

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**First Session — Eleventh Legislature**  
**13th Day**

**Monday, February 28, 1949**

The Assembly met at 3:00 o'clock p.m.

**Second Reading**

**Bill No. 9 — An Act to amend The Automobile Accident Insurance Act, 1947**

**Mr. W.A. Tucker:** — Mr. Speaker, the motion before the Assembly this afternoon is a motion for second reading of the Bill to amend The Automobile Accident Insurance Act. The purpose of this Bill, as I read it, is to extend the principle of the Bill or the purposes of the Act to cover fire and theft. Up until now the reasoning advanced for this legislation is that, as I understand it, a person going onto a public highway in charge of an automobile is in charge of a dangerous instrument, and there is a public interest to be served to make sure that if any damage be done, or any injury inflicted, there should be some recourse, particularly to an injured party. It has been found that in the past people did operate cars who were not financially responsible; sometimes they did considerable damage or injury, and there was no recourse to the person who was injured perhaps by the negligence of someone operating a motor car.

This government saw fit to deal with that situation somewhat differently from most provinces by providing that payment should be made in obtaining a licence which would provide for some indemnity to a person injured because of a motor car being operated on a highway or damage being done. Everything so far could be justified to some extent if that line followed could be justified as matter of public policy serving a public need. The opposition in the past have said that this could be done in a much cheaper and fairer way, but the Bill was passed, and it provided for indemnification to a person injured; it provided indemnification for a person inflicting damage, or in the case of a person suffering the liability of being sued in respect to negligent operation of his motor car.

As I say, Mr. Speaker, these things could be justified, more or less, on the basis that you were protecting the public. But now you have a new principle introduced into this Bill, and it is something which every member should realize when he comes to vote on this question. For the first time in this question of insurance it is going to be provided that, as a condition of a man using the public highway, he must insure his car against fire and against theft. Surely it is a matter of his private concern whether he wants to have his car insured against fire and against theft. If he does not insure it against fire and against theft, and the car is burned or stolen, surely that is a matter for him individually. The public is not injured if he has not insurance against fire and against theft. And so, in the Bill, we are now extending the interference with the individual without any colour of right in the way of public interest. You are saying to a man that if he wants to use the public highway he must insure his car against theft and against fire.

You are going further and saying that he must do it with the Saskatchewan Insurance Office. In other words, you are trying to extend the monopoly of that office because the people with motor cars must use the public highway and you are trying to interfere with their private business where there is absolutely no reason whatever, on the basis of public interest.

Everybody, it seems to me, should be interested in that new development, that new principle that is being laid before this Assembly. I grant, Mr. Speaker, that it was put before the Assembly by the Provincial Treasurer in a very able way. He more or less put it before us that there was this big surplus of \$1 million and that this was just completing the service, and that sort of thing, and not a large amount was going to be charged for this extra service. Well now, that is one of the ways in which you get socialism extended, and by virtue of this particular Act, as I hope to show, a great deal more is being charged for the extra service that is going to be given, just as \$1 million dollars was taken from the people for a service which was not given to them, and that \$1 million is still on hand in this fund. That is used for an excuse in extending this business.

Now we are going to charge, in effect, one-third more in the case of cars of registry from 1937 to 1942, and two-thirds more for cars registered after 1942. I am told that the average extra cost of fire and theft insurance on a passenger car is about \$4 per year, somewhere around that, and that is without this \$100 deductible. I am told, in regard to the \$100 deductible, that this is going to remove any protection that this will give from at least 80 percent of the people who will be paying for it. In other words, about only one-fifth of the people will have losses on their fire and theft of over \$100. The actual figures in that are: 1945 to 1947, with regard to insurance in Saskatchewan, with the exception of the Saskatchewan Government Insurance Office, 40,291 cars were insured against fire and theft. During those three years there were 913 claims made, or 2.3 percent — 2.3 cars out of 100 — claims paid on those claims is about \$75, so that the government, by charging two-thirds more on its premiums, or what must be paid in the case of cars after 1942. As time passes, the number of those cars is going to be the greater number of the cars operating on the highway. They are actually charging \$4 more for a passenger car in respect of claims where there is \$100 deductible, and where the average claims in the past years have been \$75. As I say, at least four people out of five will not receive any protection whatever. Where private companies are charging about \$4, and having no deduction whatever — in other words, the average person would get the full benefit with a private company — of this average of \$75, and the average paid by the government, of course, is well under the amount deductible.

With that scheme, the government cannot fail but to make money. I presume, having put this on, piled up a surplus, they will come along later, and say, well, we forced people to insure their cars against fire and against theft, now that we have some more money we think we should force them to insure their garage. Then the next thing, we will force them to pay something more to insure their lives while they are driving a motor car, and then while they are not driving a motor car, and then insure their homes. Where is this thing going to stop? I ask you, Mr. Speaker, which is more important to a man: to

have his car insured against theft or to have his home insured against fire? Or to have his car insured against fire and his home insured against fire? Where is the greater public interest? If you are going to force a man to insure his car against fire, then does the government intend to go the rest of the way and force him to take out fire insurance on all his property? Is that where this government is taking us? As they going to force us to take insurance against theft on all our property? What is there especially valuable about a motor car that you force a man to pay out money to insure himself against the loss of that object by fire or theft? In other words, you are just using the fact that a person must use the public highway to further extend your socialist regimentation. That is all there is to this Bill. Once that is granted, then let the government say where they are going next with their policies in this regard. Is the next thing universal fire insurance which must be placed with the government. Is the next thing universal life insurance which must be placed with the government? Once we grant this principle then, of course, we might as well figure that we are going to have an insurance monopoly in this province.

The effect of these insurance monopolies may be seen in what has happened in the city of Regina. The Public School Board wishes to increase its coverage to 85 percent. It finds it could get that coverage from a private company cheaper than the Saskatchewan Insurance Office is willing to grant, but it cannot take the benefit of that saving because, of course, it must under the law insure the Government Insurance Office. When all competition is wiped out in the province of Saskatchewan, you can have this Government Insurance Office run wastefully, in an extravagant way, nothing to compare it with, and you will have all the advantages that the socialists seem to like — of a government monopoly. That is where we are going if we give our approval to this Bill. This is the first step in that direction.

I have said that I think the effect of this Bill is bound to bring in more money. Does the Government Insurance Office need more money? Well, by virtue of over-charging in the first two years of the administration of this office, they took from the people \$1 million for a service which they did not give, and they have that \$1 million on hand yet. The last year, we are told by the Provincial Treasurer, they were breaking even on the plan. Now, what reason in the world is there, if they have \$1 million on hand, which represents an over-charge in the first two years of the plan, and if they are breaking even on the last year, what reason is there now for charging these extra premium rates for a service which practically will not amount to anything at all? The service, as I say, will not benefit anybody but about one person out of five. Why pass the Bill at all? If it is going to cost far more than the benefit it will give the people; if it will benefit so few, why pass the Bill? It must be that the government wants us to endorse this principle of compulsory fire and theft insurance. And further, it is not averse to taking some more money from the people for which it is giving no adequate service. If the figures that I have are correct, Mr. Speaker, the line companies provide fire and theft insurance without any \$100 deductible, or any deduction whatsoever. Then, surely, the Government Insurance Office, which does not have to pay for its quarters and does not have to pay taxes, does not need to exempt itself from liability when the average payment is \$75 — \$25 less than they are trying to exempt themselves from liability.

Apparently the idea is to try and get more money out of the people of this country. Incidentally, the majority of our people are farmers, and surely there should be some respect for the fact that our farmers must market their products in the markets of the world. If we are going to keep piling more burdens on them here and there, it is going to be more difficult for them to carry on with their work in the perhaps difficult days that lie ahead, due to the dislocations which are taking place in world trade, and so on.

Something was said by the Provincial Treasurer, indicating that you could compare this coverage with ordinary policies issued in respect of automobile insurance. His exact words were: "In other words, for the five-point policy of private insurance, you pay \$18.50 for a 1932 Ford, or \$37 for a 1947 Buick Roadmaster. We will give that coverage under our new plan, and, in addition, we will give the accident coverage which is something you cannot buy with a private company." Mr. Speaker, I deplore this business of a responsible Minister of the Crown making a statement like that, that can be interpreted as that the people getting this coverage are getting the same thing as they get with an ordinary insurance policy. It is cited in different parts of the country, and misunderstood. We know that that has happened in British Columbia and in Ontario. I deplore that sort of thing, because there is nothing to be gained by creating a wrong impression about a thing like that.

**Hon. Mr. Douglas:** — Talk to the Liberals in British Columbia about that.

**Mr. Tucker:** — Well, I know it will be necessary to talk to the Liberals in British Columbia because we have heard your misrepresentations. It is necessary to talk to people all over the country because they take these words at their face value, and it is necessary to talk all over, and that is the very thing I say to the Minister of Highways, if they would be more careful about what they say, it would not be necessary to correct these misunderstandings all over the country. If this were true, Mr. Speaker, what would be the necessity for the so-called package policy?

If, under this scheme, you have practically the same thing you get under an ordinary automobile insurance policy from a line company, why ask people to subscribe \$18.50 for a package policy to fill in the gaps left by what they get when they buy their licence in the ordinary way? According to the Provincial Treasurer there should be no need for that. If what he says is true, when they charge for this package policy they are charging for something they are not getting. Again, Mr. Speaker, I hope that the Provincial Treasurer, in the interests of the proper understanding of these things, will make it very clear that the statement does not bear the interpretation that has been placed upon it by the press.

In regard to whether, for these payments, you do get the coverage you get in an ordinary automobile policy, in the first place, I would take what you get under this package policy plus what you have got in the past. In the past you paid \$6, and \$1 for the driver of the car. If there were more drivers, you would pay \$1 extra for each one. Assuming you just paid for one driver, you had the \$7 payment you had to make for the so-called insurance, and then \$18.80 for the package policy. That gave you, for this coverage in the past, \$25.80. Under this proposed scheme that cars of 1942 and after will be \$4 more, which, of course, will bring it up to \$29.80 unless there is some small adjustment

downwards in regard to that. But, taking it that it will be \$4 more, it brings the cost, even on this scheme administered by the Government Insurance Office — paying no taxes to municipalities, getting many services performed free by the government — it means that the cost is about \$29.80.

I was very interested to see what the policy in a rural area in Manitoba on a similar policy would be. I found that the cost was \$31.91; but if there is no radio — I notice a radio is not intended to be covered by this, as I read it — it brings it down to \$29.92. If the car is stored for the winter, you can get a rebate of \$11.66, which brings the minimum amount to the farmer in Manitoba to \$17.55, for his complete coverage.

There are some figures which I would ask the Provincial Treasurer to explain. Is this system of government insurance so extravagant and wasteful that they cannot compete? That is the question. Of course, I realize that, for example, in Manitoba the private companies recognize the fact that the risks of collision damage are much greater in a city where the traffic is heavy and where the cars are operated the year round, and so they charge much more in the city of Winnipeg than they do in the rest of the province. In other words, the farmers only pay a fair amount for the protection they get, and so on. Apparently, the line companies here in Saskatchewan do something the same, because the hon. Provincial Treasurer spoke about it when he was comparing the rates the other day. He said: "These are farm rates, not the city rates; for the city rates you add an extra \$4 for a five-point policy." If the private line companies realize that a farmer should not pay as much as in the city, because there is not nearly as much of a risk in operating a car on the country roads, less traffic and so on, then I submit, in fairness to our farmers, that should be recognized by this government. Surely they should do as well for the farmers as these private line companies have always done and are still doing.

Of course, my friend from Saskatoon, the hon. Minister of Social Welfare (Hon. Mr. Sturdy) laughs at that, because, of course, if the farmers pay more than they should, then his constituents will pay less than they should.

**Mr. Danielson:** — They call themselves the 'farmers' government.

**Mr. Speaker:** — Order!

**Mr. Tucker:** — Now, that is the thing we don't want. Of course, those words are forgotten when we get to the question of drafting legislation. I am just wondering, as a matter of fact, whether the people in this House who represent the farming constituencies are going to permit their people to be victimized by this sort of thing. It is a matter, after all, that we have a right, I think, to have some say in, and I think the time has come, in a thing like this, where the interests of the farmers should receive fair consideration; I submit that this Bill, where you don't provide lower rates for the man operating his car in the country where, for example, in the winter he will not take his car out for more than maybe once a week and maybe not that, and you are going to charge him just as much as the man who operates his car every day over our dangerous city streets all the time; I believe, for example, in the city of Regina, one slippery day this winter, there were as many as 22 accidents reported, in the city of Regina

alone. Who is going to pay for that risk and damage? Well, of course, the farmers are going to do it. And then they are able to boast how they are cutting down rates, by making the farmers pay something that they are not getting anything for.

Something was said by the hon. Provincial Treasurer that there was some provision for a farmer saying he did not want this insurance during the time he was not using his car.

**Hon. Mr. Douglas:** — May I ask the hon. gentleman a question? Did I understand you to say that we had dual rates for automobile insurance in the province of Saskatchewan.

**Mr. Tucker:** — I am just quoting the Provincial Treasurer, and I will read his words.

**Hon. Mr. Douglas:** — You misunderstand me. Did I understand you to say that we had dual rates in this province.

**Mr. Tucker:** — I say I am quoting the Provincial Treasurer, speaking for the government on this matter. If he was wrong, then, of course, it is not right; but I presume he was speaking with some knowledge of what he was talking about.

**Hon. Mr. Sturdy:** — If you are right, it's wrong.

**Mr. Tucker:** — Well, if we cannot rely on what we get from the government benches over there, then we are in an even worse position that I thought.

That is the situation, Mr. Speaker. If the hon. Minister of Highways says that the Provincial Treasurer is wrong in this thing, I will be glad to hear it.

**Hon. Mr. Douglas:** — I did not say that, Mr. Speaker. I was merely asking a question.

**Mr. Tucker:** — It is quite clear . . .

**Hon. Mr. Douglas:** — I asked you a question and you refused to answer it. That's all right.

**Mr. Tucker:** — I was making it very clear, Mr. Speaker, that I was just using the Provincial Treasurer's words. Of course, if it is not right, why then let them explain it. Let them settle it between themselves. Let them agree with what is happening.

I was speaking about the right to cancel this insurance. Surely, if a farmer is only going to use his car, say once a week to drive to town or something like that, and going along a quiet country road, and going perhaps into a small market town, if he has to turn his plates un so that he cannot use that car at all, in order to get a refund, when he might be willing to carry the risk himself, then I submit it is not fair to our farmers. When a person

knows he is hardly going to use his car at all, he can turn his insurance in with a private company, and cancel it. He does not have to carry it through the whole winter when he does not use his car very much. If I understand the Provincial Treasurer, if he wants to get away from paying for insurance and protection and insurance that he does not want, and does not need, he has to discontinue using his car.

**Mr. Danielson:** — Take the licence away from him.

**Mr. Tucker:** — I say to the members representing farm communities, is that good enough for that to be supported by the representatives of the farm communities in this House? It is a matter that will have to be decided when the matter comes on for second reading. I will say to you, Mr. Speaker, that we do not intend to tolerate a continuation of these injustices against our farmers. We intend to oppose this Bill on second reading. We expect we will get some support in this matter from other members in this House, representing farm communities. After all, this is a deliberative Assembly; there should be some readiness to listen to facts as they are placed before this Assembly. If the government is going to march its members in here and poll their votes regardless of what facts are brought forward, then the purpose of debate is largely lost.

**Mr. J. Gibson (Morse):** — You look after your members and we will look after ourselves.

**Mr. Tucker:** — Well, I think they will look after themselves very well, and they will certainly fight for the farmers who sent them here. I can assure the hon. member of that, Mr. Speaker.

**Premier Douglas:** — Is it the farmers or the insurance companies you are worrying about?

**Mr. Tucker:** — My hon. friend is asking me if it is the farmers I am concerned about, or the insurance companies. I will say this to my hon. friend: if we had our way, the right to take this insurance from the government would be preserved, and the government would have to meet competition from the private insurance companies, and the private insurance companies would have to meet competition from the government.

If this is such a good thing, why do they have to use compulsion? Why do they have to use the big stick and force people to take it? If it is so good, why don't they leave it to the voluntary will of the people to choose it? The very fact that they see fit to use compulsion shows that they realize that it is not as good as it is made out to be.

**Premier Douglas:** — What competition has the T.C.A.?

**Mr. Tucker:** — The T.C.A. has competition at least to this extent: the Canadian Pacific Airways does carry on some work of that kind, and there is some possibility then to compare the costs of operation.

**Premier Douglas:** — Not trans-Canada.

**Mr. Tucker:** — My hon. friends want to do away with that sort of thing. They want to have a monopoly in regard to the Trans-Canada, so that there is no yardstick from which you can measure whether they are operating efficiently or not. They want to take over the C.P.R., so that then they will have, in effect, a government and there is no yardstick by which the people can justify it and judge the operations.

**Hon. Mr. Brockelbank:** — Just like the Wheat Board.

**Mr. Tucker:** — Of course, in regard to the Wheat Board, if my hon. friend wants to bring that up, our attitude . . .

**Mr. Speaker:** — Order! I would suggest that the hon. members confine themselves to the matter before this House.

**Mr. Tucker:** — Then I suggest, Mr. Speaker, the first people on the floor of this House who should be ready to observe the rules of debate should be the members of the government. I am not afraid to answer their questions on any of those matters, but I agree with your Honour that we should keep to this debate. I suggest the Minister of Natural Resources contain himself until we get to that debate, and he will hear plenty.

The opposition, therefore, Mr. Speaker, is this: we say the first principle of this Bill is to extend the compulsory insurance of the people on their property, against fire and theft. We say there is no real basis on the ground of public policy for doing that. If you do it in regard to a man's car then, of course, certainly there is no reason why you should not go right along and say it is more important that a man's life should be insured, more important that his home should be insured, more important that his barn should be insured. If you say you are going to enforce him to insure his car with the government, well then, why should you not use exactly the same arguments to say you are going to set up a complete government monopoly? I ask these people in this House who have been saying that this government is not moving towards complete socialism: are they going to support this definite move in that direction? And under what guise?

I pointed out, Mr. Speaker, that they are going to overcharge for the service they are going to give, because of the \$100 deductible clause in the case of the fire and theft insurance. If you look at the Bill, the members will find that a person could have his car stolen, his radio could be taken out of it, he could lose practically everything in the car, he might lose \$200 more than that in the way of damage, and still they take \$4 extra for that coverage which would not give them one cent. And they are supposed to be serving humanity first. Yes, taking money and not giving any service for it, or anything in the way of adequate compensation for the money they are taking. They are taking money a private company would not think of taking. Perhaps I should



not say 'think of it'; but they would not dare to take it because they have not the power of the state behind them. That, Mr. Speaker, is the whole danger of socialism. You have people using the power of the state to take things that they cannot take if they have to compete with others. That is exactly what the government is doing with this particular measure.

Now, what do we suggest? We suggest that this Bill should not be extended for fire and theft, because that is an insurance of a man's own personal business. We suggest that, instead of increasing the rates because they have \$1 million on hand, and because they broke even last year, there should be some reduction in the rates, particularly for the smaller and older cars. There is no need of a million dollars reserve in this matter. They should use up some of that reserve that is on hand and is not needed. We say, if this is forced through against our wishes, then there should be an adequate refund policy as far as the farmer is concerned. I know farmers who operate trucks for perhaps one or two months in the year. They are going to have to pay these large sums of money so that somebody else can get insurance when they use their trucks and cars the whole year round. In this business there must be some measure of fairness. The farmers, facing what they are facing — the Minister of Agriculture outlined what they are facing today with regard to world markets — and when one reads statements like those made by the Chancellor of the Exchequer in Great Britain about our having to take more goods from them if they are going to be able to take goods from us, due to their apparent inability to compete in increasing measure in our markets, the situation is fraught with some measure of difficulty; I think, that being the case, no extra burden should be put upon our people who are the basic industry in our province — agriculture. Every step should be taken to see to it that they bear not a single cent extra burden than they have got to bear as they face the future. This is another measure to put an extra burden upon them for which they will get no real value.

I ask that this House turn this Bill down, and let the people know there is a halt being called to this putting a little more burden here and there upon the people; that there is a halt called to this idea there is no limit to which you have got a right to interfere with a man's personal business; that you say, surely, if he wants to insure his motor car against theft or fire is a matter the public is not involved in, but is a matter of his own personal business. This Legislature, representing freedom-loving people of Saskatchewan, should say there is a limit to which we are going to go in interfering with the individual; we are not going to adopt this particular principle, and open the door for a still further extension of it.

On those grounds, Mr. Speaker, because it is unfair to our farming population, because it is another step on the road to socialist regimentation, the opposition intend to vote against the second reading of this Bill.

**Mr. A.G. Egnatoff (Melfort):** — Mr. Speaker, I rise to inform you that I shall oppose the second reading of this Bill, and I wish to state my reasons for doing so. I shall endeavour, insofar as human frailties will permit me, to deal strictly with the principle of the Bill, because it is the principle of this Bill that I am opposed to, and it is the principle of this Bill that I will fight with every ounce of blood that flows through my young veins.

This Bill represents, on the part of the socialist government of this province, a further encroachment upon the right of the individual, and I wish to say that the rights which are being encroached upon are inherent and inalienable, and should not be gerrymandered with by any government. There are many people, thousands and thousands of people in this province, who would prefer to do their insurance business through their local agent. There is a personal relationship there, between the buyer of insurance and the insurance agent, and the individual looks to that agent for guidance, for sound advice, in the case of buying an insurance policy.

I would like to reiterate that no government, socialist or any other type, has the right to say to any man: "You must insure your car against theft." That surely is the individual's own business. No government has the right to say to any man: "You must insure your car against fire and theft", as in this case. That, Mr. Speaker, is the thing we are objecting to.

There is another reason for which I must oppose the second reading of this Bill, and that is that services which are not being rendered will be charged for. Now, if that has not anything to do with the principle of the Bill, I certainly don't know what has. The hon. Leader of the Opposition has already referred to the number of cars in this province insured in the years 1945, 1946 and 1947. He has referred to the number of claims against theft and fire. He referred to the ratio, and I think this ratio is extremely significant. The frequency of claims per one hundred cars insured is only 2.3 on the average for those three years. That means that this government, if it passes the second reading of this Bill, will be charging 97 people out of every 100 for a service which it will not render.

My hon. friend laughs. That is fine. I would like to point out, too, Sir, that the government is asking us to approve the principle of a Bill to cover cases in which the average cost per claim is only \$75 for those three years, 1945, 1946 and 1947. Now, when you have this \$100 deductible, surely it stands to simple mathematics that you are going to charge the people of this province an exorbitant fee for a service which will not be rendered.

There is another point which I wish to lay before this House. Many people find it necessary to finance the purchase of their cars over a period of time. It is quite possible that finance companies will not accept the coverage which will be provided under this extended Bill, and it will, therefore, mean that the individual who must pay for his automobile on time may have to duplicate the insurance in order to buy that automobile at all. No, I maintain that that is an injustice, and an injustice which my conscience will not allow me to support.

In conclusion, Mr. Speaker, I would urge upon every member, whether he be on the government side or in the opposition ranks, to give this Bill very careful consideration. Remember, gentlemen on the government side, that if you are going to allow the second passage of this Bill, you are saying that you believe in compulsion; you believe that you, as a government, have the right to interfere with the inherent and inalienable right of the individual.

For those reasons, Sir, I will oppose the second reading of this Bill.

**Mr. A.L.S. Brown (Bengough):** — Mr. Speaker, I was indeed interested in listening to the remarks of the hon. Leader of the Opposition, particularly after reading the editorial in this morning's Leader Post, under the title "The Thin Edge of the Wedge". It ran in my mind whether this editorial was a condensation of what the Leader of the Opposition was going to say, or whether he had read the editorial in this morning's paper and then elaborated on it.

**Premier Douglas:** — Maybe the same fellow wrote both.

**Mr. Brown:** — That could very well be so. It could be argued along the line: which came first the hen or the egg.

**An Hon. Member:** — Which did?

**Mr. Brown:** — The hon. Leader of the Opposition should be in a position to answer that one, if he would tell it, as to whether he formulated his speech from the editorial or whether the editorial was taken from his speech.

One of the objections the hon. Leader of the Opposition has stated — he has reiterated a cry we have heard many times — is that the people will misunderstand our legislation. I don't think we have much to worry about as to whether the people will understand it or not; but I think he has a great deal of fear that his friends, the insurance companies, will very well understand what is intended in this legislation.

**Mr. Tucker:** — When argument runs out, you smear.

**Mr. Brown:** — His suggestion is that in the principle of this Bill is incorporated the increased rate. It is true that the adjusted rates are correlated to the principle of this Bill, but he has attempted to create the impression that there is an increase of some two-thirds in the cost of this insurance. It is suggested that there is an increase of \$4 extra. I suggest that the rates which were announced by the Provincial Treasurer the other night cannot be calculated as a straight increase, but rather are an adjustment of rates to make them more equitable and fair to the drivers of automobiles in this province. He makes much of the fact that we are 'compelling', through this Bill; not only must we insure, but we must also insure with the Saskatchewan Government Insurance.

We are not the only province in the Dominion of Canada which compels their automobile drivers to insure. British Columbia, Manitoba, Ontario have all passed financial-responsibility laws in which the operator of a motor vehicle must be financially responsible for any damage he may do. In British Columbia, they have gone so far as to require that a motorist must produce, I believe it is called a pink slip, to show . . .

**Mr. McDonald:** — Mr. Speaker, would the hon. gentleman permit a question? Did I understand you correctly when you say that British Columbia, Manitoba and these other provinces were compelling their people to insure against fire and theft?

**Mr. Brown:** — What I said was to the effect that they have passed financial responsibility laws, and I say further that in British Columbia they have gone so far as to require a motorist to produce a slip indicating his financial responsibility.

It has been suggested that we in Saskatchewan are charging too high a rate through the avenue of having this insurance channelled entirely through the Government Insurance. Reference could be made to British Columbia, where they are required, for public liability and property damage alone, to pay from \$14, in the interior, for a class A car, which is confined strictly to pleasure, up to \$35, in the city of Vancouver, for a car which is operated for both pleasure and business. I might suggest, Mr. Speaker, that the rates I have quoted, varying from a minimum of \$14 to a maximum of \$35, are somewhat below the board rate, and I think we can assume from that that the general rate in the province of British Columbia would be considerably higher than the figures which I have quoted.

There is a short history to this particular Act, and I think a brief review of it would be strictly in line in view of the opposition which the Leader of the Opposition has raised. In 1946, when this Act was first introduced into this House, it applied only to accident liability, something which no other motorist in any other province has, and which we introduced in 1946. The same opposition was raised in 1946 as is being raised to the extension in 1949. In 1947 it was further extended to include collision. In 1948 it was further extended to include public liability and property damage. On each occasion, Mr. Speaker, you will recall that the opposition rose in their places and said: "What we have is all right, but let's not go any further." I am satisfied that, a year from now, when the members in the opposition realize the favour this has met in the country, they will come back here and say that that is all right, they are all for it; only they will be one year too late.

I suggest that what we are doing in this Bill is not an entirely new principle. When we suggest to the people that by virtue of operating an automobile, they are required to take out insurance against fire and theft, that is not a new principle in its entirety. A similar principle, it can be argued, was adopted under the P.F.A.A. Every farmer, when he sells a bushel of grain, is compelled to insure his future crop against loss, through the medium of paying is one percent on the amount he sells. It can be argued that fire and theft insurance is strictly a private responsibility and should remain in the private initiative; but then, I think, to be logical, we should argue that a farmer should have the right to refuse to make his contribution to the P.F.A.A.

I further submit that the motorist of Saskatchewan is entitled to a low-cost policy of insurance, and the only method by which that can be obtained is through universal insurance, with one agent. Through that medium we eliminate the profit which the insurance companies certainly take, and then we eliminate the commissions which are paid to the insurance agents, which are not necessary when it is all channelled through one source, when they purchase their licence.

The question has been raised as to why the extension of this principle. I think I can safely say that every time we have extended The Automobile Accident Insurance Act, there have been requests from the motorist generally, asking why we do not put into effect a policy which will give them complete

protection, and will not require them to obtain further coverage, either through the Government Insurance, or if there are any private companies still operating, from that source.

The Leader of the Opposition suggests he is going to oppose this Bill on the grounds that it does not provide for any refund to the farming population of the province, when they do not drive their car to any great extent through the winter months. I agree that that is true, but he will also note that as far as farm trucks are concerned — and that is one of the vehicles most commonly used in the winter months — the increased rate is not \$4, as he would have liked to suggest, but the proposed . . .

**Mr. Tucker:** — On a question of privilege. The hon. member has no right to suggest that I would have liked to misrepresent the situation. Surely he has not the right to say that. I ask that it be withdrawn.

**Mr. Speaker:** — No, that is not a point of privilege. The hon. member is interpreting what you said. It is perfectly in order.

**Mr. Brown:** — Mr. Speaker, I would suggest that he possibly has intimated that the fees on trucks were raised by \$4. Actually, the proposed increased rate, as suggested by the Provincial Treasurer, is only \$1.

May I also remind the members of this House that even if you operate your truck or your car only once during the winter months, you run a great danger, particularly on the icy roads, of involving yourself in an accident, and being protected under the accident insurance policy, the collision portion and being protected under the accident insurance policy, the collision portion of the Act is a great advantage. I do not think it is feasible in any shape or form to have refunds made possible unless we do turn in our licence. To suggest otherwise is suggesting an illogical procedure which to be administrated would be impossible.

He also raised objections to the fact that we have incorporated in this Bill the \$100 deductible for fire and theft, on the same basis we have applied the property damage clause in the province of Saskatchewan. I myself cannot raise too great an objection to that, although I can agree that I would have liked to see it possible to cover on a lower deduction; but I know that it would be administratively impossible, and I also know, further, that with minor damages in the form of fire and theft, they would not be reported, and have not been reported to the private insurance companies. Not only would it make it administratively impossible, but if it was attempted to be administrated it would automatically raise your cost beyond what the worth would be to the individual.

I further suggest, when he makes reference to the \$1 million surplus which has been created in the accident insurance fund, that that is only a normal reserve, and a reserve that should be held in trust by this fund. It is entirely reasonable to assume that two or three tragic accidents in the province of Saskatchewan could very well wipe out that entire fund. I think the \$1 million should be held in reserve, and the rates so adjusted that they can take care of themselves, keeping that in reserve, in case of catastrophe.

He further suggested that, through the medium of this \$100 deductible, a great number of people will not benefit through the fire and theft coverage. I believe those people who are most in need will benefit, for it is the person whose car is completely destroyed by fire who has the greatest loss, and in most cases has the greatest financial loss. It is only right that he should receive the complete benefit of this provision, subject to the \$100 deductible. Therefore, Mr. Speaker, because this Act is extending a principle in which we believe, a principle of providing protection and insurance to our people at a low cost, and through the medium of a socialized service, I heartily support the motion.

**Mr. A.W. Loehr (Humboldt):** — Mr. Speaker, in rising to speak on this Bill, I do so as a farmer, representative of the farmers. I have farmed in this country for 40 years, and I do expect to remain a farmer.

Regarding this insurance, I must say that the original idea of this government insurance had a lot of laudable features about it. At the time, as I understood it, and as the people were given to understand it, it was a means of protecting the people of the province against the injuries they might sustain through drivers of automobiles and public vehicles, who were licensed to drive on the roads of the province of Saskatchewan. As I say, there was a lot of merit to be credited to the idea. However, when this feature of insurance now takes in compulsory insurance against personal property, that is a horse of another colour entirely, and I believe that the people of the province in general are certainly not in sympathy with that idea in any way, shape, or form. It is hard to say where this will end. In fact, we can visualize that when the government tells people to insure that kind of personal property, there is all the possibility in the world that within a few years we will find the people are going to be compelled to insure any kind of personal property. The government, under its general insurance policy, is now compelling certain property to be insured through the government; every institution which, at the present time receives a government grant, is compelled, in order to qualify for that grant, to insure through the government. The wedge is already here, and all it needs is to be driven a little further and we have complete socialization of insurance in this province.

It is being said, possibly rightly so, that this is very cheap insurance insofar as automobiles and trucks are concerned. Why should it not be? You are compelling approximately, to put it in round figures, 150,000 people to contribute to the benefit of the recipients numbering approximately 3,000. Why should it not be cheaper? You are not asking those people who are not receiving any benefit whether they want to contribute or not. You are compelling them to contribute by paying a premium before they can get a licence to operate their vehicle.

I have personally, for instance, a car and a truck, and they are both insured through the government of course, by virtue of the fact that I have to purchase a licence. I have insurance on both those through a line company. My car has been tied up since approximately the 15th of November, and the truck I have not driven since two weeks previous to that. They are standing there. I have not cancelled the insurance because of the fact that I don't know that possibly before the expiration of the licence period I may want to drive one or the other, and in order to be able to do so, I must have the licence. Therefore,

I can cancel the one, and I want to have the protection of the fullest nature; that is why I carry a five-point policy with the line companies. I don't know that it is a much higher price than the package policy that the government has featured in the past year. I don't remember just the details, but I do know that insofar as public liability is concerned, on either one of those, I have more than doubled the insurance that I have under this new proposed public liability and insurance policy of the government.

There is the phase of those who drive a car or a vehicle possibly 5,000 miles in a year, compared with city drivers who drive a car every day in the year, or commercial travellers who drive a car 25,000 to 30,000 miles in a year. All those have to pay a like amount, and, as has been pointed out by some of the speakers on our side, the city travellers, the city vehicles, are those that sustain the damages to a great extent, compared with the country-owned vehicles. I dare say the percentage, comparatively, is staggering.

**Mr. Speaker:** — May I point out to the hon. member that we are discussing the principle of the Bill. If you want any changes in the provisions, then it can be made in Committee of the Whole.

**Mr. Culliton:** — Mr. Speaker, I suggest that he is discussing the principle of the Bill. The part he is taking now is strictly in accordance with the addresses already made.

**Mr. Speaker:** — What the hon. member was discussing was not the principle of the Bill. He was discussing certain provisions.

**Mr. Loehr:** — I don't intend, Mr. Speaker, to go into the provisions to any great length in discussing this Bill. I think that the points have been very well covered by both sides of the House. There is one phase of this insurance that has not been touched upon, and that is the matter of adjustments. I don't know how many adjusters there are under this scheme in the province, but there are some that people take violent exception to. There is one I know of who has the mannerism and the general bearing that would make a very nice Gestapo in a different part of the world. This man, I can give place and name, came to a place to adjust a total wreck, and, under pressure of a threat of laying a criminal charge, he obtained a settlement with the owner of the car for approximately half the value of the car. The threat was received in almost what could be called . . .

**Mr. Speaker:** — Order! I cannot allow aspersions such as that to be made in this House.

**Mr. Tucker:** — Mr. Speaker, on a point of order. The question before this Assembly is whether we will further extend the principle of government insurance. The hon. member is dealing with the way he has found the government insurance to be administered. If he suggests that the administration of the government insurance is not in accordance with what he thinks right, that surely has a bearing upon whether he will vote for a further extension of the government insurance. Now, Mr. Speaker,

the hon. member is speaking for the first time in this House, and I do suggest to you that a fine point such as you are trying to draw, in all deference, should not be brought against him, because I do submit, Mr. Speaker, that he is dealing with the principle of this Bill, because the very principle of this Bill is to further extend the right of the government to take control of more business. When the hon. member says that a government inspector . . .

**Mr. Speaker:** — Is the hon. member speaking to a point of order?

**Mr. Tucker:** — I am speaking to a point of order. A government inspector, carrying on government business, if he is carrying on in such a way that it does not commend itself to him, that surely has a bearing on whether he will support a further extension of government business, Mr. Speaker.

**Mr. Speaker:** — My ruling on that point of order is that you cannot bring in any individual case as to an adjustment by some employee, into the principle of a Bill.

**Mr. Loehr:** — Mr. Speaker, I don't think I will continue very much. I must say, so far as I am concerned, and I believe I speak for the members on this side of the House, we are completely in accord when we say we will not support this Bill.

**Mr. L.L. Trippe (Turtleford):** — Mr. Speaker, we are debating The Automobile Accident Insurance Act amendment, and I submit to this House that we are getting a little bit away from the accident feature of this legislation, and also the fact that we are getting out of the accident realm entirely. As far as persons being liable for the damage they do, or injury they may cause to others, other provinces have taken care of this by the imposition of a \$1 fee at the time the licence was taken out, and, in the course of a short time, it was found that even that dollar was too much, that the unsatisfied judgments did not eat up the money contributed by the payment of \$1.

**Premier Douglas:** — May I ask my hon. friend if he will tell the House what they get for that \$1?

**Mr. Trippe:** — They get all unsatisfied judgments paid. You know that.

**Premier Douglas:** — But no protection.

**Mr. Trippe:** — That is ample protection for anybody.

This seems to be an effort to get more business for the Government Insurance Office, and lots of people are not exactly satisfied with the operation of the government insurance as it does operate, without going into it any further. It has been pointed out, if we go along with this, we do not know where it is going to end. A man's car is insured, probably his garage is insured; the house is close to the garage and he will probably insure his house; since he



drives the car he might need a little insurance on his life, and they will finally get the whole thing cornered just about where the socialists want it.

The \$100 deductible feature with regard to theft means nothing at all. It is just as close to nothing at all as you can imagine. Of course, if thousands and thousands of people pay into this and somebody does get a car stolen and damaged badly or wrecked, we will probably get the argument which has been raised in this House before from the opposite side, that it is a good thing because somebody paid a little bit and they got a lot of money out of it. For everyone who gets something out of it, there are thousands and thousands who pay and get nothing at all. The farmers, as usual, are discriminated against. They do not receive the proper consideration; they pay a disproportionate share of this insurance.

The hon. Provincial Treasurer intimated something about some benefit that could be obtained by turning in the licence plates, and I am not exactly clear on that. We are not exactly clear over here as to just what that refund would be; but if he would say that he would refund any licence fees or insurance that had been paid by the farmers, or anyone else who had his car tied up, by turning in these plates if they were not going to use them or turn the car again until the end of the licence period, it would be a very commendable ruling, I am sure.

The load that the taxpayers of this country are getting to bear is getting to be intolerable. We notice, those of us who have observed the taxing authorities for some considerable period of years, that taxes do not have any great scheme of coming down. They seem to go up and up, and in cases where the income of people was not enough to take care of them, something would have to be forgone. There are cars today in the country that are not driven. There are people who have had crop failures and who, through other circumstances, are not able to pay all of the licence fees and insurance and gasoline taxes that are imposed on them today, and you will find out, round in the country in the rich places, there are cars that are not run on account of that. If you make it any more, you are going to make all the more cars that are not run on account of that, and it is very questionable whether that is a good thing or not.

Insurance with a government is not always satisfactory to the insured. We get many complaints on that. There have been instances — one case I know of — where they waited five months and have not got a settlement, and so they do say they get quicker adjustments from the private insurance companies. If the government is going to go into the insurance business, they should do the gentlemanly thing that all other people do, and carry the insurance risk pro rata with any other insurance which is placed on anything, whatever it is, which they don't seem to want to do, especially in the case of these automobiles. Because the insurance companies do come out and try to fight for their very life in this province, it seems they are going to bear down on them with all the force they have, and try to get them out.

**Premier Douglas:** — It is your life they are fighting for, not ours.

**Mr. Trippe:** — It is unfair competition, and I don't see any reason why, if they are good, that they cannot go ahead and compete for business just the same way as anybody else.

They pay no taxes, either property or income tax, and the other people do. They are ducking their obligation when they don't share their risk with other people. If a customer goes and puts some insurance on with someone else, they will not pay until the insurance has been exhausted, so that they are not only ducking an obligation but they are obtaining something from him for which he gets no protection.

My idea is that it is no good, and I will not support the amendment, Mr. Speaker.

**Mr. W.C. Woods (Kinistino):** — Mr. Speaker, in rising to support the objection raised by our Leader to Bill No. 9, I do so for a number of reasons. The first reason is the compulsory feature. I am glad to see the former Minister who was in charge of the Insurance Bill in the House. I think that what I have to say can be supported by him in some cases.

**Mr. Speaker:** — Order! The hon. member may not refer to anyone in the House who is not a member of this Legislature.

**Mr. Woods:** — I discussed this Bill with this gentleman before it was presented, and told him that I approved of personal liability insurance, and that I thought the majority of the people of the province would do so, but I did not approve of making a man who had already that insurance take it out the second time. That was the compulsion that I objected to. I considered that if a man came in with sufficient insurance to protect the public whose lives he might be endangering, he should, by leaving his policy or depositing his policy, be allowed to take out his licence without purchasing government insurance. Of course, that was not done. It was made compulsory to take out insurance in order to get your licence. That has gone on from the third year now, and is generally accepted although I believe that right up to the present many of the companies who have travellers out through the country insist on the five-point insurance.

However, it is a public service. It is something that you can quite understand a government going into and I think rightfully so. But when it comes to insurance on a man's own property — I own a car and I consider I should have the privilege of saying whether I insure that car against damage by fire or against theft. I don't see where any government has the right to come in and tell a man he has got to insure something that they have no responsibility for whatever.

Another feature that I don't approve of is the rates charged urban and rural. I do not think it is equitable for the reason that we can pick up a paper occasionally and see half a dozen cars stolen in a city in the course of possibly a week, and when you compare that to the number stolen in the rural areas. I am just going to give my own experience. I live just two miles south of the town of Kinistino, right on the public highway. I have been there for four years now, and in that four years I have known of just one theft. That was right in the village. That car was taken, and it was two months before it was recovered; but although it was away for two months, the total damage did

not come to \$50. When you get one car, in that length of time, right on a through highway, stolen, for which there would have been no responsibility assumed by the government under the proposed policy, I think you are asking the people of the rural areas to contribute to make your scheme safe in the urban areas. I do not know how many, or what the percentage is between urban and rural, but I would consider it would be very much higher in the city. As far as trucks are concerned, the hon. member for Bengough (Mr. Brown), I think it was, mentioned that the insurance on farm trucks was very low. Well, of course, it needs to be. We have many farmers in our area with two trucks and a car. They have to have two trucks to keep their combines going in the fall of the year. They use the second truck possibly for three weeks or a month in the spring of the year, during seeding operations. The rest of the year it will sit and do nothing. I could not say how many of those trucks carry insurance for fire or theft, but I would venture to say there is not ten percent of them.

Then, too, the hon. Provincial Treasurer says that by turning in your plates you can cancel your insurance. Well, many of those men — hog raisers and cattle raisers — may need their truck once or twice a week throughout the year, and if they turn in their plates and then try to run their trucks, where are they going to land? So it is almost a necessity for them to keep those plates the year round. And, as I am trying to point out, the cost to them for running that truck — I don't suppose it would cover a thousand miles a year on the main market roads around the highways — is getting out of all proportion to the value the man is receiving. As our Leader has pointed out, it is not this new Bill, particularly, that is causing us concern, but where is it going to end?

Now, if it is necessary for a man to insure his truck, it should be more necessary for him to insure the building it stands in, because quite often a fire would start around the motor of the truck, and it is quite easy, if you have a fire extinguisher, which a great number of operators carry now, to extinguish that fire before there is very much damage done. However, if the garage takes fire, which quite often happens, the people would try to get the car out of the garage, and save the garage. I had this experience myself at one time. I got the car out but my garage burned. The gas and oil on the floor of the garage took fire, and before we got the car clear and could get back, the garage was gone. So there is where it is likely we are going to go if this kind of thing continues. The next thing will be the garage, as the hon. member for Rosthern (Mr. Tucker) has said, and it will lead from one thing to another until we have compulsion in all that a man owns. Perhaps that is what the farmers of the south want. I cannot say for them; but I don't believe you will get five percent of the farmers in my area to support such a policy as is coming up today. If they want insurance, they will go and insure, and escape this \$100 deductible, and if they don't want it they should not be compelled to take it.

Now, Mr. Speaker, I have other reasons but I am not going to take more time now. I will oppose the second reading of this Bill.

**Mr. A.G. Kuziak (Canora):** — Mr. Speaker, I would like to point out to the opposition that the insurance agents are not all over on the other side. I am one of them, and I believe that, as an insurance agent for the past 12 years in the province of Saskatchewan, I should say a few words with regard to this amendment.

I like the principle of this Bill, Mr. Speaker. It is co-operative. We are intending to give to the people of this province co-operative automobile insurance at cost, and we are not going to do the same as the government of British Columbia and the government of Manitoba have done. May I say, I believe the opposition completely agrees with it. They have brought in compulsion, Mr. Speaker, in those two provinces. They have compelled and thrown the people of Manitoba and British Columbia to the insurance wolves. We do not intend to do that. And may I point one thing out, for example: I have a clipping from the Free Press where Mr. Bailey, one of the officials of the government in Manitoba, states that of the 12, 565 involved in accidents in Manitoba during 1948, 1,225 were impounded for the owner's lack of proof of financial responsibility. In other words, he said more than 90 percent of the cars involved had insurance as compared with approximately 80 percent in 1947, and 27 percent in 1948.

Now, Mr. Speaker, 90 percent of the automobiles involved in Manitoba had automobile insurance coverage. Therefore, there is no doubt that of all the automobile owners in the province of Manitoba, 90 percent of them were forced to buy automobile insurance from the companies, the friends of the opposition.

I would like to refer back to 1939. In 1939 I bought an automobile, a Champion Studebaker, valued at \$1,048, and I took out a five-point automobile policy at that time, with \$50 deductible, for which I paid \$57.75. Private enterprise. In 1947, Mr. Speaker, I bought a new automobile again, a 1947 V8 Ford, valued at around \$1,900, or almost twice as high as the little Champion Studebaker, and I paid \$5 automobile insurance. On top of that I went ahead and extended my collision to \$50, and the added insurance cost me \$12.05. I bought exactly the same kind of a policy on an automobile of twice the value for \$18.85.

**An Hon. Member:** — Order!

**Mr. Speaker:** — The hon. member will allow me to call points of order. If there is anyone on his feet who wants to rise on a point of order, I will recognize him.

**Mr. Kuziak:** — Mr. Speaker, we want to also keep in mind that the costs in 1947 on any other commodity have risen from 50 to probably 150 percent, yet the automobile insurance dropped from \$57.75 on a \$1,000 automobile to \$17.05 on an automobile valued at almost twice as high as of 1939. And yet my hon. friends of the opposition say they are fighting for the farmers. I assure you that they are fighting for the insurance companies, the boys who helped them in the campaign in 1948.

**Mr. Tucker:** — On a question of privilege. The hon. member has no right to impute motives to the opposition that we are fighting for the insurance companies. Mr. Speaker, that may please the members opposite, that sort of smear, but I ask your Honour to rule that that sort of thing is not in order in this Assembly. If we are going to descend to that sort of smear, it is certainly going to lower the dignity of this House. Now I ask, Mr. Speaker, to rule on it.

**Premier Douglas:** — Mr. Speaker, the hon. member is giving his opinion that the opposition is fighting not for the farmer but for the insurance companies. He has as much right to express his opinion as some of the kinds of opinions the Leader of the Opposition has spread this afternoon. It is a much more accurate description too.

**Hon. Mr. Fines:** — Mr. Speaker, I would like to point out that a while ago one of the hon. gentlemen said that the government is now bearing down on the insurance companies because of the attacks of the insurance companies on this government during the election campaign. If the one is right, then certainly you have to permit the other ones too.

**Mr. Speaker:** — Ruling on the point of order, I say it is very undesirable for either side to cast a reflection on the other; but when the hon. members on the opposition side cast reflections on the members on the government side, that they are communists, it is just as bad as the other. If one group will refrain from making observations on the integrity or ideas of the other, then I will be perfectly happy to handle it accordingly. But what is sauce for the goose is sauce for the gander. My ruling is that, when I called the hon. member for Humboldt (Mr. Loehr) to order on the ruling it was dealing with a highly different question. He was dealing with the individual action of an employee. The hon. member who is now speaking is talking on the principle of the Bill, and how it will affect the people.

**Mr. Kuziak:** — Mr. Speaker, I would also like to point out further, the hon. member for Humboldt made a statement that he has an automobile and he has a truck, and, of course, he insures them with the line companies. I would like to point out, for example, last year I had a friend of mine who had his truck insured with two-point truck coverage with line companies, to which he was paying \$36.50 for these two points.

**Mr. Culliton:** — I do not like raising points of order, but if your ruling applies to my hon. friend for Humboldt that he cannot deal with a specific case one something that happened in Humboldt constituency, then you should ask the hon. member for Canora (Mr. Kuziak) to desist from the same thing.

**Mr. Speaker:** — The hon. member is replying to criticism levelled from that side of the House in regard to the cost of this automobile insurance, which was used very freely on that side of the House.

**Mr. Culliton:** — Mr. Speaker, on the same point: you could also raise the same argument to justify the remarks made by the hon. member for Humboldt. He was taking that particular item as an illustration. All I ask you on the point of order is to apply the same ruling to the hon. member for Canora as you applied to the hon. member for Humboldt.

**Mr. J. Wellbelove:** — On the point of order, Mr. Speaker, I think your ruling had to deal with the matter of the work of an adjuster, not with regard to the rates concerned. I think the hon. member was referring to a certain attitude taken by an adjuster in adjusting a damage claim.

**Mr. Speaker:** — The ruling that I made was on one question and one question only. I have not made any ruling as to the cost of insurance and things like that, because that has been indulged in quite frequently on both sides of the House.

**Mr. Kuziak:** — Mr. Speaker, with regard to the insurance on the truck, in a private insurance firm it cost \$36.50. When I turned it over to the Saskatchewan Government those very same two points cost \$18.50 — 50 percent of the cost of what the line companies used to charge.

Then again, if we go back to 1943, 1944, when the insurance companies held sway in the province of Saskatchewan, I would like to point out that a one lone \$25 deductible point, one point alone, used to cost \$44, and if I am right, the hon. Leader of the Opposition quoted certain rates at the present time on which the insurance companies are willing to compete with the government on the package policy. One of the points within that package policy is \$25 deductible. One point alone, in 1943, the private companies used to charge \$44. Knowing, Mr. Speaker, that everything has risen in price throughout Canada, there is no doubt that if the government of Saskatchewan had not gone into the insurance field those charges, again, would have been upped probably 20, 30 or 50 percent. There is no doubt about it. We have given them keen competition. It is no wonder that, when acting as insurance agent at the time the government went into the insurance business, the insurance companies even organized the agents to oppose the government and to fight the insurance Bill that was going before the Legislature. For the first time that I know of, a capitalistic institution was organizing the workers into a sort of union to fight a people's government, and support the insurance companies so that they could be free to carry on their exploitation of the people in this province and in Canada.

Mr. Speaker, I definitely intend to support the Bill, and I am sure that every farmer in Saskatchewan is with us.

**Mr. Miles Buchanan:** — Mr. Speaker, I want to rise and associate myself with the amendment to this Act, for many reasons, the chief of which is that I represent an entirely agricultural constituency. Ever since we passed the original Automobile Accident Insurance Act, wherever I have gone people have asked me: "Why don't you increase the premiums and broaden the Act so that it will cover everything?" This amendment is an answer to those requests. This government, realizing as did other governments a number of years ago, that it was necessary to bring in some form of accident insurance because of the increasing number of automobiles on our streets and highways, and because of the increasing power and speed of these vehicles, decided it was necessary to bring in an Act. This government was not tied to the apron strings of any financial institutions, any insurance companies, and, therefore, they brought into being an Act which

made it possible, at the bare minimum, for the people of this province to share in the financial responsibility of providing everyone in this province with automobile accident insurance. In other provinces the people were not so fortunate.

The hon. member who has just spoken has dealt quite well with that phase of the Act, as it is in existence in other provinces of the Dominion, so it will not be necessary for me to say very much about it. From time to time I run into people, mainly from my own constituency, who have gone to other provinces. Most of them who have left the province of Saskatchewan have gone to other provinces. Most of them who have left the province of Saskatchewan have gone to British Columbia to retire, and they come back — many of them came back to help me campaign last summer in the election. They told me what they had to pay for coverage in British Columbia, and it was not nearly as complete as the coverage provided by the Saskatchewan Act.

In all cases it amounted to three, four and five times as much as we have to pay in this province. No matter how the opposition members might argue, the people in this province and other provinces are compelled to take out accident insurance, but they are compelled to take it from the friends of the government, the insurance companies in those provinces, where in this province they are also compelled to take our insurance under The Automobile Accident Insurance Act; but they know that every dollar that is spent in automobile accident insurance in this province goes back to the people who suffer as a result of an automobile accident. They know there is no individual or large company getting wealthy on the compulsion contained in The Automobile Accident Insurance Act.

I would like to associate myself with the hon. member for Bengough (Mr. Brown) in stating that this is not just a straight increase, due to the inclusion of fire and theft in The Automobile Accident Insurance Act. Rather it is an adjustment of rates and, through the years, it has been found that an adjustment of rates is necessary. The hon. Leader of the Opposition suggested that the adjustment should go downwards. It is not a large sum; they are adjusted upwards to \$10. It is not a large sum, and, for the first time, any place in the world, we have an Act of this kind. You cannot gather sufficient statistics over a period of three years, in which the Act has been in effect, to decide just exactly what a fair rate is; but it does not seem right to me that a person who has a car that is worth, perhaps only \$300, should pay \$4.50 insurance on that car, and if it is a total loss, the government only stands to pay out \$300, whereas the person who has a \$3,000 car and pays into the insurance the sum of \$6, the government would have to pay out \$2,900 if his car was a total loss. It seems to me there is a discrepancy there, and so I believe the idea of graduating the rate according to the class of car insured to be a good policy, and we may find in the future that it is possible to lower these rates but still maintain the difference for the different classes of cars. Evidence we have, so far in the past, would indicate that that will happen in the future.

I hope also in the future to see the benefits extended: possibly the \$100 deductible lowered to \$75 or \$50. I don't think any of us, realizing the difficulties involved, would want to see it much lower; but if a person's car is totally ruined, it is not so much of a loss to him to lose \$100 as it would be if he had received no payment at all. If his car is damaged only to the extent of \$50, \$60 or \$75, within his own means today, he would not experience any great difficulty in getting that car repaired. But, as I said at the

outset, the main reason I want to support this amendment is because it is adding those two clauses which many people have asked me, personally, to have included in The Automobile Accident Insurance Act. They say: "Sure, we can get it, but it is a nuisance, and as long as we are paying for the other three when we buy our licence, why not include fire and theft?" So that is the main reason why I am supporting this amendment.

It seemed funny listening to the Leader of the Opposition. He made an impressive speech from the point of view of the insurance companies — I don't know how the people in the country are going to accept his speech because in past years the opposition, whenever The Automobile Accident Insurance Act was brought up, objected strenuously to it, first when the original Act was going through the House. Then, later, when amendments were made, broadening the benefits and raising the rates, they made serious objections. Now, the hon. Leader of the Opposition says that, while these may be justified, the additional fire and theft definitely is not.

Well, Mr. Speaker, the people in the country have answered, in no uncertain terms, the previous arguments, and I believe they will answer the present Leader of the Opposition's argument as well when the time comes.

I will support the amendment.

**Hon. C.M. Fines:** — Mr. Speaker, I should like, first of all, to express my regrets that I did not have much opportunity to adequately explain the Bill on moving second reading the other evening, owing to the lateness of the hour. If there were any misunderstandings, I want to assure the Leader of the Opposition that those misunderstandings were caused through lack of time. I want to say that the notes I gave the press for the newspaper reports all indicated that I had it made perfectly clear that there was a difference in what we were proposing, and what we provided under the ordinary five-point policy. That was made abundantly clear even if I did, possibly, gloss over it rather quickly because of the lateness of the hour.

I would like, first of all, Mr. Speaker, to say how pleased I am we have made such progress. This afternoon the hon. Leader of the Opposition stated that he agreed with the principle of the compulsory insurance insofar as it applies to the accidents. He was joined in that by three others, the hon. member for Turtleford (Mr. Trippe), the hon. member for Kinistino (Mr. Woods) and the hon. member for Humboldt (Mr. Loehr). I want to commend them for that. When the Bill was introduced originally on February 25, 1946, according to a recorded vote at that time, there were 42 nays and 5 yeas for a motion that it should be given a six-months hoist. The hon. member for Cannington (Mr. Patterson), the hon. member for Arm River (Mr. Danielson), the hon. member for Athabaska (Mr. Marion) were three of those who voted against the Bill on that occasion. So we have made progress, Mr. Speaker . . .

**Mr. Tucker:** — I do not wish to be misunderstood on the position I took on the matter. I am sorry I did not make it clearer, and perhaps I should make it clearer. I said something could be said for legislation which made it necessary for a



person who operates on the highway not to operate in such a way it would endanger somebody, and that person not have any recourse against anybody. The government have taken one way in dealing with it, and others have taken another way. Something could be said for that principle, protecting a person on the highway against damage or injury, but I did not go so far as the hon. Provincial Treasurer says I do.

**Hon. Mr. Fines:** — Thanks, Mr. Speaker. I will give him another one — I took this one down — in the event there was a Liberal government, the Government Insurance Company would be kept. It would be in competition against the private companies, and they would be compelled to sell insurance in competition with that provided by the private companies. Again, may I say, we are making progress, because when the original Bill was introduced to have the government go into the insurance business, it was opposed unanimously by every member on the Liberal side of the House. So we are making progress, and for that I am really grateful.

This afternoon some figures were given to show that about 2.3 percent of the people have fire and theft losses. I think those figures are correct; but what was not pointed out was that while only about one-fifth of those who do have losses exceeding \$100, yet the amount of those losses is much greater. Let me give you the experience of our Insurance Office last year: we had 137 fire and theft claims, of which 108 were losses under \$100. The total claims paid were \$2,798,56, for those 108 losses, an average of approximately \$23 each. On the other hand, there were 29 losses over \$100, and the total cost of those was \$28,252, nearly \$1,000 each. In other words, when you do get a loss over \$100, it is likely to be a very substantial one.

What is the conclusion we draw from that? The private companies charge \$5 for a new automobile, a modern-type automobile — my hon. friend quoted \$4 — but that is an average for all. I am speaking of a new car, 1948, the fire and theft premium is \$5. Of that amount 80 percent of the premium would be required to pay the losses over \$100, and only 20 percent of the premium would be required to pay the losses under \$100. Therefore, when we are putting the \$100 deductible insurance in, taking the figures used by my hon. friend, and taking the experience we have had, and the experience the private companies have had, then 80 percent of that premium would be a reasonable amount to charge for fire and theft with \$100 deductible.

Let us take a look and see how much we are hurting “the poor farmer”. First of all, Mr. Speaker, I want to say that it is not the poor farmers that have the expensive cars. It is not the poor farmers that have those cars 1946, 1947, 1948 and 1949 models. We had 12,000 of these cars licensed this year; 12,000 cars that under this Bill will pay \$10. Previously they paid \$6, but they are now getting an extra \$4 worth of coverage. Add that \$6 to the \$4, and there is absolutely no increase in premium for them whatever. For the ones paying \$8, their full fire and theft would cost them approximately \$4 of which 80 percent would be \$3.20. You add that to the \$6. That group are now getting their insurance for \$8. Actually they are getting a reduction of \$1.20 in the premium over what they were paying last year. In that group, I might say, there are 36,000.

Now, Mr. Speaker, we have 14,000 cars that will still be paying \$6; these are approximately the same ones which paid \$6 last year. This year there will be 45,000 persons paying \$4.50 — 45,000 of the cars are in the year 1932 or earlier, and will be paying \$4.50 premium.

Last year we had 36,000 people paid \$4.50, so actually 9,000 people in Saskatchewan are going to get their insurance at \$1.50 less than they paid last year, and yet they are getting the fire and theft coverage in addition. There will be, also, 50,000 people that will pay exactly the same as they paid last year. There will be 36,000 people pay \$2 additional, and there will be 12,000 that will pay the \$4 additional; but in each of these latter two cases they are getting additional coverage which is worth as much as, or more than, the extra premium.

**Mr. Tucker:** — There is a question I would like to ask the hon. Minister on that. There are several of these people, probably half or more than half, who did not pay anything because they did not see fit to take insurance. Is that correct?

**Hon. Mr. Fines:** — Mr. Speaker, I would say that practically all those people in the group that are now going to pay \$10 did take insurance. Those are the ones that did insure. The others, the 59,000 at the bottom, it is true that a good many of them did not take fire and theft. They are getting the extra coverage this year without any extra premium, or with \$1.50 less premium.

**Mr. Tucker:** — You haven't any figures on the number that were insured?

**Hon. Mr. Fines:** — No, it would be impossible. We do know, Mr. Speaker, that practically everybody, when they buy a new car, first of all because the finance companies insist upon it — most of them are financed through the finance companies; secondly, because everyone feels that for \$5 he cannot take a chance on losing a \$2,000 or \$3,000 car. I would say 95 percent of those people — that is just a guess — would carry fire and theft, and pay \$5.

What about additional money? It was suggested this afternoon we were trying to get additional revenue for the province. I want to say here and now that I deprecate a suggestion like that. We have never got a five-cent piece for the revenue of the province out of this. Every dollar that has ever been collected has gone into the Automobile Accident Insurance fund — every dollar of it has been spent in connection with accidents incurred, or administration, or into the reserve. Not one dollar has been taken out of there and transferred to any other funds whatsoever.

We will get this year, on these 12,000 paying \$4 more, an additional \$48,000. We will get \$2 extra on 36,000, which is \$72,000. That is \$120,000; but there will be 9,000 that will get it for \$1.50 less, so that we will get \$106,500 of additional revenue. There are 107,000 cars — I am speaking only of passenger cars — which is an average of \$1 each the automobile owners are going to be paying for their fire and theft coverage.

We do not know what the experience will be. I do know that if the city of Regina last year had not objected to putting trolley buses, for example, in the compulsory plan, we would have had them there this winter, and in that one conflagration we would have lost approximately \$750,000. My hon. friend says we do not need a fund of \$1 million set up in reserve, but I mention that just as one example to show you how overnight you can have a conflagration that can wipe out a tremendous amount. Or go to the tragedy on the outskirts of Toronto this year where one of the big buses coming in smashed into a street car, with the loss of 21 lives. An accident like that would wipe out the \$1 million.

I would like to say that it is not our intention to make a dollar out of this. What we are interested in is giving to the people of Saskatchewan adequate coverage, giving them insurance which will protect them against these various hazards. Some say that this is not a function of government, and compulsory insurance should not be used for that purpose. I would say to my hon. friends that we have many kinds — the P.F.A.A. has been mentioned here. I am sure there are many farmers in Saskatchewan who do not like to put up that one percent; they would like to carry their own risk, and they are well able to carry their own risk, but under P.F.A.A. they are compelled to. There are many employers who would like to carry their own risk for Workmen's Compensation. They are quite capable of doing it, but the Liberal government here, 20 years ago, compelled them to carry Workmen's Compensation. The same with unemployment insurance. I could argue that it is my own business if I am unemployed, and if I want to starve to death when I become unemployed it is my unalienable, inherent right, and I should not have to buy unemployment insurance, but a Liberal government in Ottawa says I do, so I take it. I know of a lot of bachelors scattered around the province. My hon. friend for Kinistino, who is interested in rural taxation, knows that year after year he has sent a tax bill out to those bachelors, compelling them to pay for the education of children they will never have. Now, Mr. Speaker, compulsion is used because it is for the good of all. I do not think anyone in the twentieth century should be objecting to these things.

It has been stated that we discriminate against the farmers. I want to say that one of the chief reasons this Bill was introduced here today is to try to wipe out any discrimination there might have been against the farmers and the poor workers that have a cheap car. We found, Mr. Speaker, that for the newer models we were charging altogether too little. I am not going to weary the House with a lot of figures this afternoon, except to say one thing: in our collision insurance this past year we found that these people who have the new automobiles, the 1946, 1947, 1948 models, got in benefits practically \$2 for every dollar they contributed. They were getting their insurance at less than cost. What we are doing is to wipe that out and raise it to \$10 which we hope will pay the cost of it, and, at the same time, reducing it for those people with cheaper cars, reducing the premium for 9,000 of them from \$6 to \$4.50, and with the other 45,000 that paid \$4.50 last year, we are giving them additional protection.

**Mr. Tucker:** — Will the hon. gentleman permit a question? I take it you are arguing now that you overcharged these people. You are suggesting now that you should reduce rates instead of increase them in others?

**Hon. Mr. Fines:** — No, Mr. Speaker. I pointed out to the hon. gentleman that we have reduced the rates for those cheaper cars. That we have reduced them from \$6 to \$4.50. There were lots of people with old 1931, 1929 cars, those big long ones, Saxons and that type of car, that last year paid \$6. This year they will be paying \$4.50. We are giving them a reduction of \$1.50 in rates, and we are giving them two additional points of insurance as well. So they are certainly getting their rates reduced. What we are doing is helping the fellow at the bottom; making the fellow at the top, who has the better car, and has been getting his insurance at less than cost, making him pay a greater share of it. I think you will agree with me, Mr. Speaker, that that is fair.

I want to say that we have not gone all the way in ironing out these inequalities. I do not think you ever can. My hon. friend says it is unfair to the farmer who probably wants to use his car once a week in the winter time, and he cannot send his licence plates in. Well, what about the farmer that has been in that position for 40 years in this province. Has the Liberal government ever in the past given him a special licence?

**An Hon. Member:** — Yes.

**Hon. Mr. Fines:** — Oh no, he has not. The farmer has never had a lower licence rate than the person in the town or city.

**Mr. Lopton:** — A farm truck was only \$10.

**Hon. Mr. Fines:** — Farm trucks still get a special rate. I am talking about passenger automobiles.

Then too, there are two people in the city; one is a traveller and uses his car seven days in the week. He pays exactly the same licence fee as the fellow who takes his car on a Sunday afternoon and takes his wife and family out for a drive, and leaves it in the garage the rest of the week. That has always been true, and I do not know what system one could work out to do anything about it.

Now, Mr. Speaker, I want to point out to the hon. members that in every province of Canada rates are going up for insurance. In Saskatchewan they are not. In Saskatchewan, we have been able, because of the Government Insurance Office, to keep rates down. I think it has been well pointed out by the gentleman who has just taken his seat, the hon. member for Canora (Mr. Kuziak).

Mr. Speaker, there is a great deal I could say — I would like to clear up the question the hon. member for Rosetown, the hon. Minister of Highways (Mr. Douglas) asked about the different rates. As far as the board companies are concerned, there is no difference in rates. My hon. friend suggested we should work out a different rate for the farmers from the town people. I suggest to him that he use his influence with the board companies to get them to do something that the non-board companies are doing. Non-board companies are charging \$37 for this Buick in the country, and \$41 in the city. The board companies charge \$39 all over the province, there is no difference in the city or the country. In Ontario there are still three rates because you have so many different sizes of cities. A city like Hamilton or Toronto, with 250,000 and 800,000 respectively,

where you have the top rates. Then another group of cities, 50,000 up to 200,000, where they come into a second category; and then those in villages and rural areas have a third rate. In Saskatchewan, I do not know that the operation of an automobile in Regina or Saskatoon is much more hazardous than it is throughout the rest of the province. Certainly the private companies do not recognize it in other places.

Now, Mr. Speaker, I think I have answered the various points raised. It is not my right to introduce any new material into the debate, but only to answer such questions as have been raised. I want to say, in closing, that I am confident that this proposed Bill, and the Act to extend coverage for automobile insurance, will meet with the overwhelming support of the people of this province. I introduced the Bill a week ago tonight, and I have had many messages commending it, but I have only had one message opposing it. I leave it with the full confidence that the members on the opposite side will use that inherent, inalienable right to exercise their independence and support this Bill, which will do so much for the people of Saskatchewan.

**Mr. Deshaye:** — May I ask the hon. Provincial Treasurer a question? This question is merely for my own information and not actually pertinent to the Bill, so I do not suppose you have to answer it. I was wondering if you would tell us if the Insurance Office insures its larger risks with outside corporations.

**Hon. Mr. Fines:** — Not on the compulsory automobile insurance but on other ordinary insurance we do reinsure.

The question being put, it was agreed to on the following division:

**Yeas — 28**

**Messieurs**

Douglas (Weyburn)	Lloyd	Douglas (Rosetown)	Erb
Wellbelove	Brown	Sturdy	Kuziak
Benson	Gibson	Williams	Denike
McIntosh	Thair	Gibbs	Swallow
Brockelbank	Darling	Heming	Willis
Fines	Nollet	Dewhurst	Buchanan
Corman	Howe	Stone	Larsen

**Nays — 19**

**Messieurs**

Tucker	Danielson	Korchinski	Deshaye
Loptson	Dundas	Cameron	McCormack
Prince	Woods	Loehr	Blanchard
Culliton	Trippe	Banks	Lofts
Patterson	Egnatoff	McDonald	

The Assembly adjourned at 10:55 p.m.