

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fifth Session — Fourteenth Legislature
24th Day

March 19, 1963

The Assembly met at 2:30 o'clock p.m.

ON ORDERS OF THE DAY

WELCOME TO STUDENTS

Mrs. Cooper: — Before orders of the day are proceeded with, I would like to call the attention of the members to a very fine group of students in the Speaker's Gallery. They come from grade 8 at Athabasca school, and their teacher is Mr. McDonald, and we would like to thank Mr. McDonald for bringing the students, we think it is an excellent thing that so many students do visit our legislature and I am sure that you would all like to join me in wishing them welcome, and hope that they enjoy their stay with us.

Mr. A.T. Stone: — I would like to draw your attention to a group of students in the west gallery from the Queen Elizabeth school in Saskatoon, with their teacher, Mr. Caldwell. I am sure all members will join with me in saying how delighted we are in having them here today, and hope their stay will be a pleasant and informative one.

PRESS RELEASE

Mr. Brown: — Before the orders of the day I would like to call the attention of the members to the press release, which they will find on their desks, this being stagnation Tuesday, I would point out that this is another case of one of these major companies who are afraid to come into Saskatchewan, having decided to build another one of these non-existing manufacturing plants in the province.

In all seriousness, Mr. Speaker, I would like to direct the attention of the hon. members to this announcement, which I think is of importance to the province of Saskatchewan. We are happy, indeed, that Armour and Company, one of the leading industrial organizations in the United States, an international organization as a matter of fact, has seen fit to select Saskatchewan and the city of Saskatoon, as the site of their first move into actual manufacturing here in the dominion of Canada.

I am sure, Sir, that all members of the house will want to join with me in speaking on behalf of the people, whom they represent, in extending a very warm welcome to this major American company, to the province of Saskatchewan and to express the hope that they will have a very successful future with their operations here in this province.

All Members: — Hear! Hear!

Mr. Thatcher: — Mr. Speaker, I would like to associate the members of the opposition with the remarks just made by the minister. I suppose this is the exception which proves the rule. I don't know whether the company came to Saskatchewan because of the government or despite the fact that the government was here; but we certainly do welcome them and we hope the minister can make other announcements of the same nature in the days ahead.

Hear! Hear.

ESTEVAN BRUINS — REGINA PATS

Mr. MacDougall: — Before the orders of the day, Mr. Speaker, I should like to draw the attention of this house to the fact that the Estevan Bruins effectively white-washed the Regina Pats. I want to bring this to the attention, especially the members from Regina who are prone to bragging about everything and sundry, from sporting events to being Irish. Mr. Speaker, on behalf of the members I would like to congratulate the Estevan team.

MOTIONS

Resolution No. 4

Mr. J. Thiessen (Shellbrook) moved:

That this Assembly is of the opinion that the Government of Canada should, in co-operation with the provincial governments, adopt comprehensive national highway policy which would assist the provincial governments to meet the major road transportation needs of Canada

He said:

Mr. Speaker, this motion with regard to highway planning, has been dealt with before in this house, and I imagine it has been dealt with on a number of occasions. Much has been written and much has been said in regards to highway planning with the federal government in conjunction with provincial governments.

When transportation first opened in this country, it was felt that all we really needed was railways. Railways can handle our products which were sent out of the provinces, as well as those which were transported in. It was felt that you needed a minimum of road beds and you could haul loads. Then in the field of highways it was pretty well left up to the provincial governments, and local roads were pretty well left with the municipal governments. This was carried on for a good many years and we find now that the transportation which the highways have to handle is changing so rapidly that provincial governments and municipal governments both cannot cope with it. We have the many more miles which are made, we have the much heavier loads which are being looked, which have to be handled by roads.

This, too, is done by farmers, they want to travel ever so many more miles than we used to travel, and we have school buses, and we have so very many things to handle. The farmer is no longer content to just drive to the village for mail, or flour, or coal, like he used to. No longer does he only want to go to his neighbors, but he may have brothers, sisters, and a mother, in Manitoba, and he will make a weekend trip to visit.

This altogether means that we have to have long planning for roads for years ahead. We seem to build highways and roads today, Mr. Speaker, and when we have them completed they are being pretty well being used to their fullest extent. The only real highway which we have in Saskatchewan, which is not being used to its fullest extent is our good road out of Regina, and I think this is the planning that we need. We need highways something like we have between Regina and Lumsden.

I'm not going to say too much on this subject, Mr. Speaker, there has been, as I have said before, an awful lot written and said. I would like to read something that was in the Prairie Transport of May, 1955; this is in regards to general trucking.

“Although it is impossible to fix precisely the date to mark the beginning of general freight service, because a certain amount of general freight has been carried on trucks from the first. (I imagine this was from the beginning of the

province of Saskatchewan). "It was in 1926 that W. Cochrane of Indian Head, started a fairly regular service between that town and Regina, two years later in 1928, Skingles of Moose Jaw, started their route also to Regina, in a "manner that illustrates the newness of the new transport medium."

It came about almost by accident, Mr. Skingle was operating a number of trucks in connection with his coal, sand and gravel business and one of the trucks had been sent to Regina for an overhaul. Some freight was offered for the trucks return trip, and Mr. Skingle immediately recognized a new business opportunity. Within a few months, two trucks were providing regular service, weather conditions permitting. There was no gravel on the roads then, and when it rained the trucks could only get through by brute strength and ignorance. (Mr. Skingle's words) It started the same year with Harry Hooper's service to towns south of Shaunavon, and in the next few years a spreading network of truck service, tied together Saskatchewan's cities and towns, as highways gradually improved. The path ahead was staked out, and this Mr. Speaker, is what has been taking place ever more rapidly ever since 1926 and 1928.

I remember one time in 1920, when my mother and dad wanted to take a trip to Swift Current, they were living in Aberdeen at that time, and this was a two week holiday tour; they had quite a time getting there and also quite a time coming back. Today, I know that my mother and father, living at Aberdeen, go to see their relatives at Swift Current on Sunday morning and they are back on Sunday night. And this is something we have to cope with.

And then again, reading some more, Mr. Speaker, John McKee, executive secretary of Canadian Trucking Association, of July 1962, has set this up very well.

"To a degree it is understandable that trucks, even collectively, did not have the impact on federal transportation thinking, that came so easily from such projects as seaways, airlines, and the pipelines. The government was not alone in its failures to assess the economic implication of highway transport. The early development of highway transport led others off the track, for the industry had developed initially as a local inter-regional service. In the first postwar decade, our highway plan was sadly inadequate and fragmentary. Inter-provincial highway links were particularly weak, and no national highway system existed. Some of the most important inter-regional highways transport had to use American highways, and still does. Long distance highway transportation became economically

feasible at a time when the trucking industry was still regarded as a regional transportation medium. Even when the railway strike in 1950 dramatically demonstrated the capability of long-distance highway transport, such transport was still considered a passing phenomena; useful perhaps in an emergency; suitable perhaps for certain highly specialized transportation tasks; but essentially an uneconomic possibility.

In spite of this expert opinion, some of it within the trucking industry, long-distance trucking continues to grow”

and it does to this day, Mr. Speaker, and as I have said before it has not only been discussed in this house, it has also been discussed in the house of Commons in Ottawa, and I would like to read you a little part that was read into Hansard in Ottawa:

“The need for support for rural income, the need for the development of agricultural programs, is very great”.

I want to remind the Minister of Agriculture that in his statement about the program he was putting forward there was no reference to the need of assistance to farmers in the development of a system of adequate farm-to-market roads. The minister may throw up his hands and say this has no part in the national government policy, and I differ.

I think it is time we have a national road policy in this country. The United States have had one since 1912, whereby federal money and federal leadership are provided in establishing transcontinental highways and in constructing farm-to-market roads, and roads over which school buses can travel. The cost of roads in rural Canada with its diminishing population is one of the heaviest burdens that exists for farmers today.

Taxes for roads are high, and if the government wishes to do something that will assist the small farmer, and will assist the development of rural areas, I suggest that this is a provision that can not be overlooked.

Again, the same thing took place somewhat later in 1961, at this time they were suggesting that we go into a national highway program to take care of unemployment in this country, and again it was stated something about the highway system in the United States. And then in the Financial Post, 1962:

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“Although over \$111 million dollars a year is being spent on Canada’s highways and streets, there is still no solution to the traffic problem in sight. Roads and expressways built today are jammed with cars and trucks in tomorrow’s rush hours.”

Sometimes when we leave here about five o’clock, Mr. Speaker, Regina’s streets are also pretty well plugged with traffic.

I found a very good article in the Western Business and Industry of August, 1960, which has a fairly large write-up and they claim

“That the highway problem in the Dominion of Canada, comes only second to its national defence policy.”

And I believe that we should probably read a part of this,

“The federal government’s interpretation of its responsibilities under the act of confederation, contrast largely with the broader readings of constitutional privileges and responsibilities in the United States. There a system of federal financial aid has been in existence since 1916. The constitutional relationship between federal and state governments is virtually the same between the governments of Canada and provincial governments. But as far back as the Federal Road Act of July, 1916, there has been a solid cornerstone for a system of co-operatively building of inter-state, primary and secondary roads.”

And then they go on to show what money has been spent by the federal house by the state house, and what they have done to complete their highway system

They have a system which is second to none in the world, and in Canada we spend less federally than any nation in the world, which travels on wheels something like what we do in Canada.

They give us a graph here of mileages travelled in the various provinces, showing what mileage has been done in 1962, and in Saskatchewan we have travelled two and a half billion miles. Two and a half billion miles travelled in Saskatchewan during 1962 and this is figured out at the rate of 13.72 miles for every gallon of gas consumed.

Manitoba had two billion miles, Alberta three and a half billion, B.C. four billion, and in the four western provinces there is twelve billion miles being travelled.

Mr. Speaker, there is another industry which interested me, and this is the industry of tourists, and I was

looking for information which would give us an inkling of what the tourist traffic was in Saskatchewan and this we could probably say for every province in the dominion, so I brought Harvey Dryden's report to the Saskatchewan Tourists' Association of November 15th, 1962, and I want to read you parts of this report, because I feel that this is probably something that not too many of us are too sure about, and he is starting off here with going back about ten years:

"Needless to say there have been some tremendous strides taken in the travelling and recreational division of this province during that time. Ten years ago there were no paved highways to take you from the southern part of the province up to the northern playgrounds, and there was still plenty of hard slugging ahead to complete the Trans-Canada highway. A road north of Lac LaRonge was only a conservation office dream and there was no Hanson Lake road. Ten years ago in this capital city of Regina, there were only two motels, now there are thirteen, with a total accommodation of 438 rooms or units. During this ten-year period there has been a five-fold increase in the work program and activities of the provincial travel bureau, and I am happy to say that 200 per cent increase in staff to help us keep pace with these activities.

Even in the early years of our work we would receive a small stream of tourist inquiries every day, but nothing like the present when a hefty bundle of 400 letters per day of tourist inquiries is not considered out of the ordinary during the bureau's busy mail period from late January to mid-summer. And a good percentage of these inquiries now come from Canadians in other provinces, from Saskatchewan people who are showing more interest every year in travelling and holidaying in their own province."

There is a lot of information in this, stating some mileages on cars, and here is what he says in another part, page 3 of his report:

"Our attitude in the travel bureau, is simply this, the best market for the travel and recreational activities we have to offer are the 900,000 plus people of Saskatchewan. The more of them we can encourage to enjoy their travels at home, the better it will be for industry, and we want to direct this message to Saskatchewan people, in every way we possibly can."

and I might add with a great deal of success too. These 900,000 people on wheels, need a lot of highways in our province of Saskatchewan alone.

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This is a very good report and I wish that members who haven't read it, I would commend it to their reading, because there is a lot of material in here, which is good not only for Saskatchewan people, but for those who take to the roads on holiday time.

And then again on page 8,

"Under our tourist information program this year we will handle approximately 40,000 letters of tourist inquiry by the end of the year. These inquiries request detailed information of roads, highways, and byways, or whatever you have. Besides these 40,000 letters received at our office, it is estimated the bureau staff will handle about 60,000 other tourist inquiries."

This, again, Mr. Speaker, is more or less using roads and facilities. We have had some outstanding increases in the number of other travel areas in the present year. In the new Meadow Lake provincial park, for example, there was an increase of 7000 cars, carrying an estimated 28,000 people over the corresponding period of July and August of 1961. This is a lot of cars over a stretch of highway, Mr. Speaker, and they didn't only come from Saskatchewan, they came from many points in the dominion of Canada and in the States.

Last year during July and August Duck Mountain provincial park welcomed 19,616 cars, this year during the same period they welcomed 25,000 cars, an increase of nearly 5,500. There were over 3000 more cars in July and August of this year used the facilities of Cypress Hills provincial parks, compared to the corresponding period of 1961.

This, Mr. Speaker, I wanted to read this into the record, because it shows another need for assistance in highway construction.

New road developments in the north, improved highways in all parts of the province, and improved resort areas are encouraging the construction of these facilities to cater to the travellers and to the vacationists. That and the tremendous faith these investors and realtors have in the future of the industry in this province.

Most of you are familiar with the Hanson Lake road, and no doubt are aware of the many new facilities developing along this road, and this is one of our northern development roads with more to come. Preliminary estimates are that the Hanson Lake road attracted 35,000 more people this year than it did in 1961. This is talking about 1962. No doubt, many of these 35,000 might have visited other resort areas in Saskatchewan if they hadn't gone up to the Hanson Lake road, so you can readily see the keen competition that will be felt.

We in the provincial travel bureau have set a goal of a million annual visitors to Saskatchewan by Canada's centennial year of 1967.

This, Mr. Speaker, is I think an ambitious program and it will keep the department of highways busy constructing highways so that millions of people could come into Saskatchewan.

Now, Mr. Speaker, I have only one other little thing that I would like to bring to your attention and this is part of The Second World War. The motor vehicle has emerged as perhaps the one single thing that has done more to shape our way of living than any other development. Truly, we are a nation on wheels. This we must be if we are going to enjoy continuously improved standards of living, continuously improving educational, social and recreational opportunities. In 1945 there were, in use in Canada, about one and a half million motor vehicles, or about 1 motor vehicle for about every 10.4 persons. In 1961 this had grown to over 5.5 million motor vehicles, or something like 1 motor vehicle for every 3.3 persons. During the same period total motor vehicle travel in Canada increased by nearly 5 times, from around 9 billion vehicle miles in 1945 to over 45 billion vehicle miles in 1961. Startling as these statistics are the direct and indirect costs of highway transportation are even more startling.

It has been estimated that total highway transportation costs in 1945 were approximately one and a half billion dollars; currently the total highway transportation costs in Canada are approximately \$9 billion. The Canadian people are currently spending nearly \$5 billion in the direct cost of owning and operating motor vehicles. Considering the wages and salaries paid to people employed in commercial trucking firms, taxi operators, bus drivers, and so on, the total direct cost of highway transportation today exceeds \$8 billion.

The net road and peak expenditures of all governments in Canada today exceed \$1 billion.

Now I think, Mr. Speaker, we have covered that ground, there is a lot more that could be said, I have some more here, but the ground has been pretty well covered and I want to move, seconded by Mr. Stone, that this Assembly is of the opinion that the government of Canada should, in co-operation with the provincial governments, adopt a comprehensive national highway policy which with the provincial governments can meet the major road transportation needs of Canada.

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Mr. Stone (Saskatoon City): — Mr. Speaker, the mover of the motion has presented the case of a national expanded highway program fairly well, and there is not much left for me to say. However, I think it is perhaps fitting an important problem such as this is brought to the attention of our citizens when they are in the process of electing a government to Ottawa.

Both the Progressive-Conservatives and the Liberal party will be promising, no doubt, if elected, a stepped up national highway program.

In fact a resolution was passed at the Liberal convention in 1958 which read as follows:

“Assistance to the provinces and territories for developing roads for the north and consideration of a policy for a federal, provincial and municipal highway program aimed at providing a modern network of trunk highways.”

Now, Mr. Speaker, if I am skeptical of the promises of the two old parties, my doubts are shared by others and I would like to quote from Hansard of 1959, page 1331, vol. 2, and this is what one of the members of the House of Commons had to say, and I quote:

“We have had the programs of the two old parties. When the Conservatives were in opposition they were in favor of a national highway system. They wanted an expanded program. When they became the government they continued the Liberal policy that was in effect. Members of the Liberal party, once they became the opposition see the error of their ways in 22 years of government and they have broadened their policy. They have had a national convention and now they have a Liberal version of an expanded highway program. The trouble with the two old parties is that they always plan a visionary program when they are in opposition.”

Mr. Whelan (Regina City): — I wonder, Mr. Speaker, if the hon. member could tell us who he is quoting?

Mr. Stone: — I am quoting from the Hansard – the member from Assiniboia, Mr. Hazen Argue.

Mr. Speaker, I submit that Canada cannot continue

much longer muddling along with the question of transportation. There is a great need for an overall plan for almost all modes of transportation in this country. The highways — railways — waterways — airways — and pipe lines.

There is no doubt an overlapping of services in some places and a lack of services in others, and it is high time for a national program, planned for transportation, to bring about an efficient and at the same time an adequate transportation system to fit the needs of this country.

The need for an adequate transportation system is universally recognized. Almost every ton of freight traffic requires the use of a truck at some stage in its movement. Almost all the personal transportation needs are met by the automobile on the highways. Educational, cultural, social and recreational resort utilization demands adequate road transportations.

Mr. Speaker, Canadians today are paying dearly for adequate road transportation and they are not getting it. For instance, federal sales tax and excise taxes on motor vehicles alone, amounted approximately to \$167 millions in 1960, and the estimated expenditures by the federal government on highway in 1960-61, was approximately \$121 million. Some \$46 millions more collected than spent, and this, Mr. Speaker, doesn't include the federal sales tax on gasoline, on diesel fuel, on rubber, parts and repairs.

Because of the tremendous increase in motor vehicles and the heavy type truck vehicles, the province and the municipalities are not financially able to construct all the highways and trunk roads that are necessary to provide an adequate highway system to meet modern day requirements. Because of congested traffic conditions, many of our larger urban centres are hard pressed to cope with this situation. An illustration of this was evident in the city of Saskatoon, not too long ago . . . that was before the Canadian National decided to withdraw from the centre of the city. The traffic survey of the city of Saskatoon, showed a need for two bridges, underground and elevated highways at an estimated cost of \$24 million. Now, by the time that the program was finished in 1980 no doubt it would have cost considerable more than \$24 million. They expected to get some help from the provincial and some from the federal government, but even at that, Mr. Speaker, I should guess that there is quite a burden on the taxpayers of a city of the size of Saskatoon.

But the real cost to this city of Saskatoon, and this is equally true of other large centres in Saskatchewan, such as Prince Albert, North Battleford, has been the loss of industry, and the hundreds of millions of dollars tacked on the consumer because of high rates due to the lack of competition from other means of transportation.

Now, the city of Saskatoon, Mr. Speaker, has all the advantages of other centres, and they have better facilities for industry, but the city of Saskatoon has been the highest freight rate city in Canada, outside, of course, the far north. And because of this reason, any industry would pass up Saskatoon, and this was a well known fact in determining the location of the steel plant, which is now in Regina. Our citizens have been forced to pay through the nose for everything they buy, because of high freight rates.

To give you some examples, in January of 1955, automobiles shipped from eastern Canada to Saskatoon were charged a freight rate of \$5.05 per hundred lbs., or approximately \$182 per car. Now today, since the building of the Trans-Canada highway it costs \$105 to ship the same car. A reduction of 42 per cent. Even the impact of the completion of the Rogers Pass link of the trans-Canada highway is also noted. The rates on fresh fruits from the Okanagan valley to Regina and Saskatoon, have decreased 14 per cent. Rates on imported whiskey, if anybody is interested, from Vancouver has been reduced from \$3.97 to \$2.00 per hundred pounds. And there have been similar commodities moving from Saskatchewan to the west coast have had their rates reduced. Fresh meat from Saskatoon can now enter the Vancouver market at a rate of \$2.00 per hundred and formerly the rate was \$3.12 per hundred.

General rates covering a whole range of manufactured articles have had substantial reductions in the past, due to the more favorable highway access to the Pacific coast.

Well, Mr. Speaker, we don't seem to care how much we spend on motor vehicles, but we do complain of the cost required to build good highways to run them on. And there has been a marked differential in our personal spending in relationship to our public spending. More and better highways is a crying need. And there is no better way to put many of our unemployed to work, Mr. Speaker.

Then, of course, there is the matter of opening up our natural resources by developing roads in the north. The tourist trade alone is a big item in our economy. The building of more and better highways will return to our economy many times the cost of construction and maintenance.

Mr. Speaker, the federal government has been dragging its feet on our national highway program. In my opinion the federal-provincial relations have deteriorated since the present government has been in power in Ottawa. It is only fair to say that the St. Laurent government did make an honest attempt to bring about better federal-provincial relations. There were two conferences held during that regime, one of four days, and another of five days duration. There were held with the federal cabinet, and the premiers of the province, and the premiers had an opportunity to let their hair down, and present and grapple with their problems.

Besides these two conferences there were also two other meetings of three and four days, to discuss constitutional problems. Now, perhaps the results from this, Mr. Speaker, were disappointing from a standpoint of the province, but I suggest that this was only to be expected. The matter of federal-provincial relationship is a very complex one, a very difficult one, in a country such as ours, with a federal form of government, the geographical nature, the concentration of industry and wealth in a very small area of this country, and many, many other problems. But I suggest a good start was made and it is unfortunate the same honest desire is not maintained during a regime of the present government.

It will be noted that a two day conference was held with Prime Minister Diefenbaker, in 1957, and another three day conference in 1960, but only on one of these days was the prime minister and the premiers in attendance, and on that occasion the premiers of the province were given a lecture by the prime minister and handed a take it or leave it package.

I believe the scuttling of the tax-rental agreement was in the opinion of many a retrogressive step and done only to appease the government of one province. It appears to me, Mr. Speaker, that a decision has to be made. A decision whether grants from the federal government for such things as highways, educational needs, health, social welfare, grants can be cut off at the whim of the government in power at Ottawa, but this decision has to be made whether grants should be made, or whether a greater share of the tax dollar to the junior government would not be a better answer.

Mr. Speaker, money spent on highways, is not a total loss, rather there are tremendous revenues to be obtained, by more use by our own citizens, by the revenue from expanded tourist trade, by revenues in the opening up of pleasure and natural resources, the need of good highways as a defence measure, and I cannot stress too strongly, the need to put to useful work many thousands of our unemployed, which in turn will help to bolster our economy.

Mr. Speaker, I will support the motion.

Government: — Hear! Hear!

Mr. Foley (Turtleford): — Mr. Speaker, I just wish to speak briefly with regard to this motion, to say, Mr. Speaker, that to the extent that co-operation with the federal government with regard to highway expansion will benefit northern Canada, and in particular, the northern part of our own province, I wish to express my support for the motion.

I would like to, with regard to highway expansion, refer particularly to the efforts that have been made in recent years by the northern trans-Canada route association, and the efforts of district boards of trade and chambers of commerce, across the northern part of our province to sponsor this route. Now, as you know, the route that has been suggested by the northern trans-Canada association, comes east from Edmonton to Lloydminster and on a line due east, through to Prince Albert. Now I realize there has been considerable discussion about the route which a second Trans-Canada highway might follow going through northern Saskatchewan. However, might I point out that the southern route from Lloydminster through North Battleford to Saskatoon, is already a paved highway, and if the route were to swing north from Lloydminster then it would pass through some of the most scenic areas of northern Saskatchewan. This route would do a great deal to open up this part of the country to tourism and, of course, eventually to settlement and industry.

Now, we have a considerable stretch of the North Saskatchewan river extending all the way from North Battleford through to west of Lloydminster at Lee Park. We have had for years, several ferries operating in this connection, Mr. Speaker, I want to suggest that very serious consideration need be given to a bridge, and if a northern Trans-Canada highway were built along the route suggested by the association, this, of course, would be a very strong argument for the construction of a bridge somewhere, probably half way between North Battleford and the Lee Park bridge in Alberta. Many hundreds of our lakes in northern Saskatchewan are not being utilized because of a lack of easy access to them.

When we think of the additional revenue which would come to our province with an expanded tourist trade in the north, I believe this lends considerable impetus to serious consideration being given towards this route.

Now, from time to time the northern Trans-Canada highway has been discussed in this legislature, however, it seems to me that it has not received the attention which it merits. And thus, Mr. Speaker, I have taken this opportunity of drawing it to the attention of the legislature today.

Now, I listened rather carefully to the remarks of the mover and the seconder of this motion. I might say that a good deal has been done and, no doubt, will be done with regard to the freight rate problem in northern Saskatchewan, which the member for Saskatoon mentions as one of the drawbacks to increasing industry in our northern cities. And I, too, of course, feel that a northern Trans-Canada highway would do a great deal in this regard.

So, very briefly then, Mr. Speaker, on behalf of all of those individuals and associations throughout northern Saskatchewan, who have made considerable effort over the years, on behalf of a northern highway and then to the extent that

the spirit of this motion would contribute towards such a route, I have pleasure in speaking in support of this motion.

Some Hon. Members: — Hear, hear!

Mr. Cameron (Maple Creek): — Mr. Speaker, I think I may have a comment or two I would like to make. I think it is a grand thing when we see this legislature bringing in such a motion as this, giving, I hope, unanimous support to a Liberal resolution which was passed in 1958, and I think someone said endorsing the policy of co-operation between Canada and the provinces in the construction of highways.

This certainly is not new, and I think it was pointed out too, that if this pattern of co-operation between Ottawa and the provinces has extended a long way. The institution of the Trans-Canada Highway was a move in this direction, it is now near completion, and certainly we are interested in moves to expanding this field of building highways with co-operation between Ottawa and the provinces. Certainly, it is a theme that is being accepted across Canada; it is a thing that can be justified on the basis of linking Canada together through provincial and dominion co-operation. We have done it in other fields, in the field of health, in the field of social welfare, and construction of the Trans-Canada Highway and so forth. This is just a resolution endorsing the principle that has already been established in the hopes and desires that it will be carried on to greater fulfilment than it has as yet, and for that reason I have great pleasure in supporting this resolution.

Some Hon. Members: — Hear, hear!

Hon. Mr. Willis (Minister of Highways and Transportation): — In rising to support the motion before the House, Mr. Speaker, first, I want to congratulate those on this side of the House who moved and seconded the motion, and brought it to the attention of the legislature, and secondly, to those on the other side of the House who have expressed support for federal assistance.

We have had federal assistance here in Canada. First of all, we had an agreement in 1920 under the Canada highway act, where limited assistance was given to the various provinces in Canada to assist in laying out and designating the highway routes across the various provinces in Canada.

We had assistance too, in the thirties, based upon relief work, where the whole idea behind the assistance given in the thirties was to provide jobs, no planning, no idea of just what was to be done, except the idea of providing work for people who were unemployed at this time.

And then in 1950 we had the Trans-Canada agreement. Now this Trans-Canada agreement has been very beneficial to Canada as a whole. It has opened up a Trans-Canada route from Rupert Land across to Vancouver Island, in British Columbia. This has had many beneficial results across Canada.

Now, Saskatchewan has benefited particularly from this. We had 406 miles of high-class highway extending from Manitoba border to the Alberta Border. 406 miles of high-class highway with the federal government giving us approximately 50 per cent of the cost of building this road. However, we in Saskatchewan, completed our section of the Trans-Canada Highway in 1957. Since 1957 we have had very little assistance from the federal government. The Trans-Canada agreement came into existence in 1950 and it was supposed to end in 1957. We were the only province in Canada which had completed their section of the Trans-Canada by that time. Since 1957, the Trans-Canada agreement has been extended year by year, until now it is supposed to come to an end in December 31st, 1963.

Since 1957, the Department of Highways in the government of Saskatchewan, has pressed for further assistance from the federal government. We have claimed there is a need for such assistance, to help the various provinces in providing high-class highways running not only east and west, connecting the various provinces, but running north and south throughout our provinces. We claim too, that we should have assistance to attract tourists to Saskatchewan, not only to Saskatchewan but to all the provinces in Canada. And there is no doubt it that another highway assistance program would be a major factor in alleviating unemployment problems in the future; for it is estimated that the labor content of road construction is in the order of 27 per cent of total expenditures, and this, Mr. Speaker, is only in regards to on-site labor, and there are many other indirect effects which are substantially greater than this 27 per cent.

And then too, there are the benefits derived by secondary highway industry, where ever one sees a highway, a high-class highway is constructed across our country, service stations, motels, other industries, spring up to serve the tourist industry in the country.

Another major reason for federal assistance has already been given by the seconder, in that today, federal governments collect from the owners of motor vehicles a very substantial sum. Since 1950 the federal government has collected through various taxes levied on motor vehicles, a total of approximately, \$2 billion, \$400 million. The Trans-Canada agreement itself is set out so that it would return to the

provinces an amount of \$400 million, and this is a very small amount, this \$400 million when you consider that the federal government collects from motor vehicle owners an amount almost six times this.

Now, for all of these reasons, we, here in Saskatchewan, have been pressing on the federal government the need for a second federal assistance program.

Now, I would differ from the member from Turtleford, in that we do not want in this province, a highway system based on just one road. I know the association he has referred to, the Northern Trans-Canada Association, there is another association called the Yellowhead Route Association, both associations very active in pushing for a second Trans-Canada through their area. Now we think this would be a mistake. We think there should be assistance from the federal government, but this assistance should be on our main roads, on our primary highway system, the roads which go north and south as well as east and west. We think that if we had assistance on just one road, we would be in exactly the same position as we were in the trans-Canada, where we finished our portion of the road very quickly, and then wait for the other provinces to finish theirs. Wait without any federal assistance.

Now there is another reason here in that any assistance which would come from the federal government would have to be on a national basis, and I would submit, Mr. Speaker, that a second Trans-Canada, while it is applicable to western Canada, Manitoba, Saskatchewan, Alberta and British Columbia, it would not have the same application to Ontario or the eastern provinces, and for this reason we would probably not have success in obtaining assistance on a second route from Ottawa.

Now for these various reasons, Mr. Speaker, we have advocated further assistance from the federal government and on a network of highways within the province. A network of highways or a system based upon a similar set-up which they have in the States, which has already been referred to by either the mover or the seconder previously, where they have a net work of 41,000 miles in the states, where the federal government provides the state which does the work of building the roads, assistance up to 90 per cent of the cost of the road. Now if we had such an assistance here, Mr. Speaker, on a net work of roads within Saskatchewan, a net work of roads which had connections with Manitoba on one hand and Alberta on the other; if we had substantial assistance percentage, say, up to 90 per cent, we in Saskatchewan here would really be in heaven, Mr. Speaker, as far as assistance for highways is concerned.

I want to congratulate the members in the opposition who have indicated approval of this resolution, I am certain that all the members in this house will approve and that the motion here will be unanimous, and that our

efforts here, would probably influence the federal government in setting up a federal assistance program.

I could say further, before I sit down, Mr. Speaker, that there is unanimity among the highway ministers across Canada, as to the type of program which we should have in Canada. At the last Canadian Good Roads Association meeting in Quebec, the highway ministers assembled there, and I think there were eight out of 10 at that time, agreed to approach the federal government asking for federal assistance on the type of road assistance which I have outlined, that we in each of the provinces would agree with the federal government on a net work of roads, which we would build with federal assistance. We asked the president of the Canadian Good Roads Association, to arrange a meeting last December, with the federal government, this meeting didn't come off because the president, the highways minister of Prince Edward Island, was occupied at the time in a provincial election, and now with the federal election coming up again, this meeting has been delayed, but I hope that shortly after the federal election that the highway ministers will be able to sit down with the federal government and work out an acceptable program, based upon not just one road across the four western provinces, but based upon assistance to a network of roads running east and west, north and south, in all of the provinces, thereby helping the economy of not only our various provinces, but of Canada.

Mr. Speaker, I take pleasure in supporting the motion.

Some Hon. Members: — Hear, hear!

Mr. Foley: — Mr. Speaker, just for clarification, I wonder if the minister would answer a question?

Did I understand him to say that he opposed the second northern Trans-Canada highway, or was it merely opposition to the method of financing?

Mr. Willis: — I did not say that I opposed the northern Trans-Canada highway, Mr. Speaker. I would inform the house that the northern Trans-Canada highway has support from my constituency, it runs through my constituency, as well as the member for Turtleford.

I do not oppose any improvement to any one road,

but I do oppose the method of federal assistance based only on one road, that this assistance should be on a net work of roads within the province rather than just one road.

Motion agreed to.

ROYAL COMMISSION ON PUBLIC ADMINISTRATION

Mr. W. R. Thatcher moved:

That this house is of the opinion that the government should give consideration to appointing a commission to enquire into and report on organization and methods of operation of the departments and agencies of the Government of Saskatchewan and to recommend such changes as in the judgment of the Commission, will promote efficiency, economy and improved services in the dispatch of public business.

Mr. Thatcher: — Mr. Speaker, I rise to speak on resolution no. 5 as it appears on the order paper. May I express the hope that it will receive the same degree of unanimity as the previous resolution did.

This subject is a rather technical matter but I feel it has some importance at this time. The purpose of the resolution is to suggest methods of promoting efficiency and economy in the dispatch of public business.

This resolution proposes the setting up of an independent and politically impartial committee, to investigate all aspects and phases of government spending in the province of Saskatchewan.

Among other things, as I see it, this committee should endeavor to recommend first of all where savings in government could be effected; where expenditures could be reduced; where duplication and overlapping could be eliminated; where unnecessary operations, agencies, or branches could be curtailed. In other words it seems to me this commission could recommend how governments in general could be streamlined.

I can't see why even members on the government side could not support a resolution with those objectives. Now, Mr. Speaker, I am quite aware that this is not a new resolution. Some years ago the American government set up what came to be known as the Hoover Commission. It went all through the various government services, agencies and proposed major savings. As hon. members know, the Glassco Commission in Ottawa, a few years ago, was set up to do precisely the same thing.

Now, the first three reports of the Glassco Commission have now been made public before the demise of the Twenty-Fifth Parliament; other recommendations will follow. It is still too early to say how much of the Glassco Commission's reports will be adopted, that will depend, of course, on the next parliament. I have no hesitation in saying that there were some things which the Ottawa Commission recommended, with which I didn't agree. However, I think no one will deny that the Glassco commissioners found numerous instances of waste and inefficiency, during their critical examination of government operation, and they pointed out many ways where future savings could be adopted in a variety of ways.

The Glassco Commission reports indicate that if their recommendations are adopted, tens of millions of dollars could be saved at Ottawa.

I think that all governments services are pretty much alike in their basic organization; their basic operation; regardless of the political stripe of a government, all are prone to the same weaknesses. Governments in office too long, like an old ship, accumulate barnacles, accumulate deadwood, and in consequence, even though the Glassco reports deals specifically with the federal service they are valuable as a guide to critical study of government services at the provincial level.

Well, now, Mr. Speaker, since World War Two, in all Canadian provinces and at Ottawa, there has been a tremendous growth in governmental activities. There has been a huge expansion in government spending. Month by month in every single province this upward spiral continues. There is no indication that in the near future that trend is going to be reversed.

No where have government costs gone up more rapidly in proportion than they have in our province of Saskatchewan, since 1944. In 1944 total government spending, that is overall spending, was \$33 million. This year our gross provincial debt will exceed \$560 million. Fifteen years ago the annual interest on our provincial debt was about \$5 million. This coming year it will exceed \$27 and $\frac{1}{4}$ million.

Mr. Speaker, the socialist budget a few days ago set a number of records; provided for the biggest spending, the greatest debt, the highest interest and the highest taxes in the history of this province.

This huge increase in spending, of course, inevitably has been accompanied by ever-expanding taxation. There is no magic in government finance. In government as in business, before you can give a dollar to one person, you have to take that dollar away from another person. Indeed, I think it might be truer to say that before a government can give a

dollar to one person, by the time the bureaucrats get through with it, they have to take away a dollar and a half. Now the Liberal party in this province, has consistently maintained that the tax burden on the back of the Saskatchewan taxpayer has long since reached dangerous and oppressive levels, has long since reached the danger point. We maintain that excessive provincial taxation is hindering industrial development and it is endangering our employment opportunities.

Now, I'm not going in to the whole tax field at this time, but I want to state the reasons why I believe that some kind of an independent commission is needed to be set up in this province. I want to remind hon. members of some of the increases in taxes that have been made in recent years in this province. Sales tax, back in 1944, my socialist friends promised that if they were elected to power they would eliminate the 2 per cent sales tax, instead of that in 1950 they increased it to 3 per cent, and then last year to 5 per cent.

And I want to remind hon. members that back in 1944, this tax was only taking \$4½ million from the pockets of our taxpayers, this year the sales tax will take \$37½ million. Under this government the gasoline tax has gone from 7¢ a gallon, today it is 17¢ a gallon; or I could mention land and property taxes. My hon. friends back in the depression years and in the war years, promised that if they were elected they were going to eliminate, at least they were going to ease the tax burden on the farmer, and on the property owner. Instead of easing it, since they took office, land and property taxes on an average in this province have gone up about four times.

Mr. Walker: — Can't hear you, Ross.

Mr. Thatcher: — Or as I mentioned the other day, Income Tax. Under my hon. friends, every Saskatchewan citizen this year as he fills out his income tax, finds out that he will be paying 6 per cent more than people in eight other provinces. Well, one could go on and on.

Whether it is liquor taxes; whether it is corporation taxes; whether it is mineral taxes; or whether it is some other tax field, Saskatchewan is always high on the totem pole.

We in the opposition have repeatedly pointed out that since 1944, under my hon. friends opposite, there have been 600 new taxes and levies, 650 increased taxes and levies. Now, Liberals believe, Mr. Speaker, that this trend cannot continue indefinitely. We believe that the very well-being of our province makes it imperative that some way must be found to alleviate or at least ease, the tax burden on the hard pressed Saskatchewan citizen.

We are realistic enough to know that if taxes are to be cut, government spending also must be cut. Where and how could government spending be reduced in a major way?

We Liberals have certain definite ideas in this connection. Liberal members will make the major decisions in this field if we should form a government. But before we make those decisions, we would like to have the viewpoint of independent experts. Surely there is nothing unusual about this proposal. Private industry, time and again, calls in efficiency experts to go over their various operations.

This very government back in 1947, called in efficiency experts — the George M. May Company of Chicago. We in the Liberal party are not particularly concerned about the exact method or the mechanics that will be used, although personally, I believe that a commission type of investigation of every agency and department, might prove to be the best way to begin.

Now, Mr. Speaker, I am quite aware that the classical way of pushing a problem aside is to refer it to some kind of a commission. This is certainly not our desire nor our intention. We want an independent body to do a comprehensive survey. We want that body to make specific recommendations as to how we can best achieve government economy, and then we hope and intend to act upon as many of those recommendations as seem feasible to us. Now, the premier and the government have shown little interest in this suggestion, indeed, I think the Premier speaking in the throne speech expressed opposition to a Glassco type investigation in this province. Small wonder, Mr. Speaker, because the results for the socialists of this kind of an investigation would be spectacular and devastating, such a report would probably shake the administration of my hon. friends to its very foundation, because a swollen bureaucracy after two decades in office, naturally fears the consequences of this type of an investigation.

However, I am quite convinced that the taxpayers of Saskatchewan would see a good deal of merit in an impartial investigation. Now, the government has a bill on the order paper providing for a public administration foundation. We think that bill was only put there as an . . .

Mr. Speaker: — Order. Order. The hon. member is aware that he cannot discuss the bill on this debate.

Mr. Thatcher: — I realize that, Mr. Speaker, but I wanted to point out Mr. Speaker, why we think an independent commission would be infinitely more effective than the kind of board which my hon. friend the minister is proposing.

Mr. Speaker: — The proposed bill can be debated at a later date, not on this occasion.

Mr. Thatcher: — All right, Mr. Speaker, I will accept your ruling. But what are some of the tasks that the commission which we envisage, would undertake. I want to suggest three or four this afternoon, first of all, I think an independent commission if it was set up, should begin their operation by investigating the activities of the dozens of boards and bureaus and agencies, that have been set up since 1944 by my hon. friends. Is each performing a useful service? Is each one required in the public interest? Is each a necessity? Or does it fall in the category of a luxury or a frill expenditure? Socialists appear to see in these various boards the means of imposing a planned economy on the province. Speaking again in the throne debate, the premier said "Saskatchewan doesn't need a Glassco type commission because we have already adopted. . . .

Mr. Speaker: — Order. I don't think the hon. member should be referring constantly to the statements made in the throne speech or the budget. I realize sometimes a reference . . .

Mr. Thatcher: — All right, Mr. Speaker, the premier has also said this in various speeches around the province, according to newspaper reports; that we don't need a Glassco commission because this administration has already done things that the Glassco commission recommends. For example, the premier said on one occasion, out on the hustings, that Saskatchewan already had a Budget Bureau, it already had a Treasury Board and so on.

Well, it is quite true that we have a Budget Bureau, and it is quite true that we have a Treasury Board. I want to suggest to you, Mr. Speaker, that they certainly haven't been very effective ones; because the Budget Bureau, the Treasury Board and the fifteen cabinet ministers opposite have been completely ineffective in controlling expenditures in our province. It has gone up eleven or twelve times since they took office. Every year we bring in a budget, it goes up a few million more. I say that there is nothing in Saskatchewan today, that needs investigation as badly as does our Budget Bureau. With what activities do they occupy their time? Do they make any constructive proposals for controlling expenditures and if they do, who is responsible for relegating their proposals into the discard?

Well, then I have heard a few of my hon. friends opposite say "We don't need a Glassco commission, because it recommends a purchasing board — we have already got a purchasing board. Personally, I support the principle of a purchasing board, I think it is sound. However, the activities of the Saskatchewan purchasing board, in my opinion, require some kind of investigation, because its policies are frequently determined more by political influences than they are by the needs of business. For example, I think our government is paying more for its printing than it needs to pay if they called for tenders. Extensive purchasing is being done by the purchasing board from co-operatives; frequently at higher prices than the same merchandise could be obtained elsewhere. Now we have no objection whatever to purchasing being made from co-ops, if that business is given on a competitive basis and on a fair basis, but we do object to this government, or any agency, paying more to co-operatives for merchandise than they could obtain it for elsewhere.

Now in the Crown Corporations, Mr. Speakers. The bus company, the minister of highways indicated that the bus company hasn't called tenders for seven years, for the purchase of gasoline or diesel fuel. We say that they could get that diesel fuel and gas cheaper if they would call for tenders and I will prove that to the minister of highways on some future occasion, if he will let me. Certainly, it is their duty at least, to call for tenders in cases of that kind. Now there is one other thing.

Mr. Willis: — We did.

Mr. Thatcher: — Yes, you did seven years ago. It is seven years since you called for tenders. You are not interested in getting the best deal for the taxpayer that you can.

There is one other feature which is causing concern in Saskatchewan, as far as these boards and agencies are concerned. Increasingly some of these boards are taking on to themselves the functions of our courts. Even the functions of this legislature. For example, I remind the house that there are some decisions of the labour relations board, the liquor board, workmen's compensation board, which are frequently not subject to appeal. The process, it seems to me, that certain of our basic freedoms are being trampled on, and I believe that this commission should decide whether their arbitrary boards' powers should not be discontinued, and moreover, I believe that the commission should investigate whether every board and agency is accounting to the legislature in the proper manner.

Now the second thing I would like to see this commission do if it were set up, is to have a full investigation of all advertising and all literature, which is turned out by the government or any of its agencies, including pamphlets, bulletins, leaflets, and so on. The Glassco commission at Ottawa found that literally hundreds and thousands of bulletins, pamphlets, etc., were distributed from parliament or from Ottawa, many of them with very dubious facts.

Well, if this was true in Ottawa, I believe, Sir, that it is certainly true in Saskatchewan. Many of the bulletins, many of the pamphlets, that come out from Regina, are merely consigned to the waste paper baskets by their recipients.

Dozens of the reports I have seen have little value, except for the sake of propaganda put out by my hon. friends opposite.

Opposition: — Hear! Hear!

Mr. Thatcher: — So I believe that a commission should thoroughly analyze the need and utility value of every piece of literature put out by the government, put out by its agencies, or put out by the crown corporations.

Over the years this administration spends hundreds of thousands of dollars on advertising. According to a return tabled in the legislature last year, Mr. Speaker, Sessional paper 139, much of this business was given to two agencies, owned or controlled by Mr. George Bothwell.

Last year \$153,000 of this business. Now Mr. Bothwell, is of course the publicity chairman of my hon. friend's party, long time party worker. We maintain that this kind of giving of business is unethical. I would like to see the commission look into the reasons why Mr. Bothwell has been getting all this business without any tenders being called.

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Another thing I think the commission should do, is look into the matter of political patronage — hiring of the civil servants. The Glassco commission was concerned with the influence of political patronage as government employees were hired.

I would like to quote one paragraph from the Ottawa report —

The Glassco Commission said the government has a special problem not encountered by employers generally in recruiting for the public service. The pressure of improper influence on appointments. Such influence can seriously impair the quality of the public service, and the need for special machinery has gained wide public acceptance.

Well, Mr. Speaker, if patronage impairs the quality of the public service under the federal government, it must be ruinous here in the province of Saskatchewan, because no provincial government since Confederation, with the possible exception of the Duplessis government in Quebec, has ever used patronage to the extent that my hon. friends opposite use it. Large numbers of CCF defeated candidates, both provincially and federally, have been put on the payroll. Several defeated candidates from other provinces have been put on the payroll. I think at the moment of Mr. Cass-Beggs. Sons! Daughters! Friends! Relatives of cabinet ministers, have repeatedly been put on the public payroll.

Back in 1944 the socialists promised to take politics out of the civil service. Instead we say they have put politics into the civil service. Advancements frequently are made, depending not on how much you know, but on who you know. When the top jobs are passed out repeatedly civil servants complain, that only the defeated candidates, or the left-wingers, or the pinks, need apply. Years of seniority have very often meant very little as far as this government is concerned when advances in the civil service are being made.

As I pointed out earlier in this session, Mr. Speaker, when my hon. friends held a convention in Saskatoon, a year ago, they said even this isn't enough, we think that every civil servant appointment should be made only after he has been checked through and found that he is politically okay.

I say then that if an investigation was needed at Ottawa as far as patronage is concerned it is certainly needed here in the province of Saskatchewan.

The next item, I think an independent commission should investigate, is what the Glassco commission called

the "make or buy" problem. The Glassco Commission was concerned with the expensive manner in which governments and agencies were doing the work and producing articles which might have been purchased at a much cheaper price from private enterprise. The Glassco Commission found that the "do it yourself" trend in the federal service was proving more costly to the taxpayers, than if the government used private suppliers and manufacturers. True actual costs, said the Glassco Commission, would frequently be 50 per cent more or greater than the figure provided in governmental accounts. The practice of making goods led to fixed commitments in staff and equipment which could not be adjusted to changes in requirements, and this led to the use of "make work" techniques, to keep the staffs and the equipment employed.

In other words Parkinson's law began to work. Work had to be expanded to fill the time allowed, and the Glassco Commission points out that this kind of governmental operation is prejudicial to the position of the privately owned business sector. It withholds from it a volume of business and it also deprives the government of the revenue which could be obtained from those privately owned businesses if they did the work.

Now, if all those things applied in Ottawa, Mr. Speaker, again I say, how much more do they apply in the province of Saskatchewan? Because our socialist government engages in all sorts of activities, which probably could better be done better by private enterprise.

More than in any other province, our government has embarked on an extensive program of having done work by government agencies, which customarily is done by private concerns. For instance, my hon. friend the Minister of Highways, as much of the maintaining and building of roads is done by the government instead of calling for tenders. Government is in the business of automobile repairs; the government has put in most of the bridges in this province; the government provides northern air service; much of the government's printing is done by a Crown corporation; the construction industry together with several unions, recently pointed out that Saskatchewan Power Corporation, by doing its own work in certain fields was paying about 50 per cent more than that same work could have been done by private enterprise.

And so I say that I believe that one of the duties of an independent commission, such as we recommend, would be to expose the real costs of government in business and to recommend which activity should be returned to private enterprise.

A Glassco-type commission, such as we suggest, should look into all of our Crown corporations. It is quite true that our crown corporations go through the motions of

reporting to the Crown corporations committee, and to this legislature, once every year. However, the government's attitude has been to provide a minimum of information for curious opposition members, especially in the vital field of spending. Repeatedly we are told, when we ask for information that it would not be in the public interests to divulge that information.

We claim that cabinet ministers and the government must accept the responsibility for the spending of these corporations, and we also believe that there should be a greater financial accountability to this legislature, by each of those corporations.

Now, in Saskatchewan, each of our Crown corporations has a director. Time and again, we have found that there are no businessmen on those directorates. Instead the directorates is made up of a number of members of the government, a few civil servants, and a few of the party faithful. Now, we think that there are dangers in that practice, Mr. Speaker.

These, many of them, are million dollar enterprises, Mr. Speaker. They are spending millions of the taxpayers' money. Yet they are being run in many cases by theorists who have little or no business experience. So I believe that one of the major tasks of the commission such as we suggest would be to thoroughly examine all of our Crown corporations. They should make recommendations as to their efficiency, et cetera., and state whether or not it is in the public interests for each operation to be continued.

I repeat that the main job of reducing expenditures must continue to remain with members of the legislature. However, I believe that a commission of experts could give our members valuable and much needed guidance. For thirteen years the practice of this government has been to engage in ever greater spending and ever greater debt creation. They have left future governments and generations the legacy of paying the shot. Now, we hope and expect, to take over the government after the next election, when my hon. friends get their courage up to call one.

We are determined when we form a government to have a program of fair going reform and taxes. However, before we commence that kind of a program we would like to know precisely what kind of a muddle we are inheriting. We want a revelation of the inefficiencies, the waste, which exist. We need expert recommendation respecting proposed remedies.

Now, for all these reasons, Mr. Speaker, we ask for the immediate appointment of a competent, independent commission. If we don't get that kind of a commission now we shall be obliged to appoint one as a necessary first

measure to reorganizing government activities when we take office after the next election.

We take the position, and I suppose my hon. friends won't, but we take the position that the public good far transcends in importance any desire that the government may have to conceal the consequences of its incompetence.

Therefore, I hope that the house will unanimously see fit to support this resolution, and I should like to move, seconded by the hon. member for Prince Albert:

That this house is of the opinion that the government should give consideration to the appointment of a commission to inquire into, and report on organization and methods of operation of the departments and agencies of the government of Saskatchewan. To recommend such changes as in the judgment of the commission will promote efficiency, economy and improved service in the dispatch of public business.

Mr. Johnson: — When the mover of the motion began, he, of course, started on a topic that is of very considerable interest to this house, and he started off in a manner in which he indicated that he expected the house to give considerable agreement to this motion, and at the beginning I might have been prepared to.

However, Mr. Speaker, as he ended up I found that I was listening more to a Liberal campaign speech than to a motion that I could have a great deal of sympathy with, and therefore, Mr. Speaker, I beg leave to adjourn the debate.

Debate adjourned.

SPECIAL COMMITTEE ON PUBLIC ACCOUNTS PROCEDURES

Mr. E. A. Johnson moved::

That this Assembly recommends to the consideration of the government that a special committee be appointed to examine into and evaluate the function, terms of reference and methods of the Select Standing Committee on Public Accounts and Printing, and the adequacy of the information and assistance provided to the committee in its work of examining the public accounts, and to report thereon with recommendations to the Assembly at the next session; the said special committee to be empowered to consult with the Provincial Auditor, officials of the treasury and other departments, to gather information from other jurisdictions, and to sit after prorogation.

Mr. Johnson: — Mr. Speaker, I think the matter of the performance of the legislatures and parliaments, is a matter of great concern to all such bodies, and I certainly share that interest and concern, and to review a bit of past history. I would call the attention of the house that in 1961, in that session, I introduced a motion to this house, which called for the investigation and study of a very important committee of legislative and parliamentary procedure, and this very important committee that I wish to have studied is that of the Public Accounts Committee. It is one of the most important agencies through which parliament can maintain control and scrutiny of finances and the money that has been spent.

Now, apparently, Mr. Speaker, the intent of my motion was misunderstood, and it did not receive the support of at least some members of the opposition, because I felt that such a committee, if it was to be effective, needed the co-operation and support of the entire House, and for those reasons, Mr. Speaker, I withdrew this motion. And now, Mr. Speaker, I have given further thought to this matter, and I have had further conversations with many people who know a great deal more about it than I do, and I discussed this matter also with many members who have been on the Public Accounts Committee. And I feel more strongly than I did before that a motion such as the one I am about to present is very desirable, and I hope that I can convince the House of this matter.

The reasons I will emphasize again why it is important, is that in the post-audit scrutiny of expenditures, parliaments and legislatures usually assign this function to a committee that is known as the Public Accounts Committee, and these committees, of course, exist in the British House of Commons, and in the Canadian House of Commons, and also in the legislatures across Canada.

I don't need to dwell at great length on our own committee, because I believe every member in this house has had some experience with it; either having been a member, or having been a cabinet minister before.

I believe that many of the members have had experience with the Public Accounts Committee, have found some feeling of dissatisfaction, and I find that some of these reasons for this dissatisfaction are as follows.

One of the first apparent reasons for dissatisfaction is that there is, let us say, a disagreement within the committee as to its scope, and this could also be expressed by saying that at times usually the committee has not had an understanding of a sense of direction as to what its scope and function should actually be in the context of parliamentary scrutiny and control of finance.

I think this is evident by the nature of some of the questions — very often we will find questions like this asked "Who is so and so, and what are her qualifications?" rather than a reference to the actual authority for money that has been spent, and whether parliament has given its assent to the expenditure in that way.

And I believe, therefore, Mr. Speaker, to help resolve this, I think it is desirable to establish a legislative committee that would look into the scope and function of the committee, and make recommendations in accordance with this resolution.

Mr. Speaker, I think further criticism is possible, that there is room for doubt as to the effectiveness of this committee. Of course public accounts committees are the creatures of the assembly of parliament which appoints them; committees must report to that body and we can find very often or usually, some gauge of their effectiveness and work in the report, and I find that in perusing the reports of the Public Accounts Committee to this Assembly, in most years, it has simply been a routine report. There are some exceptions during the Anderson government, and so on, but usually the report has been routine, and of course, one can gather from this information either one of two possibilities, that everything has gone on as it was intended to, or one can also assume that there is room for believing perhaps the committee has not always been entirely effective.

A further criticism might be that the committee itself is too large. I am sure that all members that have done work on other committees, and certainly in my own view, and in the view of many of whom I have talked this matter over with, a committee of 35, which has been the usual size of our Public Accounts Committee is rather large for good committee work. And in relation to this many members have the feeling that this committee, as it has been functioning, has been wasteful of the time of members.

I'm not saying primarily that the time of members, as such should be saved, but I am saying that while we are in session that we should use the time that we have at our disposal to absolutely the best advantage, and there is quite a strong feeling that this time is not being used as well as possible.

A further criticism of this committee, is that it is usually quite partisan; and we find, of course, the committee divided into two ranks, and this is not conducive to good committee work. It may be utopian to think that this can be eliminated in a party system of government, however, if we refer to the British public accounts committee, I believe, there is room for holding this view.

Another very minor criticism I have of it, is that in our own committee, it is called the Select Standing Committee

of Public Accounts and Printing and I don't see any reason why printing is included, it is only a small encumbrance, but it seems that there are other committees that perhaps could do this work more appropriately and leave the public accounts committee for the purer function of scrutinizing the post-audit of expenditures.

I could also add that the work of the committee is often superficial; we deal with a large number of figures; we deal with an immense book on figures, which in my own opinion, well published, but it is an overwhelming job to try to cover this book as perhaps it should be done.

I should also add in favor of the committee that very often it has been an instrument of dispensing a very considerable amount of information to, especially, newer members of the committee. This is something that has been done. However, this should only be incidental to a committee, and I suggest that a public accounts committee should have its role clearly defined and that if it is one of examining the post-audit of expenditures that the main function, therefore, shouldn't be one of simply disseminating information.

Now, Mr. Speaker, I would expect that members having heard a criticism of this, would have to have reasons for assuming that some other action is possible. Some other way of doing this committee is possible.

And I don't presume to encroach upon what might be the conclusions of the committee, should the house see fit to pass this motion, and should the government see fit to act upon it. I don't presume to encroach upon that field, however, I have gained a good deal of very helpful information from the comptroller of the federal treasury, Mr. Herbert R. Balls, who presented a most excellent paper to the Institute of Public Administration, which meeting was held in Regina last September. It was with a very considerable willpower that I detached myself from my combine seat on that day, I did come into the meeting and I benefited from it very much. And Mr. Balls, dwelt on public accounts committees generally, and he spent a considerable amount of time describing the British public accounts committee.

This committee has been in its more or less modern state since the year 1861, it has been aided by the legislation of the exchequer and audit Act of 1866, and they have had a good deal of experience in the committee of the mother of parliaments.

I think I should pass on some of the information I derived from the presentation of Mr. Balls. Observe that the British public accounts committee is a relatively small one of 15 rather than our committee of 35, the one in the federal house of 50. And it is also observed that on this committee the government members don't feel that it is necessary at all times to have a majority on it; this is rather interesting. It has been the practice to have this

committee chaired by a member of the opposition, and I think there is some merit in that. The committee meets in camera, and the committee in its hearings deals with the permanent departmental officials, rather than with the minister in charge. I think members will gather that this would have some advantages. And even though the committee meets in camera, there is still full opportunity for the publication of reports, because publicity must play a part, in lets say, the possible deterrent effect that a committee might have. Another comment that Mr. Balls makes on the British public accounts committee, is that in any recommendations that it passes on, it is restrained and moderate, and in this way it maintains the co-operation and sympathy of the departments of government.

And something else that Mr. Balls comments on, is that the scope of the committee has been quite precisely defined and this is something that I believe to be most essential, and the committee does receive, of course, considerable assistance from the department of the comptroller and the auditor-general.

Now these are some of the characteristics of the British public accounts committee, which in the opinion of Mr. Balls, and I am sure in the opinion of many, has been outstandingly successful as a committee.

And Mr. Balls comments also in his report that it has been able to work in quite a non-partisan way, and I think this is encouraging; I feel that some of our committees do work in a non-partisan way, and there, of course, have been some special committees that have done remarkably good work, such as the Liquor Inquiry Committee that was comprised of members of all parties, and which has done remarkably good work in handling a particular problem.

For those reasons, Mr. Speaker, I would like to move, seconded by Mr. Thiessen:

That this Assembly recommends to the consideration of the government that a special committee be appointed to examine into, and to evaluate the functions, terms of reference and methods of the Select Standing Committee on Public Accounts and Printing and the adequacy of the information and assistance provided to the committee in its work of examining the public accounts, and to report thereon with recommendations to the assembly at the next session; the said special committee to be empowered to consult with the Provincial Auditor, officials of the treasury and other departments, to gather information from other jurisdictions, and to sit after prorogation.

Mr. Cameron (Maple Creek): — Mr. Speaker, I must be in a very congenial mood today, because we have had three motions, and I find myself in agreement with all three, and on this particular one here, I take it from the resolution that this special committee will be a committee composed of the members of the legislature, to give some further service to the study of public accounts, and how to improve the efficiency of the Public Accounts Committee.

As I understand the resolution, the committee is to examine and evaluate the function of the Public Accounts Committee and the terms of reference of the Public Accounts Committee, as to whether or not the terms of reference are broad enough. Something of the method of selecting the committee, besides ways and means; something to evaluate the adequacy or otherwise, of the information provided to the members of the committee, and whether or not we have adequate assistance available to the members in their analysis and work of the examining of the accounts of the public accounts.

I have felt for some years past that the Public Accounts Committee as composed at present, and the manner in which we proceed to examine these accounts, have not met my judgment of what a public accounts committee should do, and I will be frank in stating that I think for some two or three years, now, I haven't found myself even induced to sit on the Public Accounts Committee because I couldn't see the value of the work that they were doing.

I think that as members of the legislature, these committees could be revised in such a way so that members in doing their work could make a real contribution, not only to the analysis, but to the understanding and to the suggestions to the legislature in connection with the work that they have completed.

I don't believe the present method is adequate, at all. I think we could find a much superior form of outlining the information to the committee, than in the present way of reporting. I think there is a lot of inconsequential material in the Public Accounts Committee, which is, in my opinion, not necessary. I think that on the other hand there could be much more vital information given that the committee could do a job on in assessing.

Probably the terms of reference should be broadened, in order that we can call for further assistance if need be. At any rate, I do believe that it is time we had a full investigation or study of the needs first, if need be, of a public accounts committee, and secondly, if it is decided that a public accounts committee is worth while, and makes a contribution to the work of the legislature,

than to set forth some terms and conditions and material, in order that a public accounts committee could make a worthwhile contribution to governing of the province, and to the information of the members of the Assembly.

I think there is a great weakness here. I cannot consciously feel that the Public Accounts Committee, and the material that we have at our disposal, is of any great advantage to the members in assessing the activities of the government in making contributions towards the governing of the province.

For that reason, I would welcome such a study of public accounts, in the hope that we could bring in something more vital, streamlined in some extent, in order to give the members better public accounts submitted to them, to get more information, and worth while contributions as a result of it, and thus, to gather information and to give information, and to add to the improvement of the understanding of the functions of government debates in the legislature, in order that we may have better, more efficient, and more enlightening government than we have.

For that reason I am very happy to support the resolution.

Mr. Thatcher: — I would just like to say one or two words on this motion. First of all I would like to congratulate the hon. member for Kerrobert-Kindersley, in the way he presented this resolution. I will say very frankly, last year when it came in, I had some doubts about it. However, like the hon. member for Maple Creek, I think that if there is any way that we can streamline the public accounts, if there is any superior way that we can handle them, or if there are any better rules that could be adopted, then we would certainly support them.

At the same time, I want to say, Mr. Speaker, that I am certainly one who believes there is a place for a public accounts committee in this legislature. I think the hon. member for Kerrobert-Kindersley, said that some hon. members think the public accounts is wasteful. I can't agree with that at all. I think the Public Accounts Committee is what each member makes it. If you want to do your homework, which entails a lot of work, and go into that committee prepared, you can do something useful for the legislature in the province.

Of course, if hon. members want to go into that committee, and not having done their homework, just look at a page, and a figure here and there, and ask some obvious questions, not very much can be accomplished.

Now, I believe firmly that the main duty of the opposition is to scrutinize expenditures. Now, if we don't

do this effectively we are not doing the job we should be doing. Whether we do it in public accounts, whether we do it in estimates, or anywhere else, the main job of the opposition is still to scrutinize expenditures. Now, when this committee reports, I would hope that it would make certain that none of the rights of the opposition to perform that function, were curtailed in any way. I'm all for having the public accounts committee made more efficient; we are all for having it more streamlined; I for one would certainly hope that no thought would be given to throwing out the public accounts committee altogether.

I believe the hon. member for Moosomin (Mr. McDonald) wishes to speak on this matter. He is out of the house this afternoon, and I will ask leave to adjourn the debate.

Debate adjourned.

Second Readings

Hon. Mr. Walker moved second reading of *Bill No. 45 — An Act Respecting Insurance Against Certain Losses Resulting From Certain Vehicle Accidents* be now read the second time.

Mr. Walker: — Perhaps the first principle which I should refer to in this new bill, Mr. Speaker, is that the government is interested in maintaining the clarity of the ease of access to the law by those who have copies of the statute.

We want to ensure that the provisions of the Act are as readily available as possible to members of the public, who are interested in reading it. Anyone who looks at *The Automobile Accident Insurance Act*, chapter 371 of the revised statutes of 1953, together with the amendments, passed in the 1954-'55-'57-'58-'60 and 1962, will agree I am sure, Mr. Speaker, that a consolidation of this Act will make for greater ease and convenience for the public in dealing with the Act.

Before turning to the changes in the act, I would like to say something about the plan, the insurance plan which was brought into being when this act was first passed about 15 years ago.

One cannot read journals of proceedings in court and other jurisdictions, without becoming aware of the very great problem that this is causing; that the backlog of legal cases is causing in the courts of other states and provinces.

It is also significant, Mr. Speaker, that a large number of the victims of automobile accidents in other jurisdictions, are being left without compensation, or if they have compensation, then it is limited to the amount of financial

solvency of the person who was the cause of the accident. These problems of congestion in the courts, and lack of compensation for a large percentage of accident victims, rouses the anxiety of lawyers, particularly, who are confronted with clients suffering from these problems. But highway safety minded people can hardly meet together at conferences, discussions, without commenting upon the seriousness of this problem.

Every time I go to a national highway safety conference I am struck by the frequency of the comments that come from safety officials, lawyers, people in the insurance fields, and other parts of Canada, who are urging that some kind of plan of automatic compensation, something similar to the one which was pioneered in this province, should be introduced in other parts of Canada.

I think the time is coming close when we will see either a co-operative venture, shared in by the insurance companies and the governments of other provinces, to provide a universal compulsory auto insurance in other parts of Canada will launch some kind of universal compulsory auto insurance in other parts of Canada. The virtues of that kind of plan, the obvious advantages of this kind of plan, are so great that I find it difficult to understand why other jurisdictions have taken so long in adopting this type of scheme.

The Saskatchewan plan is unique and distinct from almost any other kind of automobile insurance that you will find in North America, in several respects.

Firstly, it is sold practically without acquisition costs. The cost of agent's fees are practically nonexistent, because it is sold along with something that has to be sold anyway.

The terms of the policy are certain and clear. No one needs to be in doubt about the major coverages included in the policy. They are covered in detail in the statute, available to everybody, and summarized briefly on the back of the automobile licence. This is much more convenient than any kind of insurance policy can possibly be, for the convenience of the policy holder.

The second difference, Mr. Speaker, is that in other provinces, an injured motorist can recover compensation only if he can find some other person who is legally accountable for the injury. Some person who is to blame for the accident, and then the amount to be recovered is limited by the financial responsibility or by the public liability insurance policy, which that person may have.

No amount of public liability property insurance can provide the financial benefits which the policy holder under our plan gets, under Part 2 of the Act. You can have any amount of ordinary automobile insurance and you get no benefit if your car blows a tire and you roll over and are injured. Your dependents get no benefits. If through no

fault of anyone else, you are killed in an automobile accident, under Part 2 of this plan, where a licensed motorist blows a tire, rolls a car over, and is unfortunate enough to be killed in the accident, his dependent wife, merely on proof of the death, and that he was insured under this plan, is entitled to receive \$5000 for herself compensation and a \$1000 for each of her dependent children.

If he is injured, he will receive financial out-of-work benefits, or he will receive, and he may receive disability benefits as well. These benefits are not available under any other kind of automobile insurance that can be purchased anywhere in North America.

Thirdly, Mr. Speaker, under part 2 of the act, there is no necessity for the injured person to incur court costs, legal fees, in order to recover. Because there is really no legal question involved, under part 2 of the Act.

Under liability insurance, as it exists elsewhere, the injured person or the dependents must establish liability on the part of someone else. This is a complicated and difficult thing, requiring the use of the courts, or at least the services of a lawyer. Under Part 2 of the Act, as I have already said, the fact of the death, the fact that the vehicle was insured, is all that needs to be proven. This removes a very substantial area from litigation in our courts. It is this kind of litigation that is clogging the courts of our big metropolitan centres, making it impossible to get compensation in many cases for years afterwards.

A fourth advantage of our plan, Mr. Speaker, is the administrative costs are extraordinarily low. Since the plan is administered by the Saskatchewan Government Insurance office, in conjunction with its regular commercial operations. We have evidence that the private insurance companies in other parts of Canada, and in Saskatchewan, and in other parts of North America, require to devote approximately 52 per cent or 50 per cent of their premium income to cover acquisition costs, administration costs, and the costs for the adjustments. In contrast, under our plan in Saskatchewan, all these three things in categories of costs, add up to less than 20 per cent of the premium income.

This plan is also remarkable for the fact that it is one of the few insurance plans in North America, that is run entirely without profit, on a non-profit basis. Surpluses from the good years are placed in reserves, and accrued to the fund to cover losses in the bad years. If we had operated this plan every year, with a view to providing a profit, Mr. Speaker, the premiums would have been higher. Last year they would have been higher than the year before than they actually were.

Indeed, if we expected to make a profit next year, we would have to levy higher premiums than we propose in fact to levy next year.

The earnings from investments in this fund are used for a reduction in premiums. Since the plan began, some 2½ million dollars has been earned as interest income on the investment reserve plan.

This 2½ million dollars has been reflected in lower premium levies on the motorists of Saskatchewan. Because this plan covers all the motorists in Saskatchewan, the concentration of customers in any given area is high, where as any private concern company would be lucky if they had ten percent of the motorists in any area as their customers, this plan has 100 per cent. This makes it possible . . .

Mrs. M. Batten (Humboldt): — Mr. Speaker, I don't want to interrupt the hon. member but I thought we had a ruling the other day on these Bills and I just want clarification on it, if it doesn't disturb the attorney-general.

I realize that this is a consolidation of a Bill, but I would think that it were logical for the ruling that you gave the other day, Mr. Speaker, that the principles be discussed on second reading is that of the amendment, whatever changes are being brought. Surely this shouldn't open up the entire Bill, and as I understand it, the amendments are very small, and not particularly pertinent to the entire opening of the Bill and discussing the principle of the original Bill.

If it is your ruling, of course, that when a bill is consolidated, we start all over again and discuss the thing in theory; I would like to have a ruling because this subject will, no doubt, come up again with other Bills.

Mr. J. H. Brockelbank: — I think it is quite correct that the whole Act, in the form of a Bill, is before the Assembly and this can quite properly be discussed. I realize the implications of this ruling because next year for example, we bring in a consolidation of the education and health tax, my hon. friends, the Leader of the Opposition, will have a field day; but what is a rule for one should be a rule for another. I think that the attorney-general is right now, and any other Bill that is brought in as a consolidation, I think the whole subject is there.

Mr. Walker: — On a point of order. The amendment is there merely when an amendment is

introduced merely, it is perfectly clear that the amendment is before the House, and that one would discuss contents of the Bill itself, only if they were relevant to the amendment itself. Well, I submit, Mr. Speaker, here that there is no question about that, because this Bill repeals all the old Act, it repeals all the amendments to the old Act, and substitutes a completely new set, and I submit that this is what is before the house, Mr. Speaker, and this is what is going to be debated.

Mr. Speaker: — I believe the hon. member for Humboldt raised a point which is well to be clarified, and I would have to rule that when it is on the order paper as an Act, to amend an Act, then we are discussing that Act, therefore, to amend the Act, but this is listed as an Act, in itself, so, therefore, I think the Act in its entirety is before the house. This whole thing is up for second reading, if this doesn't pass at second reading, the whole Act is out, not just the amendments. This is an entire Act; so I would have to rule that this is in order.

Mr. Walker: — Well, Mr. Speaker, when I sat down I think I was talking about the differences between the automobile accident insurance plan, and the kind of insurance that is available to private agencies. I pointed out that one of the advantages of the auto accident insurance plan, was that it has a large concentration of customers, in a given area, than is possible for any competitive private company to have. Now this, of course, is an advantage to the insurance plan, but it isn't the kind of advantage that it should be allowed to sit back and enjoy without having to give corresponding advantages to the customer. This is, of course, one of the advantages of having this plan publicly owned, rather than owned by a group of private insurance companies, because this plan concerns itself with how best can we use the funds we collect for the benefit of the public.

The private insurance companies, or any group of private insurance companies that is operating this kind of scheme, or purporting to operate this kind of plan, would be concerned primarily with using their position to make as good a return as possible, for the owners of the insurance companies. So one of the advantages, of *The Auto Accident Insurance Act*, being a public body, is that it has no motive nor any incentive to seek to gain from the public, without paying back to the public all the benefits equal to all the premiums which it collects.

And one of the ways that this plan has been able to pay back in benefits to the policy holders, is by providing drive-in claims service centres, in the larger communities. As you know, we have these in the larger cities

of Saskatchewan, and our policy is to extend these service centres to other communities as fast as possible.

The advantage, Mr. Speaker, of having these service centres, claims service centres, is not that we do any repair work in them, but we do appraise and assess the damages done to the automobile, and when the vehicle is then taken to a garage of the policy holder choice we are in a position to protect him against any possibility of exorbitant charges, for the services that he has to buy.

And we find from an analysis of our claim statistics, Mr. Speaker, that our average claims runs better than 10 per cent less in those communities where we have maintained a claims service centre, as compared to those communities where we have no means of checking the vehicle before it is repaired.

This means, of course, that we are able to pass on this savings to our policy holders in the form of lower premiums. This is one of the difficulties that private companies have in operating insurance businesses, is to maintain adequate control of the claims adjustments and where there is padding, or excessive claims paid, it simply means that the policy holders must pay higher premium rates to cover that extra expense, and this is one of the ways in which we have been able to benefit our policy holders through lower premium rates, is because of maintaining a uniform method of assessing claims-damages, right at the time of the accident. It also has the additional advantage that it provides the public with a ready place to go to get adjustments immediately on short notice.

Mr. Speaker, under this plan, every motorist can enjoy the normal minimum of public liability, and property damage protection, to the amount of \$10,000, \$20,000 for public liability, \$10,000 maximum for one person, \$20,000 for more than one; a maximum of \$5000 for property damage, plus comprehensive coverage for fire, theft and collision. The mere fact that this coverage costs less in Saskatchewan than any place else in North America, notwithstanding the fact that there are substantial benefits under part two, which are not available anywhere else, proves, Mr. Speaker, that the Saskatchewan plan is the most effective means of providing this service to its people.

If it was possible for private interests to provide this service through non-government sources, at a cost comparable to what can be done under this publicly owned and universally operated plan, you can depend upon it, Mr. Speaker, that they would do it.

Mr. Thatcher: — You won't let us.

Mr. Walker: — Well, Mr. Speaker, there are 50 states in the union,

and there are nine other provinces, which if the private insurance interests, were capable of competing with our plan, our plan wouldn't be the lowest cost plan in North America.

Mr. Thatcher: — We have a smaller population than other places in North America.

Mr. Danielson (Arm River): — Farmers only run their cars about three months in the year.

Mr. Walker: — The fact is, Mr. Speaker, that as my friend from Arm River, wants to buy from any other company, if he lived on a farm near Red Deer, Alberta, or in Portage La Prairie, Manitoba, would pay more than twice as much as he pays on the farm at Davidson for the insurance that he gets.

And, so, Mr. Speaker, the most difficult thing, the most sensitive area, is in the matter of rates. Private companies normally can't compete, and the Leader of the Opposition is quite right we won't give them this area either in Saskatchewan, but if they could beat us in Saskatchewan, they could show us that they could do that in either Alberta or Manitoba.

They can't come anywhere near us, Mr. Speaker, and I say that it is possible to do this, not because of any inherently or honest kind of administration in government service, compared with private service, not because of greater skill or administrative ability, by government administrators, by private administrators. Nothing of the kind. Simply because this is the only economically way to provide this service, Mr. Speaker. Any other way is just wasteful and extravagance at the expense of the policy holders.

Well, Mr. Speaker, this new Bill proposes to increase the benefits to the public for disability, under part two by adding a small new class, namely disability of the ankylosis, specifying a degree of impairment that will be attributed to certain defined levels of disabilities. This is set out in section 21, class 5, of the Bill, and I admit this is not a significant or substantial area.

Much more significantly, Mr. Speaker, it is proposed to substantially increase the public liability and property damage benefits. I have already referred to the old public liability limits of \$10,000 for one person injured, and \$20,000 for two or more persons injured in any one accident,

and \$5000 dollars limit for property damage. It is now proposed to provide a comprehensive limit of \$35,000 for public liability and property damage, with a \$5000 limit for property damage, and the balance of the \$35,000 not used for property damage, available for compensation for bodily injury or death; whether to one person or to a number of persons. This means that where there is no property damage involved, one person injured may claim the liability provision, a total of \$35,000, compared with the limit of \$10,000 under the present statute.

This represents an additional coverage which will entitle Saskatchewan motorists, carrying only the compulsory insurance to meet the minimum requirements of financial responsibility in any province of Canada.

It is estimated that this additional coverage will cost up to \$500,000 in an ordinary year.

Before, I take my seat, Mr. Speaker, I would like to lay on the table a copy of the Saskatchewan Auto Insurance and Safety Guide, 1963, for the benefit of the members. This is put out jointly by the insurance office and by the Highway Traffic Board, and I am sure that all hon. members will be glad to look at it, and if you have any suggestions or comments for the improvement of the booklet for future years that you will let us have them. Because every year we make some improvements and it isn't perfect by a long way and if you have any suggestions we would be glad to hear them.

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

Mr. Coderre: — I haven't got very much to say on this bill.

An Hon. Member: — Agreed.

Mr. Coderre: — Oh, there are many objections to some of the features that you have in it. One of the things that I have noticed, and I could probably mention several cases, probably one of the reasons that you probably have been in a position to come out somewhat on top with your automobile insurance, is the fact that you have been not as quick, and not as easy, in adjusting the claims, as some of the private, free-enterprise insurance companies have.

Some Hon. Members: — Hear, hear!

Mr. Coderre: — If you want me to I'm going to hold this bill and I'm going to bring out this evidence. There are many cases where people have been involved in car accidents, and they have one heck of a job to get their claims from you; or else you have done everything possible under the sun to cut back on the amount that is actually due.

I would bring a case in point, my own case, for example, where I was involved, not involved in an accident with any one else, the road was icy, I ended up in the ditch, and then the question of adjustment came around. At that time, and this is still there, at that particular time, this is how you still do it, at that particular time there was a \$200 deductible clause on the insurance. Anyhow, my wife was slightly injured in the accident, and I thought my duty as a member of the family, was to look after the rest of the members of the family and see that everyone was taken care of. When I came to the insurance for adjustment, the amount I had to pay now amounted to \$283.00. Now you chiselled \$83.00 out on my case alone.

And here was what had happened, the automobile had gone into the ditch, had created a short in the electrical system, the battery was discharged, and the battery broke. That was my fault. How in the heck can anybody that was involved in an accident, where there would be injury all around how in the Sam Hill would you expect that person to look after these situations? That is exactly what you have done in all cases, in many cases, unless probably they are friends of yours, where you constantly chisel back on the situation, and when this bill comes into committee of the whole we will certainly do something about it.

Motion agreed to and Bill read a second time.

Hon. Mr. Meakes moved second reading of **Bill No. 47** — *An Act to amend The Family Farm Credit Act*

Mr. Meakes: — Mr. Speaker, this bill is an act to amend *The Family Farm Credit Act, 1959*, the amendment is to extend to July 7th, 1964, to encourage the making of loans under *The Family Farm Credit Act*, and with these few remarks I will move this bill.

Motion agreed to and Bill read the second time.