

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

Fifth Session — Tenth Legislature

The House resumed at 3 o'clock p.m.

Wednesday, March 17, 1948

On the Orders of the Day.

Dr. Henry E. House (Gravelbourg): — Before the Orders of the Day, I wish to bring to your attention an item in the Leader-Post, Tuesday, March 16, 1948, in which I was quoted by an executive of the Horse Co-operative at Swift Current, and they regret the statement which I made did not give due credit to all concerned. I wish to apologize if I did not include anyone, in that statement of mine, who should have a little credit coming to them.

The facts, as set out by myself are entirely correct, and in this statement in the press it gives me credit for that. The only thing they object to is that I did not give credit to the Dominion Government for the help we have received. When we started this Horse Co-operative first, that was when we needed the help, and that was when we could not get that help from either Alberta or the Federal Government, in the way of a loan. It is true that we got a lot of help through them lending their help to us, in the way of Mr. L.V. Thompson and Mr. Shields, who have made an excellent job of helping along with the plant.

In regard to the advances made to the plant, paragraph three says: "Several advances, amounting to a total of \$250,000, interest free, were made by the Dominion Government to the Canadian Commercial Corporation. This enabled the association to finance the canning section of the plant". Mr. Speaker, that was much later after we were in operation. I do not know who the Canadian Commercial Corporation was but, anyway, in January, 1946, a contract was entered into with the Canadian Commercial Corporation to supply 7,000 tons of canned horse-meat and gravy. This was after the plant was in operation. The statement I made was in connection with getting the plant under construction, and I wish to give all concerned credit for everything that was done, but we did not go into production in that canning plant until May, 1946, long after we had been shipping horse-meat. This thing was going over big at that time and it was quite easy to obtain credit.

The executive in Swift Current is not the active part of the Co-operative. That is much the same as the set-up is in Ottawa — they sit up there, we do not know what they are for, but they seem to enjoy it.

SECOND READING

Bill No. 61. An Act to amend The Automobile Accident Insurance Act, 1947.

Hon. O.W. Valleau (Provincial Secretary): — Mr. Speaker, this item (2), Bill No. 61, An Act to amend The Automobile Accident Insurance Act. Dealing with the amendments to the Act, it might not be out of place to deal very briefly with the Act in itself, and the steady growth which has been made in the Act, and the activities under that Act, since it was originally brought into the House in the Session of 1946.

At that time, Mr. Speaker, the House will recall that we brought in an Act, and this House passed that Act, levying certain charges upon owners of motor vehicles before they could secure their licence. The premiums thus paid were to be placed in an insurance fund, and out of that fund compensations were to be made to victims of motor vehicle accidents. The Bill, as originally passed, contained only the Accident Compensation features, and was in force during the twelve months following the 1st of April, 1946.

While there were a large number of accidents, with a large number of people receiving compensation through the Act, it did not entirely exhaust the premiums which had been placed in the fund — in fact, it came quite a long way from exhausting those premiums. But, during that year of 1946, more than 1,500 persons, in the province of Saskatchewan, received compensation due to motor vehicle accidents, and the dependants of some 60 people who were killed in motor vehicle accidents, also received compensation. The entire amount paid out in premiums during that year being some \$300,000.

Our study of the number of accidents, and of the circumstances surrounding the accidents, tended to show that only about five or six per cent of those cases where an individual was killed would have any compensation whatever payable to the family, under what is known as ‘public liability’ insurance; and that only 11 to 12 per cent of those people who were injured in motor vehicle accidents would have secured compensation from insurance coverage, under public liability insurance, even had everyone in the province been earning public liability insurance.

At the last Session of the House, in 1947, we increased the coverage. We had, at that time, built up a reserve of some \$700,000, and it was felt that instead of lowering the rates it was quite possible and practicable to increase coverage. And so, a year ago, the coverage was increased by also insuring cars — motor vehicles — in the province of Saskatchewan, against damage from collision.

In 1947, for the first nine months, from the 1st of April until the 31st of December, we had some 1,145 people who were injured in accidents, securing compensation, and the dependants of 54 persons who were killed, to a total of \$330,000.

The collision coverage cost the fund \$577,000, with benefits being paid in some 2,788 cases of collision. So that, since the institution of the fund, we have paid out a total of \$1,200,000, and have dealt with some 5,547 cases.

I do not propose at this time, Mr. Speaker, to suggest that in all cases the routine procedure has been perfect in all respects, but I do suggest that, in view of the very large number of cases which we have had to deal with, our office has given reasonably satisfactory coverage, and reasonably satisfactory service.

The office, last spring, with the institution of the collision coverage, was under the necessity of starting to build a staff who would be prepared to deal with every case of collision damage in the province of Saskatchewan, involving loss in the amount of more than \$100. A good deal of the work was done in some of the garages owned by the Government, either by the Insurance Office, or by the Department of Reconstruction and Rehabilitation, but by far the greater percentage of the work was done in privately owned garages and body shops.

In some cases, both in our own garages and in private garages, the finishing of the work was held up due to the inability of securing parts. A certain amount of publicity has been in effect throughout the province, playing upon that very item. In addition, I find that a certain amount of publicity has been spread in the province attempting to deal with matters coming under the jurisdiction of the Insurance Offices which, actually, have no basis in fact. I have here in my hand a press report from the Regina Leader-Post, of December 17, 1947, in which one Mr. Ted. Davis, publicity director of the Saskatchewan Liberal Association, is reported as having made a radio broadcast. Mr. Davis said that one private garage man complained that he had lost \$10,000 worth of business to the government garage. May I say, Mr. Speaker, that if one garageman lost \$10,000 in business, that the other garagemen lost very little business indeed. The total amount of business done by the Insurance Company's garage at Battleford was \$13,732.95; so that, let me repeat, if the one garageman lost \$10,000 in business, the other garagemen all over the province were only deprived of a total of \$3,000. As a matter of fact, the amount of business done by the Government Insurance Garage at Battleford was 4.5 per cent of the total amount of business for which the Insurance Office paid compensation and collision claims during this past summer. The total done by the Reconstruction garages, and the Government Garage at Battleford, totalled just over seven per cent. I am rather pleased, Mr. Speaker, that the hon. Minister of Reconstruction is not here, else he would be insisting that we give his garages a larger percentage of the amount.

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If I might go on for a moment in connection with this radio address, I would like to deal with one other item. Mr. Davis cited the case of an independent garageman who quoted \$790 to Government Insurance officials for repairs to a car. The Government said it was too high, and the car was removed to the Government Garage. After two and one-half months the car was returned to the owner. Mr. Davis said that it did not steer and track properly. Insurance officials said they paid \$900 for repairs and could not spend any more. The actual situation in regard to that case is as follows: the quotation on repairs was \$751 — the adjuster for the Insurance Office felt that that was out of line and attempted to secure a lower rate. When he was unable to do so, he took the car out of the garage and put it into the Reconstruction Garage in Prince Albert. Before the car was finished it was necessary to be driven to Battleford, in order to put it on the frame straightener as there wasn't a frame straightener in Prince Albert that could do the job — it either had to go to Saskatoon or to Battleford — in order to get the frame straightened. When the car came back, and the bills were all paid, it cost the office not \$900 but \$549, so that actually there was a saving of just over \$200 from the amount quoted by the garagemen to the office, instead of the Government having to pay another \$110. So far as whether the car was fixed satisfactorily or not, I have here a sworn statement from the customer — I do not wish to give his name or the name of the garage involved — but in this sworn statement he states as follows: "My car was repaired at the Government Garage and I was satisfied with the repair job, except that there was a holdup in some of the parts. But the Government Garage advised they were on order, and they let me use my car as I was badly in need of it. The dashboard was missing when I took delivery of my car from the garage, and they advised me they would 'phone me when the dashboard arrived. Later I asked about a dashboard, and they said they would get it for me within two weeks, and offered me the money to buy the part if I could get it sooner". That, I think, Mr. Speaker, deals with only one instance of where complaints have been made and blown up to real complaints, with regard to some of the work done by the Insurance Office in the administration of The Auto Accident Act.

We are coming close to the end of this year — that is, the end of another 12 months. The office has now been operating the accident compensation section for a period of two years, and we have been operating the collision section for one year. The accidents have cost more during this past year — the first 12 months only \$300,000, and the next nine months \$330,000. I am unable to say, and anyone else is unable to say, whether that is a trend toward more accidents, or whether it is simply a variation and that the true average is somewhere between the two figures. It will require a considerable number of years of experience before we can determine that absolutely.

In going over the collision claims that have been paid, and attempting to measure them up against previous years, it looks to us as though we have had an average year during this year, in collision damage in the province of Saskatchewan. We find, at the end of this 12-month period, that we are again going to have a surplus which we are estimating, at the moment, will run

somewhere in the neighbourhood of \$250,000. That will give us a reserve fund of very close to \$1,000,000 when added to the surplus of the first year's operation.

Attention then, Sir, was paid to the question of enlarging the coverage. There are a number of places where the coverage could have been enlarged — we could have added fire and theft to the coverage; we could have reduced the coverage to \$50 deductible, or we could have brought in, what the Amendments to the Act before us provide, public liability and property damage coverage.

In going over those, there was considerable demand, I admit, to reduce the deductible on the collision damage to \$50. I do not believe that it is advisable, at the present time, in view of the administrative difficulties involved, to reduce that coverage. We have only had one year's experience so far in building a staff, and in building an administrative routine, to look after the collision damage above \$100, and to load the office up again with the \$50 deductible would more than double the actual number of cases, although the money involved would not be, by any means, doubled.

The fire and theft could have been put in, but we find that actually more people claim, and a larger percentage of claims are paid, under public liability and property damage than there are under the fire and theft claims.

Another factor has entered into the situation. The neighbouring provinces — that is, Manitoba and Alberta, British Columbia and Ontario, and in some 38 of the states in the United States — they have what is known as 'Financial responsibility laws'. That law, being in effect in Manitoba and Alberta, affects a very considerable number of our people along the Eastern and Western portions of the province, who are under the necessity of driving, and who do habitually drive, into the other provinces. It affects some of them almost every day, as well as these financial liability laws affecting every tourist who leave the province of Saskatchewan. This so-called financial responsibility law provides that the driver of a motor vehicle must, in effect, secure public liability and property damage insurance before he can drive in the provinces which are involved. A number of press reports are coming through from British Columbia at the moment where ten and twelve cars a day are being impounded in Vancouver because their owners cannot produce the so-called 'pink slip' which indicates they have public liability protection.

The provinces and states involved are not doing as we have done — that is, selling it on a non-profit basis, as a public service; they are simply putting the law into effect and requiring the motorist driving in that province to take out that insurance. I noted a press report from Manitoba in which some of the government officials there stated that they estimated close to 90 per cent of their motorists in the province had taken out this particular form of coverage, and, during one year, the increase in insurance premiums to the private companies in the province of Manitoba was \$800,000. That is, the motorists of that

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province while, technically speaking, were not compelled to buy insurance when they bought their licence, nevertheless, the penalties were so severe that the great majority of them did buy the insurance.

Now, this public liability and property damage insurance, Mr. Speaker, does not insure the owner of the car for damage or accidents to himself or his family. It simply insures him against having to pay damages to a third party whom he may have negligently injured. That is the standard public liability and property damage as sold by any company in any province. It simply insures the motorist that if he is sued for having negligently caused bodily injury or damage to property, and is sued for it, and a judgment is issued against him, the insurance company steps in and pays the judgment up to the limits of their policy. It does not, as we do in this province, pay compensation to every victim of a motor vehicle accident; it does not pay collision damage in every case of collision damage; but it is there essentially for the protection of what is known in the insurance business as 'third party protection'. In view of the fact that any of our motorists in Saskatchewan who are under the necessity of leaving the province and travelling either in some four of the other provinces in Canada, or in 38 states in the United States, would be under the necessity of buying this insurance, we decided that probably the move to make at this time, in order to try and have the benefits paid approximately equal the premiums take in, would be to add the public liability and property damage to the Act.

We estimate, at the present time, that that can be done without changing the premiums in any way whatsoever. The premiums which will go into effect with the selling of the licences have two very small changes. Motor cycle charges are being reduced slightly, and a small additional charge is being made to certain commercial vehicles and cars which come into the province with the 'midway' shows, showing at the "B" fairs — they were getting away with, if I recall correctly, something like 50 cents for their coverage. A slight addition is being made there and a reduction made on the motor cycles. It is my opinion, at the present time that, with the basis of our two years' experience with the accident section and one year on the collision, and with an estimate only on the cost of Public Liability and Property Damage, that the fund at the present rate should approximately carry itself. Should there be heavy variations from year to year, we have, as I mentioned earlier, a reserve fund of close to \$1,000,000, and by the time that works down a little we will have had sufficient experience to know exactly what the costs are. I do not anticipate, unless the people of this province desire to have still more coverage, that there will need to be any change whatsoever in the rates which are presently in effect.

With the addition of this coverage, Mr. Speaker, we are giving coverage which purchased privately (some of it cannot be purchased privately, there is no insurance company in the world can give accident insurance to all of the people in the province of Saskatchewan, covering for motor car accidents — that

is quite impossible) would cost considerably more. But taking the business and pleasure car, the present Board rates for public liability and property damage — that is, the items we are adding, this year, without any addition to cost — would cost \$11. A collision \$100 deductible collision costs \$17; and a personal injury, covering only the occupants of the car, the driver and his passenger, will cost \$3, or a total of \$31, which today is being sold under The Automobile Accident Act for \$4.50 for the smaller cars, \$6 for the larger cars and \$1 for the driver's licence.

I would like to deal now with one variation in the property damage coverage. The public liability coverage is standard in every respect — exactly the same as that purchased from a private dealer in the province of Saskatchewan, or anywhere else. The property damage section of \$1,000 protection is standard everywhere outside of the province of Saskatchewan, and will meet all of the requirements of the other provinces and states which require financial responsibility coverage. In the province of Saskatchewan, the property damage coverage will have a deductible of \$100 — that is, if, through your negligence, you cause an accident in the province of Saskatchewan involving, shall we say, \$800, you will pay the first \$100 yourself and the Government will pay the other \$700. Outside of the province of Saskatchewan the Government will pay the full \$800, or whatever the amount is, right up to the top of the amount covered, which is \$1,000, standard public liability and property damage coverage.

The reason that we are putting in that \$100 deductible is, I think, very clear. In the first place there comes the administrative problem of dealing with property damage in every case for about 160,000 motor vehicles. The second is the fact that the great bulk of damage caused by motor vehicles is caused to other motor vehicles — that is the property damage. At the present time the office, under The Automobile Insurance Act, repairs all cars over and above the first \$100 — it does not matter whether the man upsets his own car in a ditch, or whether it is a collision, and since we are already repairing those cars it is not necessary that we should determine liability. Two cars smash together at an intersection — we do not have to go out and decide which one was negligent; we do not have to have witnesses and court cases and so on, because we are going to fix both of those cars anyway, and the owners of the cars are under the necessity of paying their own \$100 to start with. If we put our property damage down to bedrock, then we would find ourselves continually in the position of having to determine where there was negligence in a collision between two motor vehicles, and it is when you start getting into that, that is where your administrative costs start to build up, and that is when you so often get into court and have court costs, and so on. For that reason, we thought that for a time, at least, until we again see how this was going to work out, it would be advisable to put on the property damage, let me repeat, within the province of Saskatchewan only, on the \$100 deductible basis. Again, in order that I may be perfectly clear, the public liability will be standard both inside and outside the province of Saskatchewan, \$1,000 for protection in case of one person injured in one accident; \$10,000 for two or more persons injured in one accident. The property damage will be standard everywhere outside the province of Saskatchewan, but will be subject to \$100 deductible inside of the province of Saskatchewan.

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I have given to the House, a moment ago, the figure of \$31 as being the cost of the insurance if it were purchased at standard board rates. I think from that it would only be fair, in view of the fact that there is a \$100 deductible on property damage within the province of Saskatchewan, to deduct approximately \$2, leaving us with a net cost of \$29. But, added to that, there should be the fact that every citizen of the province of Saskatchewan is insured against motor vehicle accidents, whether it is a man who steps off the street and, through his own negligence, steps into the road of a motor vehicle, and is run down — whether it is a small child, whether you are out driving and upset your car, or whether you injure someone in a horse-drawn vehicle, that cannot be measured up against the insurance given by other companies, due to the fact that no company has ever attempted or could possibly, write that class of business.

In my opinion, Mr. Speaker, with this latest addition to The Automobile Accident Act, especially since it is evident that it can be done without changing our premium rate, that we have again placed ourselves far in the lead of the other jurisdictions, both in Canada and the United States, who have been attempting to deal with the incidence of motor vehicle accidents, and compensation for those injured in them. In spite of their financial responsibility laws in other provinces, the only people who are covered there are those where negligence can be proven against another person. They do not give the coverage that we do; they do not give any coverage at all under the financial responsibility law.

And so, Mr. Speaker, I wish to move that Act to amend The Automobile Accident Insurance Act, 1947, be now read a second time.

Mr. Delmar S. Valleau (Area 1, Great Britain): — Mr. Speaker, I speak on this Bill with a certain amount of hesitation. As the hon. members of the Assembly know, the Minister who has just spoken, and who introduced the Bill, is my father, and for a long time I have hesitated to speak in this House on his Bills, or following him, for fear the members might think I was doing so out of the fear that I might be ‘taken out to the family woodshed’ if I didn’t. On this occasion I want to assure the hon. members that such is not the case, and that I have no fear of ‘the family woodshed’. To illustrate the position in which I find myself, I think I could do it best by quoting an analogy of the fireman. Back in the days when the Minister and I were working together on the farm we found that we had a tractor and neither one of us know very much about the tractor, but we set to work to learn how. I wouldn’t go so far as to say that I learned to run the tractor because he was instructing me; it would be more correct to say that we learned how to run the thing together — and what a time we had! This applies, also, Sir, to this Bill, and many of the subjects that come up in this House, when I find myself in agreement with the Minister and sometimes in disagreement, as members may remember.

Many people have heard the hon. Attorney General in his famous slogan 'You are born into the old Parties, you have to think your way into the C.C.F.'. I want to assure the Assembly that I was not born into the C.C.F. On the contrary, even before the Party had a name, my father and I had thought our way into the C.C.F. together.

In supporting the Bill, therefore, I do so on its own merits and not because of the Minister. I would like to use, Sir, another example from farm experience. When the Minister and I used to plow the fields together he would pace off one side of the field and it was my job to go to the other side of the quarter-section and pace off my side. Then I would stand at attention while he came toward me on the tractor making the strike out. I always felt a certain amount of pride when he tripped out at the end and I could look down the furrow and see that it lay quite straight. I won't say that it was always straight, but I did feel proud of the times when it was straight. And, today, when I look at the 'furrow he has been plowing' in his work on these Automobile Insurance plans, I think the 'furrow is straight', and I have that feeling of pride again.

When this Bill is passed, Saskatchewan will have the most advanced Automobile Insurance plan in the world. This is certainly 'new breaking in fertile soil'.

The Bill before us would add two features to the original plan. These new features are public liability and property damage. These additional benefits will be given with the insurance we get when we buy our licence, but the cost will be no greater than last year. For my car, for example, the insurance would be \$6 for the car, \$1 for my driver's licence, making a total of \$7. And for this I would get a three-point policy similar to the standard five-point policies, plus the fourth point, not included in the standard policies of the private companies. I would like to emphasize that this would apply anywhere in Canada, Newfoundland or the United States, and, under the Amendments to the Bill, on ships plying between the waters of these countries.

The four points that will then be embodied in this Bill — the four insurance points — are, first, personal injury; second, collision; third, public liability; fourth, property damage. Now, what would I get on my car for the insurance I have paid? What would the insurance benefits be? First, taking personal injury — that is the part we started with two years ago, and which was slightly amended by certain provisions of this Bill we have before us. It covers insurance for Saskatchewan motorists and citizens who may be killed or injured in motor vehicle traffic accidents. And the benefits are:

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death benefits which, in some cases, can be up to as high as \$10,000; dismemberment benefits up to \$2,000; supplementary allowances up to \$225; weekly indemnities up to \$2,400; funeral expenses up to \$125. This applies anywhere in Saskatchewan while riding in a non-Saskatchewan car; or as a passenger anywhere in Canada, Newfoundland or the United States, while riding in a vehicle of Saskatchewan registry. It would also apply in Saskatchewan, riding in a Saskatchewan car.

The second point of this four-point policy would be the collision insurance. In my car, a passenger car, it would be \$100 deductible — that is, I must pay the first \$100 damages myself.

The third point is public liability insurance. This is insurance against financial loss, including legal expenses, due to liability imposed on me by law for bodily injury to other people, or to the death of others. This has an upper limit of \$5,000 for one person or \$10,000 for more than one person, injured or killed, in any one accident.

The fourth point will be property damage insurance. This is insurance against liability imposed by law for damage caused by my vehicle to the property of others. This has limits also: \$1,000 for damage to property in any one accident, and, as the Minister has stated, the deductible of \$100 applies in Saskatchewan but not outside of Saskatchewan.

If we examine the Bill closely we will see that it is adding a new principle to the original Act. The original Act, consisting of personal injury and collision, was paid to whoever incurred an accident, no matter who was to blame. The courts did not enter into it at all. No one was concerned with legal liability. This amending Bill will have public liability and property damage provisions which will satisfy, as nearly as we can tell from the reports we have from the other provinces, the financial responsibility laws of British Columbia, Alberta, Manitoba, Ontario and of a number of states in the United States.

These latter two provisions, public liability and property damage, may require a proof that someone had a legal liability because of the accident. This proof must, I think, be proven either by court judgment or by settlement out of court, but legal liability must be presumed.

I confess, Sir, that I have a farmer's natural distrust of being involved with lawyers or the courts and I, therefore, hope it will be the policy of the office to settle as many of these cases out of court as possible.

I have been asked a number of times by commercial travellers, and others, whether they should take out their usual five-point insurance. Commercial travellers, I think, have always made a point of taking out complete and adequate insurance, and with better times large numbers of others in

Saskatchewan have come to consider that it was good policy to do so. My answer to these men who have asked this question is that if a company sells five-point insurance to them on the same basis as three years ago, then that company is cheating the customer. The policy which a company should sell today should be a specially designed policy, designed to fit in with this Act. If the 'old type' policy were to be sold I would not increase my benefits under the collision and property damage unless the policy specifically stated this. I could, however, buy a policy to bring the collision insurance down to a \$25 deductible policy, as an example, or to bring the liability up to say \$20,000 and \$30,000 instead of the \$5,000 and \$10,000, and could bring the property damage up to \$3,000. I could also take out fire and theft insurance.

Suppose I wanted all these things, how much should these additional advantages cost for an ordinary passenger car like mine? I have not seen any announcement, although I have been looking for it, by the private companies, nor by the Government Insurance Office. However, I did get in touch with the Government Insurance Office to see whether they contemplated such a policy, and they said that they did contemplate issuing such a policy, and seven other small coverages, made up in a 'package' policy that would sell for \$18.80. If I add that cost to the \$7 which I pay under this Bill I find that I have an adequate policy of five-point insurance at a cost of \$25.80. When I remember that many policies not giving as great a coverage as this, a number of years ago, used to sell for \$40, \$50 and even more, and that in some parts of Canada they sell as high as \$75, I believe that this Act which we are passing is going to make it possible for all of the insurance companies to sell policies such as this at prices which they never before would have been able to do.

As has been stated, a number of provinces have financial responsibility laws, and just the last few days we have seen reports from British Columbia of the application of the financial responsibility laws there, and of Saskatchewan citizens who find themselves in British Columbia unable to get home unless they can prove they have financial responsibility — I read just a short time ago in the Vancouver Sun of a Saskatchewan motorist who had \$65,000 worth of insurance, which must have included insurance outside of our Act as well, and he found that his car was impounded in British Columbia because he could not, apparently, show them the 'pink slip' issued by that government to prove he had financial responsibility. We are hoping this Act will make it possible for anyone to travel anywhere and simply point to a Saskatchewan licence and say, 'I'm covered; you cannot impound my car'. That will depend how the other provinces look at it, but this, at least, will give them that coverage, and they won't have to ask to see the 'pink slips'. The story is told that one policeman in British Columbia asked a female driver if he could see her 'pink slip', and got his face slapped. I hope that Saskatchewan citizens won't find themselves in that position.

I shall support the Bill.

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Mr. Alvin C. Murray (Gull Lake): — Mr. Speaker, I believe the additions to the Bill give the people of Saskatchewan greater coverage; coverage that they are in need of and are looking for. In fact, I believe some people, in the past, believed they had more coverage than they did have. This will bring it in line with what they need, with the \$100 deductible. If they want to have greater coverage than that it is their privilege to buy insurance right down to the \$25 deductible. This, as has been stated, gives the motor owner protection in Canada, the United States or Newfoundland, or in transit between those places.

I could go on and cite different cases which have come to my attention over the past year, of automobile accidents which might not be in line with this Bill, but I believe that this will give them the coverage needed.

Several other provinces have been cited and they have what they call 'liability insurance'. Here in Saskatchewan everybody is covered with the insurance, regardless of whether they own a car, drive a car or are pedestrians on the street. I have here a clipping from an item from British Columbia which states that the new insurance there will insure automobile owners up to 92 per cent. They may not call it compulsory insurance, but I maintain that it is very close to it. If you cannot produce, as has been stated in this House, your liability insurance up to \$11,000, your car is impounded.

I have here on my desk a Vancouver paper telling about a Saskatchewan motorist having his car impounded. He has, as I just previously stated, insurance; but he has to wait until he gets word from the insurance company he is insured with, whether it be a private company here in Saskatchewan, or the Government Insurance Office, that he is covered to the extent of the \$11,000 they demand before he can have his car released, or, as it states, produce a 'pink slip' as the British Columbia government demands.

I could go further and produce items of other cars being impounded. There is one here of March 9, 1948, of an ambulance being impounded and another one of six automobiles being impounded. That, I maintain is compulsory insurance. I believe it is a good thing that the motorist should be protected, and that the public should be protected against accidents by automobiles, but under this insurance, adding property damage and public liability as in the addition to this Bill, gives the people of Saskatchewan this added insurance.

It is true that you can buy no insurance that will cover you as you are covered under this insurance. Previous to this coming into being, if you had taken out insurance with a company and someone was injured, if you were not liable I see no way in which they could collect insurance. I have had, in the past year, brought to my attention several different automobile accidents. There was one where a man was riding horseback and was killed. His family collected \$7,450. Under this new insurance coverage, if it had been in effect, the damage done to another vehicle would have been covered.

I have in mind another accident covered by our insurance of a car being hit by a train, and the amount paid in that accident was \$7,450. If those victims who were killed had been married men with families, it could have amounted to \$30,000 in that one accident. Compare that with another accident, very close to the same place, where an automobile hit the train and, I expect, the railroad could have sued this man for running into them; but the train, on which I was riding, backed up, and I, with other passengers, went out to see the accident. In looking over the car, and the people who were in the car, I found that it carried a Manitoba licence. I wonder just what benefits he would get for the \$1 he paid to the Manitoba government, for his licence, or with the insurance he would be compelled to buy, with the set-up the other provinces have today.

I think, Mr. Speaker, this Bill has been pretty well covered under Second Reading and it is not my privilege, I understand, to go into any details with regard to some of these other insurance accidents, but I just want to state that we have, and it cannot be disputed, the cheapest insurance any place on the North American continent. I do not know that that applies to other countries, for instance New Zealand. With this additional coverage I believe that it will be accepted by the people of the province, possibly not by some of the insurance companies and their representatives; but, as I say, it will be accepted and welcomed by the people of the province, and they know now that they will be getting this additional coverage with no additional premium.

Mr. A.W. Embury (Area 2, Mediterranean): — Mr. Speaker, I rise, as I seem to have occasion to every now and then, to criticize the policy of the Government's intervention into the insurance business.

I do not propose to wander astray from the Bill which is proposed and covered by this Motion, and it is my intention not to go into the details of my particular section. Mr. Speaker, you will recall one of the first occasions on which I ever spoke in this House, and it was upon the first Bill introduced by the Minister (Hon. O.W. Valleau), at which time, on Second Reading, I was instructed by you, Sir, that I could not discuss the effect of particular sections because the proper time to discuss those was in Committee of the Whole. However, when I went to Committee of the Whole, and attempted to discuss what I had attempted to put before the House, on Second Reading, I found the Deputy Chairman of the Committee felt that it should have been discussed on Second Reading.

Today, Sir, I am going to do my best not to offend against any of the rules in respect to the debate on Second Reading, but in making my overall comments it is going to be necessary, to some extent at least, to refer to one or two of the sections, with a view to showing that the coverage offered in this Bill is not adequate, nor as comprehensive as the hon. Minister would seem to have implied in his remarks in moving the Second Reading of the Bill.

Before proceeding to it, I do not believe one can repeat too often what is the opinion of those who do not believe in Socialism, of the intervention of the Government into this business at all, let alone to go into it in such a way as to dislocate the automobile casualty side of that business, to the extent they now intend to do under this Bill.

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We have, and I do not want to weary you by repetition, Sir, on the Minister's own word today, an indication from him that Government insured cars are now being repaired to the extent of 4 per cent at North Battleford, in a Government garage, administered by his Department. We have his statement further that, to the tune of 7 per cent, I think he said, of the losses which they cover, the cars were repaired in Government-owned garages whether it be the Department of Reconstruction and Rehabilitation or under his Department. If one takes 7 per cent of the \$577,000 . . .

Hon. Mr. Valleau: — May I just correct the hon. gentleman . . .

Mr. Embury: — Well, I imagine, Sir, it is fair for me without quoting to the hon. member the exact figure, that I will say that it was, at least, a very substantial sum of money indeed.

Hon. Mr. Valleau: — For your information, that total of \$577,000 you just gave, includes total losses as well. I was dealing with the amount spent in garages.

Mr. Embury: — Irrespective of what the total loss is, he quotes here, losses paid amounting to \$577,000, odd, being the damages paid for losses incurred under the collision coverage during the period in question. If he wants to deduct from that — and I may say that I did not attempt to interrupt the Minister when he was speaking and I would thank him to extend the same privilege to me.

I would say, in any event, apart from total losses, that there was a very substantial portion of the garage business taken into Government garages. I only raise the point for this reason: to show that in the insurance business, covering as it does so many walks of mercantile life, such as the garage business, when you make a start in it, as they have in the garage business, it is a means whereby an encroachment may be made upon a great many other businesses as well. We have mentioned the case of the adjusters, for example. That is, I think, a fair point for those who criticize the activities of the Government in this regard.

I am told, and I believe it is a reasonably accurate picture, that there are, in the province of Saskatchewan, approximately 15,000 men, women and children who derive some part of their livelihood from the insurance business — that is an approximate figure; it is very difficult for me to say exactly, but that is an estimate, and I think reasonably close. I am told by some men in the insurance business that that is what they reckon it to be. Those people each lose a little part of the money they used to live on in the province of Saskatchewan; 15,000 people.

The hon. Minister, in his report which he tabled the other day, covering the period 1946-47, the annual report of the Saskatchewan Government Insurance Office, indicates to us that under the fund — The Automobile Insurance Act of 1946 — there were, in that year, 2,728 persons injured or killed in automobile accidents. Presumably they, or their dependants, received the benefits

provided for under the Act — 2,728 persons. There were 2,788 vehicles damaged to the extent of over \$100, in connection with which losses the Government made a payment. Altogether about 5,800 persons received benefits of varying degrees under this Act.

We, as a Legislature, and the gentlemen opposite as a Government, are interested, I take it, in the policies of government that there should be the greatest good for the greatest numbers, but if you are adversely affecting 15,000 people, of your own inhabitants in the province of Saskatchewan, and are only benefiting about 5,800, in the period under review, I suggest to you that it isn't a bad idea to have another look at the Socialistic intention to go into the insurance business, and to progress further into the insurance business as one Session succeeds another, so long as they are in power. I suggest that to you, Sir, as a very reasonable argument. We are not doing the most good for the greatest number of people. And I do not want the House to assume, for one moment, that I am averse, in any way, to some sort of a compulsory insurance scheme: I do not wish to imply that at all. As a matter of fact, the question of the rising leases on the highways, (many years before the war the total loss arising on the highways, more particularly in the thickly populated areas of this continent, both the States and here, has been a problem of State and Provincial governments for decades — it has nothing to do with Socialism at all) has been before us. Various schemes were tried out to try and meet that public problem — sometimes they set up a fund, as in Manitoba, and sometimes they made insurance compulsory; but never anywhere did the government go into the whole insurance business on its own hook for the purpose of dislocating that trade.

Persons under the Act were encouraged to insure, in fact, in some cases, were compelled to insure; but they were allowed to go and deal with the firm or agent of their choice, they were not compelled to come to the Minister.

The Minister has said — and I think he is entitled to say — that he is providing this coverage at a fee very much smaller than one could obtain some part of this coverage for from private sources — I think it is fair to say that there is no doubt that he is. But I would suggest to him, in all fairness, that if any private insurance had the advantage which he has as a Minister, in the automobile insurance business of being able to avoid all acquisition costs entirely, then the problem of premium rating would be very much different than it is for the private insurer, and that any one of them would be able to do exactly what the hon. Minister is doing, and make a profit at it. Indeed, he has shown to us that in the period of his operations, thus far, he is ahead of the game to the extent of the surplus which he mentioned, of nearly \$1,000,000, even on these rates.

The difference, I suggest to you, Sir, is that before the Government went into this business, the insurance business was a very highly competitive business — there were board companies and non-board companies, and they all scrambled for business; and in circumstances of that kind, in free enterprise,

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there was not room for a people to be making an exorbitant profit because if the board companies, for example, started to do that, the non-board companies would come and under-cut their rates, and there was no arrangement made between them.

The overhead cost of premium costs in the automobile business, before the Government went into it, were largely found, in the acquisition costs — and when I say ‘acquisition costs’ I mean the cost of the agents’ commissions, all over the province of Saskatchewan, general agents and the smaller agents in every town and village in every city, hundreds and hundreds of them, all over this province. Those were the acquisition costs.

The hon. Minister takes a great deal of pride in having reduced the premiums, and I think we have to give him credit for it that we saved the money; but I do not think that we are really moving in the right direction, when we, as a Government, take pride in the reduction of insurance premiums by reaching out and saving these acquisition costs, which are the moneys which went to our own people in Saskatchewan. Now, if you carried that principle through into every commercial walk of life in Saskatchewan, you could probably do the same thing if you wanted to deprive people of their just earnings, and the earnings of their labours. You could probably do it in any business, and I do not think it is proper government business, and that is the objection I take to it.

I know very well that the Government has heard these arguments many times before, and I am afraid they are going to have to hear them many times again, but I want to suggest to you, with respect to the Bill under review, Sir, that the coverage offered, and the extended insurance privileges offered, at the cost of say \$7 or \$8 for a man and his wife, including two operator’s licences, is not as adequate as speakers who have preceded me have suggested to the House. For example, in the case of the collision losses the Minister is giving the same average as he gave before. That amounts to the value of the car, less a deductible of \$100. Now, anyone in the insurance business knows that the reason they put on a deductible average of any kind on a collision loss is because the insured could go and injure his own car deliberately, and not have to pay any part of the risk, and the insurer would have to pay it all. That is the reason they put a deductible average in it. But they have gone a step further in that type of coverage this year.

They have gone into property damage and public liability. Now, with respect to the property damage coverage we also find the \$100 deductible feature, which, I suggest, is an innovation, and not generally known to the trade in such a type of coverage. That is to say, where you have a legal liability question involved, the question of a deductible average is novel — it may have existed before, but I, personally, do not happen to have heard about it. But it is only up to \$1,000.

First of all, I think the Minister must admit that the very heavy majority of claims under property damage coverages do not equal \$100 — I would suggest to him that the figure would probably be as high as 80 percent

maybe even higher, of the total property damage claims which would be paid by a private insurer, without any deductible at all, are not covered by the Minister's so-called coverage at all — and I say that that is a limitation, and a very serious one.

The limit of his liability on this property damage coverage which, you will remember, is \$1,000 — the legal liability owing to your own negligence. As the hon. Minister said, the standard policy almost everywhere has been \$1,000. That sum has been put in, in years past, when it was thought that that was a fairly adequate coverage, generally, for the average private motorist. Today, with the average cost of automobiles having risen to \$2,000, for the average type of widely used car, the \$1,000, as a matter of fact, is not adequate, and a great number of insurers are now recommending to their clients that they carry larger property damage coverage, because what they have is not adequate. I think the House must agree with me that with the cost of equipment, these days, \$1,000 would not go very far in repairing the damages, the costs being what they are. Those are the features with respect to property damage which make it an inadequate coverage.

When one comes to public liability, the proposal in this Bill is to insure public liability on the basis of what they call. 5-10 — \$5,000 for any one loss to any one person, and \$10,000 in any one accident.

Mr. Speaker, I suggest to you that there are very few responsible people in this province who consider that that is an adequate coverage — I believe it is not an average coverage. I am quite sure that the Minister, and the House, would like to encourage motorists to carry adequate insurance, so that the very security which we are all hoping will be achieved for poverty-stricken people, when they are injured as a result of an automobile accident, their security may be achieved for them, and that there will be insurance and a fund out of which their damages will be paid to them. This Bill, Sir, does not, I suggest, offer sufficient public liability when it says 5-10. Most reasonable and responsible people like to carry a good deal more than 5-10: 10-20 or 20-40, or some higher amount.

First of all, may I point out in this connection, the difference in cost between public liability at 5-10 with a private insurer and say 10-20 with a private insurer, is very slight indeed, amounting to only about \$1.50, or something like that. So that, actually, most people do carry 10-20, 20-40 or something like that, which is not offered in this Bill.

I hope it may be clear, then, to the House, in the opinion of, at least, some of us, that this is not adequate coverage. The part of the Bill which I wish to criticize most strongly is another very peculiar and novel feature of the Bill, which the hon. Minister did not mention to the House at all, or if he did I did not hear him when he was introducing it. With respect to the collision losses the hon. Minister has put in a brand new feature. He has said, notwithstanding that his policy is inadequate, that any man who goes out and buys another policy so that he will have adequate coverage, if he has such a policy then, although the Minister has compelled that man to pay under this scheme, still the Minister will not pay one cent because that man has taken out a private policy with a private insurer; until that man's private

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policy has been exhausted the hon. Minister will not pay anything, but compelling him, all the while, to come under the scheme. I suggest to you gentlemen that that is not a fair way of doing business with the Saskatchewan public, and that it is not going to be favourably regarded by those who are compelled, on the one hand to go elsewhere to get more coverage and at the same time, be compelled to have no benefits accruing to them, or their insurers, or anybody else as a result of that fund to which they have contributed. I would say that where a man contributed to a fund, and the circumstances arose under which he would be entitled to share in it, he or his insurers should be entitled to share in it by reason of his contribution.

That is not all. When one goes over to the section dealing with public liability and property damage, one also finds that some provisions: namely, that if a member of the public has done what the Minister has encouraged him to do, by giving him inadequate coverage, then his insurer must pay it all and the Minister will pay nothing, until the whole of his private policy, and the proceeds thereof, have been exhausted, and, again, he has been compelled to come under the scheme.

That argument, I think, is based upon the assumption, that the insurance offered in this Bill is not adequate, and if I am right in that assumption, then I suggest to you that there is no reasonable basis on which the Minister should be allowed to proceed with the Bill he now proposes to sell to us.

I have in my hand a document, which, I suggest, will demonstrate that the Minister himself does not agree that the insurance he is offering is adequate. This is a document which came to my hand from one of the insurance agents to whom it was sent, presumably by the hon. gentleman's insurance department, dated March 10. You will recall that on March 10 this Bill had not even come into committee and had not been debated at all. At any rate, it has reference to the coverage which the hon. gentleman has described to us under this Bill, and it says this: "Automobile insurance, a package policy, an \$18.80 special, your licence" (meaning the compulsory contribution under this Act) "plus a package policy" (which he is advertising here) "equals adequate insurance". Now, I suggest to you, that if you haven't the package policy you haven't adequate insurance. If a man goes out and takes adequate insurance somewhere else then the hon. Minister does not pay a dime to him under this policy. What kind of a deal is that, Sir, when you compel a man to pay?

Mr. Myron H. Feeley (Canora): — Will the hon. gentleman permit a question? You suggest that there isn't adequate insurance provided in this Act. Would you prefer that we would give complete coverage?

Mr. Embury: — I hope I have made it clear to the hon. gentleman that I do not agree at all that the Government should be in this business. But I do say this: if you are going to go into the business, play the game fairly. If you are

going to take a man's money and make him a contributor to a fund, and then the conditions arise under which he would be entitled to participate in that fund, surely you are not entitled to take his money on a compulsory basis and drive him back on his private resources, so that you, yourselves, are relieved from any payment at all.

I say (I do not expect my hon. friend for Canora to agree with me, I am happy to say I hold very few of the same views as the hon. member) . . .

Mr. Feeley: — Thank God for that!

Mr. Embury: — . . . that if I am right, and the Minister seems to agree with me, that additional coverage is required, then he has not offered us adequate insurance, and he seems to admit that himself.

But this thing, Sir, as far as being an encroachment upon the private trade of the insurance business, is even more serious still, because the hon. Minister, knowing he was introducing this Bill, proceeds to work out what he calls this 'package policy'. He is taking it for granted, no doubt, in making up this advertisement, that the Government is only going to be a 'rubber stamp' for what he is about to propose, because this advertisement is based solely and only and entirely upon the passing of the Bill which he has proposed.

Hon. Mr. Brockelbank (Minister of Municipal Affairs): — He knows you cannot talk him out of it.

Mr. Embury: — Well, I imagine so — I have tried it before, and I am afraid that is an accurate statement. But whether I am right or wrong is another thing.

It demonstrates, of course, the Minister's knowledge that the gentlemen in the House are simply rubber stamps, and that is a matter for you, not for me.

The critical thing for those who gain their livelihood in the insurance business is that the hon. gentleman can introduce a 'package policy' of automobile insurance to fill in the gaps that he has left out; and it is true, provisions as I have mentioned to the House, of his escaping liability until the resources of the private policy have been paid, apply equally to him in a standard policy issued under the Saskatchewan Government Insurance office. At the same time, he can cover up because he gets a contribution which is paid at the time of the licence fee, so he cannot lose at all. The private insurer cannot compete with that sort of thing — he couldn't begin to do it.

Hon. Mr. Valleau: — I did not catch that. What was it?

Mr. Embury: — It is this: that you are also in a position where, if I may use the term (and I do not mean to suggest anything fraudulent or anything like that) — where you confiscate, in short, according to my argument, to the Government his

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contribution when he buys his licence for \$7 or \$8 — that is his \$6 plus his wife's, and his own, driver's licence — you confiscate that anyway. So that you can afford to pay under your \$18.80 policy all right, but how can the private insurer compete with that sort of thing? He is not dealing with people under a basis where he can confiscate, taking people's money away from them and paying nothing for it — he is not in a position where he can compel a man to contribute to the fund and by legislation simply creep out of the responsibilities involved.

Those are, Mr. Speaker, the criticisms which I felt should be made in respect to this Bill, and I will not support the Bill but will maintain a critical attitude to it, Sir, during the whole of its passage through this House, to see whether or not it will be possible for me to obtain some modification of the proposals.

Mr. J. Benson (Last Mountain): — Mr. Speaker, I just want to say a word with regard to this particular Bill. I very often oppose the Minister on the propositions he brings before the House, and I opposed him on the compulsory feature of the property damage in this Bill, last year. My main opposition previously had been, when he first introduced the Bill, he stated that the net proceeds from the operation of this Act would be for obtaining revenue to provide other social services in the province, and I disagreed with that principle, and at the time I stated I disagreed with it. I also pointed out, at that time, that when the owners and drivers of automobiles were asked to make contributions toward the public revenue for social services that other citizens of the province were not asked to make, then it was special legislation to derive revenues from certain people, that all people of the province were not subject to.

Today, the Minister has assured us that this Automobile Insurance Act is being operated as a service institution. That is what I pointed out at that time, and I want to assure him that, so far as the Automobile Accident Insurance part of it is public liability, I think it meets with general approval throughout the province. I am very pleased to see that he has come around to my point of view, that an institution of this type should be used as a service to the institution, and operated, as nearly as possibly, at cost. He has now \$1,000,000 in reserve, and I believe that is a good safe reserve to maintain in this particular type of service. He is going to extend the service this year, and he is not going to increase the premium. He has also advised me privately that as it operates, from year to year, he will control the premium according to the reserve and the service that it gives, and I think that that is a proper way to operate an institution of this kind.

There has been considerable criticism in regard to the property damage feature of the Bill, and I am going to give you an example of the type of criticism I heard during this past summer. There was a chap at Raymore, who was not a supporter of mine but a good supporter of the Liberal Party, in season and out, condemned this Automobile Accident Insurance Act.

He railed up and down about having to pay the premium. He purchased a brand new car last spring and drove it, I think, about 1,100 miles, and finally drove it on to the railroad track and stalled it there; was unable to get it off. Fortunately, the people who were in the car were able to get out, and none of them were injured, but the car was completely wrecked. He received complete compensation for this automobile from the Department and, needless to say, he is not very loud in his condemnation today, of this particular Act.

Mr. Speaker: — If anyone wishes to speak he must do so now as the Mover of the Motion is about to close the debate.

Hon. O.W. Valleau (Provincial Secretary): — Mr. Speaker, I am sorry the hon. member for the Mediterranean Area (Mr. Embury) has gone out, because it probably would not be necessary for me to say anything further. However, I think that it is more than likely that during committee I will be able to give him a lesson or two in the insurance business.

I must say that the basis of his remarks, compared with the first year, and last year, and again this year, has changed. Last year, he was complaining that there wasn't any 'jam' on this thing, and this year he is complaining because it isn't 'strawberry jam'.

He dealt with a number of minor items — I am quite aware that he inferred I deliberately avoided discussing some of the points. I had avoided those because they are more properly discussed in Committee of the Whole, than to discuss them on general reading of the principles of the Bill. I want to deal with just one or two of the points which he tried to make.

From the general tenor of his remarks, he evidently believes that we run the insurance business in this province for the sake of people making a living, and not for the sake of those who benefit by payment of the premiums. I must confess that to me that is something of a new idea — I do not imagine that any civilized community should deliberately make work just for the purpose of giving people work. If you are going to have to support, as he said, 15,000 people, why not just support them instead of running around putting on an act of trying to work.

He then went to great length that the \$100 deductible was a limitation upon the coverage. It is — there is no question about that. A man who wants absolute complete and adequate coverage, in every respect, is going to have to purchase additional insurance. We have never tried to make any secret of that whatever; but there are thousands of people in the province of Saskatchewan who, under this Bill, are getting the first coverage that they ever had, and to the great majority of the people of Saskatchewan this coverage will be adequate.

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In The Insurance Act, which is more or less standard across Canada, the figures of coverage given are 5-10 and 1. That has been in the Act for a good many years, and that is the coverage required under the financial responsibility laws of the other provinces. That is what we are providing, with the exception, as I mentioned earlier, of the \$100 deductible.

In dealing with, if I may, Mr. Speaker, (without getting too badly out of order because I still think it should have been dealt with in committee) the question of changing the Act to require a company which has written a policy at full premium should be allowed to pro-rate that policy with a premium written at \$6, I cannot see it that way. If a company wants to go out and sell a policy for \$50, \$60 or \$70 to a person here in the province of Saskatchewan — and many of them were sold — and yet when the accident occurs the company crawls around and says we are going to pro-rate that with the Government Insurance Company, and we are only going to pay half of the costs in this particular case, the company, to my mind, is selling insurance under false pretences; they are taking a full premium and paying 50 per cent of the loss.

So far as the liability is concerned, this same restriction actually increased the liability coverage. That is, where the companies paid up to the \$5,000, and the judgment of the courts is still in existence, then our coverage will start to take effect over that, so that if a man has gone out and purchased from a private company 5-10 and 1, under a standard policy, we do not pro-rate, we come in and give additional coverage at the end.

I do wish, however, to take most serious and definite exception to the remark made by the hon. member (Mr. Embury) when he suggested that it did not matter to us whether we paid it under The Automobile Accident Insurance Act or whether we paid it out of this \$18.80 package policy. There is no interchange between the two offices. The Automobile Accident Insurance Act is kept as a separate account, and the office does not benefit from it and pays nothing in to it in any way, shape or form — we are simply the administrators of The Automobile Accident Insurance Act, and the Government Office, itself, must stand on its own feet. The saving that it may or may not acquire to The Automobile Accident Insurance Act has no effect whatever — they are in the same position as the other companies in that regard.

To come back to the first remarks that he had to make in regard to how much business we did. The actual business of repairing cars was not the figure he gave earlier of some \$580,000 — that was the total losses incurred, in which we included the total losses where the car was not repaired. The actual amount of business received by body shops, or received by private owners, in lieu of damages, was approximately \$350,000, of which the Government Insurance Office garage at Battleford did some \$13,000 of business.

My hon. friend was very much concerned with the garage business, and what I am going to do now, if I may, Mr. Speaker, is something that I had intended doing when introducing the Bill; I am going to repeat the statement I made a year ago. At the present time we have no intention of enlarging the Government garage, or opening other garages, as far as the Government Insurance Office is concerned. I will go further than that — no further garage will be opened by the Government Insurance Office until there is another meeting of this House, and before any such action is taken the House will be kept fully informed, so long as I am the Minister in charge of the office. That is the statement I made last year, and am repeating it at the present time. We opened that garage to get a sample of the charges which were being made by the body shops on repair jobs. Please remember that the great bulk of the work that is done is done not by garages but by body shops, of which there is a restricted number in the province who are fully qualified to do good business. We did a sample of business of less than five per cent which, in my opinion, is just adequate enough to allow us to arrive at some determination as to whether the costs we were paying were too high or too low. I might say, for the information of the House, that our garage business just nicely carried itself during the past year.

Dealing with the question of how many are put out of work, and so on, we have in the province of Saskatchewan 230 companies other than life insurance companies — that is, 230 companies who are writing the same type of insurance as is the Government Insurance Office. Three of these have their head office in Saskatchewan — the other 227 have their head offices outside of Saskatchewan. Today, if you want to talk about work, we are giving employment in our office to approximately 100 people who otherwise would be working in Toronto, Winnipeg, Montreal or possibly New York. If the hon. member wants to see Saskatchewan people employed, and 90 per cent of the people employed there are Saskatchewan people or possibly better than 90 per cent, the way to do it is to patronize the Insurance Company which has its head office in this province.

The Motion was agreed to, on division, by 32 votes to 2.

Bill No. 76 — An Act to amend The Fur Act.

Hon. J.L. Phelps (Minister of Natural Resources): — In rising to move the Second Reading of this Bill, an Act to amend The Fur Act, I want to inform the House that there are only five main points I would like to draw to their attention. One is the provision in the Act to provide that where Indians trap fur-bearing animals for food, as they are permitted to do under the old treaties, that the pelts of the animals will be the property of the Crown. That is to eliminate the possibility of any illegal fur, or fur that will be able to circulate, in seasons when they are not permitted to take fur, under our ordinary regulations. I might inform the House that a similar law has been in operation in Manitoba for a number of years. There has been an argument, in some cases before where fur has been taken outside the season, that the fur had come into their possession by that means.

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No. (2) I would like to draw to your attention, in the requirements under the Act, is for fur dealers to supply monthly returns to the department. I might say that this Amendment to the Act being proposed is similar to the ones now in operation in several States of the Union, and they have found it very beneficial indeed.

Another clause in the Act which I would like to bring to the attention of the House is an Amendment which will provide for the streamlining of handling export permits by the registered fur farms and the licensed farms of the province. Formerly it was a rather extended process, where the proprietor of the fur farm had to make application for a permit, and some considerable time and delay ensued. This way they will be supplied with a permit at the time they are given their licence.

No. (4) provides for evidence from the Provincial Laboratory, where a technician supplies evidence of a technical nature, that that may be admitted as evidence without being in the form of a certificate, in the manner that is provided in other Acts, without the particular person having to appear before the court in person. The certificate can be filed as evidence.

The other point is a new principle. It conforms to other Acts and provides in towns or cities where there are any infractions of the Fur Act, under the Act the fines themselves, where the information has been laid by their own police officers — that is, the town or city police — and the prosecution has taken place as a result of that, that they will be empowered to retain their share of the fine.

Mr. Speaker, there are no other new principles. I move the Second Reading of the Bill.

The Motion for second reading was agreed to.

The House adjourned, without question put, at 6 o'clock p.m.