government is very much aware of the fact that income taxes in Saskatchewan are the highest in all Canada. We pay a six per cent surcharge, which is over and above that paid by the people of all the other provinces, except Manitoba. In that province there is a five per cent surcharge. In view of the many tax reductions which we have already made this session, the net effect of which is about $12,000,000 in tax cuts, it was felt that this year we cannot move to reduce income taxes. But I would like to tell the house and the people of Saskatchewan that it will be our purpose at the earliest moment where this is financially feasible, to begin bringing the Saskatchewan Income Tax more into line with those of other provinces.

Having said that, Mr. Speaker, I now move second reading.

Motion agreed to and bill read the second time.

Hon. David Boldt (Minister of Social Welfare): moved second reading of Bi1l No. 58 — **An Act Respecting the Department of Social Welfare**.

He said: — Mr. Speaker, this act has been consolidated and revised to take into account many of the administrative policy decisions which have, in effect, rendered some portion of the present act obsolete.

As the work of the department has become more complex, the amount of decisions which need to be rendered through Order-in-Council procedure has become burdensome, particularly as approval in many instances has already been given when budgets are approved. To remedy this, the power to make decisions in matters where the monetary amount is not great or to enter into agreements where budget approval has already been obtained, has been delegated to the minister — a procedure which has been adopted in a great many acts administered by other departments. This will enable the cabinet to spend more time on major issues. The new act will do the following:

1) The name of the department is being changed. The term "and Rehabilitation" was added to the name in 1949, when the former Department of Reconstruction and Rehabilitation was abolished, and the rehabilitation functions of that department related to war veterans, were transferred to the Department of Social Welfare. There have been no rehabilitation services specifically for veterans carried on by the department for some years. The term "Welfare" is considered more descriptive, since under the present day concept, rehabilitation is part of the welfare whenever possible. The Departments of Health and Education, particularly, also have rehabilitation programs.

2) The obsolete provisions of rehabilitation of war veterans are being removed. The department formerly operated land clearance programs which were transferred to the Department of Agriculture some years ago. It also operated emergency housing projects for veterans in some fourteen communities in the province. Some were closed out - some were turned over to the local bodies or the municipalities to operate. The last operated by the department was Community Apartments in Saskatoon, which were closed about three years ago.

It will also provide the minister with authority, presently invested in cabinet, to deal with some matters related to building operation and maintenance and the settlement of small claims against the department, to expend sums up to $500 to provide for some things such as lectures and for training seminars and institutes.

The powers of the minister to operate institutions have been broadened to provide authority for the operation of institutions which have been operated by the department for many years. It will also provide provisions for licensing certain types of institutions which have been removed. This provision is already in the Child Welfare Act and will be contained in the new Housing and Special Care Acts and the Homes Act. Provision is being made to protect the confidentiality of information secured by staff of the department in the course of their duties.

I move second reading of this bill.

Hon. A. M. Nicholson (Saskatoon City): — Mr. Speaker, I agree with the proposal to change the name but I have some comments I would like to make on the bill, and I beg leave to adjourn the debate at this point.

Debate adjourned.

Hon. David Boldt (Minister of Social Welfare): moved second reading of Bill No. 59 — **An Act Respecting Housing and Special-care Homes and Related Matters in Saskatchewan**.

He said: — The Housing and Special-care Homes Act, 1965 being introduced at this session will consolidate and clarify present housing legislation which has been extensively amended during the past ten years, and has thereby become difficult to interpret.

In addition, authority to carryon branch activities, as they are presently being carried out, has been definitely established. The Housing and Nursing Homes branch has, during the past decade, grown rapidly. The result has been that gaps have developed in existing legislation, which can be best rectified by complete revision. Also related to the expansion is the trend for more and more persons becoming involved in housing and care needs, thereby necessitating better controls to safeguard the public interest. These controls have been more definitely spelled out in the proposed act than was found to be necessary in the initial development stages of the program related to Housing and Special-care homes.

The name of the act has been changed in an endeavor to describe more accurately the extent of the program being carried on in this field.

The new act will do the following — it will change the name of The Housing Act to The Housing and Special-care Homes Act and it will reorganize and consolidate existing acts. _ The present housing act was placed on the statutes of 1949 and has been substantially amended from time to time. Because of its organization, it was most difficult to follow. It will also provide authority to operate geriatric centres. This authority was provided in only a general way in the existing Department Act. It will also provide for the licensing of housing and special-care facilities for the aged, infirm, needy' and blind, and for the tightening up of licensing requirements. Licensing authority has been previously contained partly in the Department Act and partly in the Housing Act.

Mr. Speaker, I move second reading of this bill.

Mr. A. M. Nicholson (Saskatoon City): — Mr. Speaker, again I would like to say I am pleased that all the housing legislation will now be found in one statute, but I have some extended remarks I would like to make at a later time. I beg leave to adjourn the debate at this point.

Debate adjourned.

Hon. Gordon B. Grant (Minister of Highways): moved second reading of Bill No. 64 — **An Act to Amend The Saskatchewan Government Telephones Superannuation Act, 1955**.

He said: — Mr. Speaker, under this bill or this amendment, the objective was to bring the Saskatchewan Government Telephone Superannuation Act into line with the Public Service Act, and other superannuation acts of the province. Back in 1962, a maximum of $4,125 was set and far some reason or another the amendment was never made to the Telephone Superannuation Act, and under the act there is provision made that this maximum will gradually increase at the rate of $30 per year, to a maximum of $6,000 but the telephones department was $105 shorter than the others and the proposed amendment

would bring the Superannuation Act of the Department of Telephones into line with the Public Service Act and others. I believe this is the only one that is out of line.

I move second reading of this bill.

Mr. Henry Baker (Regina East): — May I ask the minister a question? I was just wondering if the minister had checked into the maximum amounts that exist under The Teachers' Superannuation Act which is much higher than this and whether they were contemplating raising the maximum, not only in this one, but in most Superannuation Acts that come under the government jurisdiction. Ours, in the city is much higher than this. I believe the teachers have a maximum of $6,100 or $6,000, so that this is awfully low.

Mr. Grant: — Mr. Speaker, this goes to a maximum of $6,000.

Motion agreed to and bill read a second time.

Hon. A. C. Cameron (Minister of Mineral Resources): moved second reading of Bill No. 65 — **An Act to Amend The Mineral Taxation Act**.

He said: — Mr. Speaker, this is an act to amend The Mineral. Taxation Act. The Mineral Taxation Act, as hon. members will recall provides, among other things, for the imposition of two separate and distinct taxes on the owners of mineral rights. The first in the form of an acreage tax, applicable to all free-hold land. By free-hold land in this instance, I mean land owned by other than the crown. This mineral acreage tax is imposed at the rate of three cents per acre. One amendment in this bill proposes to exempt individual owners of mineral rights from the three cents per acre tax.

Perhaps I should give you something of the effect of this amendment. I would point out, that the total mineral acreage in the province is approximately 20,400,000 acres, and of this 20,400,000 mineral acres in mineral rights, three large companies own 8,500,000 acres or approximately forty per cent of the total. These three companies pay to the province, in the form of the three cents an acre tax, approximately $240,000 annually. I would point out that this amendment does not exempt these companies from the three cents an acre mineral tax. These companies will continue to pay the three cents an acre.

In addition to these three major companies, or large companies, there are ten other major companies not as large, which own 3,000,000 or approximately fifteen per cent of the total. These companies pay annually approximately $95,000 in the three cent an acre mineral tax. These too will continue to pay the tax. There are 107 small companies which own approximately 6.5 per cent of the total of the mineral acreage, and thus in total, 140 companies own 62 per cent of the mineral acreage and the individuals own 38 per cent of the mineral acreage. Now, under the proposed amendment, there are 27,500 individuals who own this 38 per cent of the mineral acreage and the amendment will exempt these individual owners from the payment of the three cents per acre mineral tax. The total mineral acreage tax revenues amount to something in the neighborhood of $600,000 odd. Of this amount, the individual owners contribute approximately $228,000. Exempting these 27,500 individual owners from the three cents an acre mineral tax, will mean a reduction in revenue of approximately $228,000. But what is, I believe, of greater significance than the reduction in revenue is the fact that no individual farmer henceforth will lose his mineral rights through forfeiture to the crown. There will be no further eroding away of the seven odd million acres owned by individuals. Since the inception of the act imposing the three cent mineral tax, 4,966 individual mineral titles involving 750,000 acres were forfeited to the crown.

If the amendment is passed, there will be no further taxes levied against individual mineral owners, and no forfeitures to the crown as a result of non-payment of the tax. I would point out however, to the assembly, that individuals must still pay the taxes that were imposed prior to December 31st, 1964 — that if the individual owner is in arrears with taxes, he must pay those arrears to clear his title. He will not be exempted from taxes levied under former legislation. Mr. Speaker, I might say here, that if this amendment is accepted and passed by the legislature, it will constitute one more pledge to the people fulfilled.

The second amendment deals with what the act terms a production 'tax. The act provides that every mineral rights owner who derives a profit

from the production of a principal mineral be assessed a protection tax on the revenue he derives. The present act spells out and defines what it means by the principal minerals. Included in the principal minerals are coal, petroleum and natural gas. The proposed amendment includes as a principal mineral, potash, and thus under the proposed amendment, owners of potash rights, like owners of oil, and gas, and coal rights will be subject to the imposition of the production tax. This amendment, in essence, proposes that owners of potash rights be treated the same as owners of coal, petroleum and natural gas rights. That is, if they derive the revenue from the production of potash, as a principal mineral, they will pay a production tax, the same as they do if they own the mineral rights to coal, oil or gas.

The application of the production tax in the proposed amendment, as in the present act, is in accordance with a set of regulations spelled out by Order-in-Council, therefore, it is not dealt with in the act.

It might be interesting to point out that the production tax on the present principal minerals (mainly coal, oil and gas) in 1963 - 64 yielded approximately $728,000 in revenue, including potash.

Mr. Speaker, I have given a brief explanation of the two proposed amendments to Bill No. 65, An Act to amend the Mineral Taxation Act, and I would now move second reading.

Mr. J. H. Brockelbank (Kelsey): — Mr. Speaker, we are having a lot of new taxes these days and here again today, we have a new tax introduced by the government. I have no complaint about it. It was the intention in the Department of Mineral Resources, when I was minister, that when other minerals besides coal, and petroleum carne into production in substantial quantities that the production tax would be applied to those minerals if they were being produced from privately owned lands. I am glad that the minister has taken this up. As a matter of fact, that is about the only thing in this bill that will make me vote for it, because, this other amendment that he talked about at first, which is heralded as another reduction in taxes is a case of "To him who has shall be given" and "From him who has not, shall be taken away, even that which he has".

This is not a tax benefit to relieve the individual. This is a tax benefit to relieve the oil companies from taxation.

An Hon. Member: — The old story . . .

Mr. J. H. Brockelbank (Kelsey): — I have a quarter section of land that happens to have minerals with the title, and the minerals are leased to an oil company. The oil company pays me $40 a year as rental. If they drill on it and find oil, of course, they will pay a royalty. I pay the tax, three cents an acre, $4.80 a year, Mr. Speaker. After I pay the tax, I send the receipt in to the oil company that leases the mineral rights and they refund to me seven-eighths of the tax or $4.20. So that my net tax is actually sixty cents a year.

I have two questions to ask. First, does the government think that this tax reduction which will benefit a lot of farmers to tae extent 60 cents per quarter section per year, will this set up the farm industry in Saskatchewan? Second, Mr. Speaker, as I have a personal interest in this, I want to ask you to rule as to whether or not I should vote on this bill at all? I have a 60 cents interest in it!

Some Hon. Members: — Hear! Hear!

Mr. Brockelbank (Kelsey): — This is a tremendous tax reduction — 60 cents for the farmer who has a quarter section of mineral rights, $4.20 for the oil company.

An Hon. Member: — The usual proportion **. . .**

Mr. Brockelbank (Kelsey): — The usual proportion.

An Hon. Member: — That is the way they figure.

Mr. A. H. McDonald (Moosomin): — May I ask the hone member a question? How long have you had this land leased under this arrangement?

Mr. Brockelbank (Kelsey): — . . . seven years.

Mr. McDonald (Moosomin): — I would like to point out that in virtually every lease that is entered into today, these are not the arrangements. The oil companies are not paying. I happen to have much more than a quarter section leased for a much greater royalty than what you are getting, and I pay the mineral tax and I am not reimbursed by the oil company.

Hon. D. V. Heald (Attorney General): — I wanted to make one or two observations as a result of the comments of the hon. member for Kelsey (Mr. J. H. Brockelbank) the first thing was that in saying that he only had a 60 cents interest per acre . . .

Mr. J. R. Brockelbank: — No, no, I did not say that.

Mr. Heald: — Per quarter section. I do not want to misquote you. Did you not say 60 cents per quarter section?

Mr. Brockelbank: — No, I said, this will mean that I will be relieved of paying 60 cents per quarter section per year, on this quarter section . . .

Mr. Heald: — My only observation on that, Mr. Speaker, would be that this may-be true where you have a lease but there are hundreds of farmers in this province, maybe thousands, who down through the years when the oil play first started fifteen or twenty years ago, a lot of this area was leased. But there are many areas in this province now, where there are no petroleum and natural gas leases or very few in existence, and in these cases, of course, the farmer is responsible himself for the full three cents per acre so when my friend, the hon. member for Kelsey (Mr. Brockelbank) says that this is a very small reduction it is not exactly right because there are many hundreds of farmers in this province, who have to pay the full tax. I just wanted to make that observation.

He raised the question of his pecuniary interest, that he had a pecuniary interest in this bill, and therefore he did not know whether he should vote on it or not. I have asked the officials of my department for an opinion in this regard and I am advised that there is no problem and I wanted to set the hon. member's mind to rest. It is the opinion of the officials of my department that the fact that any hon. members who may own mineral rights which will cease to be the subject to certain mineral taxes, does not prevent them from voting on the bill in the house. I have a much more detailed opinion, if the hon. member would like to see it. I would be glad to provide him with a copy, but it is the unqualified opinion of my law officers that you have nothing to worry about.

Mr. Kramer: — Mr. Speaker, for 60 cents we do not care whether we vote or not.

Mr. I. MacDougall (Souris-Estevan): — Mr. Speaker, a month or so ago, we had a return tabled in the house asking how many mineral titles were forfeited over the past twenty years and the answer came, 4966. That means that there are a lot of farmers in this province who have lost their mineral rights because of this pecuniary tax as he calls it. And these people probably would have had their mineral rights today if it was not for this nuisance tax.

Mr. Berezowsky: — Mr. Speaker, the hon. member forgets that, after all, these are in areas where there have been no discoveries, and apparently the farmers decided there was no value in the mineral rights. He also forgets to point out to this house that the revenue that has come into this province from this tax has helped in education and all other endeavors of government and that we must not forget the good that has come by having imposed this tax.

Mr. Heald: — . . . tax something that is not there . . .

Mr. Speaker: — I must draw the attention of the house to the fact that the mover of the motion is about to close the debate. If anybody wishes to speak he must do so now or be precluded from doing so.

Mr. Cameron: — I just want to comment on some of the remarks of the member He says that this is not an exemption for in from Kelsey (Mr. Brockelbank). He says that this is not an exemption for in-

dividuals from mineral tax. It is an exemption for the companies. That is a strange thing. If this is an exemption for the company why did you see fit to forfeit all of these minerals during these past years? Now, this is a strange thing. If a farmer who forfeits his mineral rights to a quarter section of land for 60 cents, would he not prefer to pay the sixty cents rather than forfeit it to the crown? So of course, that is not the situation. Many farmers have been paying mineral tax because they owned a mineral title. They do not know whether they have any oil, or gas, or potash under it, but they have been compelled to pay this. If they did not pay it, it is forfeited to the crown. There are only some 7,000,000 left in private hands. Everything else is held by companies or the crown. Every individual, I think, will be happy to know that from this date on he will not be obliged to pay tax and what is more important, he will never be obliged to forfeit his minerals to the crown.

Motion agreed to and bill read the second time.

HON. D. T. MCFARLANE (Minister of Municipal Affairs): moved second reading of Bill No 66 — **An Act to Amend the Municipal Development and Loan Saskatchewan Act. 1964**.

He said: — Mr. Speaker, many of the members of the legislature will recall this act being brought in last year's session, to complement the federal act which provides monies by way of loans being made available to municipalities all across Canada. Now, these monies are loaned to municipalities for the purpose of capital works and to be undertaken by them, the object being to provide full employment by the undertaking of local capital works. The loan is two-thirds of the cost of the project, and there is provision for forgiveness or cancellation of twenty-five per cent of this, if the work is completed on or before March 31st of 1966.

The provincial government takes care of approvals for loans and so forth and the money is, in fact, loaned to the provincial government and in turn loaned to the municipality. Our provincial act provides that the municipality can borrow money for the purpose of carrying out capital works undertakings with the assistance of these federal loan funds, and our act provides that the municipality can issue debentures to effect these loans. Whenever debentures are to be issued, the local government board must authorize their issuance. The first amendment, proposed here, merely gives the board the power to extend the time for issuing and dating debentures used to borrow for municipal capital undertakings under this act.

This amendment is especially necessary for the villages and rural municipalities which are required to have all their relevant debentures issued within one year of the authorizations under the local government board. In fact, the debentures cannot be issued until the work for which they are issued have been completed.

The other amendment, Mr. Speaker, has to do with allowing of the municipality to change the original borrowing bylaw, in order to. cancel unissued debentures so that the new bylaw can be made to issue debentures for the cancelled portion of the principle of the original bylaw, but at a new interest rate. This amendment will allow this to be done without submitting the second bylaw to a vote. Of course, the local government board would have to approve this, before being done. The net result would be that debentures could be issued at two interest rates. One at the usual 5-3/8 per cent, which would be picked up by the Municipal Development and Loan Fund, and the other at a higher interest rate such as the six per cent, which would make the debentures more marketable to the public. At present, two different interest rates require two different bylaws and consequently, two different votes. This amendment eliminates the requirement of having two different votes.

The City Act allows this to be done in the case of the second amendment here, and this allows the City Act provisions to apply here and in the cases of schools. These amendments will merely facilitate the operation of this act, as I feel they are in the public interest.

I move, at this time, second reading of the bill.

Motion agreed to and bill read the second time.

Hon. L. Coderre (Minister of Labour): moved second reading of Bill No. 67 —**An Act to Amend The Passenger and Freight Elevator Act**.

He said: — Mr. Speaker, this is doing away with another one of these 600 nuisance taxes that we have in the province. This will relieve many of

the elevator operators of having to pay this one dollar license which probably costs the Department of Labour up to $1.75 to $2 just to issue. Though the right will be retained by the inspectors to ask management to replace a negligent operator with at least a capable one if it is noticed that some of the operators fail to operate the elevator properly and the management does not conform to the regulations as ordered by the inspectors insofar as safety is concerned, then the elevator can be shut down and sealed.

With these few remarks, Mr. Speaker, I do not believe we need to go into many details. I think we could go into them much more thoroughly in . committee. The only thing that I would like to bring to the attention of the house, Mr. Speaker, is that this is another nuisance tax gone down the drain.

I now move that Bill No. 67 be now read the second time.

Mr. I. C. Nollet (Cutknife): — One observation on the hone member's remarks in this regard . . .

Mr. Speaker: — I haven't put the question yet.

Mr. Nollet: — Oh, I am sorry. All I want to say is I note that there is no fee required for this license. It was a mere one dollar before so Mr. Speaker, instead of this being a nuisance tax, it is a little bit of nothing that the government can do a whole lot of shouting about. It does not mean a thing in terms of revenue or anything else, Mr. Speaker.

Mr. McDonald (Moosomin): — Why did you put it on for?

Mr. W. E. Smishek (Regina East): — Mr. Speaker,. I think that there is an important item to be considered in this bill. I am certainly not opposed to the elimination of the one dollar license fee, but I think there is value in having elevator operators properly licensed particularly those operators that run freight elevators in big warehouses or in mining shafts. If you have no licensing procedure, the only thing that will be required of an employer is that he have somebody of a competent nature to operate the elevator. How will the department be able to check and supervise if there are accidents: How will they be able to pin down any accidents?

We are getting more industry which is installing more heavy elevators which can be hazardous, if they are not properly operated and properly inspected. We are all aware that there are many more automatic elevators these days and certainly in those cases there is no need for having operators licensed. With the automatic elevators that have been installed, the one dollar license fee to which the minister made reference, no longer applies, and in hotels and apartment blocks, this one dollar fee is not required. But I think, Mr. Speaker, that there is an important principle, from the stand point of safety, that competent people be licensed for purposes of inspection and that employers be required to appoint people to be responsible for the operation of heavy-load elevators.

Mr. Speaker: — I must draw the attention of the house to the fact that the minister is about to close the debate. If anyone wishes to speak he must do so now.

Mr. Nollet: — Mr. Speaker, just one question before the minister resumes the debate. How much revenue is involved in one dollar license?

Mr. Coderre: — In answer to that, it is roughly $2,087.

Mr. Nollet: — Peanuts.

Mr. Coderre: — The hon. gentleman says "pea-nuts" to this cut. But it has been a nuisance tax. This is the important thing.

We must remember that today we are using more and more of the automatic type of elevators and they have all the built-in features that are required. Many of the automatic elevators today, if they are overloaded, cannot start. You cannot even close the doors. Consequently, this assures the safety of the public where it is required. The department will continue to check the elevators and the mechanical operations of these elevators and this

will, I can assure the hon. gentleman who concerns himself with that, that the safety of the public is always kept in mind. This in no way at all detracts from the fact that we have concerned ourselves with the safety of the public.

Very often the same elevator may have as many as four or five operators during the week. It became a nuisance and very often elevators were operated without licenses and without the knowledge of the department, because of the constant and quick changes of elevator operators. Now that they have shifted to more automatic operations, I am sure that there will be no problem at all, Mr. Speaker.

Motion agreed to and bill read the second time.

Mr. D. T. McFarlane, moved second reading of Bill No. 68 — **An Act to Amend The Industrial Towns Act, 1964**.

He said: — Mr. Speaker, The Industrial Towns Act was brought in at the last session of this legislature for the purpose of providing some assistance to small towns which find themselves faced with the problem of a large industry locating in the immediate vicinity of the town. In many cases, this has caused need for immediate town expansion. The best-examples we have of this are small towns located very close to the potash mines. As you may know, the first town to be declared an industrial town under this act, was Lanigan located near the Alwinsal Potash Company mine.

At the present time there is a town manager working with the town council of Lanigan to assist in the expansion program of that town. Also the Community Planning Branch of my department is assisting by preparing plans for the proposed expansion of the town.

Under the present provisions of the act, a town declared to be an industrial town must appoint a manager but it is now apparent that some towns, which may be declared to be industrial towns, may not require managers. One of the amendments proposed here makes it possible to declare some towns industrial without this compulsory manager requirement.

Another of the amendments makes it possible for the town to develop its own plan for future expansion without burdening our Community Planning Branch, which may become overloaded with work in the event several towns become industrial towns in rapid succession. One advantage of a town having industrial town status is that its borrowing power may be extended. This is made possible by declaring inapplicable certain controls and restrictions placed on it by other legislative enactments.

There is an amendment to extend these non-applicable provisions and there are a couple of other amendments which make the operation of this act more expedient and more efficient.

There is no change in the principle of this act by virtue of these amendments and, as I have said, they are merely changes to make this act more workable.

The Industrial Town idea is a new one in this province and we will no doubt require other changes in this act from time to time to cope with situations which may arise.

Many of the members, no doubt, will want to discuss this further in committee and I, therefore, am going to move second reading of this bill.

Mr. E. I Wood (Swift Current): — Mr. Speaker, this Industrial Towns Act as the hon. members will know, is one that we brought in last year. I was very pleased to have the opportunity of discussing this wit_ the urban municipal association and the rural association and the school trustees. I believe they discussed it very extensively with the Chamber of Mines. I think we were able to bring up an act which pleased these organizations and which the minister was able to find some use for this year. I am glad to hear what he has had to say about the town of Lanigan. This is what I have seen in the papers and I am glad to note the progress that they are making in this regard, because this is one of the towns that we were looking at very closely when this act was drawn up.

There are a few things, Mr. Speaker, that I would like to ask but I think that this can be well taken care of in committee.

Mr. Martin P. Pederson (Arm River): — Mr. Speaker, I want to comment very briefly on the proposals in this act.

I noticed that time and again it specifically mentions towns and villages. I have had it drawn to my attention that very grave problems are being created by the fast expansion from an industrial or mines point of view, in the vicinity of some of the smaller cities. I am speaking in particular now of cities such as Estevan which has been thrown into quite a furor with the announcement regarding a heavy water plant in that vicinity. In speaking to some of the people there. I find that they are most concerned about the tremendous strain that would be placed on the limited resources of that city. I am wondering if the minister has given any consideration to an extension of this act to include those types of situations?

Even a city the size of Saskatoon may well find its resources strained if potash developments continue to come about in the immediate vicinity of the city where workers will be flowing into Saskatoon, utilizing the services there but working out in the rural municipalities surrounding it. This could also present problems for municipalities as such, chiefly in the supplying of roads, in the provision of school facilities and so on, if large trailer parks are established surrounding some of these developments.

I notice that this act and this amendment to it, seem to preclude those types of situations and seem to be designed primarily to fit certain specific towns and villages. I believe, Mr. Speaker, that there is ample reason to believe that many of these cities will require some financial assistance. They most certainly are not in the position of some of the towns that might normally come to mind such as Lanigan, but nevertheless, will need some very real help. I am wondering if the minister has anything in mind that would be of benefit to these cities, the smaller cities in particular, when he is dealing with amendments to this act?

Mr. Speaker: — I would draw the attention of the house to the fact that the minister is about to close the debate. If anyone wishes to speak on this bill he must do so now or be precluded from doing so.

Hon. D. T. McFarlane (Qu 'Appelle-Wolseley): — I. would like to point out on this occasion, Mr. Speaker, that I have had no direct representation from any of these cities or any of the smaller cities referred to by the member for Arm River (Mr. Pederson) and I am sure that if there are conditions arising, as the member for Arm River suggests, that the government will be quite happy to look into these conditions.

I would point out that as far as the City Act is concerned, it would make provisions for cities that would not be provided for under conditions like we have at Lanigan, or Allen, or Delisle, or Vanscoy or some of these other places.

That was all I wanted to say at this time. I think that when we get into committee, we could maybe discuss it further. As I said before, I have had no representation on behalf of any of the cities in respect to this act.

Motion agreed to and bill read the second time.

HON. D. V. HEALD (Attorney General): moved second reading of Bill No. 70 — **An Act to amend The Infants Act**.

He said: — Mr. Speaker, these are a few small changes in the provisions of The Infants Act.

The first one in section two is simply a change in wording that has been made in order to bring the wording in line with the wording of the present section nine of the act, which was enacted by Chapter 78 of the Statutes of 1954 and amended by the Statutes of 1958.

After the word "disposition" in line one, the words "of a parcel of land or of a part thereof or of an interest therein" have been added which are the words used in section nine. In addition the word "estate" in the third line has been struck out and the words "the land or part thereof or interest therein" is substituted. These words, I submit, Mr. Speaker, do not result in any change in the meaning of the section.

The same thing applies to section three. It is simply clearing

up the wording a little bit.

In section four the words "land or part thereof or the interest therein" substituted therefor. This is in line with the other changes in the wording of section two of the bill, and brings the wording in line with other sections of the act and particularly section nine thereof.

Now, section five, Mr. Speaker — the purpose of section five is to repeal sections 29 and 30 of the act which deal with the apprenticeship of infants and has no application to the present customs in this province. Infants, of course, are no longer apprenticed in the manner followed in England, and this is, of course, where the section originally came from, so it is thought that we should take these sections out of our act.

Section six enacts a new section 38C. The purpose of this amendment is to authorize the official guardian to payout money to a person who has been appointed guardian of the estate of an infant or where a minister of the crown has been made guardian pursuant to an act of the legislature or of the parliament of Canada. Now, Mr. Speaker, at the present time, money is being paid to such guardians upon the official guardian being notified of their appointment but no expressed authority in the statute exists for such payments.

Section 27 of the act provides for the bonding of every guardian of the estate of an infant appointed under the act. It is considered that where, for example, the minister in charge of Indian Affairs at Ottawa has been made the guardian of an infant child, he is in a better position to administer the infants funds than the official guardian. This is an example of what would be covered under this amendment. Similarly, where the Minister of Social Welfare in the province has been made the guardian of an infant, we feel that he would be in a better position to administer the infants funds. In both cases, the departments of the two ministers have field representatives and other personnel capable of determining the financial need of the infant mere accurately than the official guardian who does net have a field staff. It is for this reason that the amendment is proposed and recommended.

Subsection two of section six provides for the new section 38C to be retroactive as I am advised by my officials that the practice of paying monies over to such guardians has been followed for many years.

With that short explanation, Mr. Speaker, I would move second reading of this bill.

Motion agreed to and bill read a second time.

Assembly adjourned at 10:00 o'clock p. m.