

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Second Session — Twelfth Legislature
17th Day

Friday, March 5, 1954.

The House met at three o'clock p.m.

On the Orders of the Day:

Hon. C.M. Fines (Provincial Treasurer): — Mr. Speaker, on a question of privilege, I would like to refer to an article in the 'Leader-Post' of Friday, March 5, entitled "Arrogance in Government" which states:

"The Automobile Insurance Act empowers the Cabinet to fix rates and benefits under the compulsory automobile Insurance scheme, but it definitely states that the deductible is \$100. Provincial Treasurer Fines went on the air, February 16, to announce the increase in premium rates for 1954 and the raising of the deductible to \$200.

"Although the Legislature was in session at the time, Mr. Fines said nothing about the change in the House, and only on Wednesday did the Bill containing the necessary amendment to the Insurance Act to legalize the raising of the deductible come before the Legislature for second reading."

And then it goes on in usual Leader-Post style.

Now, Mr. Speaker, the question of privilege is that The Automobile Insurance Act does give to the Cabinet the power by regulation to determine not only the rates but also to determine the amount of the deductible on all phases of the insurance with the exception of the amount under property damage, which, as I pointed out earlier, is a very small amount.

The second thing is that "Mr. Fines went on the air to announce it." I have here a copy of the radio broadcast which I made on that date. I have gone through it again and I would just like to read, in order that there may be no misunderstanding, what was said at that time:

"In 1946 we fixed the deductible on private passenger cars and farm trucks at \$100. Since then the cost of living has gone up immensely. Just think what you could get for your dollar in 1946 and what you can get today. This applies to automobile repairs too, with the result that the

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Insurance Office has been paying the repair bills on many minor accidents which, at 19465 prices, would have cost under \$100 and thus not been paid for by the insurance Office. We are recognizing that situation, and at the same time imposing an additional penalty on those who have accidents, by increasing the deductible on private passenger cars and farm trucks to \$200.”

There was no mention, Mr. Speaker, of the increase in the deductible under the property damage.

I did again refer to it in another place, in referring to the package policy:

“Remember, this package policy will cover your accident repair bills up to \$200, with \$50 deductible for collision claims, extend your public liability coverage to limits of \$50,000 for bodily injury to one person and \$100,000 bodily injury for one accident and to \$5,000 for property damage, as well as cover the \$20 deductible on the comprehensive coverages.”

In other words, there was no reference whatsoever to that, and I did nothing in this announcement except announce what had been passed by the Government by order-in-council under the authority which was given to the Government by The Automobile Insurance Act.

Mr. Robert Kohaly (Souris-Estevan): — Mr. Speaker, on the point of privilege which has been raised, the hon. Provincial Treasurer has read from a document, apparently his radio speech of February 16. Is it possible to have that document tabled, to be available to some of us?

Hon. Mr. Fines: — I would be delighted, Mr. Speaker, and I would recommend that all hon. members read it, at least one anyway.

Premier Douglas: — Perhaps some of them would be better informed after they have read it than they were before.

RE FARM-OUT AGREEMENT WITH CONSUMERS' CO-OPERATIVE REFINERIES LIMITED

Hon. J.H. Brockelbank (Minister of Natural Resources): — Mr. Speaker, before the Orders of the Day are proceeded with, I have to announce the signing of a farm-out agreement by the Saskatchewan Government with Consumers' Co-operative Refineries Limited, covering two sections of Crown oil reserve in the Smiley area of west central Saskatchewan.

This agreement marks the second disposition of Crown oil reserves in the province, to date, and the first under the farm-out method. The previous disposition in the Fosterton area, last fall, was effected by cash

bid. The new agreement, signed earlier today, also marks an important step by the Co-operative to produce some crude oil supplies to process in its refinery and to serve its membership, which includes a substantial portion of Saskatchewan farmers.

Mr. A. Loptson: — Mr. Speaker, I was just going to suggest that I understand we have the airtime for this afternoon.

Hon. Mr. Brockelbank: — Mr. Speaker, I am sorry if it intrudes on the hon. member's time, but it will take a very short time.

Present capacity of the Co-operative Refineries of Regina is 7,500 barrels per day, which will be increased to 12,000 barrels daily about July 1 of this year. Under the farm-out agreement, the company will be responsible for all operative costs from development through marketing, with the Government and the company to receive percentages of the net returns on one basis before the wells are paid out and a different basis afterwards. Until the wells drilled are paid out – that is, until the company has recovered its investment in them from the resulting production – the company will receive 85 per cent of the net returns, after paying the normal Crown royalties and operating costs from the gross; the remaining 15 per cent of this return will be the Government's share. However, once the company has recovered its capital expenditures and the wells are paid up, the Government will then receive 60 per cent of the net return and the Co-operative will receive 40 per cent. Under the arrangement it is estimated that the revenue to the Provincial Government (which is not committed to any money for operating or other expenditures) will compare favourable with amounts which would be received by any other method of disposition.

The Crown lands covered by the agreement are Section 11, Township 31, Range 26, and Section 18, Township 31, Range 25, both west of the third meridian. One of these, Section 11, is School land and revenues accruing to the province from this section would go to the provincial School Lands Fund. The two sections are in the Smiley light oil field which was discovered last year, and which, on the basis of drilling to date, apparently extends over at least 13 sections, or approximately 8,500 acres. More than 50 wells have been drilled at Smiley to date, of which approximately 40 to 45 are producible oil and gas wells. Action to have these sections development at this time was necessary to prevent drainage of Crown-owned petroleum by drilling off-set wells. In addition, the company is committed to carry out a development drilling programme.

I take pleasure in laying on the table of the House one copy of this agreement which will be in the Clerk's office if anyone wishes to see it. I will send the hon. Leader of the Opposition a copy of the statement which I have just read.

BUDGET DEBATE

The House resumed, from Wednesday, march 3, 1954, the adjourned debate on the proposed motion of the Hon. Mr. Fines (Provincial Treasurer): That, Mr. Speaker, do now leave the Chair. (The Assembly to go into a Committee of Supply).

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Mr. A.C. Cameron (Maple Creek): — Mr. Speaker, I was most willing to relinquish a bit of my time to the Minister of Natural Resources (Hon. Mr. Brockelbank) for the announcement he had to make. It was an announcement I think that the public really will be interested in, because any announcement that reveals the progress we are making towards the development of our natural resources and in our search for oil is indeed a welcome announcement.

I want to say, before I go into the budget, that I would like to welcome the two new members to this particular Legislature – the member for Rosthern (Mr. Carr) and the member for Souris-Estevan (Mr. Kohaly). We have had an opportunity to observe the workings of both of these members. I am sure that their constituencies can be very proud of their representatives and that they will make a very worthwhile contribution in this House. I want to say to the member from Estevan that he represents a section of people with a viewpoint in this province which has not been represented in this House for a good many years, and I can assure them that he will carry their viewpoint into this House and into its deliberations with vigour and energy and with dignity.

Now turning to the budget, I would like to say, first, that we are indeed pleased at the review of the economic health of Canada as a whole and of the province of Saskatchewan in particular. This is a most encouraging picture, and I am sure we are all grateful that Saskatchewan has been blessed again with another bountiful harvest, and that the produce of the farms has been moved to market at prices that brought a record farm income of \$713 million – an all-time high. The purchasing power of the province continued to rise and the personal income reached an all-time high of \$1,360 per capita. This record, too, I think, speaks volumes for the stimulus given our economy by the fiscal policies pursued by the Federal Government at Ottawa, because surely no one is more conscious of the fact that we depend on world markets and world trade practically for our full economy than are the people of a purely agricultural province such as this. The sustained cash income, the employment, the purchasing power is indeed a record of which we in the Legislature can be proud. I regret, Mr. Speaker, that some other records established and outlined in the budget do not merit the same gratitude.

We have a record of expenditures I think unparalleled in the history of this province; a government committed to expenditures, in one form or another, approximating \$120 million; a commitment of expenditures supported by a crushing tax structure not thought possible a few short years ago; a commitment of heavy expenditures requiring heavy borrowing and expenditures of a type that will not lend itself to retrenchment should we experience a contracting economy. Sober reflection will cause us to give serious thought to how long we can continue this spending spree; that we have been saved each year, I think, from embarrassing positions because economic conditions have brought revenues into the province far in excess of expenditures.

I listened with a great deal of interest to sentence after sentence from the Provincial Treasurer extolling the virtues of this Government. There were baskets of them; but I could not find one sentence in which he expressed any possibility of regret. He had no regret in regard to any phase of his budget; no regret that he could not do more in some phases than has been done; no regret that it was necessary to increase the costs of some particular enterprises. This, Mr. Speaker, I think was the 'perfect' budget. I could not help but ponder why such a masterpiece of perfection did not command more interest on the Government side of the House, because as I sat here listening – and I must say, with a great deal of interest and pleasure, to the delivery of the Provincial Treasurer – there were no less than seven Government members out of the House at one time; four people in the gallery were asleep, and one backbencher slept for 20 minutes of the budget address...

Mr. A. Lopton (Leader of the Opposition): — Very interesting!

Mr. Cameron: — The only lively interest shown by the Government during the whole reading of this budget speech, was when the Provincial Treasurer came to the provincial debt. Then they 'perked up' and showed a very lively interest during the time that he went through his mental bymnastics in an effort to prove that he had reduced the debt by \$12 million.

There are, however, regrets in this particular budget, Mr. Speaker. the taxpayer will find many things to regret in this budget, because the budget is noticeable, for what is omitted rather than fro what it attempted to deal with. The municipal men will be interested to know that their problems and their efforts warranted one short paragraph of six lines in the budget which said:

“At the local level, education is supported by property taxes, a source of revenue far more stable than a sales tax...This source of income was strengthened lately by this Government when it vacated the property taxes.”

Now, Mr. Speaker, that is the end of the quote; and if it indicates anything, it is that the rural municipalities are to be left to struggle with the battle for increased services, with the resulting heavy tax structure again, this particular year. And I want to show why some of the municipalities will be disappointed in regard to road work and maintenance of roads. In 1953, the gasoline tax and vehicle licences netted \$16,500,000 and the grants for market roads was a meagre \$823,000. This approximates 5 cents of every dollar received from gasoline revenue and motor vehicle licences; 5 cents out of the dollar was returned to the municipalities to help their road programme.

The municipalities are loaded with having to construct and to build and to maintain \$145,000 miles of road. Their grant from this Government works out to about \$5.70 per mile; that is the assistance for their road

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programme. A year ago I made a survey. I took a particular municipality in the constituency of Maple Creek and I took a survey from the statistics put out by the Motor Bureau to find out how many motor vehicles were actually being operated in this particular municipality. I found the figure was 327. Then I divided the total number of motor vehicles operating through the province into the total tax received from those vehicle licences and gasoline and I found that it averaged \$78.00 per car as the contribution of the motorists towards licence fees and gasoline tax. Now if you multiply this 327 cars and trucks operating within this municipality by \$78.00 per vehicle, they are contributing, in licences and in gasoline tax, the sum of \$23,800 to the provincial treasury – that is one particular municipality. Each and every year they are contributing approximately \$24,000 to this Government with which to build highways, and in return they will receive back 5 cents for each one of those \$24,000 contributed to this Government. That contribution will continue, Mr. Speaker, year after year. Is it any wonder that the rural municipalities feel that they are entitled to a share of this tax dollar? I am sure that the Government cannot be too proud of spending millions in the construction of highway at the expense of the market roads of this province.

The budget does not reveal the burden of taxation placed on the rural municipalities; but I want to use a few statistics, Mr. Speaker, that will show something of the tax structure of this province. A study of the total taxes levied in 1944 and the total taxes levied in 1952 on the rural municipalities, for both municipal and school purposes, will reveal that, in 1944, the total taxes for municipal purposes and schools were \$14,800,000. In 1952, the total taxes for municipal purposes and schools were \$28,355,00. The per capita tax, in 1944, for municipalities and schools, was \$28 per capita; in 1952, it was \$69 per capita.

The picture of all municipalities, including the rural and the urban, for school and municipal purposes, reveals the same striking increase in taxation. Total taxes levied in 1944 were \$23,745,000; in 1952, they had gone up to \$46 ½ million. School taxes rose accordingly. In 1944, the tax of the areas to support their schools was \$9,200,000; today, the people are contributing in taxes to support the schools, \$21 ½ million. Note further – and I want to point this out in regard to the taxes for schools: since 1944 the taxes for school purposes have risen by the following percentages: cities, by 110 per cent; rural municipalities, by 116 per cent; villages, by 134 per cent; towns, by 191 per cent.

You will notice from this Mr. Speaker, that the cities are not so badly off in relationship to the others. The municipalities are paying 116 per cent; that is, the farmers; but it is the small businessman and the homeowner in the villages and towns who are paying the major burden in their locality in regard to taxes for education, because in the villages it has gone up to 134 per cent of the burden, and municipal taxes, for all purposes, since 1944, show the same increase percentage wise. Take the total taxes for the province: the cities have gone up 85 per cent; rural municipalities, 92 per cent; villages, 128 per cent, and towns, 163 per cent. That is the tax increase since this Government came into office.

In spite of this crushing tax carried by the municipalities, no reference is made in the budget to indicate any assistance of any nature to assist these local governing bodies to carry their tax load. I think the municipalities perhaps are justified in having a certain amount of

resentment. They have been burdened with bridge construction which former governments assumed as a provincial responsibility. They are getting themselves into a position where they are becoming a collection agency for numerous other tax bodies over which they have no control. They have the 'squeeze' put on, because they are in a position where the larger school units, and other facilities, as taxing bodies are pushing up the over-all rate to an exorbitant position. Thus the municipalities feel that they cannot raise their particular mill rate to undertake their particular projects because it pushes the over-all mill rate out of all reason; and they find themselves coming into that restricted position. Sometimes the municipalities feel that the larger school units should be restricted; that there should be a ceiling placed on the amount of capital expenditure. A building programme is fine in itself; but if it is going to continue to push the school taxes up and up, then they feel that they should be regulated by a ceiling, the same as the municipalities have to do.

The Minister of Municipal Affairs, Mr. Speaker, is fully aware of this tremendous tax burden, because he is reported in the 'Commonwealth' of January 26, as having remarked, in a radio broadcast that the "the burden placed upon local institutions in providing adequate roads is almost staggering." That is the statement of the Minister of Municipal Affairs (Hon. Mr. McIntosh). If we have a \$12 million surplus this year why did not the Minister of Municipal Affairs go to the Provincial Treasurer and insist on his share of it?

I want to say that just before I came into the House, I opened my mail and there was a letter in it from a farmer in the constituency of Maple Creek, and these farmers talk quite straightforwardly. In his letter, this farmer said: "I would like you to do one thing. I understand you are going to be speaking in a day or two, and it is the rumour here, and we live in Health Region No. 1, that in our dental programme we are going to have to put the age limit for free dental services next year down to seven years of age." It used to be sixteen, then I think it went to fourteen. Now they say the Minister of Health is withdrawing some \$20,000 or \$30,000 of grants that they were using for dental purposes to supply free dental services to the children, and as a result of the reduction of this grant the age limit will have to go down to seven years. He asked me to ask Mr. Bentley why he did not trot over to the Provincial Treasurer and get his share of this \$12 million surplus.

The budget makes reference to the earnings of the Telephones and Power Corporation, and together with these other 10 smaller corporations, they showed a profit, according to the statement recorded in the budget, of \$5,820,000. It then remarked in the budget that the smaller group reported a net profit of \$876,000. Power and Telephones accounted for 85 per cent of the net profits of all corporations. Here is an interesting revelation: the eight C.C.F. business enterprises accounted for less than 15 per cent of the profit! The budget mentions eight C.C.F. corporations. There used to be 13, Mr. Speaker, but of course five 'died', and little mention is made of the five that died because it reveals a rather embarrassing story for the Government. It proves that this Government cannot do all they claim to do. It proves that they cannot operate a tannery. After losses of \$156,000 the tannery was closed and the building was rented...

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Mr. A.H. McDonald (Moosomin): — It burned down!

Mr. Cameron: — ...and the building burned a short while ago, with a further loss of \$82,000. We heard, a few sessions back, about tossing things 'out the window'. The tannery was tossed out the window. They cannot operate a Fish Board. This venture cost the taxpayer over half a million dollars in losses before it was abandoned. They could not operate a woollen mill, because after repeated losses of eight years, it was abandoned and about one million dollars of the people's money was put into this venture, and it lost \$144,000 in 1952. It lost \$523,000 all told; it was then turned over to a private concern — a concern, we understand, that had made money operating woollen mills for the past 80 years.

These are the ones that died! There is another one that is critically ill, so much so in fact that it is in the isolation ward and we are not permitted to see it, and that is the Big River Saw Mill up north. It used to be segregated in the Crown Corporation reports, but the losses were a little too embarrassing. It cost a million dollars, but during its short life it ran up deficits of \$100,000.

Hon. Mr. Brockelbank: — It did not cost a million dollars!

Mr. Cameron: — This year it is hidden and becomes part and parcel of the Timber Board's operations.

I heard the C.C.F. member from Cumberland (Mr. Berezowsky), not long ago, ribbing the Government because the Timber Board had made a considerable profit. He said the Timber Board had made this profit at the expense of the timber operators, because if it had not made so much profit they would have been able to pay more to the operators. I would say to him, he had better get much more concerned now, because they made \$313,000 this year, after deducting the losses of the Big River Mill — whatever that might be, because, as I said, that is taken into general operations and we can't find out what it is. That is the one that, today, we cannot see.

This Government has received its share of support financially from the farmers. In the construction of power lines, the farmers paid about \$500 per farm, and at the end of last year, about 15 per cent of the farms were connected to the power line. So they have contributed around \$18 ½ million towards the construction of the Government's power lines.

The Telephones, each year, have been ringing up tremendous profits. These profits are large; they are large for only one reason, Mr. Speaker. In 1949, home telephone charges were raised by \$3.00 a year and the business phones by \$9.00 a year. In 1950, the rural connecting fees shot up another \$2.00; and in 1953, at the last session, our new Minister of Telephones (Hon. Mr. Kuziak) in Crown Corporations committee stated that the telephone system had enjoyed the greatest year in its history and that it had risen, last year, to a million and a half in profits. We went home feeling quite content that the Telephones were doing well. We had no sooner closed the door on the Legislature than the Minister of Telephones makes the first announcement, when he said: "Telephone rates increased approximately 13 per cent across the board." They had made \$1 ½ million in profits, but they wanted to hit the 'jackpot'; so they boost the rates up another 13 per cent. Well, they must have hit the jackpot, Mr. Speaker. While we have

not got the report yet on the telephones, it must have been good, because (if it is any indication) in January the same Minister came back and gave the Telephones another boost in rates. I want to show what this boost in rates means.

When I phone from Regina to Maple Creek, at night, the former rate was 60 cents, and I could phone person to person. The new rates are station to station and person to person. That is, if you speak to anyone in your home it is cheaper than if you want to speak to any particular person, or to a person of a business rather than to anyone in particular in the firm. There are two classifications now – person to person and station to station; and, as I said, I could phone Maple Creek at night for 60 cents. The new rates are: station to station, 85 cents; person to person, \$1.15. And the daytime rates: the old rates for person to person were 90 cents; the new rate, station to station, \$1.15; person to person, \$1.50. Now you will note, that a short time ago, it cost my 60 cents to phone a particular person in Maple Creek. Today, it costs me \$1.15 – a nickel more and it would have been doubled! Sometimes we see sales advertised – “two for the price of one”. The Telephone Company is advertising one for the price of two! That is how much your telephone rates, ma have gone up today.

Mr. Gibson: — What about postage rates?

Mr. Speaker: — Order!

Mr. Cameron: — Let us look at the further taxes imposed by this Government. We had a headline of February 17 – “Car owners to pay \$2 million more. Fines says rate boosts cover government deficit.” An estimated \$4 million additional revenues! Yes, the Government will protest that the car insurance is not a tax, that the Government is selling insurance and the motorist is buying insurance. It may be that there is some reason behind that logic, but the catch is this: those things that the consumer wishes to buy he can buy or he cannot buy, whichever he chooses; this he must buy.

I am not going to argue the merits or demerits of that particular compulsion clause; that is not the purpose of my address in this budget. But I want to show that the Government, if they are to render services to the people, must charge for those services; and you are rendering an insurance service to the people so they must be charged for it. Now the people of the province must look upon this as an increased tax, because I happened to have a copy of his radio speech before he tabled it, this afternoon, and I read through it and I knew that the Provincial Treasurer had at his command a great many ‘honeyed’ phrases; and he certainly used every one of them on the radio in an attempt to sweet-coat this little bitter pill.

I want to read just one or two of them. His speech goes like this – I am just quoting particular sentences:

“The 1924 to 1936 models will have a modest increase, yet they will get the same broad coverage. For middle-age cars it costs us more, but increases are still modest.”

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And this is the dilly:

“The latest cars, with their wide beautiful seats and picture windows, have cost you more than the old ones. they cost the Insurance Office a lot more too, so we have created a special class for them. In Saskatchewan, premiums will still be the lowest on the North American continent. Why, drivers from other provinces would be only too pleased to get such wide coverage at such low rates. Every week the Insurance Office gets applications for auto insurance policies from other provinces. These requests, of course, must be turned down – let’s keep our premiums low.”

Why did he use all these honeyed phrases if not to lead us into the woods? Then he said, “Let’s have a look at the rates.”

Premier Douglas: — That’s a mixed metaphor if I ever heard one.

Mr. Cameron: — Let’s have a look at the rates. This is the second years in succession that the insurance rates have been boosted, and I would like to recall to the House how much. A 1937-45 car, in 1952, cost \$8.00 for insurance; in 1953, the Provincial Treasurer jumped it to \$12.00; and in 1954, it went up another \$3.00, to \$15.00. A 1956-48 car, in 1952 cost \$10.00; in 1953, \$16.00; in 1954, \$20.00 – a 100 per cent increase in two years. A 1949-52 car, \$10.00 in 1952; \$20.00 in 1953; \$25.00 in 1954, and, of course, the beautiful picture window cars will cost you \$30.00.

I want to give a few examples of the motorist who owns a 1949 or later car. He will pay for his insurance, in all: licence \$15, compulsory insurance \$25, and a driver’s licence \$3. or a total of \$43; if he wants the package policy to give him protection that would compensate him to a further extent he would pay another \$25, making \$68. It will cost the motorist, the average motorist with a 1949 or a little later car, \$68 when he goes to the government agent to put his car on the road after April 1st.

Now the coverage for the man driving a 1937 or a 1940 car will be \$15 for compulsory insurance, and for this \$15 he will get only limited coverage, because he gets no insurance against collision, nor fire, nor theft. In other words, if his car is smashed he has no protection; if it burns, up he has no protection; if his car is stolen, he has no protection. The man who drives a 1940 or earlier car can run into the following difficulties and he has no protection: he can roll it in the ditch, can burn it up, smash it up – it makes no difference; the Government Insurance is not liable for any part of the damage, and I will tell you why. They will not be liable because they have raised the deductible feature from \$100 to \$200. You can pick up any advertisement in the daily press and you will see 1938, 1939 and 1940 cars advertised anywhere from \$125 to \$200, and, since his car is worth approximately \$200, there is not much use of him applying for insurance, because he has to pay the first \$200 anyway and that is about all his car is worth.

Let us see what this \$200 deductible means to the people. A motorist can come out some morning and find his tires stolen, his battery gone, his radio gone, and the best thing he can do, if it is a 1940 or earlier car, is leave it there, pick up his plates and go and buy another car. That is all he can do, if he is driving a 1940 or earlier car.

Mr. Danielson: — C.C.F. insurance!

Mr. Cameron: — The same situation is applicable to the farmer or the labourer who drives a 1941 or earlier truck. In other words, the people who, today, are getting along and due to their economic position are driving cars from 1937-40, are forced to pay for something from which they can never derive benefit. That is the net result to the man driving these cars. He is paying something for nothing, and the payment he makes goes to help the man who drives a 1954 Cadillac get his insurance that much cheaper!

Mr. McDonald: — Some of the Ministers!

Mr. Cameron: — This is a case, Mr. Speaker, of a Socialist government compelling the poor to carry the rich upon their backs.

Similarly, every rural driver is paying more for his insurance in order that the urban drivers may obtain their insurance at a reduced rate.

What is even more serious is that a motorist, under the new rate, finds himself with considerably less protection than formerly, and I want to deal a moment with the deductible of \$200 property damage. If a motorist is the cause of damage to his neighbour's car or to his neighbour's tractor or his neighbour's granary or any of his neighbour's property, and damages his own car, he will pay the first \$200 damage of his own car; the Insurance Company will reimburse the neighbour for his damage, except \$200; the farmer, through his lawyer, will then come back and sue him for the \$200 that the Government does not pay. In other words, he is liable for the first \$400 of the accident. That is what your \$200 deductible means. The greatest thing in this increased rate is not necessarily the rates in themselves; it is the increased deductible, the lack of insurance as a result of having raised the deductible from \$100 to \$200.

It has been said that Saskatchewan has the cheapest insurance on the North American continent. A perusal of line companies and their board rates for other provinces reveals that his statement is not correct.

Hon. Mr. Douglas (Rosetown): — It is correct.

Mr. Cameron: — I'll take Manitoba, as an example, because rural Manitoba is similar to rural Saskatchewan. In fact, in rural Manitoba, the accident rate is approximately 59 per thousand cars; in Saskatchewan, it is approximately 40 per thousand cars. So, if the rate should be higher, it should be higher in Manitoba where the accident rate is higher. I want to compare a few rates in Manitoba and Saskatchewan. The rates I have used are board rates – that is, they are claim-free select drivers. In other words, they are farmers, driving cars that have been accident free,

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the best risk you can insure. Now, the 'Commonwealth' too should take the trouble to enquire before it prints any more about the 'Daily Blatt' and their interpretation of rates. These board rates are available to the 'Commonwealth', because these companies must register with the Dominion Government and thus they become available to all. In a Saskatchewan Government take a Cadillac — \$50,000 and \$100,000; compulsory \$30, package \$25, licence insurance \$2 — \$57.00; in rural Manitoba for the same coverage it will cost that motorist \$74 because he owns a Cadillac. It would cost him \$17 more for his same insurance than it does in Saskatchewan. Take a 1953 Chevrolet in Saskatchewan, it will cost \$57; in rural Manitoba with the \$50,000 and \$100,000 B.I. and the \$10,000 public damage and the \$50 deductible collision and comprehensive, the same coverage will cost the Manitoba driver \$49. Thus the 1953 rate in Saskatchewan is #6 higher than the rate in Manitoba for the 1953 Chevrolet. Take a 1948 Chevrolet. In Saskatchewan your insurance will cost you \$47; in Manitoba it will cost you \$49 for the same coverage — \$2 more. But the greatest differences between Saskatchewan and Manitoba are in the earlier cars. In Saskatchewan it will cost \$17 with a \$200 deductible; in Manitoba it will cost \$12.10 with a \$50 deductible. And furthermore, your 1948 car — you will obtain a rebate for winter storage if you don't run it in the winter up to 55 per cent, which you are not eligible for in Saskatchewan. I want to say, Mr. Speaker, that the only time the Saskatchewan rates were lower than any other place on the North American continent was prior to the 1952 election, when they keep them purposely low, and ran up a deficit of \$1 ½ million by doing so. And the Provincial Treasurer will be the first to admit that these increased rates are not to carry the burden for 1954, because we feel we can carry it with the present rates, or the old rates, but it is to make an inroad into this \$1 ½ million that was established prior to the el of 1952. So we are paying now for the privilege of being able to go up and down the province and say 'Look what we did; our rates are the lowest on the North American continent.' Now we are paying for those sayings.

Picture the coming year, Mr. Speaker. It is one of increased taxation. Increased taxation is in store for the homeowner, the farmer, the businessman in order to meet the growing burden of schools and municipal taxation. Increased taxes are in store for the motorist in order to reduce the deficit created prior to the el of 1952. Increased telephone rates. The Provincial Treasurer says — and I quote this from the Budget Speech:

“This is an exciting period in Saskatchewan's economy, Mr. Speaker, and government itself is an exciting job.”

It is exciting, because I know how excited I get when I phone Maple Creek and it costs me \$1.20 instead of 60 cents.

Hon. Mr. Douglas (Rosetown): — You said \$1.15 a few minutes ago.

Mr. Cameron: — And I know how excited the motorist is going to get when he goes to pay these new rates come April 1st. Yes, Mr. Speaker, the people are all getting excited in Saskatchewan in 1954. This is the tax picture.

I come now to the subject on which I earned considerable discussion as a result of my statement last year. I want to deal for a moment or two with the provincial debt. No budget is complete without reference to the provincial debt, and this budget ran true to form. Each budget, according to the Provincial Treasurer, has shown tremendous debt reduction. What troubles me to understand is, if we have these tremendous debt reductions and tremendous surpluses every year, why do we have such increasing taxes all down the line? This year the Provincial Treasurer announces by taking part of the liquor profit, he could have had a surplus of \$12 million. then, why do we need these increased taxes? More surpluses? The Provincial Treasurer, last year, took very strong exception...

Mr. Brockelbank: — To pay old Liberal debts.

Mr. Cameron: — ...to my statements regarding the increased debt and, after taking me to task in quite a vigorous manner, he went so far as to say I did not know a thing about it, that I did not know the first elementaries of budgeting-financing. I will be the first to agree with the Provincial Treasurer on that. He was wrong in one prediction, however. He said, "I'll make this prediction, Mr. Speaker. The Opposition has had a new financial critic every year, and they will be looking for a new one for next year, and they will have a new one for next year." He was wrong in that prediction.

Hon. Mr. Fines: — They couldn't find one.

Mr. Cameron: — I want to say this. After all the fuss, he wound up with one sentence when he said, "My hon. friend is trying to give the impression that the debt in Saskatchewan has not gone up. I am prepared to admit that if we do not deduct the self-liquidating debts, his figures are correct." This year the Provincial Treasurer did outline a much simpler method in his budget as to how he arrived at the debt — much easier to understand. I think he introduced a new type name, too: he called it direct and indirect debt. It showed his totals for direct and indirect debt as \$179,500,000, and I notice in checking the Dominion Bureau of Statistics (their red book) for the comparison of provincial debts across the Dominion, they used the identical terms. They used direct and indirect debt, and they show the direct and indirect debt of the province at December 31, 1952, as \$163 million. Now, I am confident that their report for 1953 will approximate \$179 million, and they will term it direct and indirect debt, the same as the Provincial Treasurer is now doing. You will then note that the direct and indirect debt has increased by \$16 million during the past year.

The Provincial Treasurer differs from the Dominion Bureau of Statistics from here on, because he then proceeds to subtract the self-liquidating debt and arrives at a figure which he calls 'net' debt. I think the proper term would be 'dead-weight' debt. I am going to admit that the dead-weight debt of the province has improved in that the taxpayer will not be called upon to assume as great a liability towards the interest and the sinking fund charges necessary to retire the debt. More of the debt is in the self-liquidating class. But I cannot go all the way with the Provincial Treasurer in his totals of self-liquidating debt,

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because I note that in 1952, in that figure he included (I am only speaking from memory and you can check me if I am wrong) I think it was around \$35 million partial self-liquidating for highways. I can never understand how the billing of capital expenditures for highways can possibly be called a self-liquidating debt, and I cannot see how revenues earned on that highway will help to pay that debt, unless he means by self-liquidating, the example of No. 39 from Corinne to the U.S. Boundary, through the Premier's constituency. That is a self-liquidating highway. That blacktop has self-liquidated itself three times (I think it is) since it was built.

Hon. Mr. Fines: — Mr. Speaker, may I just correct the hon. gentleman? There is no reference in the table to the highways or any part of it as being self-liquidating or partial self-liquidating. If you look on page 25 there is nothing whatever.

Mr. Cameron: — I made reference, Mr. Speaker, to 1952 and that I was speaking from memory; but I think it was in 1951 or 1952, one or other. There is a year when he takes highways as partial self-liquidating, expenditure for highway. I think the Provincial Treasurer will grant me that. I cannot recall from memory the exact year; but it is in there.

Now I say I do not believe highways should go in even as a partial self-liquidating debt. So we are in agreement up to here. That the direct and indirect debt has risen from \$163 million to \$179 million. That is where our roads part. He subtracts from that his self-liquidating debt – he calls it net debt; that is dead-weight debt. In the Dominion Bureau of Statistics you will notice they just go that far, direct and indirect debt. He can choose to have it his way if he wishes, but to me the debt picture shows an increase in debt again this year.

Then, Mr. Speaker, the budget has made reference to the report of Royal Commission on Agriculture and Rural Life. The Commission has recommended the need for greater assistance to settlers in the northern area, and since this report deals mostly with the veterans' co-op farms in the Carrot River Valley area, I would like to spend a few minutes on that report. Since the Royal Commission felt that the matter was urgent enough to submit a separate report at this time, and reference is made to this report in the budget, I want to spend a few minutes on it.

You will probably recall, Mr. Speaker, that last year, I drew the attention of the House to this matter of the co-operative farms for the veterans. The Minister of Social Welfare at that time took some very strong exception to some of my statements because, of course, this was his particular project and he had done a great job of selling the province on the idea that these veterans' co-ops had been a great success. I want to quote in support of that some of the statements in the House in the Debate and Proceedings of 1950, page 25. He says:

“I would like to continue to point out what this Department has done in veterans' land settlement. That is the best job that has been done by any provincial government in the Dominion of Canada. These co-operatives are prosperous organizations. They are doing an excellent job in spite of the

opposition placed in the way; they are a success. I can assure the Opposition that they are going ahead and they are going to flourish.”

Again in 1951 on page 13, the Minister of Social Welfare made reference to them, and he says:

”We have undertaken a large land clearance and settlement project east of the Carrot River. Over 100 families have already been settled on the co-operative and individual farms, and this project any government can be proud of. It has been written up in the ‘Montreal Standard’, in the ‘Toronto Star’, ‘McLeans Magazine’, and you will find it praised in the national papers; but I do not suppose you will ever read anything about this project in the ‘Leader-Post’ or the ‘Star-Phoenix’.”

And the Minister of Social Welfare for his interest shown in it had a farm named after him – the Sturdy Co-operative Farm. You will recall, Mr. Speaker, back through the period of some years, we asked questions in Committee about this project in the expenditures, because you will find the Minister of Social Welfare was carrying on a project of land clearing in this particular area and he had expenditures for tractors and jeeps and bulldozers and so forth to conduct that particular undertaking. A little later on we found where the Minister of Agriculture was doing land clearing and drainage work in this particular area, and a sum was voted to him for tractors and jeeps and bulldozers and so forth. We always wondered why we had two Ministers particularly concerned in the one project and we could never just understand why the Minister of Social Welfare should be assuming such a major role in a more or less agricultural department. A year or two later the Minister of Agriculture did take over the responsibility under his department for land clearing projects in this particular area.

A year and a half ago there was a young veteran came to me in my home from Carrot River, from a co-op farm. I had not seen him before, and I did not know him; but I soon learned that he was married to a girl whose brother I had taught in the neighbouring town of Fox Valley. He sat down with me in my home and he gave me a picture that I thought was so fantastic that I could not believe it, except I knew of the integrity of his wife and of his wife’s family. He told me of his services in the army and his political activities overseas and of his support of this particular government, and he told me he personally believed at that time that the friends of the veterans were not in Ottawa and that the provincial Minister of Social Welfare had given to the veterans the only ‘veterans’ Charter’ that was really worthwhile. After he had finished his story he told me he had left the co-op farm; he was taking his wife and small family to seek work in Alberta. I advised him to do two things. I said, “Hold on to your equity in the co-op farm until it can be investigated; and “(I said) “The Royal Commission on Agriculture is now sitting and if the conditions are as you have stated to me, I would suggest to you that you go back to the Carrot River area, gather your veterans together and draft a brief and submit it to the Royal Commission on Agriculture outlining to them the story that you have just told to me.”

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Hon. Mr. Nollet: — Would the hon. member wish to state the name of the Co-op farm he came from?

Mr. Cameron: — What was that remark? Since you are so restless and impatient, Mr. Minister of Agriculture I'll take time to give it to you. It is the Fairview Co-op Farm, Smoky Burns, Saskatchewan. I have the financial statement here. Now, I will go on.

It was not too long afterwards that I received a bundle in the mail containing what he stated to be a rough copy of the brief they had submitted to the Royal Commission, together with numerous correspondence between various officials of the Government and members of the veterans' co-ops and the financial statement of the co-op that he belonged to himself. He told me, in his story, that since this particular Government was the father of this venture, they also wanted to exercise the father's right: they wanted to be boss. So this is how his story goes; there were several directorships. There was the Director of Extension Services for Veterans' Co-ops; there was the Assistant Director to the Director of Extension Services for Veterans' Co-ops; there was the Director of Rehabilitation; there was the Assistant Director to the Director of Rehabilitation; there was the Director of Field Operations and he had an assistance director and accountant; there was the Director of Staff Training – we know that; and, of course, his sphere of influence went up into the north because naturally he had to watch the operations of the Government staffs up there. And he gave me some examples of the method in which these co-op farms were being run under these commissions and boards and individuals sent there by this particular Government. I think he said there were six agencies that they had to deal with. There was an agency there at that particular time in charge of brush breaking and picking of roots...

Mr. McDonald: — Is that the seventh or eighth one?

Mr. Cameron: — ...and he said that in his co-op there were 17 members, and they were called upon to go picking roots, or break brush where they were clearing bush some miles further north to bring under cultivation more acreages in order to seed more wheat. And he says here is an example of the timetable. He said, "We got up at 2:30 in the morning, loaded into transports to go 5 miles over bulldozed trails to an area in the bush being cleared. Arrived at the field or clearing at 4:30 a.m.; worked until 6 a.m. Left the field in the transport truck back 5 miles to the kitchens for breakfast; ate breakfast; loaded into the transport for the trip 5 miles back to the field; arrived back at the field at 9 a.m.; worked till 12 noon. The 8-hour shift was then completed. We were then transported back to our quarters, and a new gang was taken." He worked a total of 4 ½ hours. The veterans protested this loss of time. They wanted their breakfast brought out to the field. The veterans were farmers; they wanted to do a day's work; they were anxious to get on with the job, to get more acreage cleared in order to get more acreage seeded. But, he said, when they asked for this what was the answer? The Director in charge of kitchens said it could not be done because the Government would not permit any more on the kitchen expense account. You will note that these veterans from 2:30 in the morning until 12 noon, got 4 ½ hours of work done.

His whole story was one of instance after instance equally as ridiculous as that, but many more far more pathetic than that. He told of the co-op farms together having one year 1,800 acres seeded to wheat and

how the wheat grew during the summer, and the rains came it ripened. When they were preparing to harvest the crop, he said, they went to the Director in charge of the dishing out of the lumber in order that they could build bins because they had a sawmill there, and, he said, the accountant in charge would not give them the lumber. He said he had no authority to give them lumber. So he tells of these veterans taking up a donation among themselves to send a delegation to Regina to see the Director, and he can see somebody else or the Minister in order to get some word back from Regina to the Director to the accountant to the secretary to authorize him to give them the lumber. This, in the middle of harvest!

Well, Mr. Speaker, they did not need their bins because only a small fraction of that 50 bushel-to-the-acre crop was taken off. It stayed over winter—why? Because, when they went in to harvest those fields of ripened grain and took their caterpillars and their combines into the fields, what did they find? They found that because of the spring rains, the summer rains, the swamps would not dry out, and their caterpillars and combines bogged down below the axles and, in spite of everything they could do, they had to leave them until the freeze-up in the fall before they could get them out. The net result was that the crops during the winter became tangled and trampled, and all they could do in the spring was go out and burn it off. Why? Because of a lack of clearance of the swamps on which these crops were being grown.

Hon. Mr. Brockelbank: — Did you ever hear of rain?

Mr. Speaker: — Order!

Mr. Cameron: — Another year they speak of harvesting 150 acres. He told me of the constant running battle with Government officials in an attempt to get ditches constructed in order to drain the land. These paid government officials however knew better than anyone else, and they threw up dirt in an effort to make road allowances. These roads became dykes which banked up the water and caused it to back flood over hundreds of acres of more land. That is the story this veteran told me, and I think he must have told the same story to the Royal Commission.

The veterans were working in a group of 17 in this particular co-op. I want to read a portion of the financial statement of November 30, 1951, to show the operations of this particular veterans' farm of 17 members. This statement shows: proceeds from the sale of grain and livestock, \$7,225; other income — income from members' labour, \$1,411; road work, \$832; custom work for the other co-ops, \$688; root picking, \$487, and other miscellaneous items, giving total income for the year \$10,750. Their expense sheet, verified by the auditor, shows, however, that expenses for operations were \$16,196, leaving a loss on the year's operations of \$5,430.

The financial statement shows the drawings of the individual members. You will remember that, under this co-op farm system, all the proceeds from grain and labour and so forth go into the general fund, and they draw out from that fund. In this particular statement it shows the drawings of these particular members. It shows one member during the year 1951 withdrew \$362, the total drawings for the year. Another member's total drawing was \$400; another one, \$550; and it goes all the

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way down the line. Sometimes when my farmers complain about conditions I point to this and say “Here are farmers too, our veterans of the last war, who are trying to exist and raise families, with crops that have never been harvested, with swamp conditions, and drawing and trying to exist on \$350 and \$400 a year in 1951 – to keep a family in clothes and food and all for the year 1951.

The net result of this bundling and inefficiency of the Government in the Carrot River area is revealed on page 37 of the Royal Commission’s Report and I want to refer to that page 37 for a few minutes. It gives the list of every farm and the number of members originally, and I will go all the way down the list. Here is the co-operative farm Pasquia Hills. Number of leases originally issued, 15; number of members now living on the farm, none. Dissolved in 1952. Spruce Home – original members, 10; number of members today, none. Sturdy Farm that was to be the living monument to the Minister of Social Welfare, 8 when it was organized, today 2 – and there is a pertinent notation that says “Most of the land has been flooded since 1951.”

You can go all the way down the list; Willowdale, 10 veterans, today none, dissolved in 1952; Pleasant Acres – land badly flooded. This is from the report of the Royal Commission.

This story apparently has been borne out by the investigation of a Royal Commission established by this Government because in its report to the Government it says:

“The Saskatchewan Royal Commission on Agriculture Thursday called for a halt in expansion of provincial Crown land settlement until a complete survey and planning could be undertaken. The Commission criticized preliminary investigation of the project as inadequate and said settlers are confused and anxious. The report concerns 9 settlement programmes on Crown lands and it said this Government has spent \$1 ½ million up there. It says at least six separate government agencies now have responsibility for different aspects of this project.”

And it goes on, condemning the Government for what it has been doing to these veterans in the carrot River area, and saying that we must stop and take a complete assessment of the whole situation and make the proper plans and understand it and survey it and get the proper drainage work to drain the swamps and clear the bush.

Yet, a few years ago when I came into the House and told the story that racketeers had got control of large uranium areas in the north and tried to sell bogus shares across the American line and how the Attorney General in the United States brought suit against them, it was put down as Liberal propaganda. Another year, when I told the story of how this Government brought in a czar and placed him in control of 40 per cent of our oil and gas reserves, and how every time a well is drilled on that 40 per cent he will get his royalty and as a result of that stands

a chance to make millions without having even invested a dollar, it was termed mud-slinging and Liberal propaganda. And today when I come and report the story of your treatment of the veterans on the co-op farms in the Carrot River, it cannot be put down as mud-slinging and Liberal propaganda because you have the most damning indictment of any government right in your own royal Commission's findings.

There is this Carrot River Story, the story of young veterans...

Mr. Willis (Elrose): — Tell them about Matador.

Mr. Cameron: — ...many with small families attempting to re-establish themselves in civilian life; a story of their battle to clear the bush, to conquer the swamps, and to carve from the wilds of nature a plot of land, a home, in an attempt to obtain a certain degree of security. This is a story of perseverance, hardship and denial, paralleling that of the early pioneers, but unlike the early pioneers who succeeded these veterans failed...

Mr. Walker (Gravelbourg): — How many years?

Mr. Cameron: — ...not because the pioneers were made of sterner stuff. These veterans were faced with a blight they could not overcome, a blight unknown to the early pioneers, the blight of a socialist government's planned economy. That is why your co-op farms failed. That is why those veterans today are found wandering into every province across the Dominion of Canada in search of employment, to re-establish themselves in life to support their families. They have abandoned the co-op farms...

Hon. Mr. Sturdy: — How many?

Mr. Cameron: — ...but they have not abandoned the debt that they shouldered when they went there. They are carrying the debt upon their shoulders that will follow them from one end of this country to the other until the day comes when they are in a financial position to pay it back. You will find them scattered in Alberta. You will find them in Manitoba. You will find them in different places throughout the country. And that is only a highlight of the bungling and inefficiency that is perpetrated upon these veterans in the Carrot River area in regard to re-establishment on these particular lands.

Before I close, I want to say that this budget has mentioned many things, but I was amazed to find that it never mentioned once either depression or unemployment. Yet, prior to the el of last year, the press was screaming with headlines "Depression Predicted by Douglas." The present M.P. from Regina (Mr. Ellis) said, "Prosperity Law proposed by the C.C.F." If they formed a government at Ottawa they were going to pass a law against any future depression. Those were their stories. Yet not one word was mentioned in the budget about depression. But I picked up the 'Commonwealth' just before I came in...

Mr. Walker (Hanley): — Good reading.

Mr. Cameron: — ...nothing about unemployment in the budget; but in the

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‘Commonwealth’ it says: “Government admits unemployed more than half a million. C.C.F. members press for action, but Liberals refuse to recognize the recession as a serious threat.” Those are the conditions according to the ‘Commonwealth’, and yet the Provincial Treasurer did not see fit to make one reference to it in his budget...

Hon. Mr. Fines: — Mr. Speaker, that isn’t true.

Mr. Speaker: — Order.

Mr. Cameron: — ...to these terrible conditions. Yes, it is dramatic; it is pathetic. It is pathetic that the Provincial Treasurer...

Premier Douglas: — It is getting more pathetic.

Mr. Cameron: — ...cannot at least back up in part the C.C.F. Propaganda sheet to make it a little more legitimate. And I want to say this: Saskatchewan today has a smoke-screen laid over the province in order to divert attention from the conditions in the province.

Premier Douglas: — What conditions?

Mr. Cameron: — I’ll come to that, Mr. Premier. You have been very patient and I won’t be very much longer. You will find there is a deliberate attempt being made to discredit all other parties that may make an effort to gain support in this particular province. There has been a terrific effort made to discredit Social Credit. I want to read just a few of these things. Mr. Coldwell, speaking in B.C. said,

“Social Credit is the most dangerous cult seen in this country at any time.”

Premier Douglas: — Speak up; we can’t hear you.

Mr. Cameron: — In B.C. he said:

“I have no respect for those people who blossom out as Social Creditors. They would subvert democratic institutions through the misuse of the Holy Bible. There is little difference between the teachings of Hitler and Mussolini and those of Aberhart.”

Mr. Coldwell also in the B.C. general el:

“I find it difficult to understand how sensible people can vote for the same kind of philosophy our boys fought in Italy and Germany in the last war. Social Credit is one of the biggest pieces of hypocrisy Canada has ever seen.”

At Esterhazy the new Provincial Secretary was speaking. I feel sorry that the hon. Provincial Secretary should have had to be the one to make this revelation when, speaking at Esterhazy as recorded in the ‘Leader-Post’ of July 31, 1953, he said he did not know much about the Social

Credit candidate, but that the “Social Credit doctrine could only work under one condition – a complete system of state socialism. This condition is not only unnecessary but undesirable in this land.”

Mr. Loptson: — The same as the C.C.F.

Mr. Cameron: — Now, can you imagine that! A Cabinet Minister of the Socialist Government thinking the worst name he could call his Social Credit friend was to say the only way you could make it work was under a system of Socialism and that is neither needed nor desirable in this land. Yes, that is rather pathetic, isn't it?

Mr. Loptson: — I can't understand you repudiating yourself, your own policies...

Mr. Cameron: — I can imagine the reaction of the radical C.C.F.ers in my seat when it is reported what the hon. Minister there has had to say.

Yes, it was depression and unemployment. What is the new boy they have tied to the whipping post today? You see it in pretty nearly every paper: “Douglas Raps McCarthy”. Speaking on Brotherhood Week somewhere in the city, he says:

“A man should not be condemned by a Senate or Congressional Committee. He should be tried by a properly constituted court and jury of his peers and if found guilty should be punished.”

That should be done in the U.S.A. but not necessarily in Saskatchewan.

In the City Hall, Mr. Lloyd was reported over the radio I heard one night? I think it was on the 11 o'clock news) to have said:

“I am convinced that I would lose my job through witch-hunters if I should accept a teaching job in some part of the U.S.A.”

Mr. Loptson: — Why sure, McCarthy would get him!

Mr. Cameron: — Others in this Legislature have spoken of a ‘Franco’ in Quebec, and in Quebec Franco has reared its ugly head. In Alberta, Social Credit has brought back Hitler and Mussolini. And in B.C. it is the burning of books and the return of the Dark Ages. That is the picture which they are painting for us, and the cry goes out “We do not want the American Gestapo to the south, nor Franco's Spain to the east, nor the sawdust Caesars to the west.” (They mention nothing from the north) That is the rallying cry they are asking the people of Saskatchewan to go to battle on.

Mr. Loptson: — Russia is to the north.

Mr. Cameron: — They work up this picture of hysteria until every housewife, when she winds up the clock and puts out the cat, will look

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under her bed for fear there is a witch-hunter under there. And yet, if you want to find your 'sawdust Caesars', Mr. Speaker, all you have to do is look at the veterans' treatment in Carrot River. There's where your sawdust Caesars are to be found.

Mr. Erb: — That's silly.

Mr. Cameron: — Yes, silly and your Royal Commission will support me on it. Yes, that's the cry that goes out, and that is the cry in the Commons. But it is not the cry of the budget.

In closing I just want to tell this. At Cypress Lake last year, I ran into an old-timer. He was an ardent Social Crediter. He found I was a member from Saskatchewan. And he said, "Well, all of the good people have left Saskatchewan and those that remain are going nuts." I couldn't help but think of him, the other day, when I read "Mental Hospital Rates High in Saskatchewan." What is the reason for it? If our mental hospital rate is high and you want it to go higher, continue that cry of witch-hunt and sawdust Caesars and book-burners and Franco's and Hitler's...

Mr. Walker (Hanley): — There's still room there.

Mr. Speaker: — Order.

Mr. Cameron: — In spite of our great health programme, mental hospital rates high in Saskatchewan. That has nothing really to do with the budget, but I wanted to say...

Hon. Mr. Bentley: — You can say that again.

Mr. Cameron: — ...in contradiction to what we have had to listen to and what will go on about these terrible sawdust Caesars that are going to descend from every direction but the north on the people of Saskatchewan. I cannot support the budget.

Hon. Mr. Fines: — I did not want to interrupt the hon. gentleman when he was speaking, but he quoted from 'The Commonwealth' and then said 'The Provincial Treasure had made no reference whatsoever to unemployment.' I just want to deny that statement. You will find these words:

"By the middle of winter the abnormal rise of unemployment appeared to reflect more than normal seasonal influences with consequent serious concern to everyone except, it seems, the government at Ottawa."

AUTOMOBILE ACCIDENT INSURANCE ACT

The Assembly resumed, from March 3, 1954, the adjourned debate on the proposed motion of the Hon. Mr. Fines: "That Bill No. 37 – An Act to amend The Automobile Accident Insurance Act" – be now read the second time.

Mr. R.A. Walker (Hanley): — Mr. Speaker, I want to say something about the principles contained in the proposed amendment to The Automobile Accident Insurance Act. I want to say that all of us on this side of the House are keenly interested in bringing the Act more into conformity with the needs of the people, to making it a sounder Act and to improve it as conditions warrant improvement.

We on this side of the House, Mr. Speaker, welcome the knowledge that The Automobile Accident Insurance Act is working very successfully. Our hon. friends opposite seem to take a great deal of pleasure in the fact that the levy required under the Act this year, did not quite cover all of the moneys paid out. More was paid out than was collected. I say that we on this side are also pleased to know that the fund provided by the Act has been available to help countless people who have been in difficulty as a result of automobile accidents. We take considerable satisfaction in knowing of the millions of dollars that have been paid out of that fund to help people who have been the victims of automobile accidents.

However, the main principle, I suppose, behind the Bill now before the House, is one of a curtailment of a benefit. It is proposed, under the Bill, to increase the deductible by \$100 in the case of property damage insurance. That, Mr. Speaker, is the inevitable result of a higher accident rate and the higher costs of damage caused by automobile accidents. This Act was set up, in the beginning, to be a non-profit, co-operative sort of venture, whereby all motorists would pool a small annual premium and each would benefit according to his misfortunes on the highways. And it is, of course, inevitable that as costs of benefits exceed the levy some adjustment has to be made. That was anticipated from the beginning, and it cannot be denied. And so here, now, we are curtailing one of the benefits by increasing the deductible.

Many ways undoubtedly could be proposed of reducing the amount of money paid out, or of increasing the levy. I think that the Provincial Treasurer, if I may say so in this debate, is to be commended for the way in which he has worked out the new formula of premium rates. I think it is more equitable and more fair than any that we have had in the past. I think all motorists will welcome the wider spreads between the old cars and the new cars, and I think it will be recognized by everyone, except those who are bigoted or those who are antagonistic to the act, that it is a more equitable arrangement than we have had before.

I suppose there are a number of possible ways of cutting down the benefits. We could reduce the benefits to widows, children, dependants of people who are killed or injured in automobile accidents, but I for one do not advocate it. I do not think we should deny to our people the benefits which they have come to accept as their rights under this Act.

I think, however, that there is one coverage under the Act which might be modified. I speak of the collision coverage. That is the coverage to a motorist's own car in the event it is involved in a collision. There it is proposed to increase the exemption from \$100 to

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\$200. I would draw attention, Mr. Speaker, to the fact...

Mr. Speaker: — I would like to remind the hon. member that we cannot deal with details of the Act. That will have to be dealt with in Committee of the Whole.

Mr. Walker: — Very well, Mr. Speaker, I will confine myself to a discussion of the principle involved in reducing the coverage that is proposed under the Bill before us. I think the main principle involved in that Bill is the reduction in the coverage of collision insurance.

My suggestion is that a further reduction in costs might be made without prejudicing the welfare of the people of Saskatchewan. I suggest that we should first of all have in mind that the coverage of this act is automatic; the coverage provided by this Act automatically applies to every person who owns a registered vehicle in Saskatchewan. The collision benefits apply to every person who owns a registered vehicle in Saskatchewan, when it is driven by a licensed driver.

Now, private insurance companies enjoy a certain advantage in the matter of selling collision insurance. With them it is a voluntary arrangement. They do not have to sell insurance to people who are bad risks. However, in this case, the Automobile Accident Insurance fund has to sell coverage to everybody who had a licence. The result is that the insurance fund has got to carry people who are bad risks as well as people who are good risks. I submit, Mr. Speaker, that an amendment to the benefits could be made by giving to the Insurance office the right to determine that a certain applicant is a bad risk, based on previous experience and previous accident history, and to deny him collision insurance. Collision insurance is the insurance which the motorist receives himself for the damage to his own vehicle. I suggest that we must continue the public liability coverage and the property damage coverage for every motorist in Saskatchewan, otherwise the general public would suffer from this curtailment of benefits. But I suggest that, if we would give to the Board of Directors the right to say that Mr. Jones, for instance, has had such a bad record of accidents over a period of three or four years that the collision benefits should be entirely withdrawn as far as he is concerned.

Mr. Kohaly (Souris-Estevan): — Mr. Speaker, on a point of order. The other day the House will remember that the hon. Provincial Treasurer pointed out that I must not discuss collision provisions as far as Bill 37 was concerned, because it was not part of the principle. Now we have been listening to collision, are still listening to collision, from the hon. member from Hanley. I think it is entirely out of the scope of the principle of Bill 37. The term 'collision' does not appear in it, and my point of order is that the hon. member should not be allowed to discuss this matter.

Mr. Speaker: — I think your point of order is...

Premier Douglas: — Mr. Speaker, before you give your ruling – If I am following the hon. member's argument correctly I gather that what he is suggesting

is that the raising of the deductible on property damage, which is provided for in this Bill, could be made unnecessary if there were a saving in some other provision, such as refusing to accept collision damage from bad risks, which would make unnecessary the raising of this deductible. I am not sure that I follow exactly the line he is arguing towards, but I would submit that it would seem to be in order – that he is suggesting an alternative to the provision which is contained in the Bill. That may not be the conclusion to which he is working, but I thought it was.

Mr. Speaker: — I think as a matter of fact the whole debate on this Bill has been very irregular, and I think the proper place to change any section of the Bill is in Committee of the Whole. We are now dealing with the principle of the Bill – the whole of the Bill.

Mr. Walker: — May I submit, Mr. Speaker, that the essential point of my argument is that I say if you are going to deny benefits to anybody, instead of denying them universally to all people we should attempt to select those people who are bad risks and impose the denial of benefits mainly upon them. I am not arguing that you could eliminate the entire increase in the deductible from \$100 to \$200. I do not think that would be possible; but I do think that the reduction in protection could be mitigated somewhat, either to a large or small extent, if savings were made by denying this collision coverage to those motorists who are deemed by the Board to be bad insurance risks.

I am convinced, Mr. Speaker, from figures that I have seen that you could not save a large amount of money – not probably as much as you will save by increasing the deductible from \$100 to \$200; but I think it is not only a question of the amount of money that you might save. I think there is a question of principle involved as well and it is this. In every community there are one or two or three reckless, dangerous, lunatic type of drivers who we can predict from year to year will be making a claim against the insurance fund. Now there are not many of them, indeed there are very few of them; but the average motorist protests against paying whether it is a lot or whether it is a little into the insurance fund to pay for collision damage caused by people who have a high record of accidents. I am willing to concede that the amount of money that would be saved would not be perhaps a very large sum, but I do say that it is our duty not to encourage, or to make possible, the kind of lunacy that is sometimes found among a very tiny minority in every community.

It is no answer to say that you can prosecute them for violation of the Act and cancel their licence. Out of every hundred motorists there are perhaps one or two who are guilty of infractions of The Vehicles Act and can be charged with an offence and have their licence cancelled. Then there are two or three more who, while guilty of offences, cannot be prosecuted and brought to conviction, and that is the little group I speak of; and as long as funds are available to them to purchase a new automobile every time, or to replace their old automobile every time, they wreck it and damage it. Those people, many of whom are young and would not be able to keep on buying new cars as fast as they smash them up, are permitted to continue to use our public roads as a result of this collision coverage. I think it would reduce the incidence of traffic accidents to say to those irresponsible reckless people, most of whom are youths, that once they wreck their present car they are out of luck. I say that I would be willing, as a member of this Legislature, to entrust to the judgment of the Board of Directors of the Government

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Insurance Office the right to say to any motorist, “your record as an insurance risk is bad; we are not notifying you by registered mail that you no longer have collision protection under The Automobile Accident Insurance Act.”

Mr. Speaker: — I think the hon. member is out of order.

Mr. Walker (Hanley): — Well, Mr. Speaker, I will proceed to put myself in order...

Mr. Speaker: — As a matter of fact, that could only be put into the Bill by a House amendment.

Mr. Walker: — Very well, Mr. Speaker, I shall move an amendment. I move, seconded by Mr. Brown (Bengough):

That the following words be added to the motion:

“But this Assembly regrets that the Bill does not incorporate the principle that the Board administering The Automobile Accident Insurance Act shall have authority to refuse to give collision insurance coverage to any holder of a motor vehicle registration who, in the opinion of the Board, is a poor insurance risk.”

Someone has said that these people are subject to a surcharge. When I made direct personal inquiries as to these individuals I find that, in the several instances that I know of personally, there is no use talking about a surcharge unless you talk about a surcharge in the amount of, say, \$500 a year. The people I hear about and have made inquiries about would not be adequately paying their share of their cost to the fund unless the surcharge was so large that it would be simply prohibitive. After all, Mr. Speaker, the benefits given by this Act should be benefits given to people who are in social need, who require protection in order to carry out the broad principles of social justice. That is the foundation stone of the Act itself. But to say that we must, therefore, in order to be consistent, pay to every person, the deserving and the undeserving alike, enough money to replace the car which he may have carelessly or negligently or wilfully damaged, is, I think, exposing the Act to justifiable criticism.

Now that I am at liberty to speak at length on the matter of the proposal, I want to recite just one or two little instances which came to my attention. I have been informed of young people who, on getting back their car from the garage after it had been given a major body repair job, that they had a new car before the accident, and, by golly, they were going to have a new one if they had to have another accident to do it. In one case I heard of that fits that pattern, the chap went out, the same afternoon, with the car which he had just got from the body shop – a nice Oldsmobile 98 convertible – and completely demolished it, sending his young companion to the hospital with a broken neck.

I suggest that these rare instances do tend to bring the Act into disrepute and I would like to be able to say to the people of my constituency, when I hear of these complaints, that the Insurance Act does not replace the car which these people have damaged. I admit that the Insurance Office is

going to have to exercise a judicial discretion about this matter. I admit that the Insurance Office is going to have to put their finger on the ones who are the bad actors, but I think, having confidence in the judgment of the Board, that the Insurance Office is not going wilfully and unnecessarily to deny coverage to people who are on the borderline, people who have accidents every once in a while, but not a serious number. I think it is possible for the Board to say that “beyond a certain limit we will not go” and, accordingly, to notify the insurance holder, the licence holder, of their decision in that regard so that the insured or the licensee may, if he wishes, go to the private companies and try to get collision coverage from them.

It is putting an impossible burden upon the R.C.M.P. and upon the highway patrol people to say to them, “if there are any auto maniacs in your community, charge them, get them convicted and have their licences cancelled,” because, Mr. Speaker, it is a basic principle of British justice and fair play that the benefit of the doubt shall always be given to the accused. It is summed up on a popular saying that it is better that 10 guilty men shall go free than that one innocent man shall hang. And that rule is as applicable to motor vehicle violations as it is to the criminal law generally.

Mr. A. Loptson (Leader of the Opposition): — Mr. Speaker, on a point of order, I wonder if that amendment is in order, on that Bill.

Mr. Speaker: — Well, in answer to that, this amendment is just as much in order as the amendment that Mr. Kohaly made.

Mr. Loptson: — But it hasn't anything to do with the principle.

Hon. Mr. Fines: — Mr. Speaker, I think we are getting this House into a very serious position...

Mr. Speaker: — We sure are.

Hon. Mr. Fines: — The Bill is up now for Second Reading. On Second Reading we discuss the principle of the Bill. Now what has happened is that we could have 50 amendments here; we could go on for the whole session; everybody could bring in an amendment about anything at all pertaining to insurance. The same is true of any other Bill that is up for Second Reading. If we are going to accept this — I agree with you, I believe that the hon. member for Souris-Estevan (Mr. Kohaly) was completely out of order, the other day, with his amendment. I don't think it had anything to do with the Second Reading of the Bill to try to pass a vote of censure on the Provincial Treasurer for his weaknesses, whatever they might be. I think, too, that this is a very dangerous principle. The hon. member has the right, when we get into Committee of the Whole, to bring in an amendment to give to the Board the right, not only to surcharge in case of collision insurance, but to give the Board the right to refuse anyone collision insurance under certain conditions. That is his right, and that is the place; and I think we should stick to the rules that have been so well laid down throughout the centuries, or we are going to get ourselves into a great deal of difficulty. I would certainly suggest, with all due respect, that they should be ruled out of order.

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Mr. Walker (Hanley): — Well, Mr. Speaker, in order to avoid any difficulty in that regard I am perfectly content, upon the objection of the Leader of the Opposition, that my motion should be withdrawn, providing it is clearly understood that the opportunity will be given to discuss this matter in Committee of the Whole.

Mr. Speaker: — You can introduce your amendment in Committee of the Whole.

Mr. Walker (Hanley): — Well, I am perfectly satisfied although I disagree with the Provincial Treasurer on his interpretation of the rules. I am satisfied that alternative ways of carrying out the same principle are admissible and I do not agree with him, but rather than...

Mr. Speaker: — Order! Just a minute; as a matter of fact, this is quite different. The hon. member for Souris-Estevan criticized the Bill, but he did not offer any amendment to the Bill. It has been drawn to my attention that, under the rules, you are in perfect order to state what you do not like in a Bill, but it is going to lead to a great deal of confusion, because the whole thing that you are proposing to discuss now could much more properly be discussed in Committee of the Whole. I think you would get ahead a lot faster; you would have more freedom of discussion. But if this amendment carries I cannot see any alternative but that the Bill should be withdrawn and re-submitted, because you ask that words be added and if it passes there is only one way they can be added, and that is that the Bill be withdrawn and resubmitted.

Mr. Walker (Hanley): — Mr. Speaker, I am only anxious that the principle which I enunciated should be given consideration./ I am perfectly satisfied that consideration could be given to that in Committee rather than on Second Reading and with the consent of my seconder I will withdraw the amendment in order that it may be considered in Committee.

Mr. A.L.S. Brown (Bengough): I will give my consent on the condition that when this is brought into Committee of the Whole, it will not be suggested that we are bringing in a new principle and as such it could not be considered by the Committee.

Mr. Speaker: — When the Bill is in Committee of the Whole every clause in the Bill has to be passed, and if any clauses are not passed some amendment is made. My understanding is that there is only one clause of the Bill that there is discussion on.

Mr. Walker (Hanley): — Mr. Speaker, the difficulty in my mind is this: either it is a new principle or it is an extension of or an amendment to an existing principle. Now if it is an amendment or an extension of an existing principle, then it is in order; if it is a new principle it is out of order; but if it is a new principle and out of order, it is also out of order in committee.

Hon. Mr. Brockelbank: — Mr. Speaker, on a point of order. Is it not correct that when a Bill to amend an Act is introduced in the House, the principle of that Bill is the principle of the Act

repeal The Well Drillers Act, and I am sure that a proper House amendment to that Bill would have been to strike out clause 1 which would have nullified the whole thing and left The Well Drillers Act in effect. The principle we were dealing with was the principle in that Act – whether or not we were going to continue it or modify it or do away with it. So once you get an Act opened up, anything relating to that subject, that principle in the Act, I don't see why it is not in order.

Mr. Speaker: — I should suppose that as far as amending the Act is concerned, the Act is already established and you are not interfering with the principle of the Bill because the principle of the Bill is The Automobile Insurance Act; but now all you are trying to do is to modify one clause of the Bill by putting in something else, and I think that would be perfectly in order in Committee of the Whole.

Is it agreed by the hon. mover and seconder that the amendment is withdrawn?

(Amendment withdrawn)

The question being put for Second Reading of Bill No. 37, it was agreed to, and the Bill referred to a Committee of the Whole at the next sitting.

SECOND READING

Bill No. 39 – An Act to amend The Vehicles Act

Hon. C.M. Fines (Provincial Treasurer): — This Bill to amend The Vehicles Act has already been outlined in the newspapers. The reporters have done a pretty good job of picking the principal points out and making them available to the members of the Legislature, so that they have saved me the trouble to having to make an analysis of the different points.

I would say, though, that the principal purpose behind the proposed amendment is to try to do something to reduce the growing number of accidents in the province and to take additional steps to penalize those who are responsible for these accidents. I would like to say, Mr. Speaker, that we are all greatly concerned with the increasing number of accidents in the province. It is not peculiar to Saskatchewan alone. The trend is to be found all over the Dominion of Canada and all over the United States. Members will recall seeing in the paper, a few days ago, where there were five people killed in one accident and it stated that this brought to 15 the number of fatalities in the last few days around the city of Calgary. Of course that is far more people than we have had killed in the entire year to date in the whole of Saskatchewan, and is something certainly to be greatly regretted. I would like to point out that in 1952, the average traffic deaths in the United States per 100,000 population was 24.3; Saskatchewan's rate, during that period of time, was 11.2. In other words, our average rate of accident is less than one-half of that in the United States. Nevertheless, we still feel that it is too great a toll, and these amendments which we are introducing are designed to reduce that toll.

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You will recall that, a year ago, we brought in certain amendments and in our budget we brought in proposals to have traffic squads appointed by the Royal Canadian Mounted Police to patrol the roads. They have been doing that for a year, and this year, as I announced on Wednesday, we are making provision to double that number – to have 48 instead of the 24 we had this year. We have been stepping up the driver examination programme; we have been adding certain tests which we did not have the facilities to carry on earlier. We are hoping that, as time goes on, we will continue to increase the number of people that we can test.

Now, Mr. Speaker, the House, the other day, appointed a Select Special Committee. This Committee has had two meetings during this week. We have spent two evenings and during that period of time we have read submissions of a number of organizations and individuals. I would like, today, to invite anyone who has any ideas on how we can reduce this number of accidents to send in a brief to the Committee in order that it can be considered. We have before us 25 written submissions, and we have asked for written submissions from some of the Departments concerned with traffic.

The principal proposals in the Bill are to increase the minimum penalties from \$5 to \$10 and from \$10 to \$20. There is also an amendment which will require that any person requested by the Board to do so submit his vehicle for examination; if the Board have reason to believe that the vehicle is unsafe they can require them to submit it for examination. We are also making provision to penalize anyone who is found driving a vehicle while his operator's licence has been suspended. The proposal here is not only that the licence of the operator be suspended but that his car be impounded for a period of at least 30 days so that he won't be able to drive.

Then, too, one other step we are taking is to put the people convicted of traffic accidents in the cities in the same position as those in the country. At the present time, if a person has an accident in the city, or speeding in the city at a rate of 75 miles an hour down Albert Street, he is haled into court and pays a fine and that is the end of it. If the same person goes out on the highway and drives 75 miles an hour, he not only pays the fine, but it must be reported to the Highway Traffic Board, and that person is given a blue licence. The same is true with stop signs. If a person fails to stop at a stop street in the city he is convicted in court and pays a fine and that is the end of it; but in the country, if he fails to stop at a highway and is convicted, he pays his fine and in addition gets a blue licence. Now the amendments will provide that for the same offences occurring within a city or town, where the charge is laid under a town or city bylaw, the Magistrate must report that to the Highway Traffic Board and the accused or the convicted person will receive a blue licence, the same as they now receive in the country.

Now, Mr. Speaker, those are the principal amendments. There are many others that we might consider better, I think, in Committee. I believe that that, together with the report which we read in the press the other day, pretty well sums up the principal proposals to be considered. I move Second Reading of this Bill.

The question being put, it was agreed to, and the Bill referred to a Committee of the Whole at the next sitting.

The Assembly adjourned at 5:35 o'clock p.m.