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Official Report of
DEBATES OF THE LEGISLATIVE ASSEMBLY
(Hansard)

WEDNESDAY, APRIL 18, 1973

Morning Sitting

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The House met at 10 a.m.

Prayers.

Introduction of bills.

MR. SPEAKER: The Hon. Provincial Secretary.

HON. E. HALL (Provincial Secretary): Mr. Speaker, I have the honour to present a message from His Honour the Lieutenant-Governor.

PUBLIC SERVICE LABOUR RELATIONS ACT

MR. SPEAKER: His Honour the Lieutenant-Governor transmits herewith a bill intituled *Public Service Labour Relations Act* and recommends the same to the Legislative Assembly, Government House, April 18, 1973.

Bill No. 182 introduced, read a first time and ordered to be placed on orders of the day for second reading at the next sitting of the House.

HON. MR. HALL: Mr. Speaker, I ask leave to make a statement regarding the bill I've just introduced.

Leave granted.

HON. MR. HALL: Mr. Speaker, it's not the government's intention to proceed with this bill at this session. It will, however, reintroduce the bill at the next session. Meanwhile, consultative committees will be set up with the civil service. Negotiations will take place regarding an interim wage increase. We welcome and ask for comments on the bill during the summer, Mr. Speaker, from the opposition parties in the House and from all other interested people.

I think that this day is a happy day in British Columbia. I think that by the next session, when the bill comes into full effect, we will have achieved a remarkable step forward in the public service of British Columbia.

Orders of the day.

HON. D. BARRETT (Premier): Mr. Speaker, I move we proceed to public bills and orders.

Motion approved.

HON. MR. BARRETT: Committee on Bill No. 183, Mr. Speaker.

STATUTE LAW AMENDMENT ACT, 1973

(continued)

House in committee on Bill No. 183; Mr. Dent in the chair.

Sections 2 to 6 inclusive approved.

On section 7.

MR. CHAIRMAN: I recognize the Hon. First Member for Vancouver–Point Grey.

MR. P.L. McGEER (Vancouver–Point Grey): Mr. Chairman, I note in our estimate books that we passed a vote for \$46,000 under the particular Act in the Department of Education. We moved so quickly here I haven't got my book open right now.

The question is: if we're abolishing the Act, why is it that we're still spending money under the Act?

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

MR. G.B. GARDOM (Vancouver–Point Grey): It's a perfectly valid question. You've already passed

money and now you're abolishing the Act. What's happened to the money? Is this going to end up like B.C. Rail — suspended in mid-air, go down the drain or what?

HON. A.B. MACDONALD (Attorney General): It will be spent under Human Resources. It's the invalid questions we can answer. (Laughter).

MR. GARDOM: Are there any applicants for assistance under the existing statute who will suffer as a result of its repeal?

HON. D. BARRETT (Premier): The answer is yes, there are existing applicants. The answer is no, they will not suffer under this change.

MR. GARDOM: How will they be taken care of?

HON. MR. BARRETT: Right out of the *Social Assistance Act*.

MR. CHAIRMAN: Shall section 7 pass?

Section 7 approved.

On section 8.

HON. MR. MACDONALD: Mr. Chairman, I have a

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devastating amendment to section 8 — to delete section 8. I so move.

HON. MR. BARRETT: You're going to ruin the whole thing.

MR. CHAIRMAN: I think the proper procedure would be to defeat the section.

HON. MR. MACDONALD: Oh, no, no... Well...

HON. MR. BARRETT: Either way.

HON. MR. MACDONALD: Mr. Chairman, can I ask leave to withdraw the section? The fact of the matter is we don't want loaded magazines and guns and so forth on boats, but how do you shoot a duck?

MR. GARDOM: Well, we've got enough loaded magazines on boats right now, if you take a look at the news stands.

HON. MR. MACDONALD: I ask leave to withdraw the section.

Leave granted.

MR. CHAIRMAN: I recognize the Hon. Member for Boundary-Similkameen.

MR. F.X. RICHTER (Boundary-Similkameen): May I ask the Minister if he's going to renumber the following sections?

HON. MR. MACDONALD: Yes, that might be part of the leave, that we ask leave to renumber.

Leave granted.

MR. CHAIRMAN: I'll just call the old numbers so that we can get them through. Shall section 9 pass?

Section 9 approved.

On section 10.

MR. CHAIRMAN: I recognize the Hon. Second Member for Vancouver–Point Grey.

MR. GARDOM: It's quite a comprehensive amendment here. Could the Attorney General just explain to the House the general purport of this amendment?

HON. MR. MACDONALD: In order to receive their income tax exemption from the Hon. John Turner, private pension plans will no longer have to be registered through a trust company. We've liberalized a little bit to include more of them as income exemptions. Having used the word "liberalized" I hope there would be no further debate. (Laughter).

MR. CHAIRMAN: Shall section 10 pass?

Section 10 approved.

Sections 11 to 14 inclusive approved.

On section 15.

MR. CHAIRMAN: I recognize the Hon. Attorney General.

HON. MR. MACDONALD: Mr. Chairman, I ask leave to delete this section.

Leave granted.

On section 16.

MR. CHAIRMAN: I recognize the Hon. First Member for Vancouver–Point Grey.

MR. McGEER: This refers to the *Registered Psychiatric Nurses Act*. I just don't understand what this section is all about.

HON. MR. BARRETT: It enables the Act to be proclaimed in technical terms.

MR. McGEER: Well, could the Act not have been proclaimed as it stood?

HON. MR. BARRETT: No, there was a technical difficulty.

MR. McGEER: I wonder if the Premier could tell us what the technical difficulties were.

HON. MR. BARRETT: There was some difficulty proclaiming it. This allows us to proclaim the Act. I'm not sure of the details but that was the problem.

MR. CHAIRMAN: The Hon. Attorney General.

HON. MR. MACDONALD: This Act was passed in 1968. The regular section that this comes into effect on royal assent was missing from the Act. It is now being supplied.

Sections 16 to 19 inclusive approved.

On section 20.

MR. CHAIRMAN: The Hon. Second Member for

Vancouver–Point Grey.

MR. GARDOM: Thank you, Mr. Chairman. I'd like to ask the Hon. Attorney General whether this revision to the *Trust Companies Act* will bring the many new teeth that came this session into the *Companies Act* into the *Trust Companies Act* and apply to trust companies?

The report of the Inspector of Trust Companies was filed yesterday by the Minister of Finance (Hon. Mr. Barrett). We find within the report that as a result of inspections there is one trust company presently suspended in the province — and of course that infamous one still in the course of liquidation.

It has always seemed to be one of the major difficulties in the field of trust company law, which came into realization during the Commonwealth Trust scandal, that there didn't seem to be really adequate legislation to provide enough safeguards for the general public, certainly from the point of view of accounting procedures.

There has been a very dramatic filing yesterday by the Minister of Finance concerning accounting procedures of the B.C. Railway. So I just wonder whether or not these amendments that you are referring to here refer to the new accounting procedures and methods that are called for under the *Companies Act*. Does it mean that they will similarly apply to the *Trust Companies Act*?

HON. MR. MACDONALD: I'd like to say there was an improvement in the *Trust Companies Act* as a result of this technical section. But the answer is no, we have not got around to improving that *Trust Companies Act*. It has to be done; but their procedures remain the same.

Sections 20 to 22 inclusive approved.

On the title.

MR. CHAIRMAN: The First Member for Vancouver–Point Grey.

MR. McGEER: On the title, Mr. Chairman. I realize that this is a traditional Act and that it is a collection of the legislative "sweepings." What we do is throw everything that's left over into this one final Act. Then we're placed in the ludicrous position of debating the principle of a bill that has no principle.

Just speaking to this sort of thing in general, I think we've got a very effective and dedicated, small — too small — group of legislative draftsmen who undertake an heroic workload each session.

HON. MR. MACDONALD: Hear, hear!

MR. McGEER: I would like to pay them a little compliment for their chore, which has been particularly odious this session. I think, too, that these gentlemen...

HON. MR. MACDONALD: Onerous. Particularly onerous; not odious.

MR. McGEER: No, no. I meant odious, Mr. Chairman, because I would hate to have been in the position of having to draft into legislation some of the ideas of my colleagues on that side. But that's perhaps a little bit of a partisan opinion.

Mr. Chairman, I wonder really if this is the best way to go about passing legislation. I would like to see the day when an Act of this kind was no longer necessary — I think that it's undesirable — but was no longer necessary.

The practice that is used in some other jurisdictions is that there is a cutoff date on new legislation well before the end of a session. Once that date is reached, no more new bills are introduced. Then it gives the legislative drafting group an opportunity to work with Members on all sides of the House and with the community at large, to listen to the presentations, to correct technical difficulties and to reconsider the meaning of wording that has been put

there with the intent of carrying out government policy.

For that reason I would hope we could enlarge the staff, we could set a cutoff date for the introduction of new bills and bring a new and better style to the way legislation is passed in this House.

MR. CHAIRMAN: The Hon. Premier.

HON. MR. BARRETT: If I could respond with the same latitude, I welcome the remarks made by the Member. It is my understanding that the House Committee on Practices and Procedures is going to continue to meet — if I'm wrong there? It is? Oh, very good.

I would like that kind of suggestion to go right to the House committee and carry on this discussion.

We have not had the opportunity as a House to review some of our own internal practices. For example, it is my understanding that in Ottawa they take estimates and put them in committee.

AN HON. MEMBER: That's right.

HON. MR. BARRETT: That kind of thing and the suggestion by the Member would be most welcome to that committee. I wish I could be a member of that committee, but I can't.

MR. GARDOM: What do you do with your spare time?

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HON. MR. BARRETT: I said that no cabinet Ministers would be on that committee. But I would be excited if that committee would discuss your proposal.

MR. CHAIRMAN: The Second Member for Vancouver–Point Grey.

MR. GARDOM: I'd like to make one observation, too, that historically this bill is supposed to be a sort of sweeping bill and the omnibus bill; but occasionally you find a hooker sort of snuck in therea hooker sort of snuck in there. I remember last year people were just trotting merrily along — or was it the year before — and suddenly we found that it wasn't possible to have the advertising of alcoholic beverages in the Province of B.C.

HON. MR. BARRETT: It was dumped right in there.

MR. GARDOM: But you fellas have learned well from precedent. Because you slipped one in yourself yesterday.

HON. MR. BARRETT: We did?

MR. GARDOM: Yes, you certainly did. That's when you went ahead and decided that B.C. Hydro would have to go ahead and insure under the *Automobile Insurance Act*.

HON. MR. BARRETT: Did we do that?

MR. GARDOM: Yes!

HON. MR. BARRETT: What we have to change is practice.

MR. GARDOM: A fast step.**MR. GARDOM:** I'd like to make one observation, too, that historically this bill is supposed to be a sort of sweeping bill and the omnibus bill; but occasionally you find a hooker sort of snuck in there

MR. CHAIRMAN: The Hon. Attorney General.

HON. MR. MACDONALD: I appreciate what was said about the drafting staff who do a very skilled and difficult job of work. But we advertised for an extra body with this kind of rare craftsmanship. At the salary we would offer and with the scarcity of that particular kind of animal we haven't been able to get it. We do need these additions to the public service.

MR. GARDOM: Mr. Attorney General, now let's not call the legislative council "animals" or "bodies."

HON. MR. MACDONALD: They're very rare animals.

MR. GARDOM: I think what you should be thinking of doing for these gentlemen is properly recognizing them. Perhaps the Order of the Dogwood with a Leaf each. (Laughter).

Title approved.

HON. MR. MACDONALD: Mr. Chairman, I move the committee rise and report the bill complete with amendment.

Motion approved.**MR. GARDOM:** I'd like to make one observation, too, that historically this bill is supposed to be a sort of sweeping bill and the omnibus bill; but occasionally you find a hooker sort of snuck in there

The House resumed; Mr. Speaker in the chair.

MR. CHAIRMAN: Mr. Speaker, the committee reports Bill No. 183 complete with amendments. The committee also reports a division in committee and asks that it be recorded in the Journals.

MR. SPEAKER: When shall the bill be considered as reported?

HON. A. B. MACDONALD (Attorney General): Mr Chairman, I ask leave that the bill be considered as reported now.

Leave granted.

HON. MR. MACDONALD: I move third reading.

Motion approved.

Bill No. 183, *Statute Law Amendment Act, 1973*, read a third time and passed.

HON. MR. BARRETT: Mr. Spe**MR. GARDOM:** I'd like to make one observation, too, that historically this bill is supposed to be a sort of sweeping bill and the omnibus bill; but occasionally you find a hooker sort of snuck in thereaker, report on Bill No. 103.

PACIFIC NATIONAL EXHIBITION INCORPORATION ACT

HON. R.M. STRACHAN (Minister of Highways): Mr. Speaker, the bill isn't printed but I would ask leave that it be considered for report now.

MR. F.X. RICHTER (Boundary-Similkameen): I think it was considered that on the last day we would give leave in that event. Is this the last day?

AN HON. MEMBER: Could be. Should be.

Leave granted.

MR. SPEAKER: So ordered. When shall the bill be read a third time?

HON. MR. STRACHAN: Now, Mr. Speaker.

Bill No. 103, *Pacific National Exhibition Incorporation Act*, read a third time and passed on the

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following division:

YEAS — 40

Hall	Macdonald	Barrett
Dailly	Strachan	Nunweiler
Nicolson	Brown	Radford
Sanford	D'Arcy	Cummings
Dent	Levi	Lorimer
Cocke	King	Calder
Hartley	Skelly	Gabelmann
Lauk	Lea	Young
Lockstead	Gorst	Rolston
Anderson, G.H.	Barnes	Steves
Kelly	Webster	Lewis
Liden	Wallace	Curtis
Gardom	Williams, L.A.	Anderson, D.A.
McGeer		

NAYS — 9

Richter	Chabot	Jordan
Smith	Schroeder	Morrison
McClelland	Phillips	Fraser

PAIRED

Brousson	Stupich
Bennett	Nimsick

HON. MR. BARRETT: Mr. Speaker, **MR. GARDOM:** I'd like to make one observation, too, that historically this bill is supposed to be a sort of sweeping bill and the omnibus bill; but occasionally you find a hooker sort of snuck in thereaker, I ask leave to proceed to Bill No. 153.

Leave granted.

HON. MR. BARRETT: Report on Bill No. 153, Mr. Speaker.

PUBLIC WORKS
FAIR EMPLOYMENT ACT

Bill No, 153 read a third time and passed on the following division:

YEAS — 34

Hall	Macdonald	Barrett
Dailly	Strachan	Nunweiler
Nicolson	Brown	Radford
Sanford	D'Arcy	Cummings
Dent	Levi	Lorimer
Cocke	King	Calder
Hartley	Skelly	Gabelmann
Lauk	Lea	Young
Lockstead	Gorst	Rolston
Anderson, G.H.	Barnes	Steves
Kelly	Webster	Lewis
Liden		

NAYS — 15

Richter	Chabot	Jordan
Smith	Fraser	Phillips
McClelland	Morrison	Schroeder
McGeer	Anderson, D.A.	Williams, L.A.
Gardom	Curtis	Wallace

PAIRED

Brousson	Stupich
Bennett	Nimsick

HON. MR. BARRETT: Report on Bill No. 164, Mr. Speaker.

HON. MR. STRACHAN: Mr. Speaker, I ask leave of the House to proceed with Bill No. 164.

Leave granted.

OCEAN FALLS CORPORATION ACT

Bill No. 164, read a third time and passed on the following division:

YEAS — 40

Hall	Macdonald	Barrett
Dailly	Strachan	Nunweiler
Nicolson	Brown	Radford
Sanford	D'Arcy	Cummings

Dent	Levi	Lorimer
Cocke	King	Calder
Hartley	Skelly	Gabelmann
Lauk	Lea	Young
Lockstead	Gorst	Rolston
Anderson, G.H.	Barnes	Steves
Kelly	Webster	Lewis
Liden	Curtis	Wallace
Williams, L.A.	Anderson, D.A.	McGeer
Gardom		

NAYS — 9

Richter	Chabot	Jordan
Smith	Schroeder	Morrison
McClelland	Phillips	Fraser

PAIRED

Brousson	Stupich
Bennett	Nimsick

HON. MR. BARRETT: Committee on Bill No. 35, Mr. Speaker.

AUTOMOBILE INSURANCE ACT

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House in committee on Bill No. 35; Mr. Dent in the chair.

On section 1.

HON. R.M. STRACHAN (Minister of Highways): Mr. Chairman, I move the amendments standing in my name on the order paper under section 1.

MR. CHAIRMAN: The Hon. Second Member for Vancouver–Point Grey, on the amendments.

MR. GARDOM: I was up before the amendment.

Mr. Chairman, we continue to oppose the concept of both this bill 35 and the next bill, 34. I'd like to make a few general remarks concerning that and then I'm going to deal with some of the specifics — not by way of amendment, but I'd like to put them on record. I hope that they will be of assistance to the Minister and to the Insurance Corporation of British Columbia when it is...

MR. CHAIRMAN: Order, please. We have debated second principle of the bill which deals with the concept of the bill.

MR. GARDOM: Oh, I appreciate that. Just keep calm, Mr. Chairman, and we'll get along very nicely.

I will tell you the reason we are opposed to this section, and that is that we are not in favour of the liquidation

or the absorption of a lawful entity. That is what has happened to a law-abiding entity, a tax-paying entity and a non-playing entity; that's what the insurance companies in the Province of British Columbia have been. By virtue of the provisions of these two Acts they have been completely put out of business. Their business endeavours for all practical purposes have been seized because they cannot carry on in their lawful avocation.

I don't think, unfortunately, they have contributed enough themselves to their well-being; nor have they even put up an effective opposition to these measures that have been taken by the government. Perhaps they are looking to the more munificent Ontario market for the retention of business and they are letting British Columbia slide down the line which I think is most regrettable.

The only area that I can see savings in the industry is by granting unto the purchasers of policies discounts equal to the bank interest. Insurance is a prepaid trust and really the only saving there is the fact that this enormous amount of money — roughly \$150 million — will come in in B.C. and it will have an interest increment to it, say 8 per cent — \$12 million. Well, that will be a saving to the public.

But offset against that will be the expenses of operation which are going to continue — and they are going to be the same as they were before, if not more expensive and, indeed, I think more expensive. Also there are going to be losses. They're not going to disappear.

And so, out of the premium dollar, we will find that there will still be losses having to be taken care of and administrative costs having to be taken care of, with the only opportunity of any saving to the public of the interest income.

I feel that it would have been far better to maintain choice to the general public. I think this is the most regrettable feature of all in these bills, that the government has not seen fit to grant unto the public the opportunity to purchase automobile insurance from private carriers if they so choose, Mr. Chairman.

If a private carrier can come in and provide the coverage and the service in a more efficient and a more effective manner and a less expensive manner than can the government, I think that I as a British Columbia citizen should be entitled to that ...

AN HON. MEMBER: Would you debate the principle of the bill?

MR. CHAIRMAN: Order, please. The Hon. Member is to be debating the changing of the name "motor vehicle" to "trolley bus;" I fail to see the relevance of your remarks.

MR. GARDOM: No, no. I was up before the Minister started to move his amendment.

Interjection by an Hon. Member.

MR. CHAIRMAN: Order, please.

MR. GARDOM: I'm nearly through these remarks, Mr. Chairman. There's no need to become agitated.

I notice under the bill that we have also thrown out the automobile insurance board. Now we have here a statute, Mr. Chairman, that is 43 pages long with 82 sections. The next one is 13 pages long with 34 sections. I think these two very short comments that I am making now would much better be made now than that they be redundantly attended to throughout the various sections — which I can do, if you prefer it.

The automobile insurance board could have performed a far better function by being an ombudsman for the industry; furthermore, it was within the power of this government, Mr. Chairman, to order, as happened in the State of Massachusetts, that the \$15 million that was over-collected by the industry — as the Minister of Public Works knows — in the no-fault sector could easily have been returned on the rebative premium — which would have meant \$7.50

less for two years for motorists.

Now, I'm leaving that at this point, Mr. Chairman, noticing...

MR. CHAIRMAN: Back into debate on second reading — I think if we allow this tolerance to you we'd have to allow it to every Member of the House and we would be here for the rest of the day debating the principle again. There is an amendment on the floor, the purpose of which is to delete the word "trolley bus" from the section defining "motor vehicles." I would ask that we dispose of this amendment and that we perhaps dispose of the section. And then, if you wish to make your remarks, you could possibly make some of them under section 2.

MR. GARDOM: Mr. Chairman, I subscribe to your ruling.

MR. CHAIRMAN: Shall the amendment pass?

Amendment approved.

MR. CHAIRMAN: Shall section 1 as amended pass?

Section I approved with amendment.

On section 2.

MR. CHAIRMAN: I recognize the Hon. Member for North Peace River.

MR. D.E. SMITH (North Peace River): Section 2, Mr. Chairman, is the section that allows the corporation to enter into the auto insurance business on a compulsory basis; in other words, there is no option for anyone in the Province of British Columbia who owns and operates an automobile or has a driver's licence to be exempt from the insurance of this corporation.

It's a compulsory plan operated exclusively by the government of this province. The provisions of compulsion are such that every person that operates a vehicle must have insurance. It also sets up a corporation which allows no competition. And we'll go into that in another section of the bill.

Surely, if the government is so convinced that a compulsory auto insurance plan is necessary in the Province of British Columbia, the Minister should be prepared at this time, before we debate the other sections of this bill, to rise in his place in this House and tell us the premium that will be involved for the average driver for his insurance under this compulsory auto insurance plan in the Province of British Columbia.

The Minister has had ample opportunity to find out on an actuarial basis what the costs will be, if not down to the last cent, at least down to within \$1 or \$2 of the premium that will have to be charged, considering the fact that all of B.C. Hydro and the other Crown corporations will have to insure under this plan so that they can become part and parcel of the risk to spread it down and get your premium average down to a point where the Crown corporations will pick up a good percentage of costs over and above what they're presently doing on a self-insured basis.

But if the Minister is not prepared to reveal to this House the premium that will be involved, including the extra charge that will be involved upon the issue of a driver's licence to every person in the province, then we can only conclude that he is withholding information from the House, Mr. Chairman — information that is vital and important and should be a part of this debate in committee section.

Mr. Minister, what will the premium be — \$25 a year, as suggested in your literature, \$25 per person, per vehicle, or what? I suggest that if there are more than two drivers in the family, the premium will be equal to or greater than the premiums that they have paid previously. But, the Minister himself can tell us that on an actuarial, factual basis.

We call upon the Minister now, before we go further into the debate on this bill, to reveal to the Members of

this House the anticipated premium for the coverage that everyone will have to have on a compulsory ...

MR. CHAIRMAN: Order, please. I would remind the Hon. Members again that when we're dealing with a clause-by-clause consideration of the bill, we should not recanvass arguments that were put forward during the debate on second reading. The Hon. Member for Oak Bay.

MR. G.S. WALLACE (Oak Bay): Yes, Mr. Chairman. Essentially, in broad terms, section 2 states that the government will operate a compulsory automobile insurance under the terms of the Act, which means that it will be a monopoly and will, in fact, eliminate competition.

The basic reason that the Conservative Party opposes this bill in general — but specifically in section 2 — is that it eliminates competition and creates a monopoly. Furthermore, arising from that fundamental concept, there is also the fact that there are no details in the bill to justify the reason that underlies the government policy, namely that time and time again they have stated that present automobile insurance in Canada and in this province is unfair. It's inefficient and the consumer is being overcharged and is being given poor service.

If this is a fair accusation of the government to make of this particular private sector of industry, I

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agree with the former speaker that there should be more detail in the plan to justify the very broad outline in section 2. We want to make it very clear, as we did on second reading, that this is a fundamental objection to this bill. We also repeat, as we did in second reading, that if the government wishes to compete with existing insurance, then that would be a different consideration.

The fact that it has, however, chosen to become a monopoly conflicts in the greatest way possible with our fundamental belief in this party that the individual should have a choice. Whether or not the government feels that in section 2 it is taking a paternalistic attitude to the individual and saying to the individual, "Well, we're setting up a plan which is compulsory and is a monopoly because we know what's good for you. You poor, stupid consumer, you don't know that you're being rooked by the private insurance companies."

This is really the kind of attitude that is inherent in this bill, and specifically in section 2. We don't believe that. We believe that there should always be a choice in society. If the individual chooses to pay more for whatever reason he or she believes that the extra payment brings some extra benefit, either in terms of service or in some other way, we still feel that this choice must exist.

Furthermore, we would submit the logic of what we think is a very logical fact at any rate, that if competition were allowed to continue and if the private companies, in terms of premium and service, are as bad as the government claims, then surely by a process of attrition, the private companies would go to the wall anyway because the government plan would be so obviously superior in terms of lower costs and better service.

There are many other things about the bill that we're not very happy about, but there's no need to repeat all that was said in second reading. This is our strong fundamental opposition to the bill, particularly expressed in section 2.

MR. CHAIRMAN: The Hon. Second Member for Victoria.

MR. D.A. ANDERSON (Victoria): Mr. Chairman, this section 2 goes to the heart of the difference between this party's position, which we campaigned on in the last campaign, and the government's position. The question is — as has been outlined by the previous two speakers, and I'm happy to see now that both their parties are in favour of what we were putting forward six months ago — the question is whether or not the government scheme shall be compulsory.

There is no question in our mind that a government scheme which competes with private enterprise in this field on a fair basis could be beneficial. We made that perfectly clear well before the last election — and perhaps to

our cost. However, we feel that if the scheme is not one which provides for competition, the problems that have arisen in other provinces will arise in British Columbia and the public will be the poorer for it.

Once this is set up as a compulsory scheme, what will we have — a situation as we have with B.C. Hydro gas sales, where the consumer is charged 100 per cent more than Hydro have to pay for the gas? There is a markup of 100 per cent. Will it be that way? The Minister — well, probably he's not going to be running the scheme for long — but his successor, what will happen when he decides that the government is in a squeeze and needs money? What will happen in that regard?

We have had Crown corporations that have operated with the consumer in mind. In British Columbia we have had B.C. Hydro, which has not, and of course the Liquor Control Commission is another example of pretty heavy charging in a government monopoly. Now the situation is obviously different, but how much different? If the government needs money, here's an excellent way of squeezing and getting the money. So the assurance that somehow or other it's going to be cheaper for years hence is, of course, thoroughly ridiculous.

Mr. Chairman, I have no wish to go through the debate that we put forward on second reading; the debate we had in July and August of last year regarding the merits of having a government scheme compete with the private insurance sector. We've gone over that ad nauseum. All I can say is that I'm delighted to hear the support of that position from the House leader of the Conservative Party and the Member who spoke a short time ago for the Social Credit Party. Apparently they are now taking a position identical to our own.

At this time, however, I would like to move an amendment. In section 2, lines 4 and 5, delete the words "universal compulsory" and in line 7, delete the words "universal compulsory" so the section would permit the government to engage in automobile insurance, but would not require a universal compulsory scheme. We think this amendment would take this particular unacceptable bill and turn it into something a great deal better.

MR. CHAIRMAN: I would rule the amendment out of order on the grounds that it goes to the principle of the bill. This cannot be done on this particular section by amendment.

MR. D.A. ANDERSON: That ruling must be challenged, Mr. Chairman, for the following reason. We had amendment after amendment from the government side on Bill 42 which cut in shreds the principle we discussed in 40 hours of debate on

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second reading. If we're going to permit that ...

MR. CHAIRMAN: There's no debate on a challenge of the Chair. I'm making the decision on the basis of consulting authorities, and I believe this is the proper procedure. So you've made your challenge; be seated. We will call the Speaker and have it out.

Interjections by some Hon. Members.

The House resumed; Mr. Speaker in the chair.

MR. SPEAKER: Order, please.

MR. CHAIRMAN: Mr. Speaker, on consideration of section 2 of Bill No. 35, an amendment was proposed by the Hon. leader of the Liberal Party (Mr. D.A. Anderson) that in section 2, in lines 4 and 5 and line 7, the words "universal compulsory" would be deleted. There are two places where they would be deleted.

I ruled the amendment out of order; my ruling was challenged.

MR. SPEAKER: The question before the House is: shall the Chairman's ruling be sustained?

Interjections by some Hon. Members.

MR. SPEAKER: Order, please. Order. Order! I will name the Hon. Member if he persists in interrupting in the middle of a vote. I'm serious. It is against all the parliamentary rules and this Member particularly has been doing this throughout the whole session. I urge upon him the importance of conducting a vote properly. You asked for a vote; do it properly.

Mr. Chairman's ruling was sustained on the following division:

YEAS — 32

Hall	Macdonald	Barrett
Dailly	Strachan	Nunweiler
Nicolson	Brown	Radford
Sanford	D'Arcy	Cummings
Levi	Lorimer	Cocke
King	Calder	Hartley
Skelly	Gabelmann	Lauk
Rolston	Young	Lockstead
Lea	Anderson, G.H.	Barnes
Steves	Kelly	Webster
Lewis	Liden	

NAYS — 14

Richter	Chabot	Smith
Fraser	Phillips	McClelland
Morrison	Schroeder	McGeer
Anderson, D.A.	Williams, L.A.	Gardom
Wallace	Curtis	

PAIRED

Brousson	Stupich
Bennett	Nimsick

MR. D.E. SMITH (North Peace River): It would seem to me, Mr. Speaker, that when we deal with the matter of crossfire across the floor when the Speaker is calling for a vote, that he shouldn't inflict upon one particular Member of the House an imposition that he has not called to the attention of other Members of this House. While some of us may have been out of order, and that includes both sides of the House, regarding the fact that a vote was being taken in this House and there has been crossfire going on across the floor, I think that with due respect to all the Members of the House, your suggestion should be to all Members of the House and not to suggest that you are going to name one Member.

MR. SPEAKER: Agreed. And I urge every Member in the House to observe the rule.

I called for order. Most Members immediately stopped, but one Member did not. And that is why I rose.

The Hon. Chairman.

House in committee on Bill No. 35; Mr. Dent in the chair.

MR. CHAIRMAN: I recognize the Hon. Member for South Peace River on section 2.

MR. D.M. PHILLIPS (South Peace River): What we have just witnessed in this House with regard to the monopolistic section of this particular Act brings out exactly what is going on in this province. The government has taken upon itself the attitude that it knows all, sees all, does all best for everybody in the province. We don't want them to know how much they are paying for this "big daddy" government. We witnessed some of that last night. Even with everybody subsidizing the government and subsidizing this insurance plan in one way or another, they are still afraid of competition. Because of the subsidy they could lower the rates, but with the monopolistic clause in this Act, no one will ever know.

No one in British Columbia will have the opportunity to know whether or not they are paying through the nose for this "big daddy" insurance policy that is being inflicted on every automobile owner in the province of British Columbia. So far as I am concerned, the reason that automobile insurance is

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being brought in in British Columbia is to bring about a reduction in the rates for those who have to buy it .

Because of the monopolistic views and attitude of this government no one in the province will ever know whether they are paying more or less. The same thing will happen in the Province of British Columbia that has happened in other jurisdictions in Canada where the government has brought in automobile insurance.

The rates are down for a couple of years and then they go up and up. The people who thought they were getting a bargain end up paying a premium. For the government to say that they are going to run this cheaper than the independent insurance companies can do, doesn't really sell me on the idea that they should have a monopoly.

If they're so afraid of competition, then they must be afraid of their own ability to run this insurance corporation in a manner that will bring the people of this province cheaper rates.

The whole purpose behind this insurance bill lies in the rates. Yet with all the promises the government has made, we still have no indication whatsoever what the rate will be.

MR. CHAIRMAN: Order, please. This particular point of rates was canvassed thoroughly during the debate on second reading and I've already asked another Member to desist from speaking about this. Therefore I would ask the Hon. Member not to discuss the matter of rates under section 2.

MR. PHILLIPS: Well I want to tell you, Mr. Chairman, that I didn't really intend to discuss this under section 2 until I just witnessed one of the most undemocratic exercises in this House that I have ever seen — than I've seen in this whole Legislature.

MR. CHAIRMAN: Order, please.

MR. PHILLIPS: This is why, Mr. Chairman, we must have the compulsion in this. The compulsion will allow the government to do anything they want to and to charge any rates they so desire to charge. That's why there's compulsion — that's why section 2 is necessary. That's why the government doesn't want it debated.

MR. CHAIRMAN: Order, please. It's not the government that's making the decision, Hon. Member. It's the Chairman that's making the decision in this respect and you are trespassing again into the matters that were debated under second reading of the bill, which deals with the principle of the bill. I would ask him to confine his remarks to the specifics in this section 2.

MR. PHILLIPS: I would like to know, Mr. Chairman, if the compulsion is going to stay in this, who's going to be paying all the costs of the computer? Where are they going to be rented? This is why we can't have compulsory. This is why this insurance Act should be opened up to the light of day. This is why the rates should be opened up to the light of day. This is why there should be competition, Mr. Chairman. This is why this should not be

compulsory.

The people of this province want to know. They want to know what their rates are going to be. No, Mr. Chairman, I'm not going to belabour the point, but the people of this province will never know what the true costs are going to be because of the compulsory feature as laid out in section 2 of this Act.

MR. CHAIRMAN: I recognize the Hon. First Member for Vancouver–Little Mountain.

MS. P.F. YOUNG (Vancouver–Little Mountain): Thank you, Mr. Chairman. In view of the remarks of the previous speaker I'd like to point out that universal compulsory insurance was put into effect in this province by that group over there when they were government, not by this government. They should remember that, so when you start talking about compulsion and universality, you're the ones who brought it in. You are the ones who are guilty in that regard, so don't lay it on our doorstep. All we're trying to do is make it equitable for everybody.

MR. CHAIRMAN: Order. I recognize the Hon. Member for Saanich and the Islands.

MR. H.A. CURTIS: (Saanich and the Islands): Well, Mr. Chairman, the House Leader for the Progressive Conservative Party has expressed our point of view, but on section 2 it is vital that every Member make his or her position perfectly clear. I support several statements made by Members of the opposition with respect to the section before us now and the compulsion which is provided for in that section.

I have to rise therefore, to underline the points made previously and to make it abundantly clear that there was no need for the government of this province to introduce monopoly automobile insurance. If the proposal was to be that good, that effective, that satisfactory to the majority of persons wishing to be insured, then there was nothing to fear from the private operators. Again, I suggest that a choice between the private or public scheme would probably produce better service offered by both sides.

MR. CHAIRMAN: The Hon. First Member for Point Grey.

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MR. P.L. McGEER (Vancouver–Point Grey): Mr. Chairman, I'm very much inclined to agree with the remarks of the Member for Saanich and the Islands. That is, that when you're struggling for business, that's when you make that extra effort to give service and to keep a weather eye on costs.

I'd just like to ask a question of the Minister of Highways regarding what sort of supervision is going to be given in the payout of claims. My reason for saying this is that if there is to be an "Open Sesame" on repairing every scratch and dent in a car, and replacing parts to an automobile that may be bent just a little bit with something brand new, then quite clearly, costs can escalate manyfold in doing simple repairs.

The biggest cost, of course, in automobile insurance is the payout to repair damaged automobiles. We've embarked in British Columbia on a no-fault scheme, based on the premise that nobody tries to get into an automobile accident. That having taken place however, the matter of repairing the automobile, the complete replacement of every scratched or dented part, can add tremendously to the cost of undertaking the repair.

The old system was certainly an imperfect one, because there never really has been any kind of adequate discipline over this matter of repairs and what should or should not be done. But at least you knew that if you were insured with a cheapskate automobile insurance company — and there were a number of them — one of the ways ... well, I wouldn't refer to the kind the former Minister of Public Works, or the Minister of Hospital Insurance ... they wouldn't have worked for cheapskate insurance companies. If the insurance company showed extreme discretion whom they hired in their latter years, well that may have just been able management, though in the long run it may not have worked out too well. I'm talking about the benefit of the insurance company.

Here we're really concerned with the benefit of the safe motorist — the individual who doesn't get into an accident, but who pays premiums for those who do get into them.

MR. CHAIRMAN: Order, please. I believe that this can be canvassed under other sections of the bill.

MR. McGEER: Well, if it can adequately be canvassed here the debate will then be done, Mr Chairman. It does bear on whether or not there's compulsion and the point that I'm trying to make is that there was some opportunity with the old system to have a discipline on this aspect. **What I'd like to hear from the Minister is what measures he will use to try and keep the cost down because of the payout system.**

MR. CHAIRMAN: I recognize the Hon. Minister of Highways.

HON. R.M. STRACHAN (Minister of Highways): First of all, in reply to the only question I have had about what method we'll use to keep the costs down, I indicated in an earlier speech — and the legislation makes it very clear — that the corporation does have the right to embark on and operate its own repair shops as pilot projects if they wish, to determine the costs. That's one thing.

Then of course we'll have the experience through our own claim centres, I agree with the Member that in many cases in the past there has been some padding, but I hope in this operation through the new procedures...

Interjection by an Hon. Member.

HON. MR. STRACHAN: Anyway, I didn't hear what the Member for Point Grey said.

There have been several repeated statements, especially by the official opposition, that in some way or other the operation of this scheme will subsidize or be used to provide general revenue in the automobile insurance. The Member for South Peace (Mr. Phillips), who is not in his seat, made his usual blanket accusation that he's been making all session. There'll be no way of knowing, no way of knowing, no way of knowing.

Mr. Chairman, I wish these people would read the legislation. The legislation makes it very, very, very clear. A man has to be an idiot not to understand that. The legislation is very clear. The accounts shall be kept separate...

Interjections by some Hon. Members.

MR. CHAIRMAN: Order, please.

MR. D.E. SMITH (North Peace River): A point of order, Mr. Chairman. If he wishes to discuss the accounts, do it in the section that the accounts are under.

HON. MR. STRACHAN: The Member said that we wouldn't be able to determine the costs. He said they're hidden. He made accusations and I'm going to reply to them right now. He made accusations under this section.

MR. CHAIRMAN: Order, please.

HON. MR. STRACHAN: You asked about the rates under this section. I answer that too. The rates aren't under this section but you asked it, didn't you? You raised it. Do you want me to answer it?

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MR. CHAIRMAN: I've ruled the Hon. Members out of order on that particular point. I'd ask them not to raise the matter of rates again under this section or to answer the matter of rates under this section.

HON. MR. STRACHAN: All right, I'll answer at the proper time, Mr. Chairman. I respect the Chair, unlike...

Now, that doesn't leave much to answer, does it? (Laughter). They talked about the monopoly. That was raised by everyone. No opportunity for competition. As was pointed out, the previous administration made automobile insurance compulsory in the Province of British Columbia. They said that every person in this province who has an automobile must carry insurance.

I say that there's something ethically and morally wrong when you say to an individual, "You must pay money for something," and then you leave a private corporation free to make a profit from something that's compulsory. That's ethically and morally wrong. That's why it's universal and that's why we're going into the whole field.

The Member for Oak Bay (Mr. Wallace) used the words, "fundamentally believe in the right of choice." He made some reference to our saying that the consumer is stupid. That's not true. What we're doing in this legislation is recognizing the fact that the insurance companies who were operating in British Columbia didn't live up to their responsibilities. You talk about return to competition. There was no competition, no real effective competition.

They may have had a choice of companies. But I refer you again, Mr. Chairman, to the royal commission report which said very clearly that there was no competition.

AN HON. MEMBER: What was this report on?

HON. MR. STRACHAN: On the automobile insurance. The Wootton Royal Commission.

Then the commission recommended that initially the field — even after their report of how they had eliminated competition — that initially it would be left completely to the private companies. That's what was done and the private companies didn't improve their performance one bit. The royal commission recommended that if that happened — and it did — then the government of British Columbia should take over the sole selling in British Columbia of all automobile insurance.

Interjection by an Hon. Member.

HON. MR. STRACHAN: That's what we're doing. We're simply following the recommendations of the royal commission in the compulsory and being the sole agency in the province.

MR. CHAIRMAN: Just before we proceed, I would distinguish the difference between the principle and the specifics. The principle has already been agreed to, that is that the scheme will be compulsory and universal. It's just a matter of discussing points around that.

I recognize the Hon. Second Member for Vancouver–Point Grey.

MR. G.B. GARDOM (Vancouver–Point Grey): The Hon. Minister was talking about the private sector and profits in the field of automobile insurance. Once again he came up with the most simplistic socialistic economic posture.

If any company in the Province of B.C. wasn't making a profit, it wouldn't be paying taxes and we wouldn't have any provincial revenues. You know that as well as I do.

HON. MR. STRACHAN: I didn't say a word about profits.

MR. GARDOM: Go ahead and read the Wootton report and say that you're following that. That's just a bunch of hogwash. It's fine and dandy to bring in a government plan the way that you're doing. O.K., but for goodness sake let the private sector have the opportunity to compete against it. Do we or do we not live in a free society?

AN HON. MEMBER: No longer.

MR. GARDOM: That's got to be the answer to that question. Obviously it seems to be "no" in the Province of British Columbia, because I am not permitted to carry on a lawful, taxpaying, nonpolluting vocation in opposition to the government if I choose to do it. That to me is absolutely ludicrous.

There's no assurance — and you can't give any assurance to the people of B.C. — that the fenders are not going to be paid for by the non-motorist B.C. taxpayer. He's going to be paying for the fixing of fenders and make no

Interjection by an Hon. Member.

MR. CHAIRMAN: Order, please. I recognize the Hon. First Member for Vancouver–Point Grey. I would repeat again that the matter of a universal compulsory plan has already been approved of in principle and therefore taking a position for or against is not really something that we should be considering at this time.

MR. McGEER: Mr. Chairman, you're making all kinds of presumptions. I got up just to make a very

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brief point to the Minister, to ask him a question, and I got a lecture. Mr. Chairman, as you know, I don't have any new-found respect for the Chair. I had it right along. (Laughter).

MR. CHAIRMAN: Will the Hon. Member proceed, please?

MR. McGEER: Thank you.

MR. CHAIRMAN: Say anything you want. As long as you say it in 30 seconds. (Laughter).

MR. McGEER: I do have just a very brief question and it's this. Yesterday we had released a devastating report on the operation of a Crown corporation. The reason why that report was devastating was because it showed what can happen when there isn't adequate financial supervision. When you have competition...

HON. MR. STRACHAN: I wanted to get into that but I was ruled out of order.

MR. CHAIRMAN: Order, please. I would point out that this is not part of section 2.

MR. McGEER: O.K. The Minister knows my question and he can choose the time to answer it.

MR. CHAIRMAN: I recognize the Hon. Minister of Public Works.

HON. W.L. HARTLEY (Minister of Public Works): Mr. Chairman, there's one point that has been completely missed across the way. It is this: **for the first time in the history of British Columbia, the people of British Columbia have the freedom to choose to buy their insurance from a service motivated organization, an efficient operation, at cost.**

MR. GARDOM: It's compulsory. You can only buy it in one place.

HON. MR. HARTLEY: Yes, my legal beagles across the way are screaming about compulsion. But I didn't hear them scream in 1969 when this legislation was before the House. I didn't hear those legal beagles scream, Mr. Chairman, when that old tired government took from the hands of the courts the matter of levying traffic fines and said, "You'll pay no more traffic fines into the courts. We'll allow the insurance companies, through compulsion, to increase your rates rather than pay fines through the legitimate courts of this land." Yes, you sat back.

MR. CHAIRMAN: Order, please. I would ask the Hon. Minister to confine his remarks to section 2.

HON. MR. HARTLEY: Yes, Mr. Chairman, section 2 under compulsion. On August 30 there was an election that culminated 20 years of campaigning for compulsory automobile insurance in this province.

AN HON. MEMBER: Are you asking for a recount?

HON. MR. HARTLEY: The recount is being taken now and you'll be counted out, my friend. You'll be found short and wanting.

Interjection by an Hon. Member.

HON. MR. HARTLEY: Yes, 25 years ago, my friend from Peace River, this type of legislation was started in one other province...

MR. CHAIRMAN: Order, please. I believe we're discussing the principle of the bill again. I would ask...

HON. MR. HARTLEY: Compulsory insurance was started in Saskatchewan over 25 years ago, as outlined under section 2 of this Act. The Liberals were elected in 1964, making similar fallacious remarks as we've heard from across the way. But did they do anything about removing that compulsion?

MR. CHAIRMAN: Order, please. I would ask the Hon. Minister to confine his remarks to section 2 rather than...

HON. MR. HARTLEY: I'm speaking to section 2 — compulsion.

MR. CHAIRMAN: But we're back on the debate of the principle of the bill again. I pointed out to the Hon. Minister that the principle of the bill was the universal compulsory automobile insurance plan. That has already been agreed to by a vote in second reading. Therefore, we can only debate the specifics in conjunction with this and not present again arguments for or against the principle.

HON. MR. HARTLEY: Mr. Chairman, I'd just like to conclude by saying that if there is any group that could stand that, it is the group that does not recognize how their party failed to do something about compulsion when they had the opportunity in Saskatchewan...

MR. CHAIRMAN: Order, please. The Hon. Second Member for Victoria.

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MR. D.A. ANDERSON (Victoria): Mr. Chairman, there is a principle of debate which says that when we are discussing a bill in third reading we discuss the detail and not the principle. As far as I can see in this bill, there is nothing referring to the principles decided in the 1964 Saskatchewan provincial election, which is the subject of the Minister's discourse.

MR. CHAIRMAN: I have already ruled the Hon. Minister out of order and he has taken his seat. Therefore I would...

MR. D.A. ANDERSON: Well, he has because I'm on my feet on a point of order. He's been popping up and down like a jack-in-the-box. Now, either you are going to have to try and govern this House impartially...

MR. CHAIRMAN: Your point of order is well taken and I have asked the Hon. Minister to take his seat.

MR. D.A. ANDERSON: O.K. Well, all we insist upon then is that your judgments are a little more impartial from the Chair.

MR. CHAIRMAN: it is important that the Chairman hear the arguments before he may pass judgment, as I've done with all the other Members.

I recognize the Hon. Member for Langley.

MR. R.H. McCLELLAND (Langley): Mr. Chairman, I wasn't going to speak, but the Hon. Minister's comments prompted me to say at least one or two things. He has suggested that there are things that the opposition has forgotten about with regard to insurance. I'd suggest that there are many things the government has forgotten about.

He has brought into this debate the matter of cost; he says that we are going to buy this insurance at cost.

Then if he says that ...

MR. CHAIRMAN: Order, please.

MR. McCLELLAND: ...why don't you bring those rates before us so we know what they are?

MR. CHAIRMAN: Order, please. I've already ruled the Minister out of order and you cannot discuss arguments which were ruled out of order. I ask you to confine your remarks to section 2.

MR. McCLELLAND: Mr. Speaker, we're talking about section 2 and the Minister's remarks to it. He has also suggested that they had a mandate to provide this insurance in the last election in the manner in which it appears in section 2. I dispute that, Mr. Chairman, because many of the Members on this side of the House have said that we recognize that the government had a mandate to provide automobile insurance, but they did not have a mandate to provide monopolistic automobile insurance.

MR. CHAIRMAN: Order, please. This matter has already been decided in second reading.

MR. McCLELLAND: I'm not talking about compulsory automobile insurance, Mr. Chairman; I'm talking about monopolistic automobile insurance.

MR. CHAIRMAN: Well, I think the interpretation would be the same; the universal is compulsory.

MR. McCLELLAND: Mr. Chairman, the government has also forgotten that many, many people are very happy with the kind of insurance and the kind of service they get from their agents right now.

MR. CHAIRMAN: Order, please. I would ask the Hon. Member to either discuss section 2 or take his seat because you are again debating the principle of the bill.

MR. McCLELLAND: I'm talking about the corporation engaging in automobile insurance which is what section 2 is all about.

MR. CHAIRMAN: Order, please. The principle that was decided in second reading was that there be a universal, compulsory automobile insurance plan. This has already been voted on and agreed to by this House. The arguments for and against cannot again be canvassed. I would ask that you consider the specifics in conjunction with the fact that this has already been approved.

MR. McCLELLAND: Mr. Chairman, what you are saying is that we cannot discuss section 2 which says that the corporation is to engage in automobile insurance, and that is exactly what we are talking about.

MR. CHAIRMAN: Order. You may discuss the

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specifics so long as they don't trespass on the decision already made by the House.

MR. McCLELLAND: Yes, Mr. Chairman. I'll just conclude then by alluding again to the Minister's comments in which he says we have freedom to choose. I suggest that we do not have any choice, nor do we have any freedom.

MR. CHAIRMAN: Shall section 2 pass?

Section 2 approved on the following division:

YEAS — 34

Hall

Macdonald Barrett

Dailly	Strachan	Nunweiler
Nicolson	Brown	Radford
Sanford	D'Arcy	Cummings
Levi	Lorimer	Williams, R. A.
Cocke	King	Calder
Hartley	Skelly	Gabelmann
Lauk	Lea	Young
Lockstead	Gorst	Rolston
Anderson, G.H.	Barnes	Stoves
Kelly	Webster	Lewis
Liden		

NAYS — 15

Richter	Bennett	Chabot
Jordan	Smith	Fraser
Phillips	McClelland	Morrison
McGeer	Anderson, D.A.	Williams, L.A.
Gardom	Wallace	Curtis

PAIRED

Brousson Stupich

On section 3.

MR. CHAIRMAN: I recognize the Hon. Minister of Highways.

HON. MR. STRACHAN: I want to draw particular attention to this section. Perhaps it will allay the misconceptions which have been expressed earlier this morning as to moneys getting lost and moneys being used to subsidize, and all the rest of it.

This section makes it very clear that all moneys relating to the automobile insurance part of the business shall be kept, and the words are "separate and distinct accounts," from the general insurance.

I can understand the official opposition being disturbed this morning when they look at the headlines in the paper, where they had been mismanaging Crown corporations, where they had been keeping financing matters not quite up to order. But, Mr. Chairman, this calls for separate and distinct accounts, and in a later section the Comptroller General will make sure that this law... because the Comptroller General of this province has a responsibility when that's written into law to see that that's done and done properly. And he will do so.

AN HON. MEMBER: Hear, hear!

MR. CHAIRMAN: The Hon. Member for North Peace River.

MR. SMITH: Mr. Chairman, the matter that has been raised by a number of Members in this House — and will be reiterated in this section which has to do with the keeping of the accounts and records of the corporation — is simply this: in the calculation of premiums received and expenses paid out against those premium collections, it will be very easy for the provincial government to set a rate for insurance which takes into consideration a charge against every Crown corporation in excess of what they are presently paying to self-insure their own vehicles.

So, if in the accounts the collection of premiums is \$150 million, for example, that could very well reflect a 20, 30, 40, 50 or 100 per cent increase in the actual net cost per vehicle in the government departments, such as B.C. Hydro, B.C. Railway — all the departments of government — and it will be covered off as an operating expense of those corporations or those departments. It will be perfectly legal and legitimate to bring that in as revenue in premium income; but the taxpayers of this province will never know the fact that they have indirectly subsidized the premiums to make this plan compatible for the people of the Province of British Columbia.

This is the point that we're trying to make; not that we argue that the accounts will not be correctly kept, Mr. Minister, but the fact that you can, through the Crown corporations, inflate the cost of insurance to those corporations as compared to what they pay today. And every taxpayer in the province will be paying part and parcel of that, without their knowledge and without their consent.

MR. CHAIRMAN: The Minister of Highways.

HON. MR. STRACHAN: I realize why the Member says what he says. That's how the previous administration operated. We don't operate that way, my friend. I can understand your being disturbed,

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because out of your experience as a government that's how you operated.

I want to repeat what I said when I introduced this bill for second reading: 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 — payment of all losses and expenses of administration will be made from plan funds. I repeat that and I guarantee it will be carried out.

MR. SMITH: Mr. Chairman, I repeat that the fact that the premiums collected are legally reported and that the claims paid out are legally reported does not prevent the Crown corporations and the individual departments of government in this province being charged a higher rate for insurance on the vehicles that they have under their collective custody than they presently pay; and it will not show up in the reports that come down with respect to this section of this Act.

MR. CHAIRMAN: Shall section 3 pass?

Section 3 approved.

On section 4.

MR. CHAIRMAN: I recognize the Hon. Member for North Peace River.

MR. SMITH: Under this section there's a provision to allow the corporation to acquire real property. For the purposes of the Act, the corporation may expend moneys of the corporation received under section 3, which we have just debated. In other words, the corporation has within its power the provision that some of the revenue collected in premiums can be diverted to the acquisition of real property.

I would suggest, Mr. Chairman, that this is going to be an impost upon the plan because it's probably the intention of the corporation to acquire real property, to set up offices and to maintain them either in rented premises or in premises that they themselves may build for the purposes of providing insurance services throughout the province. It may be as a result of setting up new body shops that they require real property and real estate, and this will become a charge against every person who contributes premiums to the collective administration and cost of supplying insurance in the Province of British Columbia.

HON. MR. STRACHAN: Automobile insurance.

MR. SMITH: Auto insurance.

In that respect all of us will be providing and paying for the acquisition of real estate and property which under the present system we do not have to buy. We have it supplied as part of the services — even though that costs part of your premium dollar, Mr. Minister.

HON. MR. STRACHAN: Sure it is.

MR. SMITH: Sure. But I'll tell you this, that there's a great deal of difference, Mr. Minister, through you Mr. Chairman, between acquiring property and setting up new complexes and buildings at today's inflated rates of building costs, wages, salaries and all the rest of the costs that go into acquiring property and setting up buildings than there was a few years ago. Many of those costs have already been written out effectively by the general insurance industry collectively in this province. Now we're going to duplicate the services and the property and the investment that those corporations have, and we'll do it at the expense of the taxpayers of this province.

MR. CHAIRMAN: Shall section 4 pass?

Section 4 approved.

Sections 5 and 6 approved.

On section 7.

MR. CHAIRMAN: I recognize the Hon. Second Member for Vancouver–Point Grey.

MR. GARDOM: Thank you, Mr. Chairman.

Mr. Minister, under section 7(2) you see that a corporation will not make a contract for extension insurance unless, under 2(b), the individual is a resident of the province. Does this mean that if a contract for extension insurance is entered into it becomes void if the driver ceases to be a resident of the province? It's an item that you should look into, if not today at some future time.

HON. MR. STRACHAN: That's the situation right now. It's merely a continuation of the present setup.

MR. GARDOM: Well, I think if you look at it a little later on — if you give the insurance and the person ceases to be a resident, does it cancel or does it continue? The concept is that it would continue but the section doesn't clearly indicate that.

HON. MR. STRACHAN: That was the intent. Until that particular period has expired — that's the concept. Yes.

Section 7 approved.

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On section 8.

MR. CHAIRMAN: The Hon. Member for North Peace River.

MR. SMITH: Mr. Chairman, this is the section of the Act which deals specifically with the monopoly authorization and provision for the corporation to engage in the sale of auto insurance in the province. It sets out here specifically that every person who applies for a policy of auto or trailer insurance or motor vehicle liability policy in respect to a motor vehicle or trailer registered within this province must purchase their insurance from the corporation.

It is one of the provisions of the Act to which we most strenuously object. It should not have been a requirement of the government to go into the auto insurance business on a monopoly basis. In order to provide adequate guarantees to the public generally in this province — if they wished to enter into the auto business — they

should have done it on a competitive basis; a basis which would have given the general public a yardstick to use on their performance and compare it to the performance of the private insurers within the Province of British Columbia.

If the government can provide the services in the manner they say, they should have had no problem in convincing the public that their plan was the best.

On the other hand, if they were not able to provide that service as efficiently and for as low a rate of premium as they have suggested in advertisements which we have seen throughout this province, then the taxpayers of this province should have the opportunity of knowing that fact and judging for themselves.

MR. CHAIRMAN: Order, please. I believe that the Hon. Member is again introducing arguments that were brought up during second reading of the bill, the principle of the bill being a universal compulsory scheme with the corporation being the sole insurer.

AN HON. MEMBER: He is repeating section 2 all over again.

MR. SMITH: No, I'm not. I didn't raise this at section 2.

MR. CHAIRMAN: The matter of the principle of the bill has already been dealt with and decided upon and therefore I would ask him to go on to something new

MR. SMITH: I am trying to confine my remarks, Mr. Chairman, to this section of the Act which deals with the specific matter of monopoly provision of insurance in the province.

MR. CHAIRMAN: Order, please. The matter of the kind of plan has already been agreed upon by the House. You may deal with specifics that do not trespass on the decision already made, that we have a compulsory universal plan with one insurer. That is the principle of the bill which has already been decided upon.

MR. SMITH: Then I'll suggest to you, Mr. Chairman, that we are completely and diametrically opposed to section 8 in this bill, that it provides a situation for the government to enter the business on a monopoly basis and that we will have no yardstick to use and to judge whether the premiums that are charged are fair in relation to what could have been done by the private industry.

If the proposed plan cannot stand on its own feet against the competitive forces of free enterprise business in the province, then it has no business existing as a compulsory type of insurance that everyone in this province must adhere to and purchase.

MR. CHAIRMAN: Shall section 8 pass?

Section 8 approved on the following division:

YEAS — 35

Hall	Macdonald	Barrett
Dailly	Strachan	Stupich
Nunweiler	Nicolson	Brown
Radford	Sanford	D'Arcy
Cummings	Levi	Lorimer
Williams, R.A.	Cocke	King
Calder	Hartley	Skelly
Gabelmann	Lauk	Lea
Young	Lockstead	Gorst

Rolston	Anderson, G.H. Barnes
Steves	Kelly Webster
Lewis	Liden

NAYS — 15

Richter	Bennett	Chabot
Jordan	Smith	Fraser
Phillips	McClelland	Morrison
Schroeder	Gardom	McGeer
Williams, L.A.	Wallace	Curtis

PAIRED

Brousson Nimsick

On section 9.

MR. CHAIRMAN: The Hon. Second Member for Vancouver—Point Grey.

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MR. GARDOM: Two points on section 9. Under section 9(b), Mr. Minister, you can promote programmes to provide for "the more equitable distribution of losses resulting from highway traffic accidents." What exactly do you mean by "more equitable distribution of losses"? A loss is a loss. Do you mean that if one individual might, say, have a \$1,000 loss and another individual a \$2,000 loss, you are going to divide it in two and say they should get \$1,500 apiece? The words are obscure.

Then, under section 9(d), you have the right to negotiate with people engaged in the business of motor vehicle repairs "with a view to establishing fair and reasonable prices." This is really in the private sector, contrary to the *Combines Act*, among other things.

AN HON. MEMBER: Where's that?**HON. MR. BARRETT:** I get confused by you free-enterprisers adopting a double standard of morality when it comes to the jungle of free enterprise versus the government going into business. As long as it is free enterprise an employee can be knifed, cut apart, slashed, abandoned, pushed aside any way that the jungle wants to, but when the government...

MR. GARDOM: Under section 9(d). It is one this to try to determine rates for claim settlements but does this mean you are going to have a view to having one single solitary repair shop in major areas? Are the small repair people in the province going to be put out of business? Are you going to get them all under one roof? What's the concept behind section 9(d)?

HON. MR. STRACHAN: Well, let's go to 9(b) first — you questioned the wording there with regard to "more equitable distribution of losses." What we are after is trying to improve the techniques of assessing loss, damage, distribution of the cost factors between different sections.

I think it came out in the royal commission very clearly. I think the statement was made that the estimation of rate structures so far has been anything but scientific. I think the royal commission has said that, as a matter of fact, at one point. We are now, for the first time, having a group that will be in a position to get the rate structures on a more scientific basis.

With regard to repair shops: the experience in other provinces is that they negotiate a price with the individual repair shop. I have seen the lists of the hourly rates paid to all the repair shops in the major centres right

through Saskatchewan, for instance. The rates vary from place to place and so on, but they do negotiate. That is what we have in mind here.

MR. CHAIRMAN: The Hon. Member for North Peace River on section 9.

MR. SMITH: Well, it's fairly obvious in section 9(c) that the provincial government intends to maintain one or more repair body shops in the province.

AN HON. MEMBER: That's right, a little competition.

MR. SMITH: I don't think that the auto repair industry would object to competition on a fair basis. But one of the problems of that is that the shops will probably be located in large centres of the province. If the plan runs into difficult times and adverse claims ratios against the plan as compared to the premiums charged, there will certainly be a tendency on the part of the government to minimize the costs of repairing vehicles. One of the ways to do that will be to demand that if you wish your vehicle repaired then you must take it to the nearest authorized auto repair shop.

Now, in many cases that will result in forcing the small independent auto repair body business out of business. It will also result in a situation where people will be required by the government to take their cars great distances in order to have them repaired. In other words, what we will be doing is providing less service than we presently have, with no indication that there'll be any savings in providing that lesser service.

It's also setting up a gun-at-the-head technique with respect to the small repair shops in the province, because all of these people bid now for repair business. Basically, generally speaking, the adjuster awards the contract to repair a vehicle to the shop who gives them the best bid — the lowest bid. It's a field of competition at work. But the thing that would concern any privately-owned shop is the fact that the provincial government, operating body shops in competition with them, have opportunities to cover off expenses under the administration of the public purse, that they as individual enterprises do not have an opportunity to cover off.

I would be concerned, Mr. Minister, that when you enter into the repair shop business, as you've indicated that you are going to do, you will by one means or another make it very difficult for people to deal with anyone other than the body shop which carries the stamp of the Province of British Columbia above its door.

It's just another nail in the coffin of the independent businessman who has worked hard to build up a business for himself, his family and his employees over a number of years.

We certainly do not support that type of legislation.

MR. CHAIRMAN: The Hon. Minister of Highways.

HON. MR. STRACHAN: Mr. Chairman, section 9(c) is specifically designed to permit the establishment of experimental repair shops for a number of reasons — to study the effectiveness of repair techniques, the cost of alternative procedures, the comparative efficiency of various

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kinds of equipment, the effect of automobile structural design and repair costs, and all that sort of thing. It is anticipated that the results of such experimental work will be made available to automotive repair shops in the private sector for utilization by them. That's the purpose of that section.

You know, Mr. Chairman, this Member keeps suggesting sneaky techniques. I want to assure the House that I'm going to shut them right out of my mind — all these sneaky techniques that he keeps suggesting would subvert the intention of this bill and the intention of this government and the intention of this Minister. So you go on suggesting these sneaky techniques. I'm not going to listen because I'm not going to be a party to any of them.

AN HON. MEMBER: Aye.

MR. CHAIRMAN: The Hon. Member for North Peace River.

MR. SMITH: Mr. Chairman, after listening to the Minister's dissertation, all I can say is that we certainly have ample precedent before us in other NDP jurisdictions, as to what has happened with respect to the government-controlled auto insurance business and the repair of vehicles.

If you look to the Province of Manitoba or to Saskatchewan, you will find that they do have repair shops set up in strategic locations, that it has become very difficult for many people to get their cars repaired anywhere else and that it has provided a great inconvenience to the public, because they are required to go to those body shops when they are open, to do business with that shop, regardless of how far they may be removed from it at the time of the accident. This is a charge against them — not against their insurance. I suggest that this plan will follow very close to that.

MR. CHAIRMAN: Order, please. Hon. Member, the wording of section 9(c) is clearly "investigate, study, and apply techniques." What you are suggesting is that this section is going to be used for the other purposes. You've already made that suggestion and I've not ruled you out of order. But I would ask you not to press the matter; otherwise I would say that you are imputing a motive to the Minister of Highways or to those authorities that is not contained in section 9(c). I ask you to confine your remarks to the section itself, and not to any possible things that the section might be used for.

MR. SMITH: The first words in section 9(c) are: "establish and maintain one or more repair shops to investigate, study and apply techniques." O.K. But in the repair of motor vehicles and trailers it's very simple to make sure that in the studying of techniques the majority of the vehicles that have to be repaired must be repaired by these body shops.

MR. CHAIRMAN: Shall section 9 pass?

Section 9 approved.

MR. CHAIRMAN: I recognize the Hon. Second Member for Vancouver–Point Grey on section 10.

MR. GARDOM: Dealing with section 10, Mr. Minister, I'd ask you what protection an insured would have under an automobile policy if the Insurance Corporation of British Columbia Act did not apply. It would seem that there would be no protection at all if one of the three people, who are a faceless five at the present time, decided that a provision of the Act did not apply. That individual might even have had a policy, but if you could make the provision that the Act doesn't apply, then that individual would be without coverage and also without the right to apply for outside coverage, with the all-encompassing power that you've given here. That could end in very tragic results for the person who might suffer loss and find that he's out of luck.

Perhaps it's something you'd like to look at over the next few months.

As I mentioned a bit earlier, Mr. Chairman, I have several quite technical postures here, and this is why I'm putting them on *Hansard* for the assistance of the Minister and the government in the interpretation of the plan. Notwithstanding that we grossly disagree with it, if you're going to bring it in, we want to see it work as best it can.

HON. MR. STRACHAN: The purpose of this section is to ensure some flexibility which will permit the automobile insurance programme to develop. It may subsequently appear in light of experience that provisions of the Insurance Corporation of British Columbia Act are more consistent with the corporation's function as an insurer in general lines rather than the automobile insurance. It's just to give it more flexibility, that's all.

MR. GARDOM: I suppose under section 10(4) there's no longer going to be a tax on insurance premiums, on any class of insurance in the Province of B.C.

HON. MR. STRACHAN: No, only on the automobile insurance.

MR. GARDOM: He says, "only on the automobile

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insurance."

HON. MR. STRACHAN: That's right, it's in this Act.

MR. GARDOM: The *Fire Marshal Act* is thrown out too, isn't it, as far as getting revenue is concerned? How are you going to fund it? How are you going to fund the fire marshal's department? Because that was one great source of revenue through this... Aha! I've found something we haven't thought about. You might write that down. If you missed it, your wife's up in the gallery and she'll make a note of it, I'm sure.

HON. MR. STRACHAN: My daughter's up there too, and she'll make a note of it.

MR. GARDOM: Good, well then you're well shepherded today. I hope you take them both for lunch.

HON. MR. STRACHAN: I will.

MR. GARDOM: And you buy for a change instead of making them do it.

MR. CHAIRMAN: Order, please. The Hon. Member for North Peace River.

MR. SMITH: It seems strange to me, Mr. Chairman, that the government in its wisdom has decided that if they go into the auto insurance business, as they are doing here in the business of providing insurance, in the initial instance they must make a provision in the act that will allow them to be exempted from the rules and the conditions and the regulations that every general insurance company has lived with in this province and operated under for years.

It is obvious that if the general insurance industry has had to live with all the provisions of the Act, the provincial government should be able to do likewise. I've listened to the explanation of the Minister, but it does seem to me that they've written into section 10 provisions which were not necessary, should not be required and could actually have been put in by amendment later on if they were, in fact, required.

MR. CHAIRMAN: Shall section 10 pass?

Section 10 approved.

Section 11 approved.

On section 12.

MR. CHAIRMAN: I recognize the Hon. Second Member for Vancouver–Point Grey.

MR. GARDOM: Under section 12, Mr. Chairman, there is not any provision to provide copies of these reports to the person who is reported on, which is George Orwell kind of stuff.

Secondly, does this mean that the current traffic reports which have to be filed by a driver under the provisions of the *Motor Vehicle Act* may be used against such an individual in evidence in any action that he may take against the corporation? If it does mean that, it is a complete departure from the existing law. Traffic reports have always been treated with complete sanctity insofar as they may not be utilized in courts or in evidence; the view being, of course, that this would make people report traffic violations, which has been successfully carried on in the province for many years.

HON. MR. STRACHAN: I would rather catch the wording: "Statements, information, and reports made or given to the corporation..." Only the statements given to the corporation, not that are made to the police.

MR. GARDOM: Well, would it be your concept that, "Statements, information, and reports made or given to the corporation," be used against individuals who would have suits against the corporation? Yes or no.

And secondly, would copies of them be provided to the person who was reported on?

HON. MR. STRACHAN: What was the last question?

MR. GARDOM: Would copies be furnished to the individual who was being reported on?

HON. MR. STRACHAN: Yes, I would expect so. Remember, it was his report originally; he was the one who made the report. But certainly if he wanted a copy of it he could have a copy. It only applies to the reports of the corporation.

It's a secrecy section, you see. No one else can get hold of the report.

MR. GARDOM: Oh, but somebody else can report somebody, and he doesn't have the benefit of that report.

MR. CHAIRMAN: Shall section 12 pass?

Section 12 approved.

Sections 13 to 15 inclusive approved.

On section 16.

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MR. CHAIRMAN: I recognize the Hon. Minister of Highways.

HON. MR. STRACHAN: I move the amendments standing in my name on the order paper for section 16.

Amendments approved.

MR. CHAIRMAN: I recognize the Hon. Second Member for Vancouver–Point Grey on section 16 with amendments.

MR. GARDOM: Well, this is the weaning-off section, Mr. Chairman, notwithstanding the amendment. It seems to me that this is another one of the steps towards the slow slaying of the industry — sort of destroying them inch by inch.

If an agent would happen to be in the Minister's favour it would appear that he would have the ability to live; if he doesn't happen to be in the favour of the Minister it would seem that he would have an almost infinite capacity to perish. This seems to me very much a process of selective livelihood with the Minister doing the selecting. I suppose insofar as the agents in the Province of B.C. are concerned they had better start polishing their apples and polishing them pretty well. Then under 16(8), we find that we've got great guillotine powers here. The Lieutenant-Governor-in-Council can cancel any appointment made under subsection I without notice and without compensation.

MR. PHILLIPS: A point of order.

MR. CHAIRMAN: A point of order, please. Would the Hon. Member be seated.

MR. PHILLIPS: Maybe if I would be allowed permission by the Hon. Second Member for Vancouver–Point Grey to move the amendment standing in my name in the order paper, which would make what he's referring to, section 16(8)...

MR. CHAIRMAN: Order, please. Perhaps we will let the Member for Vancouver–Point Grey finish.

MR. GARDOM: Under existing subsection 8, the Minister can cancel any appointment without remedy of the individual, without any capacity for remedy of the individual, without any capacity for him for redress, without a hearing, without appeal, without or beyond the due process of law, without compensation, and contrary to any single, solitary precept of natural justice.

I certainly intend to support the amendment of my colleague from the Peace River, and I ask you one question, Mr. Minister: do you think this is fair? How would you like to be in the shoes of someone having this kind of a sword over his head?

MR. CHAIRMAN: The Hon. Minister of Highways.

HON. MR. STRACHAN: Well, first of all; as you know, the changes indicated are going to allow any agent to sell his business.

MR. GARDOM: "May." If you approve of it. If big boss says yes, otherwise no.

HON. MR. STRACHAN: I'd like to read the House a letter from the Insurance Agents Association of British Columbia, dated April 6, 1973, addressed to me. "Dear Sir,"...

Interjections by some Hon. Members.

HON. MR. STRACHAN: This is the Insurance Agents Association of British Columbia.

AN HON. MEMBER: We've seen the letter.

AN HON. MEMBER: They've walked out on their own boys, that's what they've done.

HON. MR. STRACHAN: It says,

"I would like to take this opportunity to thank you sincerely for the very cordial meeting of April 3. The changes that you propose in the Act are significant and mean a great deal to our members.

"We are also appreciative of any change by regulation that will give our members access to a larger share of the market."

MR. GARDOM: Did they give you a box of MacIntosh Reds?

HON. MR. STRACHAN:

"We trust that we will be meeting again shortly to discuss other problems in setting up the public insurance plan."

We're going to be meeting again. There is no question about it.

MR. CHAIRMAN: I recognize the Hon. Member for South Peace River.

MR. PHILLIPS: Mr. Chairman, I would like to move the amendment to section 16(8) standing in my name on the order paper.

Speaking for the amendment, the letter that the Hon. Minister of Highways just read shows me and the rest of the Legislature how afraid the insurance

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agents of British Columbia are of this Minister. He's got them caught in a trap.

In one respect the association is trying to negotiate for its independent agents in British Columbia, and on the other hand they're afraid of arousing the Minister's ire because they know that with one foul swoop he'll say "Out! Out! We didn't want you in the first place. You're just gumming up the works."

So that's the situation the insurance agents in this province are caught in. They're having to get down on their knees to the Minister and crawl to him for some small crumbs.

HON. MR. STRACHAN: Don't be silly.

MR. PHILLIPS: That's exactly what's happening here, Mr. Chairman, to the insurance agents in British Columbia. The Minister has made it quite clear in previous statements that they're gumming up the works. He's cut their commission in half.

A man who subscribes to the principles that our Minister of Highways subscribes to actually amazes me because he has reduced the assets of many independent insurance agents, many independent businessmen, many family enterprises, by from 40 to 60 per cent.

HON. MR. STRACHAN: Not true.

MR. PHILLIPS: It is a fact too, Mr. Minister of Highways. You know it's a fact. And the Minister of Highways says, "Oh, well, insurance agencies are being bought up all over the province."

HON. MR. STRACHAN: You don't know what you are talking about.

MR. PHILLIPS: I certainly do know what I am talking about.

HON. MR. STRACHAN: No, you don't.

MR. PHILLIPS: The Minister of Highways is lending a blind eye to this situation.

AN HON. MEMBER: You don't know what you're shouting about.

MR. PHILLIPS: He has caused heartbreak in this province, Mr. Chairman. Heartburn, heartache. He knows it, Mr. Chairman, but he keeps that blind eye turned towards the problem.

Mr. Chairman, in the Province of Manitoba...

MR. CHAIRMAN: Order, please. I must ask the Hon. Member to confine his remarks to the amendment.

MR. PHILLIPS: I am confining my remarks to the amendment because, Mr. Chairman, I happen to be speaking about compensation. In so thinking about compensation I want to tell you, Mr. Chairman, what happened in Manitoba. Do you not want to hear it?

MR. CHAIRMAN: If it is relevant to the amendment.

MR. PHILLIPS: Yes, very relative. Very, very, very relative, Mr. Chairman, because in Manitoba the Autopac industry, their insurance industry in Manitoba offered compensation to the insurance agents who did not wish to carry the Autopac. What has happened to our Minister of Highways, Mr. Chairman? Where is his conscience gone?

HON. MR. STRACHAN: You never had one.

MR. PHILLIPS: You never had one?

HON. MR. STRACHAN: You never had one.

MR. PHILLIPS: You never had one! You said that you never had one.

MR. CHAIRMAN: Order, please. Would you please confine your remarks to the amendment?

MR. PHILLIPS: I am talking about compensation. I am talking about the Minister being able to chop off an independent insurance agent, as my friend the Second Member for Vancouver–Point Grey (Mr. Gardom) so ably pointed out, without any recourse whatsoever.

Now this is after having reduced the value of these agents to practically nil by bringing in this Act in the first place, by making it impossible for them to carry on in their business because of the amount of business that's being taken away from them.

In the Province of Manitoba the government had compassion for the independent insurance agents. They knew that there were many agencies who had built up thriving businesses over a period of years. They knew in many instances that these were family-owned businesses. They knew that in many instances the people who run these independent insurance agencies work Saturdays, Sundays and late into the night to give service and build up a clientele, because all an insurance agent has, Mr. Chairman, is his goodwill and his ability to give service and his ability to sell a product. Now this has been taken away. The Minister of Highways, without any heart for these people, with no compassion for these people, wants to dismiss them without cause in any case and they have no recourse — to a court of law or even to the cabinet. This is really just a bit much. It's more of big government crushing over the rights of

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independent businessmen in this province. It's just not good enough for the people of this province.

It's not good enough for the Minister of Highways to keep turning that blind eye to the problems of these independent people. Great heartbreak has been wrought upon these people.

I plead with the Minister to accept my amendment here today. Take a look at what they've done in Manitoba. Have an independent survey. Let him survey what you should pay, Mr. Minister of Highways.

Mr. Chairman, I'd like to have your permission to read a short excerpt from a letter that the Premier sent with regard to insurance agencies. This was in 1970. He seems to have changed his attitude, Mr Chairman, since 1970.

HON. D. BARRETT (Premier): What did I say?

MR. PHILLIPS: In 1970 the Premier said, "As to automobile insurance rates, my sympathy is very much with an insurance agent in a small business."

HON. MR. BARRETT: That's right.

MR. PHILLIPS: "...my sympathy is very much with an insurance agent in his small business." I wish that today, Mr. Chairman, the Premier's sympathy was with the insurance...

HON. MR. BARRETT: They're happy.

MR. PHILLIPS: Oh! For the Premier, Mr Chairman, for the Premier to say that the insurance agents in this province are happy with this section of this bill is completely, completely and unadulterated ridiculous!

HON. MR. BARRETT: Will you quit describing yourself?

MR. PHILLIPS: Mr. Chairman, the Premier may laugh all he wants to. He may joke about this very serious situation. The Premier at one time used to impress me with having a little bit of conscience — at one time. I didn't give him credit for having a great deal of conscience ...

MR. CHAIRMAN: Order, please. I would ask the Hon. Member to confine his remarks to the amendment.

MR. PHILLIPS: I am confining my remarks to the amendment, Mr. Chairman, very much so to the amendment.

Interjections by some Hon. Members.

MR. CHAIRMAN: I'd ask the Hon. Members on the government side of the House not to interrupt the Member while he is speaking.

MR. PHILLIPS: As I was saying, Mr. Chairman, the Premier used to impress me with having a little bit of conscience at one time. But today he has no conscience whatsoever. Power has gone to his head and closed off that portion of his brain which gave him the little bit of conscience he had.

Today he just crushes over the rights of people. He sits and jokes about the heartache that he is causing among the insurance agents in this province. The fact that he laughs about it, Mr. Chairman, he's laughing at the insurance agents that he wants to get rid of.

Not only is he going to be able to dismiss them without compensation, but he's going to laugh at them at the same time.

If this government has any conscience whatsoever they will allow this amendment of mine to stand which will allow the government to give the insurance agents some compensation when they are being dismissed.

You're sure in a big rush to rush through this bill aren't you, Members of the government. I'll tell you, if I have to stay here until June and fight for these agents I'll be quite willing to do it, because I'm interested in the plight of the insurance agents in this province.

I'd like the Minister to get up and defend this case and tell me why he cannot support this simple amendment. It would be following precedent already set by other jurisdictions — in particular Manitoba. I'd like him to try and justify his stand.

MR. CHAIRMAN: The Hon. Member for Oak Bay.

MR. G.S. WALLACE (Oak Bay): Thank you, Mr. Chairman. We support the amendment.

SOME HON. MEMBERS: Oh.

MR. WALLACE: Yes, while one supports the value of the amendment rather than the person putting it forward necessarily. (Laughter). That's not fair. I didn't mean that as an insult to a Member. I am talking about the fact that I...

MR. PHILLIPS: I'll just have to realize where it comes from.

SOME HON. MEMBERS: Oh, oh.

MR. WALLACE: We've had our philosophical differences on the principle of this bill. That is passed; it would be both a waste of time and out of order to reflect on that. But I do say, Mr. Chairman, that it is very disappointing to me for the three years

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that I sat in this House and listened to the present government when they were the official opposition — if there was ever one theme that ran through their arguments, a theme that I always myself supported and was frequently accused of being a socialist because I supported their thinking, it was the protection of the rights of individuals in a free society.

If there is one theme which has been present in all too many parts of the legislative programme of this their first regular session, it has been to override or put in jeopardy those rights which they themselves — the rights of the individual — championed and said they would defend to the nth degree if they became government or if they remained in opposition.

I well remember the long night in this House when the present Premier was dismissed from this House by the Speaker. And why was he dismissed, Mr Chairman? The crux of the reason why he was dismissed is that he was standing up in this House defending what he believed — and I believed — to be the rights of an individual widow in this province who was not getting justice.

I sympathized with the Premier at that time. I felt that he was only attempting to carry out in practice what he said he believed in principle. The reason I am supporting the amendment is that I firmly believe in it.

I don't think that the Premier and the government realize the contradiction of their own principles which they have put into the details of this bill. It just is not fair in our society where government takes complete control of a branch of industry or business and then holds this much power and control over an agent, that he can be dismissed without notice and without compensation.

I just ask, Mr. Chairman, is this the government that is always preaching the importance of collective bargaining whereby individuals cannot just be dismissed from their job; that they have some security in their job; or if they are dismissed at least there has to be some reason?

Interjection by an Hon. Member.

MR. WALLACE: The amendment of 7(a) as I understand it — aye, I'll give credit where credit is due as far as at least recognizing...this was another point I wanted to mention later on. But since you've raised it, Mr. Minister, the amendment 7(a) certainly rectifies one of the other very unfair parts of the initial description of the initial bill, inasmuch as these men, as has been pointed out, had built up a business by their own endeavour which had monetary value; and the bill, as originally written, wiped out for many people a very substantial financial interest in their chosen business. And 7(a) has changed that. I give the government credit, and I was planning to mention that but since you brought it up at this point I'll mention it now.

MR. CHAIRMAN: Order, please. I would ask the Hon. Member if he would mind confining his remarks to the amendment to section 16(8).

MR. WALLACE: Well sometimes, Mr. Chairman, there's a continuity in an argument which it is well to sustain, and I was simply responding to that continuity.

But in this whole question of 16(8), this really is just not fair in my view. I think that if an agent is so much at the control of this Minister and the Automobile Insurance Act, it is only one of the basic rules of natural justice, as so many other Members have said in this House, and a concept of modern employment, that if you work for an employer it is surely very reasonable if the employer suddenly fires you, that you should at least have some mechanism of appeal, or you should be given an explanation.

If, as a result of the action of being dismissed or fired, or whatever word you want to use, you suddenly find that your means of making a living is cut off and your possibility of selling your business is impaired in one way or another, these are all possible ramifications of subsection 8, Mr. Chairman.

Surely this government isn't saying that that kind of power, which is not present in ordinary employers across the province or across Canada, should be given to this Minister. It just doesn't make sense at all.

That's all we're asking. This amendment should simply say that there should be some form of compensation and some independent appraisal of why the action was taken, and what the compensation should be, based on the rights or wrongs of that original decision. For the life of me, I can't understand why the Premier — who I know has a great respect for fair play and justice; and he's upheld that principle many, many times in this House — and I cannot understand why subsection 8 so clearly and unmistakably contradicts that very fundamental principle of justice to the individual in our society.

It isn't just a question of this section per se, but since we are specifically trying to stick to this amendment, I think it should be made quite plain that its correction might not necessarily cost money. We are not even suggesting

that automatically any agent who is dismissed or has his licence revoked would automatically receive compensation. We are not saying that at all. At least I don't understand the amendment to try and even bring that about. The amendment is simply saying that there should be some hearing by neutral individuals, or a body...

Interjection by an Hon. Member.

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MR. WALLACE: Yes, independent appraisal. All we're saying is that the least that any person working under such complete authority of one person, or persons designated by the Minister, should have is some access to appeal if he is dismissed. If that independent appraisal says that there was good reason to dismiss him then we're not suggesting that automatically he gets compensation.

But I think society has surely advanced far enough. Certainly a lot of the advances that have been made are because of the pressure of this particular government, improvement in terms of employment for various sectors of society. I recognize that. It just leaves me completely puzzled as to why, once the government itself becomes a quasi-employer by issuing licences to people to do their legitimate job, that then they expect this unbelievable degree of control over an individual agent which no other employer holds.

So, Mr. Chairman, I really feel that the case is clear and unmistakable that the government should have surely shown great wisdom in accepting the appeal that an agent should be allowed to sell or transfer his business to his son or to his heirs or to others. As I say, I've given them recognition of that.

Surely, Mr. Chairman, the same kind of sense of justice would prevail if at least you could not just kick an agent out of business without either giving him a reason or giving him a hearing.

I would appeal to the government, very seriously. There is nothing I've been more sincere about this session. This just seems to be asking only that agents be given fair play.

MR. CHAIRMAN: I recognize the Hon. Premier.

HON. MR. BARRETT: I get confused by you free-enterprisers adopting a double standard of morality when it comes to the jungle of free enterprise versus the government going into business. As long as it is free enterprise an employee can be knifed, cut apart, slashed, abandoned, pushed aside any way that the jungle wants to, but when the government...

Interjection by an Hon. Member.

HON. MR. BARRETT: Oh, not true? I'll give some illustrations which relate to this. When the government comes in and does something, then come these bleating appeals for protection that the free enterprise jungle has never given to these agents at any single time.

Now let's deal exactly with what this section is. They have a choice. They can like it or lump it. That's their choice under those carriers. Not one single carrier of automobile insurance, not one carrier company, has ever come to this government as a carrier company saying "please protect the agents." Not once. They have employed these agents for years and years and years and they have never made a representation to this government saying "protect those faithful employees of our company."

MR. L.A. WILLIAMS (West Vancouver-Howe Sound): They are not employees.

HON. MR. BARRETT: They are not employees? What are they, Mr. Member?

MR. WILLIAMS: Independent agents.

HON. MR. BARRETT: Independent agents. Hallelujah! Independent agents. Now what's going to happen?

Interjection by an Hon. Member.

HON. MR. BARRETT: Mr. Member, I'm glad that point has been raised. They're still independent agents. They're still independent agents, and each agent can continue to work or not, depending on his choice.

MR. PHILLIPS: What other auto insurance can he sell? Don't be ridiculous, Mr. Premier.

HON. MR. BARRETT: You know, Mr. Chairman, they're agents out there when they're dealing with a private company, but they're not agents when they deal with us.

What a pack of nonsense. What a pack of nonsense. They're independent agents. They can sell our insurance. They can sell their company's own...

Interjection by an Hon. Member.

HON. MR. BARRETT: Oh, my poor friend over there. They can't sell any insurance. Just the government's. Whose insurance could they flog before? Those insurance rates were fixed. There was very little difference in those insurance rates, and they had to go around and flog the poor risks. Yes, certainly there is going to be one price equally for everybody instead of that jungle in New York using the agents to flog that fixed insurance that has been milking the people of British Columbia out of millions of dollars all these years.

Why don't you deal with the facts? The facts are that each agent will be allowed to continue to work. We are not taking away his right to work. He can sell our insurance; insurance agents will negotiate a commission with the government.

Interjections by some Hon. Members.

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HON. MR. BARRETT: Number 2: Each agent can sell his insurance business if he wants to.

AN HON. MEMBER: Who to?

HON. MR. BARRETT: To another agent. To his son. To anyone else. To anyone who wants it. I tell you there is one company on this island that puts ads in the newspapers saying they'd like to buy these agencies.

MR. PHILLIPS: Sure, who wants it?

HON. MR. BARRETT: Who wants it? They know when business is good. Well, open your eyes. Open your eyes. If they get panicked into selling their agencies because of the stupid statements by the opposition, then they are victims of that kind of misreading. Those agents have come to this government, they have negotiated with the Minister and they have arrived at a good package. They're not crying; it is the insurance companies that are crying.

You tell me one carrier that ever paid compensation to an agent when they dumped him. You tell me of any insurance company that has a clause in their arrangement with the agent that if we cut you off at the pass, baby, we will give you compensation. No way. You think New York hands out charity cheques when they cut an agent's throat?

Interjections by some Hon. Members.

HON. MR. BARRETT: That's absolutely stupid. The agent has got more protection in dealing with this government than he has dealing with a New York insurance company, I'll tell you that right now.

You know, I just don't understand how you can have this double standard. I just don't understand how you can say on the one hand that the service station operator who has a 30-day lease with an international oil company can have his throat cut without compensation, but if the government ran a gas station you would come in here and say,

"Oh, it's different." What kind of nonsense is this?

The carriers abandoned the agents time and time again. If you notice and go back over the last election campaign, you'll notice a noticeable difference between the way the agents handled themselves in British Columbia and how they got sucked in in Manitoba. In Manitoba the agents were used as a buffer by the insurance companies to lead demonstrations on the lawn. The agents got sucked in in Manitoba to be the forefront to protect the interests of the insurance companies. But the agents in British Columbia were too smart; they separated themselves.

Interjections by some Hon. Members.

HON. MR. BARRETT: Mr. Chairman, the insurance agents separated themselves from the companies and their goofy \$100,000 campaign right after the election, saying, "Stop the government car insurance."

Interjection by an Hon. Member.

HON. MR. BARRETT: They did so. They separated themselves publicly from that campaign by the insurance companies.

Interjection by an Hon. Member.

HON. MR. BARRETT: They did so. You know, Mr. Chairman, these birds are trying to wrap the agents back in with the insurance companies under this amendment. We say the agents will get a better deal from this government than they got from any insurance company at any time and we oppose this amendment.

Mr. Chairman, I move the committee rise, report progress and ask leave to sit again.

Motion approved.

The House resumed; Mr. Speaker in the chair.

MR. CHAIRMAN: The committee reports progress and asks leave to sit again.

Leave granted.

Hon. Mr. Barrett moves adjournment of the House.

Motion approved.

The House adjourned at 12:55 p.m.

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