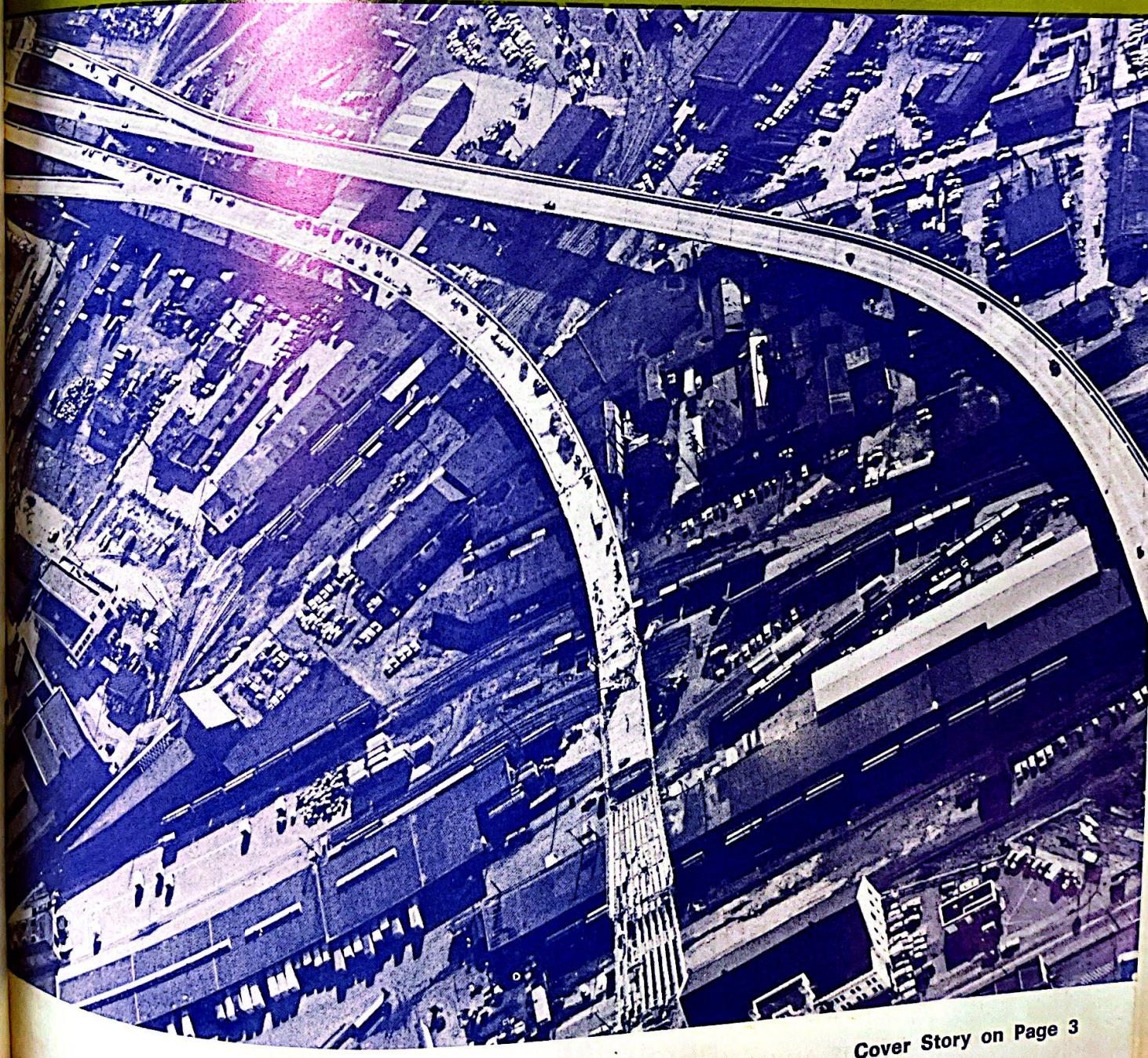


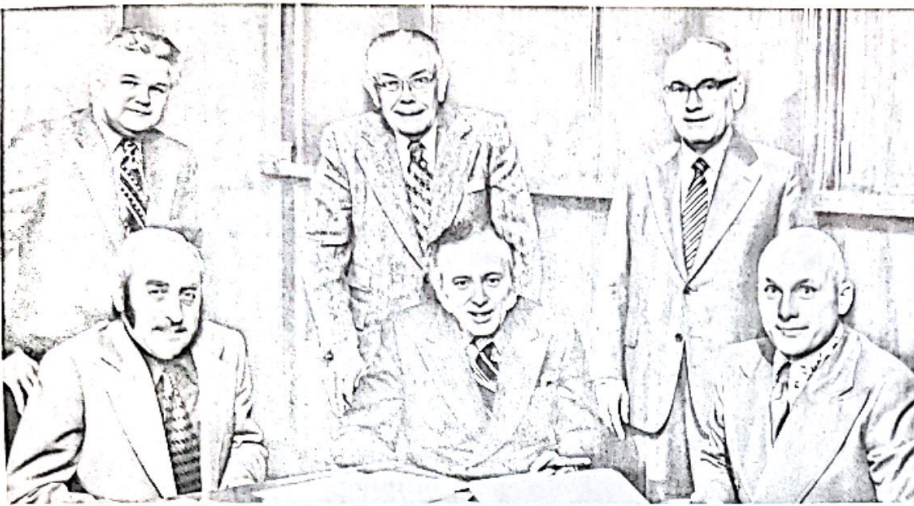
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The newly-elected officers of the National Dealers Advisory Council of Chrysler Canada Ltd., met in early December with Chrysler executives. Pictured, from left, seated: L. H. Carr of Norvan Plymouth Chrysler Ltd., North Vancouver, B.C., secretary; Zane Feldman, Crosstown Motor-City, Edmonton, Alberta, chairman; and Jerome D. Taylor of Kingston Dodge-Chrysler (1963) Ltd., vice chairman. Standing, from left: John T. Moren, executive vice-president; Ron W. Todgham, president; and C. O. Hurly, vice president—marketing, all of Chrysler Canada Ltd.

B.C. Seeks Cut In Car Insurance

The B.C. Automobile Insurance Board has asked insurance companies to reduce accident benefit premiums by one-third effective Jan. 1.

In a letter to the companies, the board says a rate higher than \$13.79, or a rounded-off \$14 per year for the insurance — commonly known as no-fault insurance — would be excessive.

Since the compulsory insurance went into effect Jan. 1, 1970, motorists have been paying an average \$20.90 per year.

At this rate, the board said, claims have been costing the insurance companies only 41 per cent of the amount collected in premiums.

Companies which do not comply with the board's request to cut premiums will have an opportunity to justify a higher 1972 rate at a hearing before the board.

The board could then order reductions.

Ken Malthouse, B.C. manager of the Insurance Bureau of Canada, said he anticipates a mixed reaction from insurance companies.

He said some may comply with the request but others would undoubtedly seek a hearing.

Malthouse said the companies have been anxiously awaiting statistics on which to base their 1972 premiums for no-fault insurance.

However, he said, the industry has taken the position that three to five years' experience is needed to get an accurate idea of what the rate should be.

B.C. Auto Insurance Board member Tom Cantell said there is no suggestion that the industry has been deliberately overcharging, or that it is planning to continue with higher rates.

He explained that when the rates were set two years ago there were no precedents from which to estimate how much would be paid out to accident victims.

"This had never been done anywhere before; the rates were struck from the best evidence possible, but no real statistics," Cantell said.

He noted that insurance companies charged customers the premiums only on policies which were taken out after the legislation went into effect at the beginning of 1970.

Attorney-General Leslie Peterson said then that since auto insurance in B.C. was compulsory, the government had some obligation to ensure that rates charged were commensurate with the risks being assumed by the companies.

BOYCOTT LIFTED

WINNIPEG — The government of Manitoba and Saskatchewan have decided to lift their year-old boycott of the "big three" automobile manufacturers, and will likely buy cars from Ford, General Motors and Chrysler to update government fleets this year.

Manitoba's Public Works Minister Russell Doern said in an interview the boycott has been lifted in view of the prices submitted by the firms in response to tenders for about 250 cars for the Manitoba government.

The boycott was initiated at a meeting of the three prairie premiers last year in response to an announced withdrawal of fleet discount prices.



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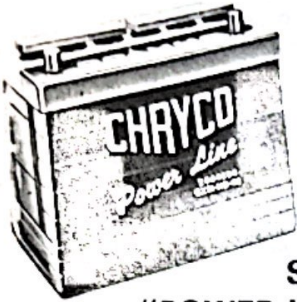
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INSURANCE FIRMS SPLIT RANKS OVER NO-FAULT ISSUE

VICTORIA — B.C. car insurance firms have split ranks over an official request to cut their no-fault coverage rates.

Some have volunteered to do so, others among the 60 asked have refused.

Now a hearing is to be held next month to get full industry reaction to the B.C. Automobile Insurance Board's proposal of Dec. 6 that the rates be lowered from between \$20 and \$22 to \$14 or less.

Board chairman, Dr. J. F. K. English refused to say in an interview how many companies have volunteered to cut their prices.

He would only say: "A sufficient number of companies refused. We promised a hearing would be held if necessary when we sent out the request."

English said that the meeting will be open to the press, but is not intended to be a full public hearing.

The meeting—neither the date nor the place have been decided yet — will be open to as many members of the public as space permits.

The board has the power under statute to order companies to reduce the cost of the compulsory no-fault package.

But so far it has only told the industry that it is charging too much for the compulsory coverage and has asked the companies to state whether they are prepared to reduce these rates.

State Cuts Auto Insurance Rate

BOSTON — Massachusetts state officials ordered a 55.2 per cent cut today in 1972 premium costs for compulsory bodily injury auto insurance.

They attributed the reduction to the state's no-fault insurance payment system.

Gov. Francis Sargent and state insurance commissioner John Ryan said however that half the ordered cut might be challenged in the courts by the insurance companies.

They announced direct cuts of 27.6 per cent in the 1972 rates from the 1971 figures and they ordered the insurance industry to grant state motorists another 27.6 per cent cut in the form of credits against the 1972 rates because of what they termed excess profits in 1971.

Sargent said: "We're going to get those excess charges back for the motorists in the form of premium credits."

"The insurance companies question our authority to provide for these credits. They may challenge them in the courts."

"We are confident the rate cuts of 55.2 per cent I am announcing will prevail."

"We can't be sure the extra premium credits we're trying to deliver will survive a court test."

As applied in Massachusetts, no-fault insurance provides that liability claims up to \$2,000 be settled out of court without regard to blame in the accident.

It requires a motorist's own insurer to pay a claim of less than \$2,000 and prohibits suits for "pain and suffering" unless medical expenses exceed \$500.

The legislation passed a law this year extending the no-fault concept to property damage coverage but that rate structure has not been set yet.

automotive retailer

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NO-FAULT PREMIUMS SET AT \$15

Maximum insurance premium for no-fault insurance has been set at \$15 effective March 1. This was the finding of the Automobile Insurance Board at the conclusion of a hearing held recently.

The new rate will save the average motorist \$7 in the reduction from the existing \$20 to \$22 rate charged by most companies.

In a statement, the board said it originally believed that a premium over \$14 would be excessive, but added the extra dollar after a one-day hearing with the insurance industry in Victoria on Jan. 12.

During the hearing, most insurance industry spokesmen argued against any cut in rates, claiming it is too early to know what the costs will be for no fault insurance which was introduced in 1970.

The industry representatives agreed their claims under no-fault insurance had been much lower than expected when the present rate was set. But they said this was offset by the fact that claims under third party liability had not dropped as much as predicted.

They said an unknown number of accident victims are recovering all their costs through third party insurance instead of claiming under the no-fault section.

Brian Rudkin, president of Westco Insurance Ltd., has supported the board's reduction.

He said during the hearing that his company charged only \$13 for no-fault insurance and made a profit on it at that level.

A spokesman for Safeco Insurance said his company reduced the premium to \$14 on Jan. 1 in expectation of the board ruling.

Ted Paxton, first vice-president of the B.C. Automobile Association, said: "We are very pleased about any decision resulting in a reduction of costs to the motoring public in the province of B.C."

"The B.C. Motorists Insurance Co. (the BCAA insurance section) is taking immediate steps to make the necessary rate reductions to \$15. We are preparing to make this reduction for membership insurance renewals effective Feb. 1."

George Turner, B.C. branch manager of the Canadian Underwriters Association, refused comment on the board ruling until notice of the change is officially received.

The board statement said the CUA announced in December that it would increase automobile insurance prem-

iums for 1972 by 5.9 per cent which would apply to all B.C. private passenger car insurance coverage except accident benefits.

No change was planned by the CUA for the accident benefits premium, the board said.

The board said that because it believed the existing premium rate of about \$21 was "about \$7 higher than justified" and since the CUA had announced a third party liability reduction of only \$1.65, the board chose to cut the rate to \$15.

The board said it had received no indication of the 1972 premium adjustments from the Independent Insurance Conference or from any other independent companies.

One insurance expert, asked if an insurance company could increase rates for other coverage to compensate for the no-fault reduction, said any rate changes have to be approved by the board.

Increases would have to be justified on their own merits to the board and if it appeared they were only to compensate for the reduced no-fault rate then they would be unlikely to get approval, he said.

New insurance rates for most companies are now being prepared for possible presentation during the summer.

PRICE INCREASES

OSHAWA — General Motors of Canada Limited has announced that effective immediately list prices of its 1972 model passenger cars were being increased by amounts ranging from \$30 on a Chevrolet Vega to \$79 on a Corvette. These price increases are to cover product improvements, including the three-point seat belt warning system.

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BRITISH AUTO SHOW

The all British Automobile Show held this month at the Bayshore Vancouver, B.C., has grown to be the most prominent display on the West Coast.

All the models of British Lotus, Rolls-Royce, British Ford, G.M. were there along with Smith accessories. Once Castrol Oils (Canada) Limited toured the oil recommended by the manufacturers for all of the models, Castrol G.T.X.

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ENGLISH SAYS

Auto Insurance Rate "Not Excessive"

"Not excessive", says chairman of the Automobile Insurance Board, Dr. J. F. K. English, when announcing new car insurance rates due to take effect July 1. It is expected the rate will jump eight per cent although auto insurance companies have not as yet announced their respective rates.

English said the proposed increase would have been subject to public hearing if they had exceeded the board's "guide lines" for increases.

He said some of the new rates applied for were reviewed by the board and the applicants were asked to reduce them. The applicants complied and it was not then necessary to justify the increases in a public hearing.

Asked why the board would not hold public hearings anyway Dr.

English said the public "is not in a position to know whether these rates are justified."

He said the public interest is protected by the board, which has access to information permitting it to determine the need for rate boosts on the basis of "the number of accidents and repair costs and so on."

English, whose comments constituted his first public statement on the increases, said he did not have details of the guidelines before him but would authorize Bud Day, board secretary, to discuss them.

Day said the board won't issue details of the guidelines because this could permit insurance companies to know what maximums they would be allowed to charge.

But he said he could give a general idea of what the guidelines are.

They are "the board's opinion of what the maximum premiums should be for the various territories, coverages and rating classes based on the board's study of the Green Book."

(The Green Book is the insurance industry's national record of claims experience.)

"We don't want to release these guideline figures," said Day, "because if they become public the insurance companies will say, 'that is the maximum, we will charge it'."

Day claimed some of the new rates are as much as 10 per cent below the guidelines, but he would not specify which ones.

Insurance industry spokesmen the average increase for the average driver could be roughly placed at about eight per cent.

In his statement English said most of the premiums filed with the board so far have been within the guidelines as established by the board on the basis of Green Book studies.

"In some cases the board found the premiums were higher than indicated by the Green Book.

"For these cases the rating bureau or insurers have accepted the board's request to reduce the premiums to bring them within the guidelines, and they have co-operated by doing this in any case so far.

"After all, you have to realize that some increase is to be expected because of the costs involved in repairing and labor and all this sort of thing."

English was asked if he would include medical and hospital cost increases.

"I don't know about medical costs," he said. "I would presume that is a factor."

English criticized the use of eight per cent as indicative of the average increase in the new rates. Such a figure is "meaningless," he said, because of the complexity of the rate structure.

Big Job

To establish an accurate average percentage would require "a lengthy amount of calculations," which, he said, the board is not inclined to do.

English said, however, that he isn't saying the eight per cent "guesstimate" is wrong, only that it doesn't mean much in the face of such a wide variety of increases.

English said that if future applications from companies not included in the increases already granted ask for increases above board guidelines, then public hearings of such applications "are always possible."

English did not offer any specific evidence in support of the increased costs and claims facing insurance companies.

In the nine-month period ending March 31, 1972, property damage as a result of motor vehicle accidents in B.C. increased by 7.3 per cent over the same period a year earlier.

The number of accidents in that nine-month period was up by 8.5 per cent over the like period a year earlier.

Hospital costs per patient day, according to the B.C. Hospitals Association, have increased about eight per cent a year over the past two years.

The B.C. Medical Association says there has been no appreciable increase in fees for the types of specialists whose services would be used in most types of motor vehicle accident injuries.

The Automotive Retailers' Association, through manager J. L. Kinnear, says the union rate for auto bodymen has gone up only 15 cents an hour in the last year, to \$5.10 an hour.

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Auto Insurance Firms To Raise Premiums July 1st

Automobile insurance premiums in British Columbia will be increased by most insurance companies on July 1.

The British Columbia Insurance Board, the insurance premium regulatory body set up by the B.C. Government, has approved the new auto premium schedules filed by the Independent Insurance Conference, an association of 44 companies and groups across Canada, and a number of independent auto insurers, including Unigard Mutual Insurance Co. of Vancouver and Co-operative Fire and Casualty Co. of Regina.

While actual premium levels vary according to geographic location — driver's records and habits and make of vehicle — indications are that over-all premiums will be raised by an average 8 per cent in Victoria and Vancouver Island and by up to 14 per cent in certain areas of inland British Columbia.

It is the first general increase in auto insurance premiums in the province for 17 months.

The B.C. insurance board operates on a file-and-use system, in that the insurers proceed to use the premium schedules filed until an objection is raised by the board. Alberta and Nova Scotia are the only other provinces with formal premium review boards.

A spokesman for the Canadian Underwriters Association says the 64-member-company association, the largest grouping of auto insurers in Canada, has not yet formally filed its proposed premium increases. While preliminary discussions have been held with the board, the new CUA premium manual is still in the preparation stage.

However, the CUA expects to have its new premium schedules in use before July 1.

A spokesman in Toronto for Allstate Insurance Co. of Canada, a major carrier of auto insurance in British Columbia, says the company has not completed its new premium filing to the B.C. board, but expects to do so before the July 1 introduction date.

An official of the B.C. board says the new premiums will become public information only when they go into effect.

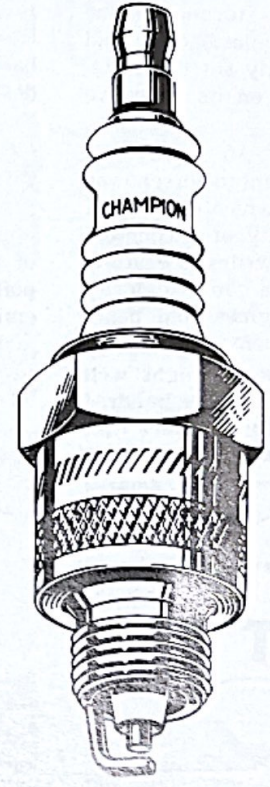
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Insurance Plan Hinted

B.C. will get a government automobile insurance plan if the New Democratic Party wins the upcoming provincial election.

NDP leader Dave Barrett said that within 10 days after an election is called, he will hold a press conference to announce details of the party's auto insurance proposal.

"We will guarantee low-cost publicly-run car insurance," Barrett told the Capilano NDP Association's election campaign kickoff dinner.

The NDP plan, Barrett said, "will in no way harm the interests of working auto insurance salesmen.

"There is no need for them (salesmen) to carry out their policy to solicit funds to carry out a political campaign (against the plan)," Barrett said.

The NDP leader said he was referring to a B.C. insurance industry brochure, which he said asks for contributions to a fund aimed at defeating the NDP in the upcoming election.

"Auto insurance agents should not be used by foreign-owned insurance companies as front-line troops in a war that will inevitably be lost," Barrett said.

The NDP is "doing them (insurance companies) a favor anyway," he said, "because they claim they're losing money on car insurance."

Barrett, who said he had not planned to announce the car insurance scheme so soon, pulled a paper from his briefcase when asked where the party stood on auto insurance, and told the audience the NDP has a plan ready for the election.

He declined to specify whether the proposal was a complete, actuarially-sound insurance plan, or simply an outline of NDP policy, with rates and other details still to be worked out.

Although he said there "will be a role for insurance agents," Barrett refused to say whether present insurance company salesmen would sell the NDP plan, and whether all current salesmen would be employed under the plan.

The NDP plan would "borrow the best ideas" of private insurers, he said, but "discard the outside corporation's profit."

Reducing Accidents

Tiny grooves cut into freeway pavement at selected locations have sharply reduced traffic accidents caused by skidding in wet weather, according to the Dept. of Public Works, California.

In a study of 34 lane-miles of grooved pavement at 39 separate locations in California, the department said grooving resulted in a 50 per cent drop in fatal accidents caused by skidding on wet pavement, an overall 70 per cent reduction in wet pavement accidents and a 20 per cent decrease in accidents occurring in all kinds of weather.

The department, in a report to the Legislature, said the grooves provide an escape path for rain and prevent the buildup of a film of water which causes skidding. The grooves also act as "mini-railroad tracks" to provide better tracking for a vehicle, it said.

The agency said "little evidence" was found to indicate that pavement grooving poses a hazard to motor-cyclists, as has been charged.

The study compared accidents occurring at the locations during a two-year period prior to grooving to the accidents that happened during the two-year period after the road-beds had been grooved.

It found that wet pavement related accidents were reduced from 535 to 158 and total accidents declined from 1,133 to 904. There were 21 fatal accidents at the locations before grooving but only 10 after.

On grooved pavement, it said, "stopping characteristics of motorcycles were proved to be definitely better than on wet ungrooved pavement."

It said cycles usually will swing sideways and go down when severely braked on wet pavement, but in the tests the cycles not only stayed up on grooved pavement but skidded in a straight line.

The state division of highways started grooving pavement in the early 1960s when statistics showed some sections of older freeways experienced a high number of wet weather accidents.

More than 750 lane-miles of state highways have been grooved to date.



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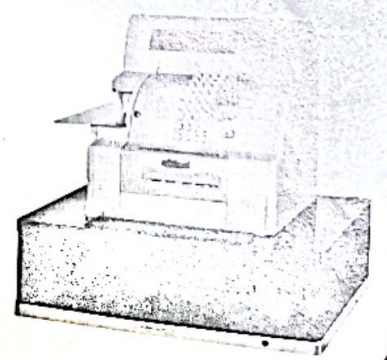
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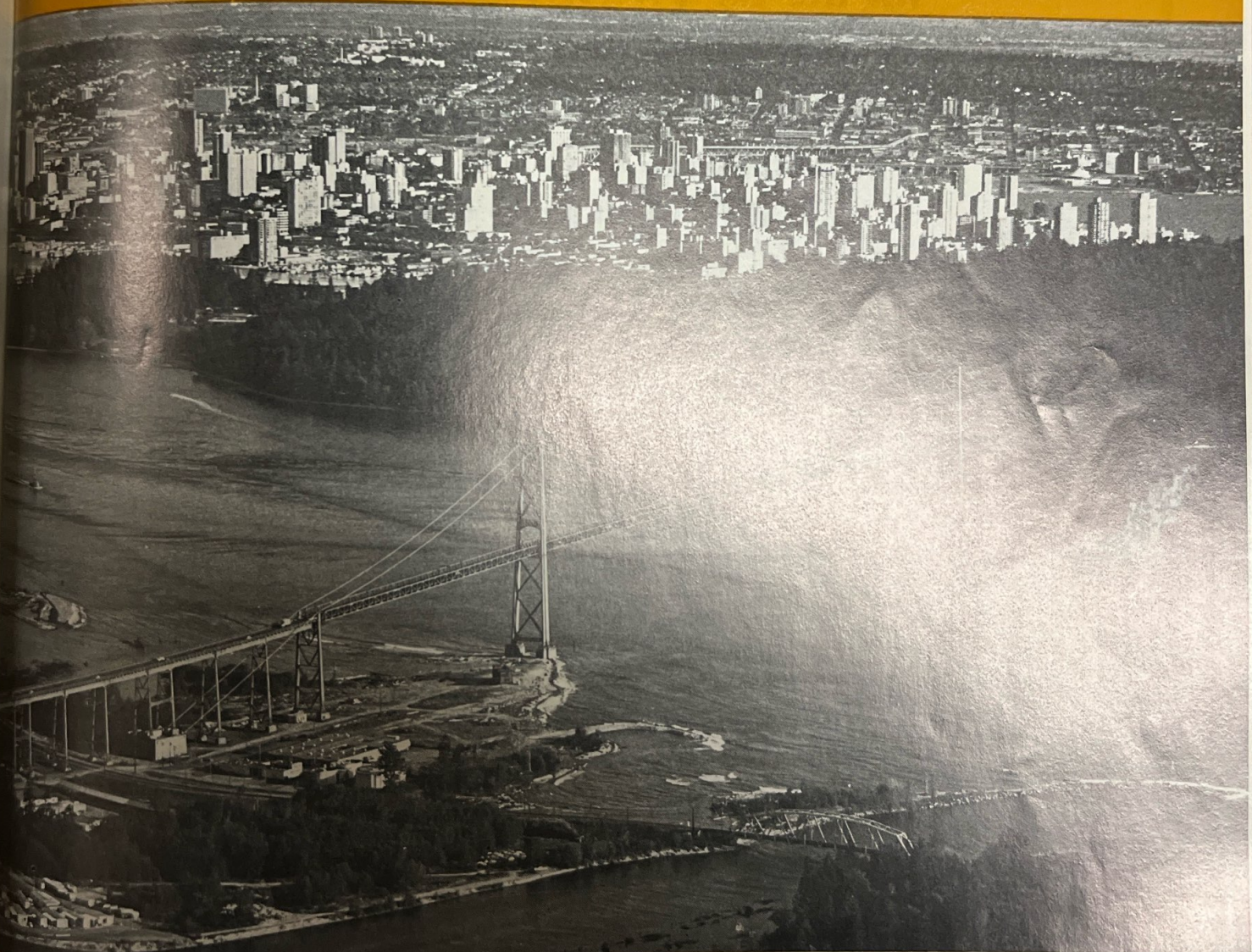


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GOVERNMENT AUTO INSURANCE FOR BETTER OR FOR WORSE

What can be expected when this province has government-run auto insurance? Will it be patterned after Saskatchewan or Manitoba regulations? What benefits can the motoring public expect? What impact will the proposed legislation have on the automotive industry in general?

These are just a few of the questions that are being asked by John Public and the trade.

Just to keep the record straight it should be remembered that government-run auto insurance was introduced in Saskatchewan in 1946 by the then premier Tommy Douglas.

Manitoba's law follows to some extent the Saskatchewan legislation but is more sophisticated and according to some experts is doing a better job.

Be that as it may it is of interest to look at the over-all plan.

Premier David Barrett during the election campaign promised to implement government auto insurance. In keeping with his promise he designated Hon. Robert Strachan, minister of highways, as the minister responsible in piloting the government auto insurance bill through the legislature in the spring.

Strachan will take advantage of Manitoba's "Autopac" legislation and operation in drafting B.C.'s legislation. "Autopac" introduced just over a year ago is flourishing.

Administered as Crown Corporations, the two existing government insurance schemes provide an automatic accident-compensation plan designed to ensure payments for injuries or death or vehicle damage—regardless of fault.

In Manitoba, the scheme has helped reduce insurance premiums while providing motorists with a uniform payment and claims system that is both simple and fast.

Manitoba's basic government package includes third-party liability insurance to a maximum of \$50,000; all perils coverage to the insured vehicle, with \$200 deductible; and graduated death benefits to a maximum of \$10,000.

The package also includes lifetime total disability payments of up to \$50 a week, partial disability payments of \$25 for a maximum period of 104 weeks, physical or mental impair-

ment benefits of up to \$6,000 and funeral expenses of \$500.

Premium rates in Manitoba, where motorists are required to buy both vehicle and driver insurance, vary according to the year and model of the insured vehicle and the age and sex of the driver.

But most Manitobans go beyond the basic plan and buy additional auto insurance (privately or in the government scheme) in order to increase the third party limit of \$50,000 to \$100,000 or \$200,000 or \$300,000.

The optional additions can also include payments to decrease the basic "all perils deductible" from \$200 to either \$100 or \$50.

While the optional purchase of extension insurance from either the government or the private companies should provide private insurers with a share of the total business, the experience in Manitoba is that most drivers choose the government.

Extension packages via the Autopac scheme were originally expected to total about 60 per cent of all drivers. Now, because of the convenience, that percentage is far exceeded.

Saskatchewan Rates

Premium rates in Saskatchewan are based on the vehicle's age and wheel base, but most drivers buy additional coverage to supplement the basic package.

It costs \$89 to insure a small 1972 model under the SGIO'S basic coverage, \$95 for a medium-sized car and \$104 for a large vehicle.

Additional coverage, to boost the third party liability or decrease the all perils deductible, is bought either as an SGIO Package Policy or from private insurers.

Under an SGIO Package Policy (\$200,000 liability and \$50 all perils deductible) insurance for that 1971 Ford Galaxie 500 would cost a Regina driver \$122, plus the \$3 driver-licence premium.

But government insurance men in Manitoba and Saskatchewan are reluctant to play the ratings game, the practice in which auto insurance rates are compared province-by-province.

"With varying factors between provinces — traffic density, road

conditions, accident statistics — comparisons tend to be inexact. You end up with half truths," said Joe Pereira, Autopac's director of underwriting.

(Continued on Page 5)

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Government Auto Insurance (cont.)

Pereira's most accurate way of indicating how government-owned insurance reduces premium rates is to compare Autopac's 1972-73 premiums with rates of private insurers in Manitoba prior to the introduction of the government scheme.

For the \$100,000 third party coverage, including medical benefits and a \$50 deductible on all perils, Autopac's present rate for a 1971 Ford Galaxie 500 is \$143 for a male driver.

Previous Rate

The rates previously charged for identical coverage by four different private insurance companies in the Winnipeg area were: \$162, \$185, \$191 and \$194.

While the professional insurance men are wary of inter-provincial comparisons, the politicians in Manitoba's and Saskatchewan's NDP governments are all too happy to compare.

Public Acceptance

The Manitoba public's acceptance of the auto insurance scheme is due in part to resignation and in part to Autopac staffers' determination to sell the scheme.

"To the guy who's never had an accident, auto insurance is just another bill," said Autopac's information officer Iain Grieve. "We set out to personalize the service and to convince the public that our way of settling a claim is a painless procedure."

To that end, Autopac simplified the means by which auto insurance is purchased, opened drive-in claims centres and instituted a public relations system that actually relates to the public.

Insurance is purchased at the time of renewing a vehicle's registration, either through the Motor Vehicle Branch or an Autopac agent, by means of a single registration-insurance application form.

Thus the driver of a 1968 Pontiac Grand Prix would get his plates and insure his vehicle in one simple procedure at a total cost of \$158.

That total includes his licence plate fee of \$27, his basic insurance premium of \$97, an additional \$8 to increase his third-party liability to \$300,000 and a fee of \$26 to decrease his all perils deductible to \$50.

Onus on Driver

Driver insurance, as opposed to vehicle protection, is compulsory in Manitoba and Saskatchewan because government authorities there believe it is the driver, not the vehicle, who is largely responsible for causing accidents.

"This makes each driver directly responsible for their own driver insurance premium, which is based on their individual driving record," Autopac's Pereira explained.

In short, the non-owner driver, as a potential contributor to accidents, is expected to share in the costs of auto insurance.

Under the Manitoba scheme in which driver insurance is assessed according to individual driving records, bad drivers really pay for their infractions.

Autopac, however, does recognize the fact that female drivers tend to have fewer accidents than men. The basic driver-insurance premium for a female driver under 25 is \$7, whereas a male pays \$25. Over 25 years, the premium is \$3 for a woman and \$7 for a man.

The hefty premium penalties are levied against drivers with demerit points loads the premium with an additional \$50. Then points costs

(Continued on Page 11)

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Government Auto Insurance (cont.)

\$100, 15 points costs \$200 and anyone with 20 points pays an additional \$300.

In Manitoba, convictions such as obstructing traffic or careless driving each represents four demerit points. A dangerous driving conviction or failure to take the breathalyzer each result in 10 points. Criminal negligence or leaving the scene of an accident each add 15 points to the driver's record.

Drive-In Claims

Winnipeg boasts three drive-in claims centres, staffed by 20 estimators and a similar number of claims adjusters, designed to handle 300 claims each day.

Vehicles involved in an accident are either driven or towed to one of 12 drive-in bays at a centre, where an estimator immediately assesses the damage.

Meanwhile, the owner goes into the main office, which is linked to a central government computer, and is introduced to a claims adjuster.

The computer provides the centre with instant facsimiles of the claimant's driving and insurance records. With a Big Brother's eye for detail, the computer can provide exhaustive details on the vehicle and driver, including his demerit status, his conviction record, his previous claims and whether he is required to wear corrective lenses.

The computer's NSF indicator can even reveal whether a driver's last premium payment cheque was returned because of insufficient funds. Total access to the computer is therefore restricted to senior personnel.

Once the driver's claim has been approved by the adjuster, he returns to the parking bay to find the estimator's report attached to his car. It states the work to be done, the part numbers for replacements and the estimated hours of work.

The average time for processing a claim is 25 minutes.

Saskatchewan Premier, Blakeney actually looks further than insurance and ponders the possibility of setting up government-controlled auto repair shops.

"I don't see the government's role as fixing all the cars in the province, but a limited repair schedule would enable us to limit excessive increases in repair costs," Blakeney said.

"Clearly, the government could, and might well, set up repair shops as a cost-measuring tool," he added.

Saskatchewan's Attorney-General Roy Romanow, the minister responsible for the BGIO, has already used the threat of government-run repair shops to limit a proposed hike in repair costs.

When the body repair shops association proposed to increase the hourly labor rate in Regina from \$8 to \$10, Romanow termed the hike "outrageous" and said \$8.25 would be fairer.

Since BGIO insurance now accounts for 85 per cent of all work done in Regina repair shops, Romanow was in a strong position.

He promptly announced that the government was considering setting up its own auto repair shops. Under that threat, the private shops readily agreed to his price proposal.

Dealer Boycotts Compact Autos

LITTLE ROCK, Ark.—"All of us have to live with our own consciences," says a Texas auto dealer who refuses to sell sub-compact cars because he says they are unsafe.

"It's a car I don't want the responsibility of putting any of my friends or any of their children in," says Dewey Ray of Big Spring.

Ray has a Chrysler Corp. agency. He sells Chryslers, Imperials, Dodges and Plymouths — but not Dodge's Colt or Plymouth's Cricket, the sub-compacts.

He has concluded after a review of an Insurance Institute study and a viewing of films testing the cars that they pose an extraordinary danger to driver and passengers in collisions with standard autos, he said in an interview while here on a business trip.

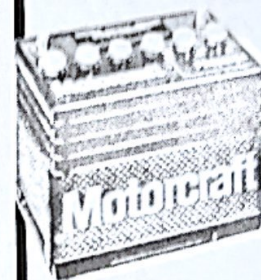
"In a head-on impact between a Colt and a Plymouth Fury at 40 or 50 miles an hour, for example, it appeared to me from actual films that a person driving the Fury could have opened the door and walked away," he said.

"But it appeared the entire front end of the Colt moved into the front seat, and I don't see how anyone could have walked away from it alive."

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MOTORISTS ANTICIPATE INSURANCE CHANGES

Canadian automobile insurance companies feel it will take 18 months or more before the New Democratic Party Government in British Columbia is ready to put its provincially-run compulsory, no-fault car insurance on the road.

They are certain that B.C. government insurance planners will follow the example of Saskatchewan and Manitoba, the only other jurisdictions in North America with government car insurance, and implement their plan to coincide with the issue date of provincial drivers' licenses.

Because of the time needed to work out an operational system, most industry observers pick Feb. 28, 1974, as the earliest possible date for the B.C. program.

Furthermore, insurance industry spokesmen doubt that the NDP Government would want to wait until

1975 before introducing a plan. They say it is taking the Manitoba Government more than two years to work the kinks out of its Autopac plan and believe that David Barrett will need at least that much time to get the B.C. plan in gear.

Considering the extent and degree of pressure against "socialist" car insurance that is going to be generated by private insurance companies and B.C. insurance agents in the coming months, Barrett must surely want to see the B.C. plan running smoothly before the next election.

At stake is the more than \$160-million that B.C. motorists pay out in auto insurance premiums each year. Some company managers grumble darkly that it is this premium pot of gold that attracts the socialists into the insurance business.

Basic Liability Auto Coverage Could Be \$50

An insurance expert in B.C.'s new NDP government hints the basic no-fault auto collision coverage now provided by private industry at \$15 could be cut to \$10 and the average cost of basic liability coverage could be \$50 under a B.C. government-operated scheme.

If B.C.'s complement of one million vehicles were required to have this basic coverage, the government would quickly acquire an insurance pool of about \$60 million.

That would leave about \$100 million for the present 185 private companies — or their survivors — to fight over in providing optional fringe coverage beyond the basic minimum.

Whether mandatory or voluntary, collision insurance could be charged at flat rates according to the book value of the vehicle and could be tied

in with the issue of licence plates, the NDP expert said.

Liability insurance, also known as Public Liability and Property Damage (PL and PD) coverage would be based on the quality of the driver's licence, based on existing computerized records. The rate would not be varied by age of driver.

On renewals of driver licences during a 12 month period, every driver could be required to obtain such coverage with his licence. Young drivers could be required to prove they had completed training.

Auto insurance is a high priority item on the NDP agenda and should prove to be relatively easy to organize. Very little capital or staff is required to set it up, there would be no problem getting a provincial charter, all auto insurance agents in the province are controlled by Victoria, and existing vehicle and driver licence records are adaptable.

Under the Manitoba Autopac plan, a likely model for B.C. legislators, motorists buy a basic no-fault, compulsory policy that contains a pre-set schedule of death and disability benefits plus \$200 deductible property damage maximum liability of \$50,000.

U.A. & T.P. Golf Tournament

Members of the U. A. & T. P. Division of the Automotive Retailers' Association put aside the hammers, chisels and blow torches and replaced them with golf clubs for the annual Division golf tournament held September 19th at Tsaawwassen Golf Club.

The weatherman co-operated which added greatly to the occasion. In addition many friends of Division took advantage of the tournament to enjoy the fun and games.

Looking over the stroke play score card it would seem that there were golfers and golfers. But the discrepancies in the scores only added to the fun.

Following the play Division members enjoyed a delightful smorgasbord which in turn was followed by presentation of prizes.

The prize winners and donors will be listed in November issue—Ed.

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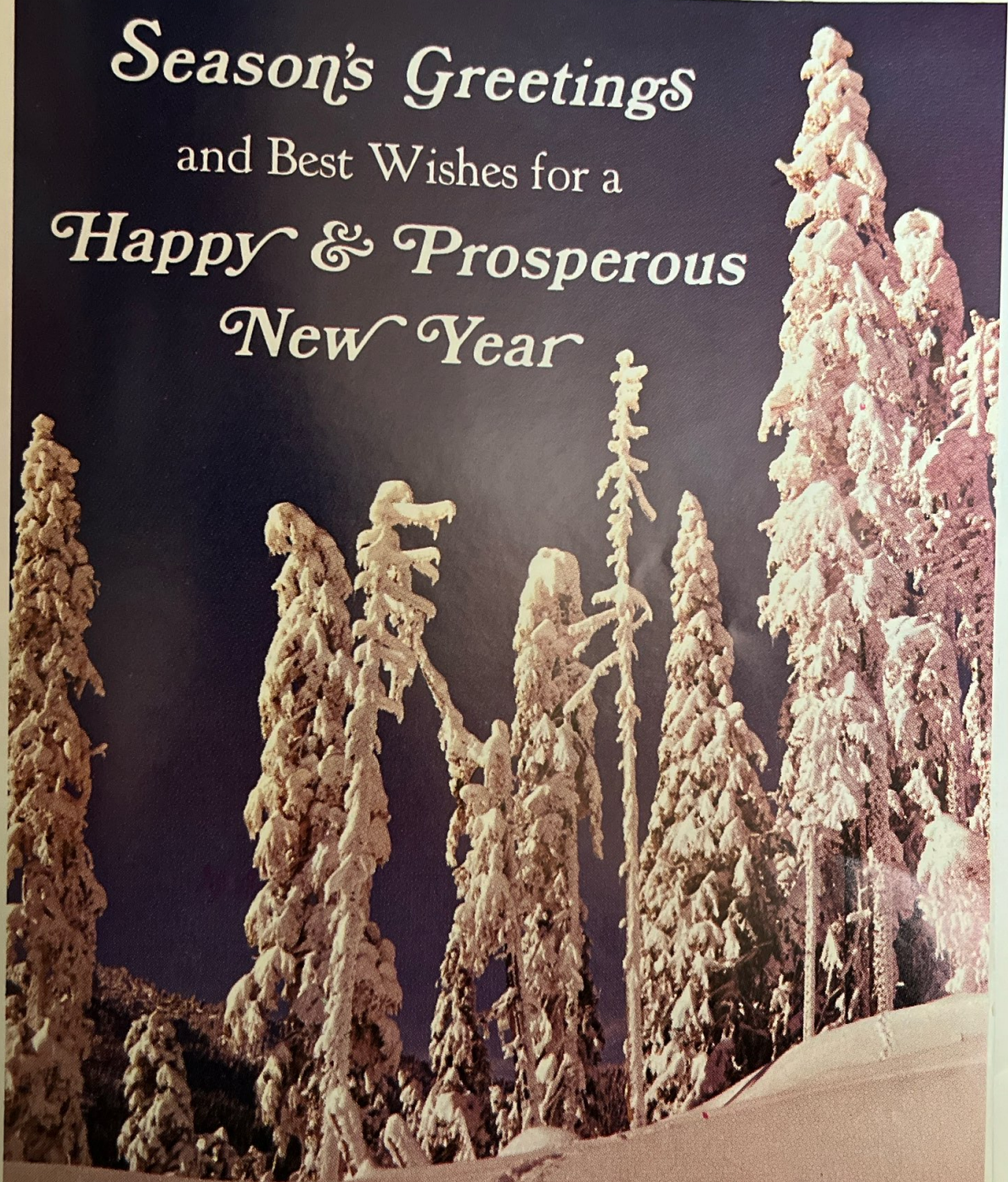
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Season's Greetings and Best Wishes for a Happy & Prosperous New Year



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Car Insurance Study Slated

VICTORIA — The cabinet authorized the expenditure of \$100,000 to study the subject of government auto insurance.

An order-in-council arising from a cabinet meeting said the money is urgently needed for studies in the public interest. The funds are to come from the Consolidated Revenue Fund.

The New Democratic Party pledged during the provincial election campaign that a government auto insurance plan would be a top priority in an NDP government.

A spokesman for the highways department said that the money will be spent largely on payments for consultants and expert advice.

"We need it for secretarial and office help as well as for advisers and consultants," said John Mika, executive assistant to Highways Minister Bob Strachan.

"For one thing, no matter what kind of system we decide on, computers will be needed and we have to

consult experts to find out what computers will best suit us.

"We already have advisers here, such as John Green, the man who set up the Saskatchewan insurance plan in 1944 and pioneered no-fault insurance in North America, and J. O. Dutton, the general manager of Autopac, the Manitoba scheme.

"We will also need other people from within B.C. to do analyses of the various possibilities open to us."

Mika said the money will be spent between now and the end of the fiscal year on March 31.

He said legislation creating a government auto insurance plan will be tabled in the next session of the legislature in January and that work will then begin to hire staff, locate offices and set rates.

"This is where the real nuts and bolts work begins," he said.

"This must be a real turn-key operation, meaning that one day the government will not be in the insurance business and the next day it will be insuring 1.2 million vehicles."

Mika said he expects Strachan will announce a deadline for the start of government coverage when he speaks at the second reading of the insurance bill in the legislature.

* * *

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