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**Official Report of**  
**DEBATES OF THE LEGISLATIVE ASSEMBLY**  
**(Hansard)**

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**TUESDAY, MARCH 6, 1973**

Afternoon Sitting

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The House met at 2 p.m.

Prayers.

**MR. SPEAKER:** The Hon. Minister of Health Services and Hospital Insurance.

**HON. D.G. COCKE (Minister of Health Services and Hospital Insurance):** Mr. Speaker, I would like to draw to the attention of the House that there are a number of people from New Westminster, as a matter of fact a bus load, over here to check on what we are doing in Victoria. I would like the House to welcome this group from the royal city.

**MR. SPEAKER:** The Hon. Member for West Vancouver–Howe Sound.

**MR. L.A. WILLIAMS (West Vancouver–Howe Sound):** Mr. Speaker, in the galleries today we have representatives from Squamish and the Pemberton Valley; Mr. and Mrs. Fougberg and Mrs. Marchant of the school board, Mr. Ross the secretary and Mr. Cullis the superintendent of schools.

**MR. SPEAKER:** The Hon. Member for North Vancouver–Seymour.

**MR. C.S. GABELMANN (North Vancouver–Seymour):** Mr. Speaker, I would like the House to join with me in welcoming a group of students from the North Vancouver Secondary School in North Vancouver together with their teacher Mr. Rosetti.

**MR. SPEAKER:** The Hon. First Member for Vancouver Centre.

**MR. E.O. BARNES (Vancouver Centre):** Mr. Speaker, somewhere in the buildings is a group of students. I don't see them in the chamber at the moment but they will be in I believe around 2:30. I would like the House to join me in welcoming a group from King George High School in my riding of Vancouver Centre and I hope they will enjoy their experiences. I hope it won't be too much like yesterday when we had the question period. If they can get in in time to hear some of these interesting comments, I think they will remember it for awhile.

**MR. SPEAKER:** The Hon. Member for Fort George.

**MR. A.A. NUNWEILER (Fort George):** Thank you, Mr. Speaker, I would like to have the House join me in welcoming today the city planner of Prince George, Des Parker and his family.

**MR. SPEAKER:** The Hon. Second Member for Vancouver–Point Grey.

**MR. G.B. GARDOM (Vancouver–Point Grey):** Mr. Speaker, I would very much like to welcome everyone in the House who has not yet been welcomed.

**Introduction of bills.**

## AN ACT TO AMEND THE STOCK BRAND ACT

Hon. Mr. Stupich moves introduction and first reading of Bill No. 108 intituled *An Act to Amend the Stock Brand Act*.

Motion approved.

Bill No. 108 read a first time and ordered to be placed on orders of the day for second reading at the next sitting of the House after today.

## AN ACT TO AMEND THE CORONERS ACT

Mr. Gardom moves introduction and first reading of Bill No. 115 intituled *An Act to Amend the Coroners Act*.

Motion approved.

Bill No. 115 read a first time and ordered to be placed on orders of the day for second reading at the next sitting of the House after today.

## GUARANTEE OF NATURAL JUSTICE ACT

Mr. Wallace moves introduction and first reading of Bill No. 116 intituled *Guarantee of Natural Justice Act*.

Motion approved.

Bill No. 116 read a first time and ordered to be placed on orders of the day for second reading at the next sitting of the House after today.

### Oral questions.

## BCR AS SHAREHOLDER IN PRIVATE MINING COMPANY

**HON. W.A.C. BENNETT (Leader of the Opposition):** Mr. Speaker, I wish to direct a question to the Hon. Premier (Hon. Mr. Barrett). The Hon. Premier is the president of the British Columbia Railway Company. Has the Premier, as president of the British Columbia Railway, considered the federal corporation tax solution on the government-owned railway by becoming a substantial shareholder in a private

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mining company?

**MR. SPEAKER:** On a point of order. Under Beaudesne it is not permissible on a question of this kind to seek the opinion of the Government on a matter that is merely of theoretical importance. If you are asking a question about a fact that exists or some plan that was under way, it would be different. The mere seeking of an expression of opinion on a matter of theoretical importance is not admitted in question period at page 147 of Beaudesne.

**HON. MR. BENNETT:** I think the Premier would be glad to answer the question, Mr. Speaker. I think it is of public interest.

**MR. SPEAKER:** I may say that you can rely upon my clerks to clear every question before the House meets and it would save me the embarrassment of having to rule them out of order. I would appreciate that help whenever you can do it.

If the Premier wishes to answer the question, I still say it is not in order but it is entirely up to the House whether we follow the rules or not.

**HON. D. BARRETT (Premier):** On a point of order, Mr. Speaker, I think the question is in order because the negotiations are under way.

**MR. SPEAKER:** Well, that is fine. It was not indicated in the question.

**HON. MR. BENNETT:** Oh, but it is in the Press.

**HON. MR. BARRETT:** I am rising on a point of order suggesting the question is in order, Mr. Speaker, and

the answer, if I may be permitted...I don't think I need leave. I think the question is in order.

**MR. SPEAKER:** If it is a fact that it is stated in this House, not in the Press; I don't read the Press so far as my rules are concerned.

**HON. MR. BARRETT:** It is a fact. Thank you, Mr. Speaker. In my opinion, the question is in order. The whole matter is at phase one of negotiations. If you will check correctly — and I will clarify — we have come to an agreement in principle with Brameda Resources. Now we enter stage two in our negotiations with Brascan. All economic factors, including taxation, are under complete consideration in these negotiations.

**MR. SPEAKER:** Are there any supplementaries? The Leader of the Opposition.

**HON. MR. BENNETT:** I would like to draw your attention, Mr. Speaker, to the difficulty when these statements are public — if they are made outside the House. It is very difficult for the Leader of the Opposition — and to not bring it before the attention of the people...that is not said by criticism because that is done by all governments.

**MR. SPEAKER:** Perhaps we can discuss that at another time. Any supplementary questions?

**HON. MR. BENNETT:** A supplementary question directed at the Premier, as Minister of Finance, Mr. Speaker. Will the proposed investment in the mining corporation be made through interest bearing bonds of the British Columbia owned railway?

**HON. D. BARRETT (Premier):** There are a number of methods of financing through the B.C.R. that have not been finalized. But in terms of making a statement — the question has been raised and it's a valid question. I prefer to make statements through leave in this instance, because it was transaction with a stock that was trading on the market.

Once a transaction was made in terms of the principals of the company having accepted an offer to take to their directors, it was absolutely essential that there be a stop trading on that stock. I'm sure that the Leader of the Opposition appreciates that. Once the deal was made and signed at 6:05 in my office, I immediately released the information because by law it should be known publicly and there was no time to wait until the House opened to stop the trading in those stocks.

**MR. SPEAKER:** The Hon. Member for Oak Bay.

**MR. G.S. WALLACE (Oak Bay):** With respect to the same subject, Mr. Speaker, could the Premier answer the degree to which the negotiation is contingent upon his statement that the B.C. Railroad would not expect as part-owner of Brascan to pay royalties.

**HON. MR. BARRETT:** The royalties in that are a separate item from the business deal in terms of partnership. When we came to office the royalty agreed to with 25 cents a ton. Now, I said on a number of occasions that no deal would be concluded on that royalty. It would be substantially higher. A royalty charge will be on top, above and separate, from the negotiations between the B.C.R. and Brascan.

**MR. SPEAKER:** Is this on the same subject?

**MR. WALLACE:** Could the Premier try and clarify for my simple brain, how you can be a partner in a company which pays royalties on coal — whether they're 25 cents or 125 cents a ton and one of the

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in the enterprise not pay the royalties,

**HON. MR. BARRETT:** The question is that the company, in which we will be partners when the deal is consummated, pays a royalty — the company pays a royalty. That's correct. We're faced with a situation where we

are part of the company. But the obligation is the same.

What we're saying is that instead of just a simple royalty procedure, we feel that the people of British Columbia are entitled to an equity position on a competitive basis with other industries. We've taken an equity position — there will be no favoured position because we've taken an equity position. We want a return on royalty on the same basis as every other company. We'll stand or fall on a competitive basis.

**MR. SPEAKER:** Any further supplements? The Hon. Member for South Peace River.

**MR. D.M. PHILLIPS (South Peace River):** Is the Government giving any consideration in view of the proposed investment in the Peace River coal deposit to a further investment in coal mining operations — such as Fording Coal, Scurry Rainbow, Pine Pass, Dennison, MacIntyre, Utah International, Amex? I could go on...

**MR. SPEAKER:** Order please. That question is definitely out of order under page 147 as irregular. It need not be answered.

Interjection by an Hon. Member.

**MR. SPEAKER:** Because you're asking the Government to consider future policy and one is not obliged to answer that question under the rules of Beauchesne page 147. I don't have to...

Interjections by some Hon. Members.

**MR. SPEAKER:** Order, Members. Under the rules that have been adopted by this House I do not have to go into long explanations of the rules. I hope that you rely upon my judgment not to rule out a question that is in order.

**MR. PHILLIPS:** Well, practically every question that's asked is ruled out of order.

**MR. SPEAKER:** No, we've only had two ruled out of order in two days. That's not bad, considering. (Laughter). The Hon. Member for West Vancouver–Howe Sound.

**MR. L.A. WILLIAMS (West Vancouver–Howe Sound):** A supplemental question on the same subject, Mr. Speaker. Would the Premier indicate whether the agreement in principle to which he refers contemplates the outright purchase of an equity position in this operation? Or is it to be a grant of an option to purchase shares?

**HON. MR. BARRETT:** It's an outright equity position that we're negotiating — outright equity position. It's dependent on the completion with Brascan. And I want to be as candid as I can at this stage of negotiations.

Brascan and Brameda Resources had a deal. We have made a separate deal which has been accepted by two of the officers. I understand that there's a wire saying that the Brameda directors have now accepted the offer and they are going to take it to their shareholders. We take an equity position in the whole project if Brameda accepts our offer and exits. Then we are at the next stage of dealing with Brascan. However, if we are unable to complete a deal with Brascan then we go back to square one again. We're aiming for an equity position and we have taken the first step in that equity position.

**MR. SPEAKER:** We are sort of milking this subject dry. But is it an important supplemental?

**MR. PHILLIPS:** It's a really big subject.

**MR. WILLIAMS:** Well it arises directly out of the answer, Mr. Speaker.

**MR. SPEAKER:** Proceed.

**MR. WILLIAMS:** Mr. Speaker, the Premier indicated that the proposition has been agreed to by the directors of Brameda and must go to their shareholders. Obviously when that takes place the information will be placed before those shareholders on which they can make the decision.

May I ask the Premier if he will provide at least the same information to the Members of this House so that we can determine on the same basis as the shareholders of Brameda whether this is a good idea or not?

**HON. MR. BARRETT:** Yes, certainly the information that will be placed before the shareholders of Brameda is the offer that we've made to the Brameda Company which has been tentatively accepted now by the board of directors. The offer that we made was for \$7 million.

**MR. SPEAKER:** The Hon. Second Member for Vancouver–Point Grey. Same subject? Anybody else on the same subject who has something really worthwhile to contribute in the way of questions?

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**MR. G.B. GARDOM (Vancouver–Point Grey):** No takers, Mr. Speaker.

I'd like to ask the Hon. Minister of Municipal Affairs (Hon. Mr. Lorimer) a question, Mr. Speaker...

**MR. SPEAKER:** This is now the next subject?

**MR. GARDOM:** Indeed it is.

**MR. PHILLIPS:** I have a further question on the same subject.

Interjections by some Hon. Members.

**MR. SPEAKER:** Order, I think the Hon. Second Member for Point Grey has the floor. Order, order. We are on another subject.

## AMALGAMATION OF KAMLOOPS MUNICIPALITIES

**MR. GARDOM:** Would the Minister of Municipal Affairs please indicate to the House that in view of the decision of the Supreme Court of British Columbia, will it be his intention to grant the citizens of Kamloops and neighbouring municipalities the right to a democratic vote to determine the amalgamation or not?

**HON. J.G. LORIMER (Minister of Municipal Affairs):** Up to now I haven't seen the decision. I've been told by the Press that it has been made. I mentioned earlier that there would be some amendments brought in under the *Municipal Act* to the House for consideration. These amendments will be brought in in due course, at which time we will review the situation.

**MR. GARDOM:** Just a supplemental, Mr. Speaker...

**MR. SPEAKER:** May I point out to the Hon. Member that what the Member has been doing is asking a Minister to tell what advice he proposes to give to the Crown in the future. If it's on such a course, I would indicate it was out of order. Is it on that course?

**MR. GARDOM:** It's on that course.

**MR. SPEAKER:** Well, I would say it would be out of order — on page 148 of Beaudesne. Any other pertinent questions? The Hon. First Member for Victoria.

## INCREASE OF FARES ON B.C. FERRIES

**MR. N.R. MORRISON (Victoria):** Mr. Speaker, I'd like to address my question to the Hon. Minister of Highways (Hon. Mr. Strachan).

With respect to the many statements of the Minister of Highways expressing concern about the so-called deficit on the Vancouver Island runs of the British Columbia ferries — has the Minister of Highways any plans to increase the fare structure of the British Columbia ferries?

**HON. R.M. STRACHAN (Minister of Highways):** Mr. Speaker, I don't know what the Member means by the "many statements" about the operating deficit on the ferries. But as the Member knows, there has been no increase in the ferry rates since the ferry system started. As a matter of fact there was a reduction in the mid-week period some years ago. Costs have increased continuously since that date and will probably continue to increase — to the point where this year I expect there will be an operating deficit between \$5 million and \$10 million plus a capital requirement. But despite that fact, the present Government is not considering any increase in fares.

**MR. SPEAKER:** Supplementary?

**MR. MORRISON:** Yes. Could I also ask him — in arriving at the decision not to proceed with night ferries, has the Minister of Highways not considered even a pilot experimentation?

**HON. MR. STRACHAN:** A pilot experimentation is always under consideration. I explained outside the House what the problem was...

Interjection by an Hon. Member.

**HON. MR. STRACHAN:** Pardon? Well that was before the session started. While you were away, Mr. Leader of the Opposition, while you were away I was asked the question and it was in the Press. But the fact remains that when I investigated it, I found that there were several major problems:

(1) Very few of the existing crew were prepared or were anxious to go on the later shift. (2) The Federal Department of Transport requirements indicated very clearly that you must have a ratio of lifeboat licensed crew rated to the passenger capacity of the ship. (3) You must have a sufficient number of mates, masters and so on available.

There is a shortage of mates. And there's a shortage of the crews with their lifeboat certificates.

One requirement of the lifeboat certificate is a very lengthy period of experience on the ships themselves.

As you know, we have a reserve crew out of which come the replacements for crew as they leave. This is

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the big factor, this lack of lifeboat-trained crew, and the fact that they have been unable to build up a back-log of people in that area. Unless you took on a considerable number of extra personnel on the ship just as sort of — I don't know what you'd call it — super-cargo or something, just to give them the right to say they've travelled so many miles. Those are the problems that face us.

**MR. SPEAKER:** The question period is finished.

**Orders of the day.**

**HON. MR. BARRETT:** I move that we proceed to adjourned debate on public bills.

Motion approved.

## AUTOMOBILE INSURANCE ACT

*(continued)*

**HON. MR. BARRETT:** Adjourned debate on Bill No. 35, Mr. Speaker.

**MR. SPEAKER:** The Hon. Member for North Peace River (Mr. Smith) adjourned the debate.

**MR. D.E. SMITH: (North Peace River):** Thank you, Mr. Speaker. Rising in my place to comment on Bill No. 35, the *Automobile Insurance Act* for the Province of British Columbia, I would like to first of all suggest that the Government must be a little bit confused, or perhaps they are playing a cheap political game with the Opposition. Because without debating Bill No. 35, which is the bill which allows the Government to go into the insurance business in the Province of British Columbia, and before that bill is passed in the House, you have no authority to set up a vehicle or to go into insurance in the Province of British Columbia.

**AN HON. MEMBER:** We're on Bill No. 35.

**MR. SMITH:** Pardon me. Before debating Bill No. 34 — my mistake — which is your B.C. Insurance corporation you have no authority to go into the *Automobile Insurance Act* or the auto insurance field in the Province of British Columbia.

It would seem to me, Mr. Speaker, that really you can debate Bill No. 35 all you like, and you can pass it. But it has no force or effect until such time as you pass the *Insurance Corporation of British Columbia Act*.

If I might be permitted to just quote one item from the Act "...subject to the approval of the Lieutenant-Governor-in-Council to operate and administer such plans of insurance as may be authorized under any other act including a plan of automobile insurance." In other words until Bill No. 34 has been before this House for second reading and committee and finally passed, you have no authority.

You have no authority to be in the auto insurance field in the Province of British Columbia. I think that it is important that the people of the province should know that and that it's perhaps the intention of the Government to coerce the Opposition into supporting government auto insurance before presenting the bill for second reading that allows you to actually be in that business.

I repeat, Mr. Speaker, it was a cheap political game as far as I'm concerned. I think it was a socialist ploy designed to create public support for the first step down the road to complete state control in this province.

Section 8 of the bill tells a story in three words: "Corporation sole insurer." In other words, complete monopoly in the Province of British Columbia in the auto insurance business.

Now, tell me, Mr. Premier, do you consider the auto insurance business a utility for the benefit of all the people in the Province of British Columbia? Do you consider the auto insurance business to be in the same category as the supplying of electricity to the homes of British Columbia? Do you consider it to be in the same category as supplying groceries to the people in the Province of British Columbia? No.

**HON. MR. BARRETT:** Is that your bill?

**MR. SMITH:** You don't consider it to be in the same category as groceries. It would seem to me that the staff of life is more important than providing insurance for a car. Really. Now if this is the position of the Government, and it seems to be by the way they applaud, they feel that the car insurance business is in the same category as supplying a public utility such as electricity to the people in the Province of British Columbia.

Once you get this complete monopoly set up, Mr. Speaker, who's to be the commissar? Who's to be the commissar for the province?

**AN HON. MEMBER:** Mr. Strachan.

**MR. SMITH:** The Hon. Minister of Highways. Perhaps he has someone, if not himself, in mind to head up the corporation. Would the Hon. Minister tell us before he closes debate on second reading who he has in mind as commissar of the *Automobile Insurance Act* for the Province of British Columbia?

Section 16 of the bill — I'm only going to comment briefly on a certain number of sections, Mr. Speaker. In



my opinion section 16 is one of the most Fabian socialist devices that any government has ever perpetuated on the Canadian public. (Laughter). Perpetrated on the Canadian public, that is.

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I will tell you what it does. You don't destroy the present licensed agents or force them out of business immediately. On the contrary, you take them in by allowing them, in the first instance at least, to act as your agents, provided of course that they are successful in obtaining an appointment by the corporation.

The Act points out that you may appoint as many persons as it considers necessary to be agents. Tell me, Mr. Minister of Highways (Hon. Mr. Strachan), how many people do you consider necessary to be agents for the Crown corporation?

It also provides for the payment of appointed agents, on a commission-for-service-rendered basis.

So now you've lulled the insurance agents in the Province of British Columbia into a feeling of temporary security by appointing them as agents. Therefore you take away a little bit of the sting and perhaps some of the fire that you would have been subjected to had you phased them out of existence completely in the initial installation of this business in the province.

But now we come to the real sleeper. It says that you have the power to "increase, reduce or otherwise vary commissions." That is a very interesting statement, Mr. Speaker. So what do you do? In my opinion, **first of all you license all agents in possession of a valid licence as of February 1, 1973. At least you license all of those who applied for a licence. And why not? It costs you nothing to use their expertise and experience — expertise and experience that they have gained over many years operating in the competitive world of insurance business, and learning well how to handle claims, how to adjust claims, how to underwrite on a proper basis.**

So why shouldn't you take advantage of their services? Certainly they're more experienced and have training far above and beyond what we would find in the ordinary course of events working within the civil servants of the Province of British Columbia who will also be licensed, apparently.

After all, whatever expense is involved — and there will be expense involved — what difference does it make? It will ultimately, by one means or another, be passed on to the public. So the premiums will reflect whatever expenses are initially involved in providing the service either through existing insurance agents or through other people that you may appoint to represent you as agents in the province.

But then we get to step No. 2, Mr. Speaker. That will be the gradual reduction of the commissions payable to these agents, so that over a period of time those who accepted the appointments will be in a position of insolvency. So what do you do then? You then cancel their right to sell insurance for the corporation — section 16(5)(b). Just in case at that time your corporation happens to be short of qualified agents, or for whatever reason, you still have an ace in the hole — you can toss these poor devils a few crumbs, offer them a job with the insurance corporation of British Columbia, in the auto insurance division of that corporation.

I presume that like a benevolent government you feel that for this they should be eternally grateful. I presume that you hope that they will show their appreciation accordingly and at the next election vote for the party who provided them with a job when the job was really taken away by that party initially.

Another matter that I would like to point out in second reading of this bill, Mr. Speaker, is the fact that I can see nothing in the way of compassion for the little man — the one who lives on a below average income or the person on social assistance, whose only relaxation quite often is to take the family for a drive once a week.

Where is the compassion that the NDP talked of so proudly? Where is the compassion when you demand premium payments a full year in advance? Put up or forget about using your car. What happened to the Government that cares about people?

**MR. J.R. CHABOT (Columbia River):** Heartless.

**MR. SMITH:** Heartless. Bureaucratic. The heavy hand of socialism falling on these people, without compassion. Surely, if you are as compassionate and you care as much about people as you like to say, you would have made provision in the Act to allow them to pay the premiums on some other basis than annually.

You know that the money that you collect is not going to be paid out immediately for claims. The money collected will come in to the coffers and go out again continuously over a 12 month period. There is no reason, Mr. Speaker, for the government to collect an annual premium in advance from these people.

**MR. CHABOT:** None whatsoever. The heavy hand.

**MR. SMITH:** There's not reason for it at all. Surely, if we have any feelings for people who have a limited amount of income available to them, we can give them a break, the same as the insurance industry is prepared to do today, and allow them to pay their premiums on some basis other than annually.

While I'm on that subject, Mr. Speaker, is the government prepared to extend credit to the people who have had insurance with them faithfully for a period of four, five, six years, and then find themselves in trouble and can't afford to pay the premium? What are you going to do? I imagine the government will cut them off.

**AN HON. MEMBER:** Stop driving for a month or so.

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**MR. SMITH:** I'll tell you what the average...

**AN HON. MEMBER:** Save up your money.

**MR. SMITH:** ...private agent in the insurance industry does today. He says, "O.K., Joe, I won't cut your insurance off. Pay me when you can. That's part of the service that you bought when you started buying your insurance from me a few years ago."

Sometimes he's probably lucky enough to collect all his premiums; other times he may not be. But regardless of that, if the person has been a good customer and, through no fault of his own, falls into unfortunate circumstances, I don't know of any insurance agency today that would cut that man off without so much as saying, "Thank you."

**AN HON. MEMBER:** Strachan would.

**MR. SMITH:** The only agency that will operate on that basis is a government that says, "We want your money now. In advance. Pay up or we cancel your insurance."

In initiating this monopolistic enterprise you have forgotten all about people. You are prepared to grab them by the throat and say, "Pay up now. 'Big Brother' is doing this for your own good. This is one of the fringe benefits that you were entitled to and one of the fringe benefits that we are giving to you for being so fortunate as to elect us as your Government in the fall of 1972."

While on the subject of bucks, what will the plan cost the average person who drives a vehicle in the Province of British Columbia? For that matter, what will the plan cost the person who has no vehicle but still has to pay an insurance premium if he retains a driver's licence?

I suggest, Mr. Speaker, that the Minister (Hon. Mr. Strachan) knows the answer, that he knows at this time very close to what the premium will be, but he's not prepared to tell the public before the bill has been through second reading, committee, third reading and passed by this House.

**MR. CHABOT:** Open government.

**MR. SMITH:** What you're asking for at this particular time is "blank-cheque" approval. You don't know what the premium will be? I say "Poppycock!" Any competent actuary given the facts presently known can produce a rate and be very close to what you will have to charge.

After all, what are the facts? You said it will be a complete monopoly plan. You said that the plan will be operated on a non-profit basis. You said that all vehicles in the Province of British Columbia must be insured for the basic coverage. You said that you're going to include a surcharge on all drivers' licences and drivers, regardless of whether they own a vehicle or not.

**MR. STRACHAN:** A fee.

**MR. SMITH:** A fee, if you'd like to call it that. What is the difference in semantics, Mr. Minister, between a "surcharge" and a "fee"? It all means the same number of bucks out of the fellow's pocket. So don't waffle on the thing. Don't waffle on it. You can call it a "surcharge," or I call it a "surcharge," or you call it a "fee." It's the same thing.

**MR. SPEAKER:** Order. Would the Hon. Member address the Chair and not have a direct conversation with the Minister.

**MR. SMITH:** I'll try to remember that, Mr. Speaker. Thank you for reminding me.

You have a fee on all licensed drivers within the Province of British Columbia, whether they own an auto or not. I'll use the terms of the Minister of Highways, since he seems to prefer them. You've said that "all government vehicles will be included in the plan."

Well, Mr. Speaker, given these facts, calculation of a premium should not be difficult. I suggest, Mr. Speaker, that the Hon. Minister of Highways knows the answer to the question; that the Hon. Minister of Finance (Hon. Mr. Barrett) knows the answer to the question. But they have decided that this information will not be released; it'll not be released because they would have to backtrack on some of the statements that were made before the election.

There is no such thing, and there will be no such thing as insurance for \$25 per year in this province, a suggestion that was inferred before and during the election. It is impossible to provide a reasonable level of basic coverage at rates in effect even in the Provinces of Manitoba or Saskatchewan. Believe me, there's not one there that is receiving insurance for \$25 a year or anywhere close to it.

Let me refer for a moment to the study done by a royal commission in Nova Scotia, published January, 1972 — a royal commission on automobile insurance for the Province of Nova Scotia. They're talking about loss ratios in this particular instance, on private passenger automobiles, excluding farmers in this particular graph.

We find when we look down the graph that every province has a slightly different ratio of accidents and accident frequencies. I am sure that the Hon. Minister of Highways has read this report. We find that the average of accident frequencies per \$100 of vehicles registered — and this is all vehicles, I presume — for Canada is 6.45 vehicles per 100 of registrations. In the Province of British Columbia we're higher than average at 6.96. The Province of Manitoba is a little

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under the national average at 5.177 vehicles per 100 of registrations.

Another interesting figure is the average cost of claims in all the provinces of Canada, including Manitoba and British Columbia. The average cost on an across-the-dominion basis is \$731. The average cost for the Province of British Columbia is \$748 — above the national average.

The average cost in Manitoba, a province where salaries are not as high as our own, \$532 average cost per claim.

Well, Mr. Speaker, I am no actuary, but I believe that if you take a look at some of the figures prepared not only in this royal commission report but in other reports of a current nature, it doesn't take an actuary to give you a "ballpark" figure of what the cost of insurance will be to the average driver with a vehicle in the Province of British Columbia.

Interjection by an Hon. Member.

**MR. SMITH:** I'll give you a figure right now, Mr. Minister. I'd suggest that if you take the rates presently in existence for the Province of Manitoba for comparable coverage and add 40 per cent, you'll be very close to a figure that will apply to the insurance rates in the Province of British Columbia. It didn't take an actuary a week to calculate that. I'd be very surprised if that figure is not very close to the figure you will have to have if you expect the plan to be operated without hidden charges or hidden subsidies involved.

It would seem to me that if anybody in the Province of British Columbia wished to take my advice today, they would take a look at the auto insurance premiums and the rates applicable in the Province of Manitoba for a comparable vehicle. Add 40 per cent to that rate and they would come very close to what will probably be charged by the insurance plan in the Province of British Columbia.

Many people have indicated that the auto insurance industry makes a substantial profit, that the claims ratio is not really too bad. I'd like to refer now to a letter that I received from the Co-operative Insurance Service dated February 21, 1972. This is a co-op organization, a principle certainly subscribed to by the NDP. Here in this letter, the Pacific regional manager and the general manager is speaking about the auto insurance business in the Province of British Columbia.

For the record, I'd like to read it. It's addressed to Mr. Dean Edward Smith, MLA, Parliament Buildings, Victoria, British Columbia, dated February 21, 1972:

"Co-operative Fire & Casualty is an all Canadian insurance company owned and controlled by credit union, co-operative, farm and labour organizations. It is incorporated under federal government legislation and, in British Columbia, operates within the regulations established by the provincial government. The overall experience of Co-operative Fire & Casualty Company in British Columbia during 1971 was as follows: 60,838 auto policy holders were insured during the year which resulted in a premium volume increase of 90.9 per cent."

I would think that any company, regardless of whether it was a cooperative casualty company, a co-operative auto insurance company or any company in the insurance business, would feel very proud of themselves when they increased their premium volume by 90.9 per cent in one year.

"In the same period, over 84.3 per cent of premium dollars were paid out in claims. Claims settlement costs represented an additional 4.6 per cent."

In other words, Mr. Speaker, 88.9 per cent of the total premiums collected in that year went back to policy holders in payment of claims and servicing those claims.

"In view of these results and the fact that we had expanded our position to the British Columbia Auto Insurance Board, we were astonished when notified that we would be required to reduce the premium on no-fault benefit coverage by \$7 as of March 1, 1972. On a Canada-wide basis, it costs Co-operative Fire & Casualty about 20.9 per cent of the premiums to administer, market and service automobile insurance — well below the industry average and competitive with any government operated complete service. Motorists insured with our company received 82.9 per cent of their premiums in claims and claims expenses in 1971."

I presume this is on a Canada-wide basis because the figure they show here is 82.9 per cent in 1971; the experience in B.C. was that they paid out 88.9 per cent of total premiums on claims.

"While pursuing our policy to provide the best insurance service possible at the lowest net cost consistent with sound operating principles, Co-operative Fire & Casualty has innovated to increase service while striving to hold the line on controllable costs. Among the changes and improvements introduced recently in British Columbia are: — Canada's first no-fault collision coverage for all our insured in British Columbia who have a \$25, \$50 or \$100 deductible collision or all-perils policy. —

telephone adjusting, which improves adjusting services and effects greater economy. — immediate payment of claims. Staff adjusters have authority to issue claims payment cheques in the field.

— sales and service offices for better service throughout the co-operative insurance operating territory. — premiums not increased because of accident. Co-op insurance waives the first accident regardless of the dollar value for all drivers

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with a three-year clear record — field insurance Policies which result in policies being received and reviewed at the time of purchase — the payment of agents on a fee-for-service basis — offers an open market to ensure that everyone who qualifies for a licence can obtain insurance. Frequently, the effectiveness of insurance programmes is measured on the basis of the ratio of premiums returned by the way of claims payments. Using that criterion, we can conclude that the insurance service provided by Co-operative Fire & Casualty, which can now return over 80 per cent of its auto insurance premiums in claims and direct claims costs, is the most effective yet devised in comparison with any other, including the insurance plans in Manitoba and Saskatchewan. As co-operators, we believe that the auto insurance needs of the motoring public can best be served by a free enterprise system. Competition between a strong co-operative organization in the private sector, both regulated by government legislation, should result in satisfactorily meeting the best interests of consumers. We recognize the responsibility government has to regulate this activity in the interests of the motoring public. However, we seriously question whether government should become actively involved in the provision of insurance services. The enclosed brochure further clarifies our position in this issue."

There is a company that provided, by their own admission, a very adequate service in the Province of British Columbia — perhaps a little too adequate because I know that in some areas they've had to quit writing.

Interjection by an Hon. Member.

**MR. SMITH:** That's right.

**HON. MR. STRACHAN:** Who was the government then?

**MR. SMITH:** It's addressed to D.E. Smith. It's not addressed to the Government of the province, Hon. Minister of Highways. It's still up to date, as complete and factual as any information that you will receive today because the picture will have changed very little, except perhaps the claims ratio in relation to premium collections is even higher today than it was at that time.

The interesting brochure that the Co-operative Insurance Service turns out points out a few things.

"Claim: Government insurance gives control over investment dollars so that a larger portion can be invested in socially desirable investments such as housing. Not true. The major source of funds invested in auto insurance operations is premiums paid in advance. Under private insurance, auto insurance premiums are paid according to dating of each policy which means that moneys are received on a uniform basis throughout the year. Therefore substantial sums are available for long-term investment. Under government insurance, premiums come due on one date and will be used for claims or expenses during the next 12 months."

So this was the same regardless.

"There is no long-term investment capital available out of the auto insurance business."

No long-term investment-capital — short-term perhaps — but no long-term.

"Claim: Government insurance gives superior claim service through drive-in claim centres. Drive-in claim centres are a great convenience for the insurance company. A government monopoly can force every claimant to drive to a centre for service thus eliminating travel for claims adjusters and appraisers. It is not so convenient for the motorist who waits in line on a busy morning."

"Claim: Government auto insurance is a natural extension of a programme of social security."

This was applauded here. They seem to think that government auto insurance is in the same classification as

the supply of electrical energy to the houses in the province.

"Sweden, with the most advanced social security system in the world, has rejected the idea of government-operated auto insurance.

"There, a company owned jointly by co-operatives and labor unions, Folksam, is the leading auto insurer. It is a very progressive company and has set the pace in Sweden in recent years. While its share of the auto insurance business has not increased during the past five years, other companies are forced to match its performance in order to maintain their position."

I'll repeat that:

"...other companies are forced to match its performance in order to maintain their position. Folksam thus brings its benefits to all motorists in Sweden without having a monopoly or exercising compulsion."

Question, Mr. Minister, through you, Mr. Speaker: Why is it necessary for the Province of British Columbia to go into the insurance business on a monopoly basis? Is it just because of your socialistic policies, or is there any real need to do that?

I suggest to you, Mr. Speaker, that the real need is to advance socialist policies in the Province of British Columbia and it is not backed by a reduction in premiums to any appreciable extent for the people who purchase auto insurance in this province.

Not one figure, not one fact, has been brought before us in this debate that would indicate the size or the amount of the reduction in insurance premiums. As a matter of fact there's been a great

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reluctance on the part of the Government to discuss that side of it at all by suggesting to us that they don't know the answer, that they haven't got all the figures compiled, that no actuary can give them this particular information without some more research being done into the matter. In my estimation, that's nothing but a smoke screen.

I'm as sure as I stand here that that figure is available. It's known to the Government at this particular time; it's just a matter of Government policy not to release it before they get this bill through the House because it might provide an embarrassment they would rather face after the legislation is through than before.

A few questions concerning auto insurance. Question: Will there be any means by which a motorist can appeal the decision of an appeal board? Will the motorist have the right to go to court?

Question: Under present insurance laws in British Columbia, the absolute liability provision guarantees that an innocent victim will be compensated at least up to the minimum limit even if the insured driver was impaired by alcohol or drugs at the time of the accident. Under the new plan, will victims still have this guarantee or will they be limited to the no-fault section of the insurance?

Question: It has been indicated that premiums for the new insurance plan will be collected in two ways — a \$1 surcharge on the driver's licence and a surcharge on the cost of the vehicle licence. Will either of these charges take into effect the accident record of the insured as opposed to his conviction record?

For example, if a driver has many claims during the year but no convictions, will he pay more than other drivers with a clear record? I understand that in Manitoba the charges are assessed only on the basis of convictions. In Saskatchewan, both claims and convictions are taken into consideration. Does the Government intend to follow the Manitoba system, the Saskatchewan system, or some new system, Mr. Speaker?

Question: If the Government intends to levy surcharges on the basis of claims, will it only do so if the driver was responsible for the accident? If so, by what means will responsibility or fault be determined?

Question: Could the Government explain how it intends to prohibit people from purchasing insurance, other

than the licence plate insurance, other than from the government? For example, if a company with its head office in Seattle wishes to make arrangements with an insurance company in Seattle for excessive insurance on vehicles which are used in British Columbia, how does the government intend to discourage such practice?

I see, Mr. Speaker, that the Hon. Minister of Highways doesn't seem to wish to respond to these questions, but I'm sure that as he sits there he is listening.

**HON. MR. STRACHAN:** Sit down.

**MR. SMITH:** No, I'm not going to sit down as I would lose my place in debate. You'll have an opportunity to answer the question; just note them then. You'll have your chance to answer the questions, Mr. Minister.

**HON. MR. STRACHAN:** Don't make remarks like that.

**MR. SMITH:** At the present time, insurance premiums in Victoria and the general capital area are among the lowest in Canada, if not the lowest. Vancouver rates, on the other hand, are much higher and compare with other large cities in Canada. Will the Government guarantee to the people of Victoria that their rates will not be increased to subsidize residents of Vancouver and other high-risk areas in the province?

Question: In both Manitoba and Saskatchewan, there is a minor change in wording which works to the definite advantage of the government. In those provinces, a driver must be capable to drive and licensed to drive before the government will pay claims. In other provinces, the phrase is "capable or licensed."

In other words, if I lend my car to my father-in-law at the moment and he gets into an accident, the insurance company will pay even if he has neglected to get his driver's licence renewed. In Saskatchewan or Manitoba, the government could wiggle out of this particular situation. Does the Government propose to change the wording in the standard policy in British Columbia?

Question: The Act indicates that a driver who wishes to appeal his insurance rate will be required to post a bond of \$25. Will the Government make exceptions in cases where the drivers do not have \$25 — for example, an unemployed person or a person on welfare?

If a motorist is obliged to take time off to appeal his premium and his appeal is allowed, will the government reimburse him for the time off? Will the government pay legal fees or provide legal aid to people appealing their premiums?

Question: Many large companies in British Columbia operate large service garages to keep their fleets in running order. The British Columbia Telephone, Hydro, and the large department stores come immediately to mind. If these companies buy collision insurance at all, it is generally with high deductibles because the companies can repair most of the damage in their own shops. Will these companies be able to purchase insurance that meets their own require-

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ments, or will they be forced to buy a standard package from the government — a package that has been designed for persons who own only one car or one truck?

Mr. Speaker, I would hope that the Minister, when he closes debate on second reading, will give answers to some of these questions because all I have done this afternoon is paraphrase the questions that are asked by the motoring public in the Province of British Columbia.

**Mr. Speaker, we strongly opposed the total monopoly concept on the grounds that it is not necessary. If the government plan is as good as you would have us believe, let it stand on its own merit and compete for business in the marketplace against private insurers.**

We reject the autocratic approach to premium collections. "Pay up now; in advance; cash on the barrelhead."

Where is your concern for people?

We reject the all-embracing power to take unto yourself as government to cancel an agent's contract without notice and without compensation.

We reject the suggestion that premium rates have not been calculated and therefore are not available to us at this time.

We reject your bulldozer tactics in wishing to push this bill through the House before revealing premium rates or debating Bill No. 34 which is the bill necessary to give you the authority to finance and set up the auto insurance company in the Province of British Columbia.

Mr. Speaker, we demand answers to the question that I have posed this afternoon and we recommend that the Government follow the course of action set out in motion 23 by placing Bill 34 and 35 before the Select Standing Committee on Public Accounts and Printing.

Mr. Speaker, to paraphrase a remark that we've heard the Hon. Attorney General (Hon. Mr. Macdonald) make often in this House, "Let the sunshine in." Prove that the phrase "Open Government" is something more than an election gimmick. Thank you, Mr. Speaker.

**DEPUTY SPEAKER:** The Hon. Member for Vancouver–Point Grey.

**MR. G.B. GARDOM (Vancouver–Point Grey):** Delighted to see you in the chair, Mr. Speaker. I note that you're retaining absolute decorum in the House.

**DEPUTY SPEAKER:** Well, thank you very much, I'm sure.

**MR. GARDOM:** An excellent job.

You know, Mr. Speaker, there has been a few classified advertisements in the papers over the last couple of days and I saw one in the "For Sale" section. It said: "For sale, 100 tons of small type. Signed, the B.C. Insurance industry."

Then I looked in the "Wanted to Buy" side, Mr. Speaker, and I saw this: "Wanted to Buy, 200 tons of small type."

Signed, "The Minister of Highways."

I think that this pretty well is the direction that we're going to be taking here.

I much enjoyed the Hon. Minister of Highways. He delivered his talk very well yesterday, right to the letter — even to the spontaneous responses to non-existent interruptions. I think this was quite an accomplishment on his part. (Laughter).

It really wasn't, Mr. Speaker, the Member for Cowichan–Malahat (Hon. Mr. Strachan) of old, because try as hard as he did, Mr. Speaker, he couldn't get quite enough straw in his dragon to make it combustible — particularly when he knows that **the alternative dragon that he's creating with this Bill No. 35, with its totality of power, will produce a bigger, badder and worse dragon than the one that he considered that he had to eradicate.**

Mr. Speaker, in considering this bill we also have to consider the Speech from the Throne. The Speech from the Throne listed the Government's legislative priorities; the very first legislative priority of your Government, Mr. Speaker, was a British Columbia bill of rights.

**Now conceivably a British Columbia bill of rights, Mr. Speaker, would have included the right of a citizen to redress from wrongs at the hands of his government — the right of the private sector for redress for wrongs committed by the public sector. It would have provided protections against excesses of the state.** Conceivably, Mr.



Speaker, it would have enshrined the right of fair compensation for public expropriation. Conceivably, Mr. Speaker, it would have enshrined the right of the citizen to proceed to the impartiality of the courts of this land and to seek equity and justice and damages for injuries that are sustained and loss occasioned as the result of abuses or omissions of the state.

But no. No word of it, Mr. Speaker. No word concerning those rights, Instead we have for second reading today this Bill 35, which I say is the first in a long line to come of the "expropriation without compensation" measures that are contemplated by and are the definite policy of the B.C. socialists.

They call themselves the New Democratic Party. I would think, Mr. Speaker, if you take a look at this bill and the concept that it raises, that a better term would be the "Non-Democratic Party." Because with this bill they will be obliterating the private sector; they will be totally prohibiting its operation in due course.

I would suggest to you, Mr. Speaker, that surely in a democratic society one should be entitled to carry on a lawful vocation. But no. For all practical

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purposes there has been with this bill government seizure of a legitimate, taxpaying, non-polluting and regulated vocation and occupation, without any right whatsoever to it to seek compensation or any kind of legal redress — no checks, no balances, no rights, no powers for anyone to find remedies or redress and no mention of there being any democratic necessity for these things.

There's no word, either in the policy direction of this takeover government or in the manifesto which it follows. I don't think, Mr. Speaker, that we should ever for one moment in the Province of British Columbia be quieted or lulled by the very innocuous title "Waffle," for it contains some of the most dangerous doctrines ever advanced in this country — and I'm going to refer to three quotations from it — not only for what it says but also for what it does not say.

Here is something that it does say, and I quote:

"A socialistic society must be one in which there is democratic control of all institutions which have a major effect on men's lives and where there is equal opportunity for creative, non-exploitive self-development. It is now time to go beyond the welfare state."

One can well question in that statement the socialistic concept of the word "democratic," when they make no provision to pay for the harm of the so-called "democratically" obtaining of control, such as is contemplated by this legislation, and no provision for offering freedom of choice for a system other than the government system, such as we have here.

The second quotation is this:

"Capitalism must be replaced by socialism, by national planning of investment and by the public ownership of the means of production in the interests of the Canadian people as a whole."

Well, that's an awfully broad premise. There's no indication in that statement of any regard for the due process of law or of equity being followed.

The third and final quotation is this one — and they are talking about the control in order to bring the Canadian economy under Canadian ownership and control:

"They include extensive public control over investment and nationalization of the commanding heights of the economy, such as the key resource industries, finance and credit, and industries strategic to planning our economy."

That's what this thing says, Mr. Speaker, but there's not a single, solitary word in here about providing any redress for the emasculation of individual rights. There's not a single, solitary word in this Waffle manifesto as to

whether socialistic excesses can be tested by our courts.

The 14th Amendment of the United States Constitution says that "a citizen cannot be deprived of property without due process of law." Without due process of law.

But what we have here in Bill 35 is something that is tantamount to confiscation by virtue of a 40 per cent vote of the citizens of this province. That's what this bill amounts to.

I say this because it's just seizure for the Province of B.C. Insurance has been confiscated; it's been emasculated; it's been guillotined without any chance to compete and without any opportunity for redress.

I'd like to put this question, and I do hope the Minister will talk about this when he does close the debate: Who's going to be next? The farmers? The miners? Who's going to be after them? The loggers? The fishermen? All of the primary products people? Natural gas?

**MR. G.V. LAUK (Vancouver Centre):** The lawyers.

**MR. GARDOM:** The lawyers, the gentleman suggests? The chartered accountants? The doctors? The teachers? And on into every profession? B.C. Telephone?

There is no question, Mr. Speaker, that this "left hook" Government's course is to total bureaucratic monopoly with the most enormous, inflexible and expensive bureaucracy that anyone in this province has ever dreamed of — I think a better word would be "nightmared" of.

We've got stateism running wild. We'll have an administrative cost of this programme that will be mind-boggling.

Saving to the consumer? Well, as the first speaker today mentioned, there's not a word about what the saving to the consumer is going to be, Service to the consumer? It seems to me that the dollars here are going to take one route. They're going to pour into the maintenance of another bureaucratic elite. Because there's not been any offers, Mr. Speaker, of any kind of consumer plowback with the existing structures that this Government has and which they inherited from the former administration and in which they could insist upon a consumer plowback today if they saw fit.

Take the profits of Hydro in natural gas. Hydro buys it for \$20.5 million and sells it to Vancouver and Victoria customers for \$51.7 million. Where is the saving to the consumer there?

There's no indication of savings insofar as the Liquor Control Board profits are concerned. They buy the stuff for \$176 million and they sell it to the general public for \$280 million. We don't find any consumer breaks there.

I would say, Mr. Speaker, it's very seriously open to question that government insurance will ever be cheaper, economically, philosophically or any other way, for that matter. Because there are going to be hidden charges. There's going to be overlapping of agencies, of personnel, supplies, desks, typewriters,

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buildings and all other governmental fixed assets and certainly, as I have stated, the administrative personnel to run and operate this behemoth.

It's very fallacious to suggest otherwise. Any government, irrespective of the government, has really never operated and never ever will operate so that one particular administrative function is in economic isolation to another.

Apart from anything else, Mr. Speaker, Parkinson's Law and the Peter Principle would prevent that.

In B.C. we have living proof that we've been unable to isolate a tax and use it for a specific purpose. The

former administration designed the 3 per cent tax, which went up to 5 per cent, as being only labelled for hospitals. That was the initial concept. That didn't prove to be the case and I would tend to say that there's been well over \$200 million collected which never found its way into the hospital programmes. **Without an auditor general in B.C., which we don't have,** Mr. Speaker, it would be very difficult at any time to impartially determine what really does go on.

I know when the Hon. Minister closes this debate he's going to indicate some gross saving. But I doubt very much whether there will be any net saving. And I certainly couldn't see that there will be ever any overall net increase.

**I'll tell you why. We're going to find the taxpayers of this province indirectly contributing to the insurance programme. And you know I can't really and truly see why the one million people in British Columbia who don't have cars should be concerned about anyone else's fenders. That's beyond me.**

**It's going to be another bureaucratic monster. We're going to have more civil servants. We're going to have more centralization. They're going to have more buildings, more red tape, more rigidity, more control, more socialism, more bureaucracy, and with no power, Mr. Speaker, to choose or try to opt out of the system.**

Now let's look at the loss factor. This is a big item. There's a loss factor too. There's a loss factor in taxes to the B.C. Government — premium taxes, income taxes, sales taxes and land taxes. All of these taxes are an operational cost today within the private sector industry. And all of that revenue will go right down the drain.

You know it's very difficult to come up with an exact...

Interjection by an Hon. Member.

**MR. GARDOM:** I'll come to the savings in a moment. It's very difficult to come to any kind of an exact figure. But with a gross premium income of roughly \$ 150 million, I would say, Mr. Speaker, as a reasonable guesstimate that British Columbia could face a \$7 million loss in provincial tax revenues by virtue of the proposed takeover of the insurance industry. That is apart from the purchase power and spin-off loss in the complementary services.

Also, why in heaven's name, when we have 95,000 people in the province out of work — why come up with a proposal which in all likelihood could well put another 10,000 people out of work. And that can happen — that can happen. Because this is not a measure that's being debated in front of the Province of British Columbia. Everything that you're going to be doing in this bill you're going to be doing behind the red door of cabinet, my friend, and you know that. I'll come to that in a moment.

Now when there's an abuse there's no question that one has to advocate change. But I think in advocating change you should have thought through the consequences of change. With every respect I think the Government has given very shallow consideration to that aspect.

There was not too much warning in your election. Now, everyone is going to start pooh-poohing that, I suppose, but oddly enough we don't find your statements and policies concerning automobile insurance in your election material. In the main election material you can't find the words anywhere at all. I'll show you a copy my friend.

**MR. G.V. LAUK (Vancouver Centre):** I'll show you a copy too.

**MR. GARDOM:** Well, you might have had it in some, but you certainly didn't have it in the central ones. Not a word in your policy statement.

When you ran for election last summer you talked about similar plans to Manitoba and to Saskatchewan, Mr. Speaker. Both of those provinces allow the right of choice to policy holders as citizens to select additional coverage from either the government or private carriers. But this crowd of 38 has closed the door to that completely, Mr. Speaker.

I'd like to say a word or two about the mandatory collision coverage. That in itself is ridiculous. There are all sorts of people who do not want to have a mandatory collision coverage. Their car may not be worth \$200. Why do they have to pay that for their fenders.

We favour private carriers, and not public, because we believe in the free competitive enterprise system. But it's got to be free; it's got to be competing, and it has to be enterprising. And the mechanisms are available today in the *Insurance Act* that we have in our statute books already to enforce that. I am referring to the Automobile Insurance Board.

I don't believe for one minute in governments administering everything. Less, and not more, government is the philosophy that I accept, Mr. Speaker. I think that government should keep out of the facility as much as it possibly can. Sure, go ahead and set the

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guidelines, provide the incentives; but don't do the job itself. As an Hon. Member stated, and very well stated, in debates in the House, February 1, 1973. And he said this, at page 138:

"You know one of the jobs I feel that Government has is to finance, to set standards and to supervise. I think that that's necessary. Now, you don't necessarily have to deliver the service. As a matter of fact I think it's rather bad when the government does deliver the service."

I say hear, hear. Do you agree with that? Do you agree with that? That was the Minister of Health (Hon. Mr. Cocke). That was the Minister of Health. And it's going to be very interesting to see whether or not he will subscribe to his philosophy or vote for legislation in the dark — which we have under Bill No. 35.

I can't see, Mr. Speaker, why the general public cannot have the right to choose government or free-enterprise insurance. Give them the choice. Even the New Democratic Party in Manitoba — the Municipal Affairs Minister, Mr. Howard Paulley, admits that three private enterprise companies quoted lower rates. He says this — this is reported in the January issue of the *Financial Post*: "There are only three private companies with rates lower than our own."

Well, B.C. citizens are entitled to that break. If the B.C. private sector can come in and provide better service at lower cost, the B.C. citizen should be entitled to receive the break.

You know, Mr. Speaker, notwithstanding that we have Hydro as a public utility, there's nothing to prevent an individual producing his own power. Individuals and corporate structures in B.C. do produce their own power. And they produce it at a lower rate than Hydro.

An example, say, in Vancouver is Finning Tractor Company which does exactly that. It makes its own power right on the site, and it makes it cheaper than can be provided by the public facility. I say do the same thing in this field — do exactly the same thing in this field.

In Saskatchewan and Manitoba comparisons have shown, Mr. Speaker, the difficulty of proving if a government monopoly is offering cheaper or better service. But, surely to goodness, competition makes it possible for the consumer to compare each time he makes a purchase. I say, to the Hon. Minister of Highways (Hon. Mr. Strachan) and to the New Democratic Party, give our B.C. citizens the right to make that kind of decision.

This bill, Mr. Speaker, is a veritable Hydra of regulation. It's an abdication of legislative performance. It's not a bill; it's a sluice box of power to cabinet. There's no mention of the kinds of coverage. There's no mention of the costs of premiums. There's no mention of the cost of administration. There's no mention of the kinds or terms of policies.

These things aren't being debated in front of the Province of British Columbia today. No Member in the House has that information. Any vote for this bill is a vote for legislation in the dark. And it's just a rubber stamp to

the authority of cabinet.

The last speaker said, "let the sunshine in." There's none here at all. We don't see any economic projections. There's no indication whatsoever of what kind of a package or treatment the people who will suffer losses in B.C. will receive. No indication. They say, "Pass the bill. Leave the whole thing to regulation." The area in a democratic society where the people's work should be done is in front of the people, not behind a secret door of cabinet — and that's what the concept of this bill is.

We intend to oppose it, Mr. Speaker.

**DEPUTY SPEAKER:** The Hon. Member for Oak Bay.

**MR. G.S. WALLACE (Oak Bay):** Thank you, Mr. Speaker. I'll try not to be repetitious. The former speaker has made many of the points which the Conservative Party would certainly agree with.

When any system has to be changed we feel that society should be reasonably certain that the solution that's proposed is an improvement over what we have. It's quite clear in all our experiences in life that sometimes the cure can be worse than the disease.

I think, Mr. Speaker, it's fair to say that an objective person would admit that in some cases the service and the attitudes of some private companies have been unsatisfactory. I don't think we can dispute that. But in the eyes of our party the question is: should the only alternative to the existing system be one that is operated by government, controlled by government and is, in effect, a complete and total monopoly.

This bill leaves the individual — and it's the individual we're certainly concerned about in society — with no choice whatever as to the source of his insurance or the terms of the premium, and indeed with no opportunity to shop around if he's unsatisfied with the service which he receives.

Interjection by an Hon. Member.

**MR. WALLACE:** We're not talking about telephones, my friend. We're talking about cars, so let's get that idea straight.

We believe that if there is one principle that non-socialist parties stand for — and certainly the Conservative Party — it is freedom of choice. It would come as no surprise, Mr. Speaker, since this is the heart and soul of the principles on which we function in the Conservative Party, that we will certainly be opposing this bill with all the strength we can muster.

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The point to be made is that we also believe in competition. This party would not in any way try to oppose a government auto insurance plan which entered the market in fair competition with the presently existing private companies. I would just make this point, Mr. Speaker, that if the private companies are as unfair in their practices and as inflated in their premiums and as poor in their service to the client as the Minister would have us believe, then surely the Government should have not fear about entering the marketplace in competition with such poor service and such high costs.

Frankly, if the Minister is so confident, as he says he is, about the supremacy and excellence of his plan, then why not compete with these dreadful companies that he tells us are doing such a bad job for the client? It seems to make only common sense that if the price and the service provided by the private companies are so bad, and the plan to be produced by the Minister is so good, consumers in this province are not stupid. It would very simply result in the fact that if the choice is as clear as the Minister has suggested, then of course the private companies would go out of business, in which case the Government plan would indeed be a monopoly. But at least it would be by virtue of its own efforts and its proven excellence and supremacy in relation to presently existing plans.

Mr. Speaker, it really interests me, that now we have this picture of a total complete monopoly, and yet I have a letter here which the then Leader of the Opposition, now the Premier, wrote in reply to a lady in my constituency in February of 1970. I'd just like to read what the Premier said to this lady: "Our proposal for a Crown-owned automobile insurance agency would include the sale of British Columbia auto insurance through existing agents in competition with any other company that wished to stay in the field in British Columbia." February 17, 1970, to a lady, and I'll be happy to file a copy of the letter, if need be. Signed by David Barrett, Leader of the Opposition.

At least three years ago the Premier was in favour of the competitive approach that if agents wished to remain in competition with government auto insurance, this would be permitted.

**AN HON. MEMBER:** He changed his mind.

**MR. WALLACE:** Well, it's very obvious, yes, that the Premier has changed his mind. I wonder why? Perhaps the Minister can tell us when he winds up the debate — why? His smile is so softening and so alluring that I'm sure he has an excellent explanation. Peace. (Laughter).

**AN HON. MEMBER:** Blood is thicker than water. (Laughter).

**MR. WALLACE:** We won't get into the question of our respective origins, Mr. Minister. (Laughter). I've got to mention a little later some of the difficulties of being a Scotsman in a foreign land.

**AN HON. MEMBER:** What kind of land? A foreign land?

**MR. WALLACE:** No, I'm regarded as a foreigner by my accent. Well, I'll just tell you a story a little later about that. When we went to Winnipeg to look at the Manitoba...

Interjection by an Hon. Member.

**MR. WALLACE:** Anyway, the people in Winnipeg had trouble understanding what I said.

Interjections by some Hon. Members.

**MR. WALLACE:** With some difficulty, I'll get back to the subject.

Of course, we don't think that we should simply despise what the Government is producing without suggesting alternatives. I've already stated that we think **it would be reasonable and certainly we would not oppose a Government plan which competed in the marketplace and, if it became a monopoly, would do so on the basis of fair competition and by giving better service at a better price and with better satisfaction to the customer.**

**We feel that the deficiencies that presently exist could quite readily be controlled by regulation through a regulatory body.** I would contest, Mr. Speaker, the Minister's opening statement, when he introduced second reading, that there is no competition at the present time. There is competition. As recently as just two months ago, I was dissatisfied with car insurance on my own car and sought other prices elsewhere. There was a variation of 15 per cent between the cheapest and the premium I was then paying. I think there aren't too many areas in the marketplace where you can find 15 per cent difference in rates or prices and claim there is no competition. I would submit that there certainly is competition.

Beyond that, Mr. Speaker, we would feel that it is fair to examine the basic reasons given for this bill and to wonder if these basic reasons are valid. Premier Barrett stated at Terrace on August 21, 1972, that government auto insurance would save drivers 20 per cent on their premiums. I have a clipping from the Vancouver *Sun* somewhere, but it was August 21, 1972. With such definite promises of a 20 per cent reduction in premiums, I'm really just posing the question: how is it that we have a complete absence of figures with this bill as to what kind of premiums the customer can expect?

I would like to support the comments of the former speaker from Vancouver (Mr. Gardom) that it is indeed rather amazing that a bill which the Minister has said involved something in the nature of \$175 million should be brought to this House with the claim that it will reduce premiums for the individual driver. Yet we have not a single figure mentioned, even in terms of an approximation. But back in '72 apparently, the Premier was quite willing to promise in his election campaign, nine days before the election day, that the rates would be reduced by 20 per cent.

I would also like to pose the question that the figure quoted by the Minister as being the total of premiums is \$175 million and the present estimated income by companies doing business is \$135 million. Perhaps in closing the debate the Minister would care to explain where this \$40 million is to come from. It seems to me that if you reduce the premiums, if anything should happen, one would assume that the total of the premiums would go down and not up.

In talking about the main reasons for the introduction the bill, I think we should perhaps also quote the Minister in Manitoba, the Hon. Sidney Green, who at that time was the Minister of Mines in Manitoba. He said that possible premium reduction was not the real reason for the take-over in Manitoba. He said it was merely a justification for transferring the bulk of the premium money which in Manitoba was \$35 million from the private sector of the economy to the government.

This, as has been pointed out by former speakers this afternoon, of course is the socialist approach to government. This is inherent in their philosophy. I think perhaps we should look at the situation today in British Columbia and wonder very seriously whether the claim that lowering of the premiums is the main reason to introduce a monopolistic auto insurance plan. It looks to me as though the Government's access to cash flow of \$175 million is a much more attractive motive than the espoused motive that they will reduce premiums to the individual consumer.

Mr. Speaker, these are two main reasons that the Government has given — that it would lower premiums and it would improve the service. I think it's quite reasonable, in trying to debate this contentious bill, to look and find out what is in fact happening to the most recent province to introduce such a bill.

The publicity in Manitoba, following the introduction of their bill, was very similar to British Columbia. I have read much of the newspaper comment that it would reduce the premiums and the customer would get a better deal.

As I mentioned earlier, we spent some time in Winnipeg to try and meet a wide cross-section of the citizens of Manitoba to find out what, in effect, their feelings are about Autopac, which is the title given to the plan there.

It's rather interesting, Mr. Speaker, that we got to the airport and we got in a taxi — the first thing we did was ask the taxi driver what he thought of Autopac. He said that he had been involved in three accidents in the last six weeks and he thought Autopac was great. At that point we weren't too sure that we were even going to make the hotel.

He felt that the deal which the taxi companies had been able to work out was indeed an improvement on pre-existing plans.

We did meet with many people everywhere we went. We went down Portage with a tape recorder and asked questions just at random of the different people who were on the street, without any selection. We taped their answers and I have the transcripts since I got back.

Someone comments on Portage and Main. I'll tell you it's no fun standing with a tape recorder on Portage when the temperature is zero. This was when the problem of my accent arose. (Laughter).

The other problem, Mr. Speaker, was that I was wearing a very big, long, heavy coat that I hadn't worn since 1958 in Northern Ontario. My leader suggested that I was just about to be arrested as being a Russian spy. (Laughter).

**AN HON. MEMBER:** Were you?

Interjection by an Hon. Member.

**MR. WALLACE:** Oh, he's the big fellow. I'm the little guy.

Mr. Speaker, we did spend a hectic two whole days. We visited the depots which have been set up to deal with car inspection after accident. Everywhere we went we spoke to individuals completely at random, from all walks of life and in different locations, in the hotel and on the street.

I would like to just make a few specific points because they relate very much to what has been promised of the B.C. plan which I think in context has not been achieved in Manitoba.

The first specific point — and I think it is to be emulated here in British Columbia, but the figures again have not been quoted and this again I think is a tremendous defect of this bill, that general policy is outlined in the bill without any figures — but the first thing the Manitoba government did was to increase the amount of money that a person pays for his licence. It used to be \$5 for two years in Manitoba and now a male under 25 pays \$25 for his licence. A male over 25 pays \$10. I don't have the figure for the female, but she pays slightly less than the male.

The point I am trying to make is that an additional fee has been inserted which should be added on to any premium rates that we are quoted, because it is

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indeed an additional fee associated with Autopac.

One principle I would agree with is that if this is to be done, the Manitoba plan certainly adds on the fee, depending on convictions. I understand the licence can go up to \$300 in Manitoba if someone has had several convictions. I see nothing wrong in that at all.

The other very interesting thing is that the general impression that we have been given, both here in British Columbia and in literature from Manitoba, is that everybody had had lower premiums. Surely if there's one central claim about this particular bill here in British Columbia, it is that people are going to have cheaper insurance, period. I haven't heard anyone from that side of the House even suggest for a moment that at the inception of the plan at least, disregarding future inflationary costs or otherwise, that anybody will be paying more for their insurance under the Government plan. If I am mistaken on that point, I would like the Minister to answer that question. Is it likely that anyone will have his premium raised under the new plan?

The fact of the matter is that time and time again, when we spoke to people in Manitoba, the one theme which came through — and as I say, I'll be happy to table transcripts if anyone doubts this — is that certainly the people under 25 are getting cheaper premiums. But, Mr. Speaker, you should talk to the people over 25 in Manitoba. It seems to me that a very substantial percentage of people over 25 are paying more for their premiums than they did before Autopac.

The kind of comment I have here, and I won't bore you with all the details, but this one answer we got here is from a couple we met on the street.

"I am a young fellow, younger than the man you were just talking to, and my insurance is \$160 a year. It has gone up for me after the age of 25. I was just getting down to paying a lower rate of insurance when all of a sudden I'm now paying at least \$30 more than I was paying before. The money has gone into the over-25 bracket now. All the rates that the people are paying now are covering the people that are under 25 who seem to have and are not noted for having more accidents all the time."

Another comment from another person, when we asked if people under 25 were being subsidized by those over 25, he said:

"I don't feel that's right. Like I said before, we who have been without accidents for 15 years, our rates have gone higher.



With the ones that are just beginning, you know, at one time they were higher but now they are lower. I don't feel they should..." this is a bit of a garbled answer, I guess, but —

"...be like that \$300 under 21."

I think he's meaning that it was certainly extortionate before, but I think there should be some kind of levelling of the process.

We have many comments along this line.

Another person said that, "older people are footing the bill for the younger people's accidents."

The other point that came across was that the drivers over 25 are pretty unhappy in Manitoba about not receiving credit or consideration for a clean driving record. They felt, and many of them said, that under private insurance from year to year, as their record was clean and they had no accidents, they did receive some consideration which no longer is granted under the government plan. Of course on this question of at least having some choice in regard to additional coverage, the interesting thing was, when we looked into this, that the government does compete with the private industry for additional coverage but the rates from the government are higher than the rates available under private insurance. I couldn't quite understand that.

The fact of the matter is that, taking these many points into account, there are many people paying more for their insurance after Autopac than before.

I think in context I would say that we got the impression that people were either pleased with it or displeased with it. There were very few people we spoke to who were neutral. If they were neutral, it was because they had had no experience of accidents or they didn't drive very much. But it would seem to me that about 50 per cent of the people seemed to think that Autopac is a good plan and they were ready to praise it; and there were almost as many — I think it was maybe 60/40 — who said that they were displeased for the reasons I've outlined.

I feel that there are two or three other principles which are worth mentioning — which perhaps former speakers have mentioned. But the question of the agent and the attitude of government to the agent, I think is an unfortunate one. The agents in Manitoba were told at the outset that there would be no compensation whatever. But there were several agents who had put out money to buy businesses not too long before the inception of Autopac, and the government in Manitoba finally agreed to pay some compensation.

I think the same situation certainly applies in British Columbia. It's a tremendous dislocation for people, some persons of middle or later years who have spent their life in this particular business, to be suddenly told that their business really is gone and that they can continue to work at a reduced commission and under a situation where the government can fire them without notice or without compensation. Regardless of whether we agree or disagree with the basic idea of the plan, it would seem to me if this is a socialist government and really believes, as it says, in fair play and respect for individuals and for small business, I would really feel that it should take a second look at the idea of

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granting some compensation to agents.

**AN HON. MEMBER:** You don't think this government believes in fair play, is that it?

**MR. WALLACE:** Well I'm just responding to the number of times the present Premier has talked from this side of the House about his concern for the little man, for the businessman — for the individual person who is just trying to remain independent and do his work well and contribute to society. That is the image I have of many honourable agents in the insurance business who are presently about to lose their livelihood.

**AN HON. MEMBER:** Don't pay attention to him, he's against fair play.

**MR. WALLACE:** One other point which came out in Manitoba was the whole question of service. I think I would try and lean over backwards to be fair and say that many of the troubles which were described to us were the troubles from the initiation of such an extensive plan. But there certainly were some terrible examples of maladministration and confusion and long waits.

I think that the public of British Columbia should know that once this plan begins, if it's modelled on the Manitoba plan, they are then obligated to get the damaged vehicle to the government centre. And there is not the same kind of service where an adjuster can presently come to the vehicle. We learned of lots of cases where it is very inconvenient or impossible for the husband or wife, or both, to get the vehicle down to the centre and therefore they have to be without the vehicle for several days. This was a comment that we came upon repeatedly, that the citizens felt that there had been, in terms of convenience of service, a change which was to the consumer's detriment.

The stations themselves seem to work well now that they've got the initial wrinkles straightened around. But in terms of financing, and I don't think we should keep mentioning this fact that this bill which we're discussing in principle gives no details about an enormously large financial enterprise. In Manitoba, and certainly in Winnipeg alone, they built three vehicle centres, and each one cost \$1 million. If our population in British Columbia is double Manitoba's, we must be looking at several millions of dollars to create the centres where the vehicles are taken to be surveyed and damage appraised.

So that once again, we have no figures on premiums; we have no total figures on whether it's \$175 million or \$135 million. We have no, even approximate, costs of what the plan will be — what the cost of the plan will be to get it started. In terms of dislocation of skilled people in the industry, we've had no statement as to how many people the Minister expects to have to change their job or be unemployed as a result of this plan.

One point I will make in fair play to the Minister. I'm delighted to hear that there will be accurate, open financial accounting, because I can assure the Minister that certainly doesn't exist in the Manitoba system. I met people there who have tried very hard to get a clear financial accounting of Autopac, but there's something similar to the system that exists in relation to B.C. Hydro in this province. You can never really find out exactly what is happening.

The last point I think worth making is, Mr. Speaker, this question of convenience to the customer. Some people in society like to have their choice of paying more if the kind of service they receive in return seems to them worth the extra money. Even at this late stage of this bill, I still think that society's wish in this respect should be considered by the government. If there is some competition and some choice, there are citizens who would be willing to pay more for what they believe to be better service.

The overall plan we reject because of the basic principle I mentioned at the outset. It leaves absolutely no choice to the individual citizen. Furthermore, we reject the promise that it will reduce premiums by 20 per cent. We reject the idea that it will give better service to the consumer for the reasons I have mentioned. We will continue to oppose this kind of legislation which is based so much on giving the state complete, total control over the affairs of individuals, whether it be auto insurance or otherwise.

**MR. SPEAKER:** I recognize the Hon. Second Member for Vancouver Centre.

**MR. G.V. LAUK (Vancouver Centre):** Thank you, Mr. Speaker, I rise to support this bill.

Interjection by an Hon. Member.

**MR. LAUK:** That's right. Well he's expecting an appointment to the bench soon and he's just practising.

**MR. SPEAKER:** Order please.

**MR. LAUK:** I'm sorry, Mr. Speaker.

You know we had a choice, or I suppose the Government had a choice of not monopolizing the automobile

insurance field, and lowering rates only slightly, or monopolizing and lowering rates substantially.

**AN HON. MEMBER:** How much?

**MR. LAUK:** Substantial. Mr. Speaker, the Member

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for Columbia River (Mr. Chabot) since Monday, since the Hon. Leader of the Opposition (Hon. Mr. Bennett) returned, has been unusually quiet. Have you noticed that? I think it's the old saying "when the cat's away" and all that, you know.

Interjection by an Hon. Member.

**MR. LAUK:** I would say that the newspapers, Mr. Speaker, are really substantially in favour of this legislation. I've been going through my clippings in the last few months. The *Vancouver Province* for example, and I'm only reading editorial pages, where you get a good picture of the expression and feeling of newspapers. **The *Vancouver Province*, Thursday, January 11, 1973 says:**

"It's stretching credulity for the industry to suggest it be allowed to compete with the government on an equal footing so the people can decide which is the more efficient. The possibility of a clear comparison would be remote. Business has always considered it unfair for government to compete with it in specific enterprises because it has built-in advantages over private enterprise. It doesn't need to make a profit, for instance.

"Why should the auto insurance industry now consider it fair for the government to compete against it? Too frequently the industry did not meet the public's desire for reasonable rates and service. That's why the government is moving in. Only in wonderland can time be put back."

That's the *Vancouver Province*, January 11, 1973.

The *Vancouver Province*, Saturday, February 17, 1973, the editorial:

"At a time of high unemployment in this province, it's good to know that the government monopoly on auto insurance won't leave present agents out in the cold. They will have until October to apply to sell..."

Interjection by an Hon. Member.

**MR. LAUK:** It's right here, my friend, here's the evidence, Here's the evidence of public support right here.

"They will have until October to apply to sell government insurance. The huge amount of money that will be paid into the fund indicates the hundreds of millions the government will have to invest in public projects.

"The public safeguard in this, however, will be the provision that all premium income and investment incomes will all stay in the auto insurance corporation. The Crown's entrance into other insurance fields in competition with private companies may, in time, offer interesting comparisons on rates, service and so on. But the auto insurance is the focal point of interest. Its success would do more to consolidate the Government in public opinion than anything it has tackled to date. Its failure would be politically fatal."

"Insurance verdict awaits road test" — the *Vancouver Sun*, Friday, February 23, 1973 — even the Liberal Party organ, Mr. Speaker. It says: "Most people will probably accept the Government's new scheme on trial. They have not been satisfied with the performance of the private companies or with the previous government's patchwork of ineffective regulatory legislation. The proof will come in a year or so, when the Government's insurance is on the road."

That's just a little tour of the local publications in Vancouver as to the attitude that they have toward this car insurance legislation. I can say quite clearly, Mr. Speaker, that from my riding I've received several letters; and it's almost 95 per cent in favour of government-run auto insurance. I'm sure that my friends in the Opposition would

have the same effect.

Interjection by an Hon. Member.

**MR. LAUK:** Several letters, my friend. Mr. Speaker, we're considering legislation today that is classic social legislation. I'm proud to be a Member of the Government side that is bringing in this legislation. I believe it demonstrates clearly this Government's courage. It demonstrates our commitment to bringing down rational and socially responsible and progressive legislation.

All the aspects of this legislation in the field of insurance are going to be well covered in discussions later on, and so I'm going to take a different tack. The legislation has been drawn, as I say, with great skill. Instead of talking about the character of the legislation itself, I would like to draw the attention of the House and the people of British Columbia to something else.

I want to pay tribute to one of the great legislators of British Columbia's history. The people of British Columbia owe a debt of gratitude to this man for a monumental job of work carried out in less than six months. I wonder if we appreciate what a moment this is for him. I want to tell you a few things about this man. At the same time, of course, I will be recounting some important facts about the political and intellectual struggles of the past 20 years — struggles this man has shared in and played a central role in.

The way that he has contributed to our political life in British Columbia is a tribute to the quality of life in this province and to his own philosophical resources, his commitment to the ideal of service in power and of service in the role of loyal Opposition. Let me take this moment to inform the Opposition of the day that when our Government was in Opposition, they were profoundly aware of the significance

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of the ideal of loyal Opposition. I recommend that ideal for the consideration of each Member of the Opposition today.

The legislation before us has been coming on for a long time. Its birth in this session must make us think back over 20 years to the appearance of the man that I am talking about. It makes me think beyond that point to the life that he led before entering politics. He was born in Glasgow in 1914. He completed his formal schooling there. He came to Canada in 1931. He worked in several provinces before coming to British Columbia in the midst of the Depression. He worked in mines and mills and in the construction industry.

**MR. SPEAKER:** Excuse me, Hon. Member. Which part of the bill does this relate to?

**MR. LAUK:** The preamble, Mr. Speaker.

**MR. SPEAKER:** I hope you can cut the preamble short because the bill is now the property of the House and not of the Member to whom you refer.

**MR. LAUK:** I wish to raise these important points, Mr. Speaker, because I think they're long overdue.

**MR. SPEAKER:** Well, I think a general encomium is always welcome by any side of the House, but not to a prolonged degree. Because it's very hard then later to attack the Hon. Minister. (Laughter).

**MR. LAUK:** All right. In conclusion, then, I say...

**MR. SPEAKER:** Well, bring it up to date at least. (Laughter).

**MR. LAUK:** Well, I don't know how I can bring it up to date without describing something about the man that I wanted to talk about. Anyway, I'll succumb to your ruling, Mr. Speaker, with a great deal of regret, I must say.

He once said, "I like building. It gives you a sense of accomplishment. You start with a hole in the ground —

sometimes not even that — stake it out and then build something." He took a fling at a business, by the way, Mr. Speaker, that gives him at the surface glance something in common with his arch-foe throughout his political career. He started a hardware business at Commercial Street in Vancouver — a rather successful one. "I found it interfered with my politics," he said later. It was a great deal of an understatement.

Well, in any event, to make a long story short, he investigated the parties of the day, Mr. Speaker, and he joined the CCF. He said that he felt the CCF had a rational approach to our problems. We had just been through a depression and a war. "I felt that we needed a firm object and a plan to get there." Now, of course, everyone accepts the need for economic planning.

I raise these points, Mr. Speaker, because they have a great deal to do with this bill that's before the House today. The legislation before us now reflects the belief in the need of a rational approach to politics and economic planning. There's been a great hue and cry from the Opposition in the past few days about how rigid and unbending this Government is.

I'm reminded of a statement given by the Hon. Minister of Highways (Hon. Mr. Strachan) some time ago. He said, "Any government or the people in power have to take a pragmatic attitude. You shouldn't be tied to a set of ideals established 50 or 100 years ago. You make your decisions on the basis of social and economic need. You keep an open mind and judge the situation on the conditions and needs which exist at the time."

That, Mr. Speaker, is not a definition of rigidity. He is a man committed to what is rational, to what is just socially, and to what is pragmatic. His political philosophy appears to be grounded on one fundamental political belief: that men can work together to improve the human condition, with patience, with goodwill, with reason and with hard work. His great example has made him respected by everyone who has come in contact with him.

It is with that in mind that I have risen to give that kind of speech today, Mr. Speaker. I would not choose anyone else that I know of that is held with such a wide respect in this community by politicians on all sides of the House. To him, the word "politician" means a person who has studied the art and science of government.

We do not always see the personal backgrounds of politicians, Mr. Speaker, or those visions or events in a personal history that lead to political conviction. I was motivated to draw this conjunction of biography and political history to your attention in a genuine belief that this province has been fortunate in its politicians. None deserves higher praise, in my opinion, than the Hon. Minister who brings this legislation before this House.

Perhaps the most meaningful thing that could be said is what he himself said many years ago in relation to this legislation. He says he likes building — "It gives you a sense of accomplishment to start with a hole in the ground — sometimes not even that — stake it out and build something." This is what he has done by bringing this legislation as one of the first steps

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that he, as highways Minister, has achieved in this House.

This man, who held out against impossible odds in the 1950's and 1960's as Leader of the loyal Opposition as it then was and provided — even admitted by the Premier of the day — a very strong Opposition at a time when it was badly needed — we may be permitted the humble observation that that sounds like what he has built over the years has culminated in the *Automobile Insurance Act*.

**MR. SPEAKER:** The Hon. Member for West Vancouver–Howe Sound.

**MR. L.A. WILLIAMS (West Vancouver–Howe Sound):** Thank you, Mr. Speaker. I intend to oppose this motion — there's no doubt. But before directing my remarks specifically to the motion, I would like to say to the Hon. Second Member for Vancouver Centre (Mr. Lauk) that any of the remarks that I made during the course of his contribution to this debate must not be taken in any way to suggest that I hold the Hon. Minister of Highways in any less esteem than does the Second Member for Vancouver Centre. (Applause). No, I haven't got to the "but" yet.

I have watched him in this House. I have tried to emulate some of his qualities. He is a person who understands politics and he is a person who understands the science of government. I suppose it is because of that that I express some surprise that he would have brought forward a bill such as we are debating today.

He said, in the course of his remarks yesterday, and I have *Hansard* "blues" to refer to, a couple of things which I think indicate how this Government has got off the track.

When dealing with the report of the Wootton commission on automobile insurance, he said:

"Although the commission recommended revolutionary changes in the method of compensating victims of automobile accidents and in premium writing, its most significant recommendations were not enacted into law. Instead, motor vehicle was made compulsory. This meant that the motorists were compelled to obtain insurance from institutions that were entirely out of control of the public, aside from the regulatory commission." And for the benefit of Members I repeat "aside from the regulatory commission."

Again, on page 107 of the "blues," the Minister, when speaking about the giving of service, said:

"Only Government has the clout and is willing to undertake the burden of overcoming these difficulties."

Mr. Speaker, this is where I depart from the Minister in the approach that he has taken to the problem as shown in the words of the bill. It is the responsibility of government to govern. That was the mandate, Mr. Speaker, that was given to this Government on August 30, 1972 — to govern this province and to use the regulatory powers of government to ensure, if the insurance companies were indeed not carrying out the responsibilities under the law, that they be made so to do.

That's the responsibility of government. That's governing.

It has been suggested in the course of this debate and outside of this House that somehow or other this Government in August of 1972 was given a mandate to bring in this kind of legislation. That is not true. Your mandate was to govern, and truly the Government had the clout to do what needed to be done in carrying out the recommendations of the Wootton commission report.

Certainly it was not a mandate to do what the Government under this legislation is doing to the insurance agents, to the employees of insurance agents, to the employees of insurance companies in this province — little people that each Member of this assembly knows in his or her own community. Insurance agents who have worked diligently and responsibly in providing the service that they can give with the skills that they can bring to that particular task who have raised their families, served on hospital boards, on municipal councils and on school boards, taken their full role in each of the communities of this province, are the ones who are directly affected by this legislation.

The Minister says, "Oh, we're going to provide lower premiums and better service." The Government could have ensured that if the premiums were too high they could be lowered under the regulatory powers the Government has.

The Government could have ensured, if proper service was not being given, that it be given. They could have ensured at the same time that these small independent businessmen in the Province of British Columbia were not faced with extinction as they are now. People who have worked, many of them for a quarter of a century or more, in establishing their businesses, providing for the day when they would no longer be able to actively perform their employment, providing for their retirement — this legislation wipes all that out. Completely.

Any goodwill, any assets in the capital sense that they may have created through their own efforts, through the service that they have given to the community through their business, is now destroyed by this legislation. They are faced with the responsibility of continuing their operations; yet they know that they do not have the revenue potential necessary for that purpose.

What faces them? You have a small agency with two men working and three or four employees. Which

ones do they fire? How many do they put out of work over the entire province? 1,000? 3,000? 5,000? The Minister doesn't know. All the Minister knows is that he is going to create a bureaucracy which may employ 1,000 or 1,200 people. In how many locations, one doesn't know. Mainly, I suspect in the City of Victoria.

What about all those employees of agents throughout this vast province who will suddenly find their livelihood terminated because of the effect of this bill? That's why we oppose it — **because the Government has moved in solidly to take over a commercial enterprise, when all the Government had to do was to do what the former government would not do, and that is to regulate this industry, as the Wootton royal commission recommended be done. That's all they had to do.**

The insurance agents, the insurance companies function in British Columbia, Mr. Speaker, under licence from the government. That's where the government has its control over the industry, and not to exercise that control is an abuse of power. It derogates from the kind of responsible government which I thought we would have had whenever the Minister of Highways (Hon. Mr. Strachan) speaking in this House in Opposition recommended what should be done to improve the condition of the citizens of this province.

In the course of the Minister's remarks yesterday, he said it was impossible to indicate in any way what the real advantage would be to the...

Interjection by an Hon. Member.

**MR. WILLIAMS:** O.K. When you close the debate. I notice you making notes. If I don't read you correctly then you can correct it.

He said it wasn't possible to say what the premiums were going to be, and that no insurance company ever could say in advance what the premiums would be. Mr. Speaker, that indicates that the Hon. Minister doesn't know what he is talking about. He simply doesn't know what he is talking about.

If the Minister had taken the time to study the insurance business and the actuarial practices that have to be employed in the fixing of rates, he would recognize that it is not one year, not two years, but three years after the accident rate is known before the full implications of the loss resulting from those accidents can be employed accurately in any actuarial calculation.

Therefore, all the Minister has to do to forecast what the rate will be in 1974 is to turn his staff to work on the accident rate of 1970-71. That will clearly indicate what the premiums will be starting next March, 1974.

Mr. Speaker, the Members should know that all of the computer facilities of this Government are at the disposal of the Minister and his advisers who are dealing with this insurance problem. They have in their control all of the facts and the means of translating those facts into a clear indication of what the rates will be; yet he said to us yesterday, "No one can tell you in advance."

**I suggest to you, Mr. Speaker, that the reason the Minister will not tell us now what the rates will be in 1974 is because he knows that they will not be significantly lower than the rates that are currently charged. Why is that?**

The Minister, in his remarks yesterday, spoke about what happens to the premium dollar in British Columbia — how much of it goes for losses, et cetera. I don't intend to repeat those statistics, which are in *Hansard* for everyone to read.

Then he said that aside from profit there were wastes of money in senseless advertising programmes; yet what do we find that the Government programme is going to do? Well again *Hansard* says, and the Minister's words are:

**"The plan will be self-sustaining. All services rendered by any department of government or otherwise will be paid for from moneys belonging to the plan. There's item of expenses number one. Payment of all losses. Item of expenses number two.**

Does the Minister suggest that he doesn't know what the expenses of administration will be?

"In administering any plan of the Act...." *Hansard* goes on to quote the Minister, "...the corporation will assume responsibilities relating to the reduction and the frequency of accidents as well as the cost." So this is another service. We are going to get into assuming responsibilities of reducing the frequencies of accidents as well as the costs which flow from accidents. Another item of expense.

"It will be concerned with highway safety and with a joint carrying out of safety programmes and education with the Motor Vehicle Branch and others." Another expense to the plan.

Next. "There will be a continuing programme of research into more effective ways of distributing the economic loss consequent upon traffic accidents." Another expense of the plan.

"The corporation will be authorized to construct and maintain one or more repair shop to study repair techniques "Another expense of the plan. A testing facility by which the Minister hopes to gauge the performances of those who are in the private business of repairing automobiles.

Of course, the corporation, with that experience, will be authorized to negotiate with repair shops for the purpose of arriving at fair and reasonable rates. Based upon some of the other examples of the programmes of this Government, we can probably

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assume that they will take over the repair shops if they can't negotiate fair and reasonable rates.

All of these expenses are going to be taken out of the premium dollar. I suggest that you consider the existing losses over which the Government and its plan have no control. The losses paid for personal injuries — the Government and the plan have no control over that. The losses in the cost of repairing motor vehicles — the Government has no control over that. They will continue and all of the other expenditures will be taken out of the remainder. Additional expenditures, administrative costs, costs to run the whole bureaucracy which will be built up around this, will all come out of this self-sustaining plan.

That's why the Minister doesn't want to tell us what the rates will be next year, because there will be no significant reduction.

The Minister was talking at length yesterday about what the situation was in Saskatchewan and Manitoba. If the Minister has devoted himself to this subject, as he must have, in bringing forward this bill — or maybe he didn't. Maybe this sort of rubbed off a little bit on him on the way past. Maybe the remarks he read yesterday in this House were prepared by somebody else in his department and he doesn't really understand.

If he doesn't understand, he should know that there is no method of comparison between the rates which are charged in the Provinces of Saskatchewan and Manitoba with what will be charged in the Province of British Columbia. We have different factors, far more motor vehicles — and the Minister knows the difference — far different accident frequency rates, far different costs of repairs, a different standard by which personal injury claims are resolved.

**AN HON. MEMBER:** Right on.

**MR. WILLIAMS:** All of which affect the losses which must be paid by this plan. All, Mr. Speaker, which affected the private sector when it was involved, as it is today, in the operation of the insurance programme in British Columbia. There is no way they can avoid those fixed cost factors in this plan.

But the Member is quite right, maybe it will be hidden someplace. Maybe it will be possible, in spite of what the Minister said yesterday, that moneys will need to be made available to carry some of these responsibilities



outside the plan. I'm sure the Minister, when he rises to close this debate later tonight or early tomorrow, will be sure to restate that it was going to be self-sustaining.

Well, it was to be self-sustaining in the Province of Saskatchewan. But they found ways. In the remarks yesterday, it seems to me, Mr. Speaker, some of the ways of shoving off some of the costs from the plan itself, to be paid for out of general revenue, are also disclosed in what the Minister said. I refer to it again: "All services rendered by any department of government or otherwise will be paid for from moneys belonging to the plan."

If the Department of Highways, responsible for this insurance plan, engages the service of the Department of the Attorney General, truly will the plan pay for all of those services? Truly will it pay? How are you going to determine the extent to which the services that are rendered by other departments contribute to the plan and are therefore paid for out of the revenues of the plan?

Expensive administration. How much of the general government administration expense will be charged to the plan? We have another bill dealing with the insurance corporation which is to be debated sometime soon. That is where the big administration expense is going to be. Is that going to be paid for from the plan? We are not certain. But it is a way, Mr. Speaker, of ensuring that all costs involved with insurance are somehow or other dealt with outside the plan.

Therefore, it is not really possible for the Minister to stand in this House and assure the Members here and citizens at large that this will be a self-sustaining plan, and that all of the costs, in order to keep the premiums down, will be paid for out of the plan. Mr., Speaker, this might not be of such great concern, except that you understand the tremendous power that will be vested in the Insurance Corporation of British Columbia and therefore in the Minister, who at the moment would appear to be playing a major role in the functioning of that corporation.

If it is possible to slide some of the costs out of the plan and therefore make rate reductions, could it be that some months in advance of an election there could be an announcement of reductions of premiums for certain classes of drivers by reason of the successful operation of the plan?

**AN HON. MEMBER:** Oho!

**MR. WILLIAMS:** Is that a possibility? That is a possibility, Mr. Speaker, a possibility which would not exist if government merely exercised its regulatory power over private insurance companies and private insurance agents.

It is for that reason that I oppose this legislation. It places the Government in the position of controlling a plan and utilizing the plan for narrow political purposes such as we have never seen in this province before.

As I said at the beginning of my remarks, I have the greatest respect for the Minister and I know that this would never cross his mind. He has made "politician" into an outstanding word in this

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province. But maybe others might be able to encourage the abuse of the power which this type of legislation places in the hands of government.

I don't hold any brief for the insurance companies. None at all. I believe they have improperly discharged their function, and that they have failed the people of British Columbia. They have been encouraged, however, Mr. Speaker, in that failure by the failure of the former government also to exercise the regulatory powers to govern in this respect. But this new Government came in, I would have thought we would have seen government and regulation brought to bear upon this particular problem. As I said, that was their mandate. I oppose this bill because they have denied that mandate.

**MR. SPEAKER:** The Hon. Minister of Health Services and Hospital Insurance.

**HON. D.G. COCKE (Minister of Health Services and Hospital Insurance):** Mr. Speaker, I rise briefly in

this debate, particularly in view of the fact that I had the pleasure of listening to a very fine debater across the floor, who indicated that he was surprised when the NDP got in power that we would automatically exercise control of the insurance industry and thereby carry out our obligations to those who voted us in, Mr. Speaker.

Well, if naivety is the height of the performance this afternoon, that was the height of his performance, because of the fact that the voters voted us in to do this very thing that we are doing in this particular bill, and that was to provide them with government car insurance. Mr. Speaker, we know the words. We've attended the conventions. The people in this...

**AN HON. MEMBER:** It's in the programme.

**HON. MR. COCKE:** It's in the programme. It's been discussed by everyone...

Interjections by some Hon. Members.

**MR. SPEAKER:** Order, please.

**HON. MR. COCKE:** It's been discussed on every platform that every NDP candidate and Member has been on for the last number of years.

Last year in this House all those Members were here, even at 5:30 in the morning, when we were discussing the Attorney General's estimates and we discussed this whole question of just exactly what we would do. There was no misunderstanding out there. No misunderstanding whatsoever.

Eighty-four per cent of the people of this province demanded government car insurance, and do you know why they did? Just because of what that Member said — that the car insurance companies have let us down in this province. They've let us down badly and everybody knows it. He says that regulatory powers could do the job. We know better, and so does the public, Mr. Speaker.

Mr. Speaker, the fact of the matter is that the last government tried it. It's been tried in Massachusetts. It's been tried elsewhere.

There is some discussion of Sweden, and I'll allude to that in a moment or two. But the fact of the matter is that they did it in Sweden in one way or another and most people know how they did it in Sweden. The fact is that the same people, the great mass of people, had something to say in the car insurance company there, but there's no mass of people who have anything to say in the car insurance company here.

You know we've been accused of developing a monopoly in B.C. This is nothing new, Mr. Speaker. Not new at all, because for the last number of years, for as long as I can remember, we've had a monopoly car insurance programme in the Province of B.C. And who was the commissar? I turn that over to you. Who was the commissar? I'm not quite sure, but I'll tell you I know the spokesmen, and the spokesmen sit over there on that side of the House. That's where they are. That's right. As far as we are concerned, the kind of monopoly we want in this province is people-controlled monopoly — where the people have something to say about the product that they buy and that they've been gypped on over the past number of years.

I've had something to do, Mr. Speaker, with the competitive world of insurance. Oh yes, I've had something to do with that competitive world where the decisions are made among friends, Mr. Speaker, and they have friends as well. And I feel sorry for those Members over there for having been duped in this way. The fact of the matter is they have been duped.

**HON. MR. BARRETT:** You're charitable.

**HON. MR. COCKE:** I'm being kind, Mr. Premier, and I'm sorry, but that's the kind of guy I am. Just good Christian attitude showing up. (Laughter).

Mr. Speaker, it really surprises me to find that the Co-operative Life would write to the member for Peace

River who indicated that a...

Interjection by an Hon. Member.

**HON. MR. COCKE:** I'm sorry — C.I.S. Co-operative Insurance Services. I guess what they found out was, writing to us last year didn't get them quite the results they expected and so they expected the kind of results that they got this afternoon with that Member's presentation, Mr. Speaker. And that presen-

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tation was one of grief and despair for the Co-operative Life. Eighty-eight per cent they had been paying out to their policy holders — 88 per cent of their premium income. We went over that in great detail last year. If they have so much grief over doing business at a loss, why are they fighting so hard to stay in business, Mr. Speaker? They are as altruistic as all get out, I wonder?

Mr. Speaker, I'm not attacking the co-operatives in the province. I'm attacking the kind of thing that happened this afternoon where a company, who holds itself up as representing the people, would indicate that the kind of programme that this Minister has developed for the people of British Columbia is a bad programme — and people know better, Mr. Speaker. They know a lot better.

Mr. Speaker, we've given those companies years and years and years to put things right. In North America — not only in this jurisdiction, even in those conservative jurisdictions — they will have government car insurance because they've left it too long to mend their fences, Mr. Speaker.

How can we, a little government like us, fight those huge monopolies? They say regulatory powers. Why, we have a difficult time getting regulations to fit into other situations in this province dealing with a lot smaller and less powerful monopolies. We know the name of the game, Mr. Speaker. It seems to me that that's what they're contending, that they must vote against it, representatives of this free enterprise "insurance business".

Mr. Speaker, they could have put it altogether. Sure, they did put it all together in Sweden — that real co-operative insurance company. Do you know what they did over there? They said to the car companies, "You produce a car that doesn't go 'crunch' through an accident. And if you do that, if you produce that kind of safe automobile, we'll give you a much better rate." That's the kind of muscle they had in Sweden. And they did it, Mr. Speaker.

Mr. Speaker, what they did over there was because of the fact that they were representing the best interests of the people — they were able to produce the package. It's never been tried in North America and this little jurisdiction knows perfectly well there's no possibility of trying it. So therefore we're going the route that the people asked us to go, begged us to go, and insisted we go. Naturally we're going that route, Mr. Speaker, because we are a peoples' Government, for a change, in this province.

Mr. Speaker, last year I talked of this loss of investment capital in the Province of British Columbia. Sure it's a consideration. Sure it's a consideration because most of the decisions around finance in the Province of British Columbia are made on Bay Street. They only have a minor say, but the major decisions are made right outside of the country. This auto insurance business aids and abets that situation because your premiums and mine don't sit here in a bank; don't sit here developing enterprise; they sit there in a bank.

They sit down in those areas that really don't have great concern whether they're working up in Prince George, or in the Peace River, Mr. Member.

Whether there's unemployment here or not, they feel they must serve their needs first. And that's one of the reasons why we've got this monstrous unemployment — because of the fact that the investment capital in this province is leaking out of the province and that leak, that huge hole in this boat of B.C., was put there by the last administration in the Province of British Columbia that held the reins for twenty years.

Mr. Speaker, that's not good enough. We don't want any more of this loss of capital, either. On behalf of the

people of B.C., we feel that their capital should be here, developing this province and at the same time providing them with low cost car insurance.

Mr. Speaker, the Member for West Vancouver–Howe Sound (Mr. Williams) has talked about the whole question of — "this Minister should tell us the rates today." There is no company in North America or in the world that would tell you the rates for insurance a year from now. What kind of kidding is going on over there? Mr. Speaker, the rates will be excellent. Excellent. They'll stand up. And don't give us this "tell us" stuff. You're the ones that are predicting the rates, and what a shock you're going to get, and what a shame it's going to be.

Mr. Speaker, the bookkeeping systems of the insurance companies have been criticized for years.

Mr. Speaker, I am exactly in the same position as the Minister is and as you are. We know perfectly well that the rates are going to be commensurate with the needs of the province. They're and it's going to be a good one. We don't have all of this bookkeeping system to complement. We don't have all of these hidden costs.

You know, when we hear claims as opposed to premiums, and we know that they are two completely isolated things — I'm talking in terms of the present day system — we don't take into consideration, for instance, the income earned through all those assets, all those buildings, all of those vast sums that have been stored away in the reservoir that could very well be reducing the premiums right now if they wanted to, but they didn't want to, and they're too late, Mr. Speaker. We don't think in terms of those unpaid claims that sit in banks — where? Maybe in Geneva. Who knows where? Gnomes, gnomes galore!

But, Mr. Speaker, we know that those unpaid claims sit around and sit around, and the only people who really benefit from this archaic and anachronistic system are the legal profession. So it didn't surprise me too much to see some of our friends across the way defending private enterprise insurance.

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Mr. Speaker, we go this way and we go this way clearly in the public's eye. The public expected nothing less of us. I would hate to be a part of a government that deceived the public. We did exactly what we told them we were going to do and exactly what they begged us to do. They begged us to do it; they wanted us to do it because they want a hand in this thing from now on, Mr. Speaker.

Mr. Speaker, I support this bill.

**DEPUTY SPEAKER:** The Hon. Member for Chilliwack.

**MR. H.W. SCHROEDER (Chilliwack):** Thank you, Mr. Speaker. It's a privilege to speak to Bill No. 35. It was a thrill to listen to the Minister of Highways (Hon. Mr. Strachan) yesterday as he presented what he believed to be the essence of the bill.

I think, though, that I detected, along with some of the other Members in the House, some note of disbelief in the Minister's voice. It sounded to me like there were some things that he really didn't believe himself when he was giving them to us. I have grown to know the Minister of Highways in my short tenure here in the House. I already respect the gentleman; I have known him to be a man of his word. Whenever you hear in his voice the fact that he doesn't really believe what he is saying, I think he is being honest even in that regard.

I really can see some problems in the facts that he was giving to us. I just have about four points that I want to talk about. I want to talk about the monopolistic facet of this bill. I want to talk about the effect that the bill will have on the economy. I want to talk about the premium rates which I'm amazed no one has talked about, because they're obvious. Then I have one little request that I would like to make of the Minister as I conclude.

First of all, let me talk about the monopolistic aspect of the bill. It's very obvious and other speakers have already referred to it, so I'll just dwell on it momentarily. The fact is that the monopoly will do injury to the comparison and to the evaluation — there is no way that the new company, when it does exist, will have any way to

compare itself with any other company.

The Minister has been quoted in the Press as saying, "We will be creating in this monopoly in the Province of British Columbia the largest insurance company in Canada, doing a massive premium business each year." And he's going to be doing, he said, "the work of the president of the largest company in all of Canada." Is that what you said, Mr. Minister? Well, bless your socks; you did all right. I thought you didn't believe in big companies. (Laughter).

This is one reason why I thought I noted a tone of disbelief when you were talking to me the other day about this company that you're building. There is no comparison with any other company, If you are the largest, what are you going to compare yourself with, Mr. Speaker? I can see where efficiency may just drop off completely. It eliminates any conscious effort to reduce costs.

There is no alternative for a policy holder if he happens to be dissatisfied with his policy or with the service that he is getting. There is no other place to go. The explanation that the Minister gave to us definitely says there will be no other company operating in the province — nothing, no place to go, locked in, tight.

They can create whatever hardships they want to and the policy holder has absolutely no appeal. The only thing that we've got to point to is the little line in the explanation that says: "No licence, no insurance. No insurance, no licence." I have never heard it locked in so badly in all my life.

**AN HON. MEMBER:** What have we got now? That's the way it's supposed to be now.

Interjections by some Hon. Members.

**MR. SCHROEDER:** Yes, Mr. Premier, but I haven't been thrown out of the House yet, have I?

**HON. MR. BARRETT:** No, but keep trying. (Laughter).

**MR. SCHROEDER:** Now let's talk about the rates for just a little while. I can't see why someone hasn't noticed this before. The Minister of Highways has given us all the figures that we need.

I have this report which is, Mr. Speaker in case you haven't got your glasses on — the annual report of the Motor Vehicle Branch for the year 1971. It gives us some comparative figures over here on page F7. It tells us how many motor vehicles are in the Province of British Columbia. It gives them to us right from 1964 all the way right up into 1971. I took these figures and built a little graph out of them, Mr. Speaker, so that we could develop some kind of a curve so that we could anticipate the number of automobiles in the Province of British Columbia for 1974.

In the year 1968 the increase of automobiles over the previous year was 6 per cent — 6 point something. In 1969, the increase over the previous year was 7 per cent — 7 point something. In 1970, it was 3 point something per cent. In 1971, the increase was 6 per cent. It establishes the fact that in one year in British Columbia we have approximately a 6 per cent increase in the number of motor vehicles licensed.

Now then, I could show it to you on a graph but I don't have a blackboard. I was afraid maybe you might not understand graphs. In 1974, on this

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projection, Mr. Speaker, we will have approximately 1,280,000 motor vehicles on the road.

Now, all we have to do is go to page 3 of this booklet which was given to us so that we might understand the jargon of the bill. On page 3 it says that the first year business volume is expected to be in the \$175 million range, most of it insuring the automobiles and drivers of the province. There will be a small balance that will be obtained through other lines of general insurance such as fire and casualty, I read a little later on in the page.

But all of us in the building know this: most fire insurance policies are of the three year duration and that the returns in the initial year will be minimal from this. Therefore let us assume that we will just be barely able to get

back the seed money in the general insurance field leaving then the \$175 million range, approximately, that will be garnered from the automobile insurance premiums.

Well, if you divided \$175 million by 1,280,000, you'll find that you get \$136.72 per policy — that will be the average. It will vary on both sides of this but what you get from one you will have to add to the other. **The average cost of an insurance policy will be \$136.72.**

For those who drive more than one vehicle there will be no decrease — at least we do not have any indication that there will be any decrease for the second or the third or the fourth automobile in the family. Therefore if you pay \$136 per vehicle — I have in my possession the vehicle that I drive, the one that little Red, my wife, drives at home, and we have the pickup truck to take out the garbage. So we have three vehicles in our possession. You multiply 3 times \$136, Mr. Speaker, and you're over \$400 no matter which way you figure even if you're not too smart.

I presently pay \$340 for the insurance on three vehicles. Therefore, I cannot see how this plan will be a savings to me — at least not if I can believe those figures.

**HON. MR. STRACHAN:** You don't. You don't really believe those figures.

**MR. SCHROEDER:** I'm pretty sure I can believe them. I just want you to believe them, Mr. Minister. You being an honest man, I know you will.

Now I want to talk a little bit about **the effect on the economy when we totally collapse the insurance business that now exists out there.** What will happen?

I called a representative of the insurance industry to find out how much business they're actually doing. Their anticipated premium revenue for the year that we're talking about is \$160 million. The projected revenue that the government believes they will get is \$175 million. The government expects to get a higher premium return for the same year than does the insurance industry. This already tells me that quite likely they're going to have some increases in premiums somewhere along the line.

**I checked to find out how much of the actual premium dollar that is collected is paid out on insurance claims. The man said to me 70 per cent** — 70 per cent of the premium dollar is returned to the insured via the claims route.

If we take this same equation and apply it to the \$175 million revenue that the government is expecting, it leaves a 30 per cent balance — the balance, you understand, Mr. Speaker, that is not paid out in claims, it leaves it in circulation in the economy. It's being paid out in rents and in salaries, in operating expenses, in promotions, in dividends and in capital expense.

How much is that? It's \$52.5 million a year. Now the only way we can understand what it does to the economy, this amount of money, is if we talk about it in terms of jobs.

If you want to find out what \$52.5 million circulation does in terms of jobs — whether you pay it in rent or in promotion or where you pay it — if the average income of a British Columbian were estimated to be approximately \$7,000 a year, then in round figures it would affect 7,500 jobs.

Now, if we collapse our economy by \$ 52.5 million — which in essence is what we're doing — if we put out of commission the insurance business that's out there right now, and even if we operate it on a no-cost basis, collecting in premiums only the actual number of dollars that we expected to pay out in losses, **we would be collapsing our economy to the tune of 7,500 jobs.** Somebody somewhere would be unemployed.

**AN HON. MEMBER:** Hear, hear!

**MR. SCHROEDER:** Let me come back to the rate for just a little while. I talked about the rate being \$136.72 per policy. I would like to remind this House that the advertisement which appeared in the election campaign clearly stated that insurance was being provided at \$25 per vehicle for government vehicles. The innuendo

was given: "Why shouldn't all of our automobiles be able to be insured for \$25?"

**HON. MR. BARRETT:** It's not true.

**MR. SCHROEDER:** Now you know that's the truth, "Big Daddy," you know it.

I would like to insist, before everyone who is listening, that any dollar over \$25, Mr. Speaker, is a breach of promise. I don't know how it comes through your filter, Mr. Speaker, but \$136.72 is quite a few dollars over \$25.

Time is wearing on. I just want this one request.

**MR. PHILLIPS:** There's all the time in the world.

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**MR. SCHROEDER:** Mr. Minister, I believe that you are going to do the best possible job on this insurance scheme that you know how to do. You have been a Member for your constituency for some 21 years. You have not disappointed those people or else they would not return you to this office. I commend you. I know that you are going to do the best that you can do.

This I would ask then, through you, Mr. Speaker. Would you please consider that variable rates would be made available for the second and the third and the fourth automobile that would be owned by the same owner, so that you don't have just a flat rate of insurance premium, but that it varies as to the number of automobiles? Thank you so much.

**MR. SPEAKER:** The Hon. Member for Langley.

**MR. R.H. McCLELLAND (Langley):** Thank you, Mr. Speaker.

If there is one thing this Government is getting known for, Mr. Speaker, it is the Government of excesses — overkill. Everything it has done so far in this session of the Legislature it has done in excess.

They've gone overboard, Mr. Speaker, in every legislative move that has been made.

Even, Mr. Speaker, when some people have been prepared to accept this Government as a moderate reform Government, it slaps them down with the most radical form of socialism. **Even in government-sponsored auto insurance, which many of your opponents were prepared to accept, you insist, Mr. Speaker, on being so doctrinaire that the legislation becomes unacceptable to fair-minded individuals.**

Mr. Speaker, how on earth can we debate this most important measure without having any idea of what it's going to cost the people of British Columbia? How much, Mr. Speaker? Without answers to that question everything else about this bill becomes totally meaningless. How much?

Mr. Speaker, will the Minister of Highways guarantee me that I'll have a lower rate? Will he guarantee that my company vehicles will have a lower rate?

Interjection by an Hon. Member.

**MR. McCLELLAND:** It's as good as yours.

Mr. Speaker, what about my neighbour then? What about his rate? Will it be lower than mine? Will you guarantee that the rates will be lower? That's the question.

How can we debate this bill without knowing the answer to that question?

Mr. Speaker, the Hon. Premier and the other Members accused the Hon. Member for Chilliwack (Mr.

Schroeder) of twisting when he suggested that, by innuendo in the last election campaign, the members of the New Democratic Party insinuated that car insurance would be made available at \$25. We only need to look to the election pamphlets, Mr. Speaker, which indicate right here that, "The Government of B.C. insures its own vehicles. It uses no insurance companies. The cost is less than \$25 a year. How much did you pay this year?" If that isn't innuendo about \$25 a year, I don't know what it is. Mr. Speaker, the now Minister of Public Works (Hon. Mr. Hartley), on January 27, 1972, said this in this House:

"The first step, possibly the most simple and easiest step for you to take..."

He was talking about government-sponsored auto insurance.

"...would merely be to expand your present programmes, that of government car insurance — the programmes that you have for the 6,500 government vehicles, the vehicles that are out bucking the snowdrifts, driving under the most hazardous conditions night and day at this time of the year. You know that the highways report that was filed on January 20 on page 14 (b) gives a report on the government's own car insurance. You know what it costs for the average vehicle this year, \$23.85."

Mr. Speaker, he goes on to say that:

"Certainly if we can save \$1 million on 6,500 vehicles what could, they do with 650,000 vehicles. Certainly they could do 1,000 times as much. And we're challenging them to do that. This is the challenge that we're holding out today."

And that's pure innuendo, Mr. Speaker, that the NDP offered car insurance at \$25.

Mr. Speaker, a question that I'd like to ask is how do we debate this? How do we know if a one-car family, for instance, with six drivers, is going to pay more than they do right now? The inference in the bill is that they'll pay a whole lot more. What we'd like to know is how much more? Will it be twice as much, Mr. Speaker, or three times as much, or five times as much, or ten times as much? We don't know. Mr. Speaker, this Government should withdraw this bill until it can tell us what we're going to pay for it and then we can decide on the bill's fate from an intelligent platform.

**HON. L.T. NIMSICK (Minister of Mines and Petroleum Resources):** You don't mean that.

**MR. McCLELLAND:** Yes, I do mean that, Mr. Speaker.

The Minister of Highways (Hon. Mr. Strachan) attempted to pull the wool over our eyes with a story about not being able to predict the rates a year in advance. The Minister of Health Services and Hospital Insurance (Hon. Mr. Cocke) has added to that this afternoon. It's all pure baloney — if there is such a thing as pure baloney.

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In all the time he's had, Mr. Speaker, with all of the advice he has — and perhaps someone should show the Minister of Highways the way to the computer room, because he apparently doesn't know where it is — there's no doubt, Mr. Speaker, that he could come up with a very close estimate at least on rates. If you can't tell us what the rates will be next year, tell us what you think they might be this year. We'll just allow for the normal 50 per cent socialist increase in the first year of operation.

If you're having such difficulty, through you, Mr. Speaker, to find out what these rates are, how on earth did you arrive at that figure of \$25 that you bandied around in the election campaign?

**AN HON. MEMBER:** He got it off the order paper.

**MR. McCLELLAND:** I guess things are different in the heat of an election, Mr. Speaker.

Mr. Speaker, we have to know how much.

**AN HON. MEMBER:** There's a federal law against misleading advertising.



Interjections by some Hon. Members.

**MR. SPEAKER:** Order.

**MR. McCLELLAND:** The government is asking us to approve a pig in a poke, without knowing anything about it, let alone how much it will cost.

**MR. PHILLIPS:** They broke the law.

**MR. McCLELLAND:** Since we can't talk about rates in British Columbia because we haven't been given any, Mr. Speaker, we're forced to relate to experiences in other provinces, notably in Saskatchewan and Manitoba.

**HON. MR. BARRETT:** And did the Liberals kick it out then?

**MR. McCLELLAND:** Mr. Speaker, regardless of what this Government decides to do, we're talking in British Columbia about monopolistic government sponsored auto insurance, which is a completely different kind of thing. Regardless of what this Government decides to do, Mr. Speaker, with its insurance and all of its maneuvers to hand the real cost — I notice the Minister has left.

**MR. PHILLIPS:** He can't stand the pressure.

**MR. McCLELLAND:** He's gone out to find the computer room.

We still have to have, Mr. Speaker, some kind of a sensible formula for setting rates. Regardless of all the talk about not being able to compare this with that, we still have to come up with the same formula which is recognizing such things as a person's driving record, the price of the car, the cost of repairing it and traffic conditions in the area. All of those things have to be considered, Mr. Speaker, and they don't change. They must be used when you set the rates.

So while we can't compare rates between here and Saskatchewan, mostly because we don't have any rates here with which to compare, once again, we can't compare them because conditions are also considerably different. But we have to have some method by which we can talk about this bill that's before us.

So we can look, Mr. Speaker, at the experiences in other areas. In fact, we are forced to look to their experiences, because this Government, Mr. Speaker, won't give us any information about what's going to happen in British Columbia. I agree with the other Members who say that the Minister of Highways has those rates somewhere, and he just will not tell us because of political purposes.

So let's take a short look at Saskatchewan and Manitoba and how their insurance operates there. Saskatchewan in many instances, all through debate on this auto insurance, has been cited as having lower insurance rates than British Columbia, and other provinces for that matter. Of course it has lower insurance in Saskatchewan, Mr. Speaker. It had lower insurance rates even before government-sponsored insurance was introduced there, because practically the whole province is flat, and the parts of the province that aren't flat just don't have any cars. Manitoba is just about the same, so obviously the insurance rates are lower there.

But insurance experts, Mr. Speaker, insist that in Saskatchewan, under the government plan, virtually every driver who lives outside the large cities is paying too much for his auto insurance. Virtually every driver who lives outside the large cities pays too much for his auto insurance. In Manitoba, surveys show now that a majority of drivers pay more than they did before government sponsored auto insurance.

There's more to it than that. Mr. Speaker, I'd like to quote, if I may, from a pamphlet that was put out by the Insurance Bureau of Canada, which points out many of the problems in the government insurance in both Saskatchewan and Manitoba. It says:

"In both Saskatchewan and Manitoba, many drivers find themselves required to purchase insurance which is irrelevant to their needs, such as high deductible collision and comprehensive insurance on low value vehicles.

"In Manitoba, in the case of Winnipeg transit vehicles, the transit authority has its own repair shops, yet it was forced to pay thousands of dollars a year for collision insurance.

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"The government has promised to negotiate a compromise, but so far nothing has happened. Presumably insurees such as truck owners with their own repair facilities, and even body and fender repair shops, will have to buy collision insurance on their automobiles. They don't need it."

It also goes on to say that part of the technique of these Saskatchewan and Manitoba insurance systems is that the total cost to the consumer is assessed in bits and pieces. For example, when the owner of a late model car buys his licence plates for the car, he pays a premium which may range up to \$142.

If he wants more adequate protection, and more than 50 per cent of the car owners do, he also pays a premium which varies according to the age of the car, the age of the driver, et cetera, to either the government insurance office or a private insurer. We don't have that opportunity here. Every driver, whether he owns a car or not, also pays at least \$3 of insurance premium when he renews his operator's permit or driver's licence each year.

In short, while the total cost to the consumer is high, the cost is broken up in several categories, and the consumer pays several amounts at several different times. In short, Mr. Speaker, the name of the game is snow job. Confuse the people.

It's especially so as the B.C. Act is set up. The real cost, Mr. Speaker, will be so camouflaged that it will never be known. Not only do we not know today what this insurance is going to cost us, we may never know next year or the year after. The rates that the government will finally announce will have no relationship in my opinion to the real cost of insurance premiums in British Columbia.

Through it all, Mr. Speaker, the socialist government will continue to mess around with our premium money. The highways Minister (Hon. Mr. Strachan) charged when he was introducing this bill for second reading, Mr. Speaker, that the premium money is being squandered in wasteful administrative costs. Well, imagine that — pious statements like that, Mr. Speaker, from a man who is ramming through a major piece of legislation without telling us how much it's going to cost.

**MR. J.R. CHABOT (Columbia River):** Railroad it.

**MR. McCLELLAND:** From a man that is asking this Legislature to give him a blank cheque. The real squandering here, Mr. Speaker, is going to come from this government, when it begins to invest its premium money in down and out socialist enterprises here and in other provinces. Down and out.

**HON. MR. BARRETT:** Translate that.

**MR. McCLELLAND:** Translate it? It means Western Flyer of Winnipeg, perhaps, and other companies like that.

**HON. MR. BARRETT:** And B.C. Hydro?

**MR. McCLELLAND:** I'd like to tell the people of this province, Mr. Speaker, that this bill is set up in such a manner that the people will never know who's doing what to whom. Like so many things this government is asking us to approve, Mr. Speaker, here we are looking at a measure that will raise millions of dollars, which will be invested in questionable enterprises in any part of Canada anywhere, so that the people of B.C. can ensure that Manitoba bus builders get work, and that employment in Manitoba is kept at as high a level as possible, while one out of every 10 British Columbians is out of work, without a job. If those premium funds, Mr. Speaker, are badly invested, and I feel certain they will be, there won't be any insurance, because your policy won't be worth the paper it's printed on in that instance.

So we have to ask the question, Mr. Speaker, how much is this insurance going to cost? There are many more

questions that this Government must answer. Among them, and it's been stated eloquently already, is the question of the monopolistic features of this plan, which were unnecessary and certainly still are unnecessary.

I'd like to refer to the same study that the Member for North Peace River (Mr. Smith) referred to, the royal commission on automobile insurance in Nova Scotia. One of the submissions had some thoughts about monopoly as it relates to insurance. This is a quote from that report, Mr. Speaker:

"It would appear to be an indisputable fact that a competitive private enterprise industry is bound to be more sensitive and responsive to public need and public criticism than would be a monolithic government institution. Competition is the major impetus.

"If the consumer doesn't like the product or the price or treatment which it gets from one company, he can take his business to another. It's a right. It's a freedom of choice which does not exist under any monopoly."

The submission further goes, Mr. Chairman:

"Canada has, for example, what is recognized as the most advanced collation of automobile experience data in the world.

"It is experimenting with advanced payments, with payments for automobile damage without regard to fault, with a wallet-sized certificate instead of the traditional bulky policy. It has pioneered the inclusive statutory minimum limit, and it has raised such limits to a level far beyond anything to be found in the United States. It has high accident benefits payable without regard to fault.

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"Saskatchewan, operating under a government scheme has an accident benefits programme which has not been altered since its introduction in 1946. Every other Canadian province has much higher limits. British Columbia and Ontario have the highest limits and benefits of all."

Mr. Speaker, another of the questions that I want to ask, and I believe the people of British Columbia have a right to have it answered, is this question: Will benefits be maintained at these present high levels? Because if not, we're certainly going to suffer in a number of important areas. Mr. Speaker, will this government reconsider section 16 of this bill, wherein the cabinet has the right to dump agents without compensation? No compensation whatsoever.

I think I'd like to see a theme song written about this Government, Mr. Speaker. We'll call it "The Without Compensation Blues," because that's the way this Government has been operating ever since this session began.

Mr. Speaker, once this Government has managed to phase out the agents, which may take about a year or so — they'll be gone, make no mistake about that — what are they going to do about even those 1,600 jobs that are contained right within the insurance industry? 1,600 jobs gone, Mr. Speaker.

What about the section of the Act, Mr. Speaker, that allows this Government to enter the body shop business, the repair shop business? We could perhaps take a typical case in which we have a minor accident. The government offers its claim assessment; and you're sent to your government sponsored auto body shop, to your friendly government sponsored auto body repairman. The government auto body repairman says, "This is how much it'll cost to get your car fixed. Get it fixed anywhere you want." But no body shop in the country would be able to afford to fix it, so the rates are going to come down. The body shops begin to close, and you've got another industry taken over.

Mr. Speaker, if there was any possible way that I could support this bill in its present form, if this was a bill, for instance, that would make sure that young drivers get treated the same way as the rest of us in the driving system, that they don't become the victims of discrimination — and I'm totally against that — Mr. Speaker, if this bill wasn't so married to socialist principles of total take-over of all individual enterprises...

**AN HON. MEMBER:** You can't even sue them.

**MR. McCLELLAND:** You can't even sue them. Mr. Speaker, if this bill or its author would tell us how much it is going to cost us — if this bill was not devoted to those monopolistic principles — perhaps then I would be able to support it. But unless this bill can be changed to allow the public alternatives and unless this Government will tell the Members of this Legislature how much it is going to cost, I have no choice but to stand in opposition and to plead, Mr. Speaker, as my colleague before me has, to refer this bill to a committee for a second look.

**AN HON. MEMBER:** Open government.

**HON. W.L. HARTLEY (Minister of Public Works):** I sure don't like to keep my friend from Columbia River (Mr. Chabot) in suspense.

**MR. SPEAKER:** May I recognize the Minister of Public Works. Thank you.

Interjections by some Hon. Members.

**HON. MR. HARTLEY:** You know, it is very interesting digging up letters that could have been read last year and the year before. Where were they? One or two new Members here, yes, we can excuse them. We can excuse the Member for Chilliwack (Mr. Schroeder). Here they are talking about a choice, about competition. Did they never hear about corporate enterprise? The Member for, I believe, West Vancouver–Howe Sound (Mr. Williams) stated we "are going to invest a couple of million dollars in buildings." Now isn't that just too bad. Yesterday they were hollering about us creating some work.

Not one of these Members in the Opposition today has spoken out for the people of this province that were bilked under the compulsory legislation of that government. Not one of them has said anything about the \$16 million that was taken in the no-fault compulsory insurance when the government said look, roll back those rates. Not one of those Members showed up at the hearing of that insurance board. No, they were a "fat cat" government and they were quite happy to sit back and let the people be bilked. Not once did they talk about compulsion — no, not once.

**MR. PHILLIPS:** What's that word?

**HON. MR. HARTLEY:** It's spelled with a "b". To you, my friend, it's probably an "m". Now, as to the compulsory no-fault insurance, it started at \$22 per vehicle. We said this was an overcharge, it should be about \$9 a vehicle. We told you this when the legislation was drafted. We got up and spoke out. We pursued the situation until finally that "fat cat" government, that government of the car insurance corporations, told the insurance board to review the situation. And the insurance board said yes, the NDP critics are right, you had better roll back those premiums.

You rolled them back to \$14. This is a reduction of approximately \$7 per vehicle. It should have come

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back to \$9 per vehicle. If it was just \$7 per vehicle and there are one million vehicles in this province, that is \$7 million a year. This has gone on for better than two years.

Three years at \$7 is \$22 million. Now, my friend of the insurance corporations, quit worrying about us building some buildings for the people — spending \$2 million in buildings. Why didn't you speak out for that \$22 million that your "fat cat" corporations bilked the people of British Columbia. No, you sit quietly and try and confuse the public, try and talk about competition and freedom of choice.

**MR. PHILLIPS:** How many is three times \$7 million?

**HON. MR. HARTLEY:** Twenty-one.

Interjection by an Hon. Member.

**HON. MR. HARTLEY:** I said approximately three, it was a little over three, my friend. Three and a bit

times seven is 22. (Laughter).

Interjections by some Hon. Members.

**HON. MR. STRACHAN:** He's got you guys a bit upset.

**HON. MR. HARTLEY:** Mr. Speaker, my friend from North Peace (Mr. Smith) gave us a little swan song about the co-op insurance.

Interjection by an Hon. Member.

**HON. MR. HARTLEY:** That letter is over a year old. Why didn't you read it last year? Why didn't you speak out for the people last year? You just didn't have the intestinal fortitude, Mr. Member.

**MR. SPEAKER:** Order please. Would you withdraw that?

**HON. MR. HARTLEY:** There's nothing wrong with that.

**MR. SPEAKER:** There is something wrong with it. Thank you. Unconditionally, please.

**HON. MR. HARTLEY:** That is why they are sitting in the Opposition, Mr. Speaker. That is why they failed the people and failed in government.

The Social Credit government of British Columbia lacked intestinal fortitude when it came to standing up for little people. They have lots of courage to stand up and defend the great corporations and pass laws to allow them to fix prices and charge exorbitant amounts.

**MR. SPEAKER:** Hon. Members are not to tax anyone else with lacking courage of any kind whether you describe it with one word or another. That applies to both sides of this House.

**MR. PHILLIPS:** Point of order, Mr. Speaker.

**MR. SPEAKER:** What is your point of order?

**MR. PHILLIPS:** I would like you to inform the Minister he is in the Government now, not in Opposition, Mr. Speaker.

**MR. SPEAKER:** I don't care which side you are on.

Interjections by Hon. Members.

**HON. MR. HARTLEY:** I happen to know a little about Co-operative Insurance Services. I was one of the Members of this Legislature, maybe the only one, that went out over 20 years ago and signed up the original fire insurance policies on different co-op members' homes. We collected no commission. Some of us took cash dollars out of our pockets and put it up as a reserve so that the CIS, then the Co-operative Fire and Casualty, could be formed in Canada. Those reserves were there for many years. We didn't draw one cent of interest on the reserves.

I would like to say, being as the Member for Peace River raised the matter of co-ops, that during the administration of that corporate government one major cooperative in this province went bankrupt for every one of the 20 years they were in office. That is your record, Mr. Member for North Peace. That is your government's record.

The co-op insurance was organized to do a job but they found, as we found, that certain areas of insurance — and I am referring now to the car insurance industry — just cannot be served efficiently by private corporations. Car insurance is something that lends itself to a central distribution better than any other form of insurance that we have in British Columbia or America.

It lends itself to a central agency much better than workmen's compensation, much better than hospital insurance, much better than medicare, because every driver must have a stiff piece of paper — a driver's licence. It is issued through a central agency. It is issued through a set of computers that has your driving record.

Because of this centralization, it is possible to programme those computers with an insurance formula, so that when you buy your driver's licence you will pay for your public liability and property damage on the basis of your individual driving record. Now, is there anything Wrong with that? Isn't that fair enough?

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**AN HON. MEMBER:** How much?

**HON. MR. HARTLEY:** How much, my friend? It will be at cost.

**AN HON. MEMBER:** What is cost?

**HON. MR. HARTLEY:** My friends, you can smile — you can laugh if you like. But I will tell you one thing that cost will not include. It will not include the cost of 186 insurance company presidents. **There were 186 insurance companies registered to do business in this province.**

The car drivers of this province for the past 20 years, under Social Credit, paid the highest form of welfare of anywhere in the world to 186 insurance company presidents, 186 insurance company boards of directors, 186 general managers.

**This is one of the reasons the private insurance corporations could never administer at a rate of less than 30 per cent. It always cost them in excess of 30 per cent to administer their car insurance plans in this province. That is much too expensive, much too rich for the people.**

**In addition to that, Mr. Speaker, the reserves that every insurance company must maintain to do viable business, the earnings of those reserves, were in no way used to discount the cost of the car insurance to the B.C. car driver.**

In addition, one of the reasons that car insurance companies were always slow in paying their premiums was that they had a good bit of their reserves invested in finance companies at 18 and 28 and 38 per cent interest. The longer they could put off paying the claim to you, the longer they had your dollars invested at 38 per cent. So not only are the people of British Columbia going to get car insurance at cost, and a lower cost than they've ever had before, but those dollars are going to be put to work for all of the people of the province.

Mr. Speaker, if there's one reason why my friends across the way were routed after 20 years, it was that the average citizen of the province realized that that government had become a lackey. It had accepted the bribe of the car insurance industry. They had failed to administer for all of the people. When the people recognized this...

**MR. CHABOT:** On a point of order, Mr. Speaker.

**MR. SPEAKER:** What is your point of order?

**MR. CHABOT:** The Minister made a suggestion that the former government accepted a bribe. I wish you'd have him withdraw that statement.

**MR. SPEAKER:** I don't think that the statement is one that should be made in that form and I would ask the Hon. Member to withdraw it.

**HON. MR. HARTLEY:** If you wish, Mr. Speaker, I'd be pleased to withdraw it and say that they accepted their campaign funds from the car insurance industry.

**MR. SPEAKER:** What a party does and what the Government does are deemed to be two different things.

**HON. MR. HARTLEY:** Mr. Speaker, I didn't refer to any individual. I referred to the Social Credit government. About the best suggestion, Mr. Speaker, that my friend across the way could make was that we should put this matter before a committee. Mr. Speaker, the Socreds had committee after committee and royal commission after royal commission for over 20 years and then they failed to pay any attention to those committees. This is another reason why they were turned out.

At least this Government had the moral courage to say, "This is what we stand for: we stand for car insurance at cost to the people. We'll campaign on that basis." We campaigned for over 20 years on that basis and now when we are elected it's one of the first pieces of legislation that we've put before you.

There was no competition before. There was a monopolistic situation existing in this province. In 1964 the Liberals were elected in Saskatchewan on the basis that if they were elected they'd toss out Medicare and they'd toss out the car insurance. Did they toss out either? No way. I'm surprised that the Liberals would dare stand up in this House and I doubt very much if they'll dare vote against this bill, Mr. Speaker.

They had two sessions in Saskatchewan. They had promised to do away with the Saskatchewan government accident automobile insurance and they didn't. They didn't. When they looked into it, they were afraid to.

What did they do? The late Premier Thatcher said this: "If any company or any consortium of fire and casualty companies can fix up a package that will be competitive to what we in government are offering, they can have the whole bundle."

Not one company and not one consortium of companies, Mr. Speaker, accepted that challenge. For that reason, Mr. Speaker, the Liberals would do very well to hang their heads.

As far as the Conservatives are concerned, Mr. Speaker — my Hon. friend from Oak Bay — his party was in government in Manitoba for 10 or 15 years. They failed to do anything about the skyrocketing prices of car insurance in that province, and they were turned out.

I had to go back to Winnipeg not too long ago. I

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spoke to as many people as I could. One of the people I spoke to was the taxi driver. I asked him how he felt an election would go if it were called tomorrow.

He said this: "There'll be two reasons why I'll be voting for Schreyer this time: (1) they've reduced the Medicare premium for me and my family from \$18 to \$8; and (2) they promised that they would do something about car insurance and they have done something about car insurance. The car insurance for us taxi drivers is the most reasonable that we've ever seen it. Now I have no worry about that."

So my friend representing the Conservatives might look to their record to see what the Conservative Party provincially in the various provinces has done. They too have failed to challenge the corporate car insurance industry of the provinces where they are government or where they have been government.

The Liberals had their shot in Saskatchewan and they backed away. The best they could offer was a deal with the car insurance corporations and they knew that they couldn't challenge the very efficient setup of government car insurance.

All that you people are doing, all of you across the way there, is trying to foist back on the people of the Province of British Columbia that very, very expensive, inefficient bureaucracy with 186 car insurance corporations, all well paid, all milking the reserve dollars out of this province. You are standing on corporate side, not on the people's side.

Furthermore, Mr. Speaker, I challenge them to vote against it. I further challenge them when the election

comes to say, "if you re-elect the Social Credit we will repeal that legislation;" "If you re-elect the Conservatives we will repeal it." If you do, you'll go down the tube to a greater degree than you did last time.

**MR. SPEAKER:** The Hon. Member for North Peace River.

**MR. D.E. SMITH (North Peace River):** I rise on a matter of personal privilege.

**MR. SPEAKER:** What is your point now? Is it a point of privilege?

**MR. SMITH:** Yes, it is a point of privilege, Mr. Speaker.

**MR. SPEAKER:** What is the point?

**MR. SMITH:** The speaker who just preceded me and who has taken his seat castigated me for some remarks I made this afternoon while speaking about the Co-operative Insurance Services in the Province of British Columbia. I realized, Mr. Speaker, that you asked him to withdraw the offensive remarks. But for the record I'd like to say this: I referred to a letter, true, written February 21, 1972, and I'll refer to just one pertinent fact...

**AN HON. MEMBER.** Order.

**MR. SPEAKER:** Order, please. You are only entitled to correct a mis-statement made about you, but not...

Interjection by an Hon. Member.

**MR. SPEAKER:** No, I'm sorry. Your point is not well taken. I don't think your point is well taken on that.

Interjection by an Hon. Member.

**MR. SPEAKER:** Order. You're trying to debate the issue again and that is not permitted. You are entitled to correct a mis-statement about you or some statement that you've made, but that's as far as it goes. And that you are not doing.

I must ask you, therefore, to sit down.

What is the point of order?

Interjection by an Hon. Member.

**MR. SPEAKER:** I think you've explained your side of it. I think that's as far as it can go.

**HON. MR. HARTLEY:** I was not asked to withdraw any statement that I made with regard to the CIS or the co-operative movement. I don't want him to cast that aspersion to the House.

**MR. SPEAKER:** Anyway, I think we've solved the problem. Could we go on with the business of the House.

I recognize the Hon. Premier.

**HON. MR. BARRETT:** I'll be very brief. Just a few comments.

The Minister of Highways, who has done an outstanding job on behalf of the people of British Columbia, will be closing this debate. The Member for Columbia River (Mr. Chabot) is prompted more by conscience than reason in his interjections. The performance of the former government...when they were in Opposition I remember the Member for North Peace River (Mr. Smith) — and I quote from the Vancouver *Sun* of February 21, 1969: "Social Credit MLA Donald Smith urged the government to go into auto insurance." That's Ed Smith. The other Smith.

**AN HON. MEMBER:** Don Marshall.



**HON. MR. BARRETT:** Don Marshall, sorry. Oh, yes, he went to the Tories. That's right. I remember him. They're really all the same anyway. "He told the Legislature that the industry in B.C. is a dismal failure as far as automobile insurance is concerned."

Then there was Alex Fraser, the present Member for Cariboo, April 18, 1970. He said the government was on the verge of taking over the industry. The only problem was they ran out of time.

**MR. CHABOT:** You gave that speech.

**HON. MR. BARRETT:** You know, Mr. Speaker, I don't mind the interruptions of the Member for Columbia (Mr. Chabot). He's fallen from the ranks of the high and mighty. He used to be a cabinet minister. Now he doesn't even know who his leader is — or where he is — well, he's back. No, Mr. Speaker, I don't mind the interruptions or the childish noises that he's making or the interjections. But there he is. He must be ill. I don't believe those noises are made on purpose. He has my sympathy.

I want to refer to *Hansard* on February 16, 1972 — the Socred MLA Bert Price used to get up and fight for automobile insurance run by the government. There were a number of backbenchers who got up and asked for government-owned automobile insurance. Year after year we saw it.

What was the reason that the former cabinet benches turned a deaf ear to their own backbenchers? One of the reasons you lost the last election, the remnants of the Social Credit hordes, was that you didn't serve the little people any more.

**AN HON. MEMBER:** Hear, hear!

**HON. MR. BARRETT:** There was a time when the little people of this province thought they got a break out of Social Credit. They even used to go to conventions and ask the Social Credit Party, the party that said they were serving little people. Year after year they asked for it. And now publicly I call on every one of those authors of the resolutions of the Social Credit conventions to come over to the only party in British Columbia that cares for the little people, and that's the New Democratic Party.

What are you fighting for today? What are you against? Who are you for? It's an interesting proposition.

I referred to a statement made by an independent actuary appearing before a House committee on automobile insurance. We've had committees, we've had commissions, we've had speeches, but we never got any action from that outfit.

Byron Street said, about making money in the car insurance business, "It's as easy a taking candy from a baby." That's what he said March 4, 1970, appearing before the committee. He said also, "If I owned an insurance company I would cream the business unmercifully." He's not creaming the business; he's creaming the people of British Columbia. We say that's coming to a halt with the passage of this bill.

As easy as taking candy from a baby? Some candy. Some baby, The Member for Yale-Lillooet (Hon. Mr. Hartley) fought for car insurance year after year after year. Sure I've heard that same speech. But this is the first time I've heard it from this side of the House.

Another wonderful benefit of this bill will be that we'll never have to hear the speech again. So there you go.

This bill benefits everybody. So you see, Mr. Speaker, if they vote against this they're really asking that that Member make the speech over and over again. That's what they're asking for.

I don't want to twist that interpretation, but it's obvious to me that's what they want.

You know, Mr. Speaker, I recall that I made a speech once on automobile insurance in this House. I never got

past the first question.

A 23-year-old widow was being denied decent coverage by a government who said that it was concerned about the little people. I asked a simple question — if the Attorney General would write a letter, to the insurance company. I didn't ask for a change of the law. I didn't ask for introduction of a bill. I asked the former Attorney General simply to write a letter on behalf of a 23-year-old widow.

You know what happened? I got thrown out of the House. That's how much they cared for the little people of the Province of British Columbia.

Sixty-seven times I asked the question and 67 times I got the same response. I saw the former Premier (Hon. Mr. Bennett) come in the House the other day, and when this Member was speaking he had his back to this Member. I turned to my friend the Minister of Highways (Hon. Mr. Strachan) and I said, "I'll bet you that's the first time he's seen that wall when you've spoken." (Laughter). That's what I told him.

Because I recall that night, fighting on behalf of a 23-year-old widow. And what did I get? I got the insolence of that blank back, while there was an honest attempt to fight for a 23-year-old girl who came up against this huge, ruthless government machine that went out of its way to defend the insurance companies against the little people of this province.

This bill is here today because the people of British Columbia want it. There's no question about that. None whatsoever.

I throw you this challenge. When the time comes for the next election and you get your free time on television and you run your newspaper ads, the spokesmen of that party, whoever they may be, if they're still in existence, will stand up and say, "If

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you elect Social Credit the first thing we'll do is bring in a bill to abolish government-owned car insurance." Will you say that now?

The Liberal Party. Will you stand up in the next provincial election and get on television, through you, Mr. Speaker, and say, "We voted against it in the House. You vote for us and we will take away government-owned car insurance." Will you give us that pledge now?

And you the Conservative Party...

Interjection by an Hon. Member.

**HON. MR. BARRETT:** You certainly have. On the fence. It's been most consistent.

Mr. Speaker, will the Conservative Party go on television and run around and arouse the people and say, "We're against this bill too"? I don't see your missing leader saying, "Let's have big meetings to protest government car insurance." I don't see your leader running around from village to town saying, "Vote for us and we'll get rid of government-owned car insurance." Oh, no. Competition, my... (Laughter).

**MR. SPEAKER:** Order.

**SOME HON. MEMBERS:** Order.

**HON. MR. BARRETT:** For the first time, Mr. Speaker, I'm short of words.

Competition, my eye!

Mr. Speaker, every single one of them when the next election comes and the question period comes at the

campaign meetings will stand up and say, "A conscience question? The meeting's just over. I've got to go now."

That's all right. We don't mind. I'd like to see how you're going to vote.

I'm sorry, Mr. Speaker. May I ask leave of the House to go over just a couple of minutes?

**MR. H.A. CURTIS (Saanich and the Islands):** That won't be the issue.

**HON. MR. BARRETT:** That won't be the issue? Do you want to bet? You think you're going to vary how you're going to vote on this bill? I've got news for you. I'll personally take out ads, putting the name in the paper of everybody who voted against government car insurance. How's that for a threat? How's that for a threat? I'll photostat it right out of the Journals. I'll photostat right beside it how the Social Credit Party took over the B.C. Electric too and how they voted on that bill. Talk about a monopoly! Ooh hoo, hoo! (Laughter). Who else sells electricity around town nine months after the election?

Oh, boy, what a gang! At least the Liberals and the Conservatives have no recent history of power in this province. At least they can obscure it with fuzzy history.

What is the issue? **The issue is simply this: Government-owned automobile insurance represents an opportunity for the people of British Columbia who use their automobiles as a utility to have the right to decent automobile insurance protection at no-profit rates.** What's wrong with that?

Now the vote is simply divided after my friend the Minister of Highways (Hon. Mr. Strachan) speaks.

The vote is simply this, and it's one of those lovely kinds of reduction that the former Premier (Hon. Mr. Bennett) used to make in this House — when you stand up and vote on this are you voting for the little people of British Columbia or are you going to vote for the insurance companies on Wall Street and Bay Street? The Member said it was the blues. I'll tell you what it is, and it's good news. It's the "Bay Street Blues."

**MR. SPEAKER:** The Hon. Minister of Highways closes the debate.

**HON. MR. STRACHAN:** Can I have leave of the House to proceed? I won't be very long.

**MR. SPEAKER:** Shall leave be granted?

Leave not granted.

**HON. MR. STRACHAN:** We shall be coming back later, I understand. Later than normal.

Hon. Mr. Strachan moves adjournment of the debate.

Motion approved.

Hon. Mr. Barrett moves adjournment of the House.

Motion approved.

The House adjourned at 6:00 p.m.

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