

Canadian and British Insurance Act

insurance company, one that would provide basic advantages under the social security plan that we have developed.

The other day I attended a Transport Committee hearing and listened to a discussion on safety matters. The old bugaboo about provincial rights was raised, but the minister was able to say in relation to the provinces that they had reached agreement in this and that field. Matters of safety affecting automobiles has become a responsibility of the federal government and will probably affect our importation of cars and the direction the Department of Transport takes in regard to safety regulations.

Why should we not also apply a reasonable level of insurance, if not for first party or second party at least for third party liability? Why should not government-type insurance be available? It has often been said that automobile insurance should be provincial. However, I feel the automobile is an interprovincial vehicle: it travels back and forth across provincial boundaries. I am sure half the cars in the Ottawa area this evening travel across the interprovincial boundary regularly. A federal insurance plan could provide basic coverage.

We should also consider expanding the Canada Pension Plan. I think most people will agree the old age pension should be extended to provide a better standard of living for the elderly people. Although some people say it is, Mr. Speaker, it is not a handout. The money belongs to them because they pay their 4 per cent regularly to accumulate it. I suggest more money should be put into this plan. It may be the wish of the Canadian public to put more money in the plan and less in insurance companies.

There are hundreds of insurance companies, Mr. Speaker. I do not feel they do much good. As one hon. member pointed out, the costs of administration are very high. I was surprised to hear that some life insurance companies work on the basis of hiring a young fellow to sell life insurance and pay him a fee for several months while he sells insurance to his relatives and friends. As soon as he has sold insurance to all his relatives and close friends, he finds it very difficult to sell it to people he does not know and he is soon out of business. The initial sale of an insurance policy may earn a salesman a commission as high as 35 per cent. This is drained off entirely from the insurance principal. If the plan were conducted by a federal agency,

[Mr. Peters.]

a much greater portion of the insurance money would go back to the individual purchasing the policy.

● (9:10 p.m.)

It is still the desire of most of us to prepare in one way or another for the years in which it is more difficult for us to earn our living and cover our expenses. Look at the thousands of insurance companies! When I go into the office of an insurance agent I am always impressed by the fact that he has rows and rows of companies on his list. He follows an unwritten rule under which he picks the companies in order and thus shares the business around. The price is the same, the commission is the same. There is no reason for him to be involved with one particular company or group. Therefore, it seems to me we are not doing much at this time to solve the insurance problems facing Canadians, particularly in the field of life insurance.

I see cases of hardship every day. It really is sad to see how people end up after spending their lives building up a small insurance policy. I will mention one example, a man I had known for years. Badly crippled all his life, he and his wife worked on a small farm. When they sold the farm they had \$1,500 in the bank. They could not get any assistance under social security measures because they had too much money in the bank; yet their cupboard was completely bare. I have been to his place when it looked as though they were living in the Meadow Lake constituency. The \$1,500 was to be used to bury them. All they had worked for all their lives was a burial fund. Hon. members over there may not think this is sad, but it is.

One cannot suddenly change the pattern of existence of these people. They set money aside for a particular purpose. Unfortunately, this couple had to die to collect it. They were willing to do that, and one of them has since died. Those who have struggled to save a small amount of money through insurance policies have to spend it before they can take advantage of the social assistance schemes available.

The minister responsible for this bill is dishonest if he does not consider this aspect of the insurance picture. We are allowing people to sell insurance in exactly the same manner as before, yet the game has changed. The situation is really not the same as it was. The social security system of the nation has changed and, with it, the need for insurance. It behooves the government to consider entering the insurance field on its own account.