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Official Report of
DEBATES OF THE LEGISLATIVE ASSEMBLY
(Hansard)

TUESDAY, MARCH 19, 1974

Afternoon Sitting

[[Page 1347](#)]

CONTENTS

Routine proceedings

(Bill 81). Hon. Mr. Stupich Introduction and first reading — [1347](#)

Oral Questions

Reduction of stumpage rates to forest industry.

Mr. Fraser — [1348](#)

Snow pack in mid — Fraser. Hon. R. A. Williams — [1348](#)

Funds for Orpheum Theatre. Mr. Gardom — [1348](#)

Forest Service helicopter contracts. Mr. Chabot — [1348](#)

ICBC contract with R.V. Adams. Mr. McGeer — [1348](#)

Possible increase on beer prices. Mr. Curtis — [1349](#)

Vancouver Island Coach Lines negotiations. Mr. McClelland — [1349](#)

ICBC gross revenue to March 1. Mr. Morrison — [1350](#)

Amendments to the Natural Products Marketing Act.

Mr. D.A. Anderson — [1350](#)

Signing of proposed DREE agreement. Mr. Phillips — [1350](#)

Assistance to Newfoundland. Mr. Wallace — [1351](#)

Newspaper report on Premier's language. Mr. McGeer — [1351](#)

ICBC first-year budget. Mr. Curtis — [1351](#)

Municipalities Aid Amendment Act, 1974 (Bill 9). Second reading.

Mr. Phillips — [1352](#)

Mr. L.A. Williams — [1352](#)

Mr. Gardom — [1353](#)

Mr. Gibson — [1355](#)

Mr. McClelland — [1356](#)

Mr. Smith — [1360](#)

Mr. D.A. Anderson — [1362](#)

Mrs. Jordan — [1365](#)
Mr. Wallace — [1369](#)
Hon. Mr. Barrett — [1371](#)

Division on second reading — [1375](#)

Committee of Supply: Department of Consumer Services estimates On vote 37.

Mrs. Jordan — [1376](#)
Hon. Ms. Young — [1377](#)
Mr. Phillips — [1380](#)
Ms. Brown — [1381](#)
Hon. Ms. Young — [1382](#)

TUESDAY, MARCH 19, 1974

The House met at 2 p.m.

Prayers.

MR. P.L. McGEER (Vancouver–Point Grey): Mr. Speaker, it gives me a great deal of pleasure to draw the House's attention today to the presence of the Minister of Indian Affairs and Northern Development for the Government of Canada, the Hon. Jean Chretien, and his parliamentary secretary, who is also the MP from Kamloops, Mr. Len Marchand...Oh, Kamloops-Cariboo. I'm sorry, Mr. Member for Cariboo (Mr. Fraser). I'd like the House to welcome them. I'd also like to explain that they have a meeting with the Union of B.C. Indian Chiefs on the Indian lands question at 2 p.m. this afternoon, so they're going to have to leave fairly quickly.

HON. D. BARRETT (Premier): Mr. Speaker, I too would like to welcome the Hon. Jean Chretien and Len Marchand. They are both here on a very important mission and I wish them every success this afternoon. I am pleased to learn that the Minister is arranging to meet with Mr. Chretien, I hope this evening, and I look forward to them getting together. I am very, very pleased that Mr. Chretien is here in British Columbia, and we welcome him very, very much.

MR. J.R. CHABOT (Columbia River): Thank you. Ça me fait beaucoup de plaisir cet après-midi de m'unir avec le premier ministre et le merribe du parti liberal de vous souhaiter bienvenu 'a la province de la Colombie Britannique; Mons. Chretien at Mons. Marchand. Bonne chance Na was discours.

MR. H.A. CURTIS (Saanich and the Islands): Mr. Speaker, I think there was one minor grammatical error in the statement made by the Member for Columbia River (Mr. Chabot). (Laughter.) Nevertheless, we join in the very warm welcome to the two federal Members today.

MRS. P.J. JORDAN (North Okanagan): Mr. Speaker, you will be very pleased to know that we have in the gallery today a fine couple — citizens of British Columbia — Mr. and Mrs. John Oswald of Burnaby. They are extremely interested in the political situation in British Columbia today, and they are very interested in the debate that will take place this afternoon. I'd ask the House to give them a warm welcome.

HON. W.L. HARTLEY (Minister of Public Works): Mr. Speaker, I too would like to welcome the federal Members, particularly my federal Member, Len Marchand.

I'd ask the House to be on their very best behaviour today because we have two groups of students from Yale-Lillooet. One group is from Lillooet, led by their teacher, Mr. Carswell; and the other group is from Hope, led by Mr. Don Olds. So I'm asking you to be on your good behaviour; and I'm going to try to be on my best behaviour because my mother-in-law is in the gallery. I ask you to welcome them.

MR. H. STEVES (Richmond): Mr. Speaker, I too would like to welcome in particular Len Marchand; he's a long-time buddy of mine from when we went through agriculture at UBC. The only thing I haven't been able to figure out is how he ended up being a Liberal.

I would like at this time, however, to welcome a group of students from Richmond with their teachers, Mr. Shaw and Mr. Vath, from R.C. Palmer Junior Secondary. It's a group of grade nine students, Mr. Speaker, and some of them are my former pupils. I'd like the House to bid them welcome.

HON. P.F. YOUNG (Minister of Consumer Services): Mr. Speaker, about 3 o'clock this afternoon we'll be entertaining — I don't know if that's the right word — in the galleries a class, Humanities 11, from the Eric Hamber School in Vancouver—Little Mountain riding, accompanied by their teachers, Miss Heffernan and Mr. Roxborough-Smith. I would ask the House to give them a warm welcome now for when they enter.

Introduction of bills.

FARM PRODUCTS INDUSTRY IMPROVEMENT

Hon. Mr. Stupich presents a message from His Honour the Lieutenant-Governor: a bill intituled Farm Products Industry Improvement Amendment Act, 1974.

Bill 81 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 after today.

Oral questions.

MR. W.R. BENNETT (Leader of the Opposition): Yes, my question to the.... Oh, the Minister of Transportation and Communication (Hon. Mr. Strachan) isn't here.

MR. SPEAKER: Perhaps you could save it.

[[Page 1348](#)]

REDUCTION OF STUMPAGE RATES TO FOREST INDUSTRY

MR. A.V. FRASER (Cariboo): Mr. Speaker, the other day — last Thursday — I asked the Minister of Lands and Forests if he would consider reducing the stumpage in view of the high cost of transportation of lumber products to market. He took the question as notice. I wonder if he has any answers today.

SNOW PACK IN MID-FRASER

HON. R.A. WILLIAMS (Minister of Lands, Forests and Water Resources): No, Mr. Speaker, I have no comment in that regard. But there was another question that was asked earlier with respect to the snow pack in the mid-Fraser region — I think from the Hon. Member for Saanich and the Islands (Mr. Curtis). Yes, it is, as the bulletin indicates, above average. It is comparable to the 1972 situation....

MR. FRASER: It's still snowing.

HON. R.A. WILLIAMS: Yes, it is premature to really say what the results might be at this stage, depending upon the melt and the weather in the period to come.

FUNDS FOR ORPHEUM THEATRE

MR. G.B. GARDOM (Vancouver—Point Grey): A question to the Minister of Finance, Mr. Speaker. I gather that today the curtain will be falling on the Orpheum Theatre unless the City of Vancouver can come up with the necessary funds. I ask the Minister of Finance whether or not the provincial government will be making a contribution.

HON. MR. BARRETT: I'll take that as notice, Mr. Member.

Interjection.

MR. SPEAKER: Order, please. Until the question is dealt with later, there are really no supplementals available.

FOREST SERVICE HELICOPTER CONTRACTS

MR. CHABOT: A question to the Minister of Lands, Forests and Water Resources. Does the Forest Service, when awarding contracts for helicopter hire for photographic and timber cruising purposes, give preference to B.C.-licensed operators?

HON. R.A. WILLIAMS: I'll take that as notice, Mr. Speaker.

ICBC CONTRACT WITH R.V. ADAMS

MR. McGEER: To the Minister of Transport and Communications. With respect to the contract which is being continued for one Robert V. Adams, of the Insurance Corporation of British Columbia, why was this contract left in force until April 19, 1975? Can one take it that this is a general basis of settlement for all fired executives of government Crown corporations?

HON. R.M. STRACHAN (Minister of Transport and Communications): First of all, Mr. Member for Vancouver–Point Grey, we believe in the sanctity of contracts, and it was the circumstances under which the individual was hired and the circumstances that led up to his separation.

MR. BENNETT: To the Minister. Do all senior executives, then, have buy-out clauses in their contracts?

HON. MR. STRACHAN: No.

MR. GARDOM: Even on the contract in question?

HON. MR. STRACHAN: I'll take that as notice, if you don't mind.

SOME HON. MEMBERS: Oh, oh!

MR. McGEER: Are other senior executives of the ICBC privileged to have contracts with comparable lengths of tenure to Mr. Adams?

HON. MR. STRACHAN: No. I think there is one, or perhaps two others. These were the original executives hired by ICBC, and they were leaving substantial jobs with other corporations. In order to get people of that experience it was necessary to give those initial top executives a contract.

MR. McGEER: If this Robert V. Adams takes another post, does that terminate his contract?

HON. MR. STRACHAN: No, that doesn't terminate his contract because we still have his contract to live up to.

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

MR. GARDOM: Supplemental, Mr. Speaker.

MR. SPEAKER: Well, we have gone pretty far on this subject. Do you want to keep going all question period on it?

MR. GARDOM: I would just like to ask the Minister: are there grounds for the dismissal of Mr. Adams?

Interjection.

MR. GARDOM: Well, I'm asking the Minister.

MR. R.T. CUMMINGS (Vancouver–Little Mountain): A point of order.

MR. SPEAKER: What's the point of order?

MR. CUMMINGS: According to *Beauchesne*, or whatever you want to call him, (Laughter) these are all legal questions asked by a learned lawyer.

MR. SPEAKER: Would the Hon. Member state the point of order?

MR. CUMMINGS: Well, I feel these questions are out of order.

MR. SPEAKER: On what grounds?

Interjections.

MR. SPEAKER: If anybody gives me a good explanation, I will consider it. In the meantime I am allowing the question.

MR. GARDOM: Thank you very much, Mr. Speaker. Since you are allowing the question, perhaps we could get an answer. Are there grounds for the dismissal of Mr. Adams?

HON. MR. STRACHAN: This is one employee; how far do you want to stretch? This is one employee out of some 1,600.

MR. GARDOM: Yes or no?

HON. MR. STRACHAN: Well, I think it's obvious, Mr. Member, that if an individual is no longer working for the company, there has been a parting of the ways....

MR. GARDOM: Are there grounds for dismissal? That's the question.

HON. MR. STRACHAN: It's a difference of opinion between Mr. Adams and the corporation.

MR. GARDOM: There are not grounds for dismissal, then?

Interjection.

MR. GARDOM: Oho! Featherbedding!

MR. SPEAKER: Order, please.

MR. BENNETT: In view of the experience you have had with contracts and the price to the province, will it be your policy not to issue any more contracts for executives in the future in ICBC?

MR. SPEAKER: That is going a little far.

HON. MR. STRACHAN: As I explained to the House, these were the first executives that were hired by the corporation to help set it up.

MR. BENNETT: I asked about future policy.

HON. MR. STRACHAN: It hasn't been necessary since the very beginning of the corporation, and I don't expect it will be necessary in the future. It hasn't been necessary since, and we now have 1,600 employees. I think it's 1,600....

Interjection.

MR. SPEAKER: Order, please. Asking about future policy is a question of argument rather than fact, which we are discussing. The Hon. Member for Langley (Mr. McClelland) — please get on to another subject. I'm sorry, I had recognized the Member for Saanich and the Islands and then supplementals intervened.

POSSIBLE INCREASE ON BEER PRICES

MR. CURTIS: Thank you, Mr. Speaker. To the Attorney-General: does the Minister foresee any early increase in the price to the consumer of draft or bottled beer in the Province of British Columbia?

HON. A.B. MACDONALD (Attorney-General): If you mean are there requests out there on the part of the industry for an increase, the answer is yes. As to whether I contemplated such an increase, the answer is no.

VANCOUVER ISLAND COACH LINES NEGOTIATIONS

MR. R.H. McCLELLAND (Langley): A question to the Minister of Municipal Affairs. Would the Minister advise the House at what state negotiations are with the Vancouver Island Coach Lines at this time?

HON. J.G. LORIMER (Minister of Municipal Affairs): They are proceeding. I expect they will be finalized in a month or two.

[[Page 1350](#)]

MR. McCLELLAND: A supplementary, Mr. Speaker. I understand there may have been a request for interest on the negotiated price. Has that request been made and is the government considering it?

HON. MR. LORIMER: No.

ICBC GROSS REVENUE TO MARCH 1

MR. N.R. MORRISON (Victoria): Mr. Speaker, my question is addressed to the Minister of Transport and Communications. I would like to ask him if he could tell the House how much gross revenue has been received in ICBC up to March 1 from auto premiums, and secondly, from all other insurance premiums. What is the gross revenue from both of those?

HON. MR. STRACHAN: I haven't got the March 1 figure; I have the March 15 figure with me.

MR. MORRISON: I'll accept that.

HON. MR. STRACHAN: Total...let me see here...be sure I have the right figure — applications, claims, accounts receivable....

MR. MORRISON: Would the Hon. Member like to file it as a return?

HON. MR. STRACHAN: No, no. I've got it here. No, that can't be right.

AN HON. MEMBER: Are you waiting for the bell?

HON. MR. STRACHAN: Wait just a minute. I'll answer it in a minute for you.

MR. SPEAKER: In the meantime, could we hold that question?

HON. MR. STRACHAN: Here it is here. (Laughter.) Total premiums: \$155,499,000 as of March 15.

MR. MORRISON: Now, is that auto?

HON. MR. STRACHAN: That's auto. Yes.

MR. MORRISON: All right. How about the others?

HON. MR. STRACHAN: The general insurance premium income to March 15: \$2,230,000.

MR. MORRISON: A supplemental. I would like to ask the Minister if he could also tell us what percentage of the insurance, other than auto, has been laid off... what percentage of the risk has been laid off to other insurance companies outside the province?

HON. MR. STRACHAN: I haven't got that figure with me. It's not on this report.

MR. MORRISON: Would you take it as notice?

HON. MR. STRACHAN: Yes, all right.

AMENDMENTS TO THE NATURAL PRODUCTS MARKETING ACT

MR. D.A. ANDERSON (Victoria): Can I ask the Minister of Agriculture, Mr. Speaker, whether the amendments that he promised on February 27, the amendments to the Natural Products Marketing Act, will be in the House soon so that we can discuss them prior to passing the estimates of the Minister of Consumer Services (Hon. Ms. Young)?

HON. D.D. STUPICH (Minister of Agriculture): Soon.

MR. D.A. ANDERSON: Yes, Mr. Speaker, can I just say it was promised earlier. Now, I wonder whether the Minister could indicate with more precision when "soon" will be?

HON. MR. STUPICH: I don't know, Mr. Speaker. They are in the mill, going through the Attorney-General's Department, but they have a lot of other legislation before them and there is no particular priority on this piece of legislation.

SIGNING OF PROPOSED DREE AGREEMENT

MR. D.M. PHILLIPS (South Peace River): I would like to address a question to the Hon. Minister of economic development. In view of the stated policy of this government to get as many federal dollars in British Columbia as possible, how soon will an agreement with the Department of Regional Economic Expansion be signed to get some of that federal money from that department here in British Columbia?

HON. G.V. LAUK (Minister of Industrial Development, trade and Commerce): With respect to DREE, we are still in negotiations with them as to the kind of specific assistance they will be affording the regional areas of British Columbia. Yesterday we had an opportunity to discuss with other industry Ministers in the four western provinces, and they are still in the same kind of negotiations. The major impact in regional areas in this province will be provincial and not federal.

MR. PHILLIPS: A supplementary question. I understand that the holdup is on behalf of the provincial government. Could you tell me what the holdup is, and why you are not signing?

HON. MR. LAUK: I don't know where you would get that kind of understanding, Mr. Member. I don't think there is a holdup on the part of the provincial government. We want to be satisfied that we get the best possible deal for the people of British Columbia.

ASSISTANCE TO NEWFOUNDLAND

MR. G.S. WALLACE (Oak Bay): Mr. Speaker, in light of the fact that Premier Moores has finalized his meetings with Brinco and has said that he expects a decision by Thursday, and in light of the Premier's comments on March 11, would the Premier tell the House if in fact he has in any way been in contact with the Newfoundland government and made any commitment towards assistance either technical or financial?

HON. MR. BARRETT: Mr. Speaker, it is the policy of this government to help all our brother and sister provinces. That policy includes Conservative governments such as Premier Moores' of Newfoundland. He is a kindred spirit of mine in many ways. You can interpret that answer any way you want.

NEWSPAPER REPORT ON PREMIER'S LANGUAGE

MR. McGEER: A question for the Premier, Mr. Speaker. In Friday's Toronto *Globe and Mail* certain quotations were attributed to the Premier regarding a foul-mouthed attack on a woman reporter. I would like to ask the Premier whether the quotations attributed to him in that story were substantially correct.

HON. MR. BARRETT: I don't read the Toronto *Globe and Mail*, Mr. Speaker.

MR. SPEAKER: It's against the rules to refer to newspaper articles — you know *Beauchesne* in that section — aside from a question of urgency.

ICBC FIRST-YEAR BUDGET

MR. CURTIS: In answer to a written question yesterday, No. 34, the Minister of Transport and Communications indicated that the ICBC board of directors has yet to approve its budget for the first year of operation for the automobile insurance plan. Could the Minister indicate when that first year's budget is likely to be approved?

HON. MR. STRACHAN: Just as soon as we can get the time to have a meeting to devote the length of time necessary to approve of that budget.

MR. CURTIS: A supplemental, Mr. Speaker, briefly: does the Minister then expect to request any further special warrants to cover ICBC operation before the budget is approved?

HON. MR. STRACHAN: No, not with \$155 million in cash income. I doubt that we'll need any special warrants between now and the time the budget is approved.

Orders of the day.

HON. D. BARRETT (Premier): I move the House proceed to public bills and orders.

Motion approved.

HON. MR. BARRETT: Adjourned debate on second reading of Bill 9.

MUNICIPALITIES AID
AMENDMENT ACT, 1974

continued

MR. P.L. McGEER (Vancouver–Point Grey): Mr. Speaker, I would ask leave of the House to have the Member for South Peace River (Mr. Phillips) continue on and allow the Member for West Vancouver–Howe Sound (Mr. L.A. Williams) to speak when he arrives.

MR. SPEAKER: Shall leave be granted?

HON. MR. BARRETT: Well, did the Member for South Peace River (Mr. Phillips) already speak on this bill?

MR. D.M. PHILLIPS (South Peace River): The answer is no.

HON. MR. BARRETT: Oh, well, it's the same speech anyway. But I have no objection, Mr. Speaker, I always enjoy hearing that Member give short speeches.

MR. SPEAKER: Well, I take it that leave is granted. The Hon. Member for West Vancouver–Howe Sound (Mr. L.A. Williams) is not in his seat and he adjourned the debate. With leave of the House he could take it up later. I call upon the Hon. Member for South Peace River on the second reading of Municipalities Aid Amendment Act, 1974.

HON. MR. BARRETT: The Liberals don't come to the House any more.

[[Page 1352](#)]

MR. PHILLIPS: Mr. Speaker, we agree with the principle of this bill, but like many speakers prior to myself, we feel that the amount of \$2 is too little. This government collects in the Province of British Columbia approximately \$1,000 for every individual in the province — \$ 1,000. And they give back to those who are inside municipal boundaries only \$34. The costs of municipal government are probably increasing faster than the expenses of the provincial government. In my estimation, it is the provincial government that seems to be leading the way with inflation. It is not the municipal government. Municipal governments are the ones that are caught in the squeeze play and the provincial governments are not doing justice by them.

Now, Mr. Speaker, I would like to read to you a copy of a letter which I recently received from the mayor of Prince George. The reason I read this into the record is because it is typical of the plight of all cities, towns and villages in the northern part of our province.

I was home myself over the weekend in my home city of Dawson Creek, and this winter there has been a fantastically high snow level. The streets in our city were by no means in what I would call safe-driving condition — were not in good condition for safe driving. The reason was that the budget for snow removal has long since been used up.

But as I say, Mayor Harold A. Moffat, the mayor of the City of Prince George, states it very well in his letter which I will read into the record:

"Dear Sir:

On reviewing our per capita costs on snow removal, it caused me to consider the extra heavy level of one levy that one bears to combat the elements. It costs every man, woman and child in our city \$8 each for snow removal. This amount is under attack as being too minimal a service, and does not take into account the run-off costs of unfreezing storm drains and street or lane flooding problems."

HON. MR. BARRETT: How many people in Prince George?

MR. PHILLIPS:

"The latter at least costs us another \$2 per person. In our city each man, woman and child subsidizes our transit system by \$2, which is \$2 more than paid by Vancouver and Victoria. When you add to this the extra to bury mains eight feet in the ground, the lower level of productivity personnel due to climatic conditions, and the further depreciation of equipment in this climate, the costs mount to a point that a heavier burden of taxation is created, or amenities are sacrificed that are needed more by people so burdened.

"There's the added burden to the individual or business of a higher consumption of energy, whether it be gas, electricity, oil, gasoline. Added to this is the physical effort northerners have to exert in their day-to-day lives, which become burdensome to many individuals. All these conditions make it most difficult to attract or hold the needed people to the area.

"At the same time, we receive the same per capita grant as those cities that have a lesser burden. I hereby petition your support for an increase in the per capita grant, based on a formula of snow costs, gas rates and gasoline prices."

Now, Mr. Speaker, this is typical of all cities and towns and villages in the northern part of our province. As I have said in this House many, many times, any person who lives and works in the north country and combats the elements should receive more and special attention because of those very facts.

People who live in the north country and do combat the elements, whether it's the mud in the summertime or the snow in the wintertime, should receive special attention because it is the development of that north country that has made the rest of the province such an economically viable unit. It is the development of the north country that has had so much to do with increasing the revenue from taxation in this province.

Mr. Speaker, no longer can northern communities continue under the heavy burdens of the elements without some special attention. Mr. Speaker, on behalf of the municipalities in all of the north who have, particularly in the winter time.... In the summer they have special problems due to climatic conditions; they have indeed, Mr. Speaker. I think the Minister of Finance recognizes that.

I'd like to speak, even if his own backbenchers won't get up and speak for their communities in the north country. I would like to put in this plea for some special attention. This winter particularly there has been an exceptionally high snow level in all of the north country. Thank you very much.

MR. L.A. WILLIAMS (West Vancouver–Howe Sound): I thank the House for extending me a few moments leave.

MR. SPEAKER: I may say to the Hon. Members before you start: there's no provision requiring leave. You don't have to continue the debate after having adjourned it. You can pick it up at any time while second reading is still on, regardless of whether you adjourned it.

[[Page 1353](#)]

MR. L.A. WILLIAMS: Yes, but I gather that leave was extended, Mr. Speaker, and I would thank the House for that.

Mr. Speaker, I would like to continue some of the comments I was making last night with respect to the extent to which aid is granted by the Government of British Columbia to its municipalities, and to return to the plight of the small communities within the Province of British Columbia.

As I indicated yesterday, the need for services for those small communities is as great and as expensive as it is for those larger municipalities whose populations and whose assessment levels permit those local governments to raise the funds for capital projects and to support the capital projects with operating revenues in order that the services may be provided to the people in each of the communities.

I think it's somewhat less than equitable for the government, in the years of rising revenues such as we have today, to grant such minimal aid as is contained in this particular legislation. As a matter of fact, Mr. Speaker, it will

be almost conceivable that a person could vote against this particular legislation this year because of the minimal aid which is being extended at a time when growing government revenues, ever-increasing surpluses, are available to the provincial government, and therefore the means of which relief can be given are equally available.

Not only in the question of per capita grants, but in the extent to which the government of this province is prepared to lend, the great power of its guarantee with respect to the bonded indebtedness of individual municipalities is another way in which municipalities could be enabled to provide the services which they so desperately require.

In my constituency one community — and I think of the municipality of Squamish — is being given the opportunity by this government to take a principal role in secondary industrial development, through expansions of the British Columbia Rail facilities in Squamish. But in order to have that role properly carried out, it was necessary that the population of a municipality be expanded, new subdivisions created, new services in the sense of water and sewers, new schools, expanded schools — all the burden of which falls upon that local community.

A \$2 per capita increase in financial aid will prove of insignificant value in the resolution of those problems which that community is willingly undertaking at the behest of the provincial government.

Squamish is one of those communities which looks forward to proper growth of its area, which looks forward to the opportunity of providing a pleasant and meaningful place to live, for people to work, to raise their families and to prosper. They have welcomed the opportunity which this government has afforded to them in this regard.

Why then, Mr. Speaker, does the government at this particular time not come forward in the fullest measure with the aid which the government can give to the resolution of the problems which this kind of growth creates?

The same applies in the municipalities of Delta, Surrey, Richmond — all these expanding groups, expanding communities, for which the government expects to fulfill responsibilities for the benefit of the whole of the province.

I would like the Hon. Premier to indicate if he could in the closing of this debate what ways he sees for the government, beyond the per capita limits of this particular legislation, to enable those municipalities to better contribute to the well-being of their own citizens, and through that to the growth, prosperity and well-being of the province.

MR. G.B. GARDOM (Vancouver–Point Grey): Well, Mr. Speaker, perhaps the most startling aspect of this debate has been the very deafening silence on the part of the government Members who represent municipalities and those urban ridings.

From that great town of Vancouver we find two cabinet Ministers from Vancouver East. We find one cabinet Minister and a backbencher from Vancouver–Little Mountain. We find one cabinet Minister and the Whip from Vancouver Centre, and we find one cabinet Minister and a lady Member from Vancouver–Burrard; so we find...

HON. MR. BARRETT: I'll speak.

MR. GARDOM: ...five cabinet Ministers and three backbenchers from the City of Vancouver — a total of eight. The whispering eight from Vancouver town! Meanwhile we find this government coming just like the beadle in Oliver Twist...poor little Oliver coming up with his cup wanting a little bit more soup; and you're giving him the tiniest cup and the thinnest and smallest offering of weak gruel that could be available.

HON. MR. BARRETT: Vancouver has a \$2 million surplus.

MR. GARDOM: Now it pays to take a look at exactly the differences between provincial revenues and municipal revenues. It's an odd thing for me to find the Premier getting nervous about this, because what I'm going to say now is somewhat the same kind of thing that we used to hear from him when he was a man of great nobility and purpose and drive, before he became the leader of the NDP and when he was a backbencher sitting in that corner where the Member for South Peace River now sits.

HON. MR. BARRETT: Order.

[[Page 1354](#)]

MR. GARDOM: Boy, has there ever been a change in personality.

HON. MR. BARRETT: Yes, there certainly has.

MR. GARDOM: But, Mr. Speaker, take a look, say, from only 1970 to the present time. In 1970 the per capita grant was \$30 and the provincial revenues at that time were \$1,165 million. In 1972 the provincial revenues increased 48 per cent and went up to \$1,722 million; and all that was done for the municipalities then was two bucks — just two bucks, a 6.5 per cent increase.

HON. MR. BARRETT: Oh, oh!

MR. GARDOM: And you're two-bucking them again today. You're two-bucking the municipalities, Mr. Minister of Finance in the Province of British Columbia, almost to the point of financial extinction. From 1970 to 1974 there has been a 13 per cent increase in the per capita grant and that's all. But, Mr. Minister of Finance, your provincial revenues from 1970 have increased from \$1,165 million to \$2,177 million. They have gone up 90 per cent and you have put up the per capita grants 13 per cent, and you've the gall to say that's fair. And all of these Members from the municipal ridings and the urban ridings are sitting like quiet little mice. What kind of power do you have over these people?

HON. MR. BARRETT: Sit down and I'll speak.

MR. GARDOM: Are they afraid of you or something or other?

No, go on out in the hall and give a speech there.

HON. MR. BARRETT: Come on, Garde. (Laughter.)

MR. GARDOM: Thanks very much. We both went through that exercise once about four or five years ago and we're aware of the consequences of it.

Mr. Speaker, I do wish to make some five specific recommendations, but I'm going to carry on with the dealings with the city and specifically with the City of Vancouver, because it's being ripped off by this government to the extent at the present time of at least \$500,000 a year by the government not making its Crown corporations and its government agencies taxable within the city. I'm going to give you some specifics. I've mentioned these before and I'm going to continue to mention these specifics, Mr. Speaker, until there's action for the City of Vancouver.

Now take a look at B.C. Hydro. When it was B.C. Electric this situation did not exist, but now it doesn't pay hospital purposes property tax; and that is costing the City of Vancouver, Mr. Speaker — which you're concerned about too because you come from the neighbouring riding — \$35,000 a year. B.C. Electric would have paid that, Mr. Speaker. Isn't this startling to you? You're nodding in acquiescence, and I admire your judgment. You've put your hat on again.

HON. MR. BARRETT: Oh, oh!

MR. SPEAKER: Do you realize that's going to be in *Hansard*?

MR. GARDOM: That's good. I'm happy for that. I'm glad to see that we've got at least the Speaker With us in this one point. It is a breakthrough, Mr. Speaker. It's the start of a marvelous breakthrough. You're the first person in the New Democratic Party to appreciate the fact of what is happening to the cities and how they are being Scrooged by this Minister of Finance.

MR. SPEAKER: Order! Order! You must not draw the Speaker into a debate. That will not help you win

your argument (Laughter.)

HON. MR. BARRETT: Are you inviting him to the secret meetings?

MR. GARDOM: Eh?

HON. MR. BARRETT: Are you inviting him to the secret meetings too?

MR. GARDOM: This is a secret meeting, isn't it? It seems to be. This is the way you seem to be conducting them.

MR. SPEAKER: You keep talking the way you are, it will be....

MR. GARDOM: Mr. Speaker, Hydro does not pay the general purposes tax on its equipment in the city streets, and that would amount to \$143,000 in one year alone. It doesn't pay business tax; that would amount to \$220,000. Everybody's got to pay their taxes in July, but Hydro doesn't have to pay its until the end of November, and there would be a loss there to the City of Vancouver of \$33,000.

B.C. Railroad: \$24,300 worth of taxes it doesn't pay to the City of Vancouver. The Liquor Control Board: it doesn't pay business tax, and one of the most enormous businesses that we have, and there's a loss to the City of Vancouver of around \$60,000.

The Insurance Corporation of B.C. is not going to pay business tax, Mr. Speaker. That again would be a loss to the City of Vancouver of tax revenues of \$30,000.

That totals \$0.5 million, Mr. Speaker, and the city should be entitled to taxes, or the city should be

[Page 1355]

entitled to grants to the extent of taxes and in lieu of taxes. And it is not getting that at all. It is receiving very, very shameful treatment from this government.

Now, one aspect that is a continuous difficulty and problem and is of concern to all Canadian people is the never ending competition between the three levels of government for tax dollars.

I would say, as I have said before in this House, that we have to have a commission, a permanent commission established, comprised of representatives from the municipal side, and city side, comprised of representatives from provincial and federal sides who would fact-find, consider the competing taxation problems, and sit continuously. This should be one that would be established via the concerns and co-operation of the three levels of government in the country, and sit right across the country and never stop. Because if we are doing anything, Mr. Speaker, we are compounding the tax jungle instead of trying to find ways to cure it.

Secondly, Mr. Speaker, I would advocate, in order to make a more easily and readily available supply of money for municipal needs, that 100 per cent of municipal borrowings have got to be guaranteed by the provincial government.

Thirdly, in order to furnish income tax relief to individuals, and more than that, in order to make a supply of money available, see that an individual would receive income tax relief for any interest that they would receive from municipal bonds. This would greatly encourage the private sector to become involved in municipal financing. It would certainly turn over a tremendous source of money. It's been tried; it's been tested, and it has proved to be eminently successful in the United States. And for the life of me I cannot see why we cannot follow such a programme in this province.

As I've said, we have got to ensure not just in the City of Vancouver, which I wish to illustrate with the specifics that I have done, here, showing how this one city, this third largest city in Canada, is not illegally but improperly deprived of \$0.5 million revenue which it should have if the government was paying taxes or give grants

to the extent of taxes. It should be doing that for all of the municipalities and all of the cities in B.C.

The federal government, Mr. Speaker, is a far better neighbour to the municipalities and to the cities than is the provincial government. Make no mistake of that.

Lastly, when we're talking about per capita grants, there is no reason that I know why they cannot be extended to Indian reserves which would be capable of achieving municipal status within the provisions of the federal Indian Act. I'm not suggesting that they would have to incorporate and become municipalities within the laws of this province, but for those bands that can qualify, and they are by far the majority of the bands in B.C. Unfortunately I haven't got at my fingertips the exact number of self-governing Indian bands, but I would estimate that there would be about 103, and they should all be entitled to apply for the municipal grant.

I'll tell you the reason why: we have got to equip the Indian community to cope. We've got to get them into the position whereby they can exist and compete with the mores, the standards of living and the systems of society that we have today. By not providing this kind of assistance we are doing one thing: we are engendering and preserving the reserve system. I think that if there is any decision that has been reached over the past 10 years in Canada, both by the Canadian people and by the Indian people, that is that the fetters of the reserve system is something that has got to go.

Fine, maintain Indian land for Indian people, but the reserve system per se, which has just done little more than provide a very miserable sense of pseudo-security, is a bad thing, an improper thing and should be dispensed with as soon as possible. By nourishing the development of the Indian community, and this is one way to do it, we can help to destroy that very system.

MR. G.F. GIBSON (North Vancouver–Capilano): Mr. Speaker, I am glad that my colleague, the Second Member for Vancouver–Point Grey (Mr. Gardom) mentioned the Insurance Corporation of British Columbia and the question as to whether or not this corporation pays grants to municipalities.

The British Columbia Railroad, of course, in my own riding, in my own district municipality, I have already mentioned that there is \$120,000 a year not paid there, and the Premier and Minister of Finance has agreed to take that into consideration for next year's budget.

I mentioned as well that there is a dispute between the District of North Vancouver and the Insurance Corporation of British Columbia at the moment, as to the payment of grants. Section 11 of the Insurance Corporation of British Columbia Act says that the Lieutenant-Governor-in-Council may provide for the payment of grants. But the district municipality of North Vancouver, like many municipalities, is concerned about the real intentions of this government toward municipalities, and would like to have further assurance as to the payment of grants in lieu of taxes by the Insurance Corporation before they authorize the construction of two claims centres, a construction which is very important to the people of the North Shore.

Since there is a continuation of something like, by their estimates, \$30,000 a year in tax revenue required, the executive council, could, by the issue of a simple minute amending the current minute they've issued which guarantees tax payments for 1974,

[[Page 1356](#)]

guarantee this as a policy into the future, as a policy of the government, and that would resolve the dispute right there.

I bring that to the Premier's attention. I know that the Minister of Transport and Communications (Hon. Mr. Strachan) has it under advisement at the moment. I hope that a quick and amicable solution can be reached to this, because there is no need for the dispute.

The provision in this bill, Mr. Speaker, for the increase of some \$2 per capita in annual grants to municipalities, is, I think, a disgrace. I don't think any other word can be applied to it. The statistics have been cited

by Members: an increase of a little over 6 per cent with inflation running at 10 per cent, with the provincial budget up 25 per cent.

The Hon. Member for Saanich and the Islands (Mr. Curtis) put it very well yesterday when he was describing how unconditional grants to municipalities would have escalated had they gone up, as the Union of B.C. Municipalities has proposed, at the same rate as the provincial budget. And instead of an increase of \$2 to \$34, that grant would now — starting from a base in the early '70s — would now be over \$50.

I suggest to the Premier that this legislation is inadequate because it should not provide for a fixed amount of this kind. It should provide for indexing to provincial revenues, as a government of the same political faith in Manitoba provided last year. That is the proper way to approach the municipal grants.

Where is the need for growing expenditures in our province, Mr. Speaker? Is it at the local level? We talk about growth, and the real crisis, certainly in the lower mainland of British Columbia and in much of British Columbia, is growth. Growth costs municipalities money, and that is why they are afraid of it; they have to provide new services for people.

The revenues are not at the local level; they are at the provincial level. So, that is why I suggest that this legislation, rather than providing for a fixed amount, should provide a guaranteed pass-through of some of those burgeoning provincial revenues to the local governments where the needs are growing at the same rate as the provincial resources.

On top of this.... You know, the provincial government speaks of the other favours being done for municipalities this year — the removal of the cost of the administration of justice, and the removal of a percentage of the welfare costs. I would point out to the Minister of Finance that this applies only to certain cities in the province. To small towns and villages this provides no relief at all.

They're going to sock it to the large cities in another way and have another 2 mills put on properties for payment of transportation costs. That's going to come down directly to the local taxpayer again and go far beyond this additional \$2, which didn't even take care of inflation in the first place.

To me, this bill is just not good enough. It has been described earlier on in the debate as half a loaf by one Member; another Member called it just a slice; another Member called it a crumb. Any way you look at it, it's a crummy bill. That's right, Mr. Member. Anyway you look at it, it's an insult to the municipalities, to the local level of government and to the concept that local needs are best met under the responsibility of local councils and that they should have the income revenues to look after those local needs.

MR. R.H. McCLELLAND (Langley): I would expect that the Premier will be answering some of these questions when he closes debate on the bill. But I have some specific questions I want to ask him and some specific comments to make about what's happening in municipalities in British Columbia.

Certainly I can't help but agree with the other speakers who have said this bill is totally inadequate. Two dollars per capita to the municipalities in face of the kind of situation they're facing today is simply not good enough; it has to be better than that, particularly with the shifting responsibilities being placed on municipalities in today's society.

No longer is it true that municipalities are being asked just to provide services to property. That line of demarcation between services to property and services to people is becoming increasingly more fuzzy. The municipalities are being asked, and rightfully so, to take on more of the kinds of responsibilities that many years ago they would never have expected they would have to take.

The Member for Saanich and the Islands (Mr. Curtis) has referred to the report — an excellent report incidentally — done by the Union of B.C. Municipalities (Report on Municipal Taxation and Financial Matters, 1973) at the request of the Minister of Municipal Affairs (Hon. Mr. Lorimer). One of the pertinent points that that report makes is that the Affairs (Hon. Mr. Lorimer). One of the pertinent points that that report makes is that the

property taxpayer cannot be expected to continue to bear these increasing responsibilities on his own. Somehow or other the government of the province has got to recognize that they've got to make the climate attractive enough so that the person who pays the biggest part of the load in municipal financing, the property taxpayer, is given some real relief and not just token relief.

I'd just like to refer to that report briefly in one area with regard to specific municipal costs. It says:

"The significant factor still to be determined in any study of municipal-provincial relationships is the ability of the property owner to continue to pay these taxes. It matters little whether his property has doubled in market value if he doesn't wish to sell it. If he considers that to be his home, then he has no intention to sell it."

[[Page 1357](#)]

It doesn't matter what the market value of that home is, what the inflationary aspect is; it's his home and he can't continue to pay increasing taxes year after year.

"All that matters to him is whether he can stay in possession of his property, to do which he must pay his property taxes on time. Only one final criterion needs to be examined: that of his income. Can he afford to pay his taxes?"

It's very significant, Mr. Speaker, as it's pointed out in this report, in comparing the increase in earnings of 79 per cent over the decade that property tax increased 125 per cent in all municipalities except Vancouver which was 94 per cent. Wages advanced 79 per cent but property taxes advanced 125 per cent. It's clear that the spread is getting bigger and that the property owner can't continue to pick up that increasing spread.

The government has got to step in, as the government has stepped in in many other jurisdictions. The previous speaker mentioned Manitoba as a good example. Manitoba has now gone to a per capita grant increase tied to the increasing revenues of the province. That's the way it should be in British Columbia as well. They have their homeowner grant and some other forms of relief to their municipalities, but they also tie their specific grants to the increasing fortunes, which takes into account inflationary factors, of the provincial government.

I'm reminded, listening to the previous speaker, that when the per capita grant was started in British Columbia, it was \$25. Four years later, considering the terrible effects of inflation on municipal governments, it's only at \$32. Not much of an increase considering an average inflationary boost of something like 12 per cent a year.

I think it's vitally important that the per capita increases must be tied to the growth of the province, The municipalities have every right to expect that they'll take part in the expansion of our economy, the same as everyone else has the right to expect that from the provincial government.

The Premier in his opening statements can't remember whether that was when he was talking about farms or not — went on about how he's saving the lives of the farmers. Was it another bill? Oh, you were up so many times yesterday I can't remember which one it was.

Anyway, I know he was very happy about this bill and the great help he was giving the municipalities. He went on at length to tell us about all of the things he's doing for our little municipalities. Well, I think what he should have been telling us is what he's doing to our little municipalities, not for the municipalities. I'll tell you, they're getting it in the ear in a lot of cases.

I'd just like to point out what's happening in one municipality in British Columbia, the municipality of Surrey. They're not too happy about this government. The government has to remember that everything it does in relation to taxation policies, in relation to revenue policies, all kinds of financial policies, ultimately has a direct bearing on the municipalities. Because of that, it ultimately has a direct bearing on the property owner who is the major source of revenue for municipalities. So whatever the government does, it sooner or later reflects itself in some kind of inter-reaction at the property-owner level.

Some of those provincial policies which are affecting Surrey in the deliberations of their 1974 budget make me wonder whether or not the government should in fact withdraw this bill and add some more to it. School board

advances in Surrey are municipal financing costs pursuant to section 198 of the Public Schools Act. The provincial government requires the municipality to pay the school board requisition in equal monthly installments, commencing January 15 of each year, notwithstanding the fact that tax levies haven't been collected yet.

The municipality then is the school board's financing agency at no cost to the school board. The net effect of advancing the funds for eight months before collection and using school funds collected for four months works out to be a net cost to the municipality and a reduction on the temporary investment earnings that the municipality could look forward to. The net effect in Surrey for 1974 for this one item of school board advances is a loss of \$160,000.

Let's get to the \$2 per capita grant. The local government grant, as we know, was \$32 per capita. When special levies, import fees and school budget items are removed from the provisional budget in Surrey, the current operating expenditures from general revenues total \$14,600,000 for 1973 and \$ 17,500,000 for 1974 — an increase of approximately 20 per cent. That 20 per cent is made up of about 12 per cent inflation. This government had better start to recognize that that's a dangerous inflationary rate and it had better start doing something to combat it. Twelve per cent inflation and 8 per cent normal growth.

I want to make it very clear, too, Mr. Speaker, that the municipal governments have been pretty good housekeepers. Their general government costs are not increasing anywhere nearly as fast as is the general government cost to provincial governments or the general government cost to federal governments, which is increasing at staggering rates. The municipalities, because they're closer to the people and because they're apt to get kicked out more quickly if they make too many mistakes, are pretty tight with their budgets when it comes to looking after general government. Consequently, the people

[[Page 1358](#)]

at the local level are getting a heck of a lot better deal than are the people at the provincial or federal level as it concerns the cost of general government. An 8 per cent growth in a municipality such as Surrey is pretty minimal.

Because the local government grant and other revenues didn't increase by 20 per cent — the budget and costs have gone up 20 per cent but the grants and revenues haven't — the amount required to be raised from general mill-rate taxation had to be increased over 30 per cent. Once again, we must remind the Minister of Finance (Hon. Mr. Barrett) and the Municipal Affairs Minister in their comments about mill rates coming down in relation to increased assessments all over the province.

Those comments are utter nonsense because there's no way mill rates are going to come down in this province. No way! In Surrey we see the need for a raise of 30 per cent over 1973 based, I will admit, on the provisional budget. But I expect that budget isn't going to be changed too much when it is finally passed.

If we take that 30 per cent as compared to the 20 per cent growth rate, inflationary and otherwise, and the government's chintzy little two bucks, then we see there is a deficiency applicable to the local government of a fairly substantial amount of money. The local government grant is \$32. Inflation provision of 12 per cent of \$3,155,000 comes to \$378,000; the growth provision at 8 per cent comes to \$252,000 — which is a total increase needed in Surrey just to keep up with inflation and growth of \$630,000 for 1974. What did they get for their two bucks per capita? They are going to get \$200,000. They need \$630,000. The 1974 deficiency in the local government grant increase comes to \$430,000. That's what they are short in that one item alone. I've already told you about the \$160,000 it's going to cost them for the school board advances.

There is a little brighter picture with regard to law enforcement in Surrey because there is a net reduction in the municipal costs. We congratulate the government for some of the moves it made in relation to taking over the administration of justice as of April 1. Those moves are very welcome to all of the municipalities throughout the province.

There's a reduction of costs there and a saving to the municipality of about \$ 100,000. The reduction in actual costs is around \$315,000, but you have to balance that off with \$215,000 which the municipality would have realized in police fine revenue. The net saving there is \$ 100,000.

In Burnaby they are going to have a net loss there because the fines they did take in in Burnaby as a normal course were more than the money they are saving because the government is taking over the administration of justice. This whole takeover of the administration throughout the province only amounts to \$6 million so it's no big deal. But there is a saving in Surrey of \$100,000 on that one.

Voter enumeration, which is a direct charge initiated by this government in changes to the Municipal Act, is a charge which the municipalities never had to bear before. I understand the Municipal Affairs Minister (Hon. Mr. Lorimer) has agreed to pick up some of the cost. But nevertheless, that is still a new cost to the municipalities.

Interjection.

MR. McCLELLAND: Some of them are 60 cents per capita, that's right. And for Surrey the increased cost this year is \$23,000.

Bill 71 caused utter chaos in the municipalities, particularly in relation to the need for extra staff both at the assessment level and on the courts of revision — not extra staff for the courts of revision but extra costs for meeting halls. They couldn't hold the courts of revision in the normal places because they just couldn't handle them in those areas, with over 1,000 appeals in Surrey.

Interjection.

MR. McCLELLAND: I'm not speaking about assessments, Mr. Speaker, I'm talking about the costs to local governments; that's what this bill is about. Bill 71 caused a direct increase in costs to the local government in Surrey of some \$50,000. I am not talking about assessments: If you want me to talk about assessments, I'll go get my file of letters.

MR. SPEAKER: Order. I think it's quite appropriate to mention costs that are involved in municipalities. To debate the substance of the assessments is quite another matter.

MR. McCLELLAND: Mr. Speaker, I haven't debated the subject of assessments.

MR. SPEAKER: I am only pointing out to you that it would not be appropriate.

MR. McCLELLAND: Thank you. I've explained to you that the effect of Bill 71 caused chaos in the municipalities and, because of that chaos, it also cost them extra money. It is estimated in Surrey that, because of the extra assessment staff time allotted to the courts of revision, it will be \$22,000 extra in Surrey. The abnormal amount of assessment staff time allocated to the appeal board is \$6,000. The estimated overtime in the municipality related directly to Bill 71 is \$15,000. The data centre costs, which are going to be considerably more than they ever have been before, will be about \$7,000. Total: \$50,000 extra. That doesn't take into account the

[[Page 1359](#)]

reduced assessment service level that's going to result because they have had to pick up all this time in sorting out Bill 71. Next year's assessments are going to be affected because they haven't had the time to spend on their normal duty, the time they should have been spending. So there's another \$50,000.

The welfare administration costs. Many people don't realize the municipalities do pick up the administration costs of welfare. The provincial government has assumed the administration of welfare for several municipalities and has asked them to make a levy of 60 cents per capita for them doing that. Those municipalities were, of course, very happy to do it because it was a pretty substantial saving for them. So far in Surrey they haven't done that and they haven't indicated, at least to the municipality, that they are going to do it in 1974. The total welfare administration costs in Surrey come to \$586,000, less the administration grants which Surrey receives of \$86,000. Net cost: \$400,000 less 60 cents per capita assessment, which makes a net excess cost to the municipality of Surrey of \$340,000 extra.

What else have you been doing to the municipality of Surrey in your rush to help them out of their financial dilemma?

The welfare per capita payments have been reduced from 15 per cent to 10 per cent of total welfare payments. We welcome that move too, Mr. Speaker; it's long overdue. I would only suggest that the government should go a little further and remove it completely from the municipal cost.

In 1973 municipalities all over B.C. were assessed \$14.40 per year per capita for their 15 per cent share of welfare payments. One of the hooks in this whole thing is that the municipalities don't know yet whether that \$14.40 levy will be adequate to meet the municipal portion. The 1974 levy rate to cover the 1974 10 per cent municipal share is not yet known. If one assumes a 12 per cent increase in the \$14.40 rate — and the 12 per cent is simply for inflationary provisions again — and a reduction in the share by one-third, which is the 10 per cent from 15 per cent, then the annual rate for 1974 will be \$10.80 per capita for the nine months from April 1 to December 31. This will result in a decrease of \$3.60 per capita in the annual rate for the last nine months. That's assuming all those things are correct; the rate may be much more than that. We don't know; nobody knows at this time. But assuming that, the \$3.60 per capita is a saving to Surrey of \$270,000.

However, the municipality hasn't been able to reflect that in their 1974 budget because they don't know if that's what they are going to get. Since municipalities are much more responsible budgeters than our provincial governments or federal governments, they don't dare put that amount into their budget because they don't know whether or not they'll get it in fact. As a matter of fact, they may not get even a part of that because that rate may not be decreased by that much. They don't reflect that in their budget and they have to reflect that increased mill rate to take care of that \$270,000. Nevertheless, we expect it will be a saving.

What about ambulance subsidies? Well, we are going to take over the ambulance service sometime, but at the present time the provincial government doesn't do that. If ambulance service is deemed to be a provincial responsibility, then the ambulance subsidy budget provision from the municipality should be nothing. But it isn't nothing; it's \$29,000 in Surrey.

What about prisoner costs? The Attorney-General has said the administration of justice is a provincial responsibility. Then why shouldn't prisoner costs be a provincial responsibility? The budget for prisoner costs in Surrey, if we are to take the Attorney-General at his word, should be nothing. But it isn't; it's \$65,000 a year.

What about Autoplan, or whatever it is called? What about the fleet insurance costs for municipal vehicles? Quite an increase, in Surrey anyway: 1973 costs for insurance for the municipality was \$25,000. Under the bold new Autoplan: \$64,000 — almost double.

AN HON. MEMBER: Almost double.

MR. McCLELLAND: Almost double; it's up \$21,000. That's under Autoplan, Mr. Speaker. The municipal finance authority debt reserve: it's now a requirement that all municipal debenture financing must be done through the municipal finance authorities. One of the requirements is that a debt reserve equal to one-half of the annual debt charges must be established for all debentures issued through the authority. The amount is approximately equal to 6 per cent of the issue amount.

The expressed object of this reserve is to provide better insurance that the debt installments will be met and therefore allow the authority to issue its debentures at a lower rate of interest.

[Mr. Dent in the chair.]

Surrey doesn't think that the MFA debt reserve doesn't have any effect on the interest rate obtained by the MFA. Funds required to be set aside are substantial and do have an effect on Surrey's rate structures. At the end of 1973 Surrey's debt reserve is approximately \$400,000, which means that there will have to be certain increases in the 1974 budget to make up for these reserves.

Six per cent of \$6,600,000, sewer construction costs — \$400,000; 6 per cent of \$4,450,000 water construction water rates — \$260,000; and debentures,

[[Page 1360](#)]

making an increase in the general mill rate, an overall increase, necessary, Mr. Speaker, and that set a net cost to Surrey of \$120,000.

We're grateful — and the Minister of Finance mentioned this yesterday. I must say, for all of the communities which are represented in my constituency, "thank you" to the provincial government for the Community Recreational Facilities Fund. That was a fine piece of legislation and it's one which has been well received in our community and well used in our community, and will be used more in the future, and there will be a pretty substantial saving to the municipality of Surrey because of its use of that Community Recreational Facilities Fund grant.

It's expected in 1974.... Perhaps I shouldn't be mentioning these figures because some of the backbenchers who haven't had any grants from that fund yet might get mad at us for having a number of grants in Surrey; but I want to give credit where credit is due. I don't know whether you've had any in your area yet, Mr. Speaker. That's good, I'm glad to hear that. But we'll be getting about \$283,000 there for grant funds applied to parklands, \$40,000 for museum buildings, and \$167,000 for a pool in White Rock.

HON. MR. BARRETT: Oh, I thought we were terrible.

MR. McCLELLAND: I'm thanking you, Mr. Minister. I must thank you for it because it's a total of almost \$500,000 — \$490,000.

HON. MR. BARRETT: You've been a half-hour kicking us around and then you admit we've given you \$500,000.

MR. McCLELLAND: Okay. Well, wait until I get my adding machine out because I want to tell you what you've done to Surrey...

HON. MR. BARRETT: Oh, oh!

MR. McCLELLAND: ...with the crumbs that you've given them — with \$500,000 here and a \$2 per capita grant increase there. I've just given you an example here of \$1.5 million extra direct cost to the municipality's taxpayers in Surrey and I've given you the example of about a total of \$600,000 in savings. That means, in anybody's language, and on any adding machine that you care to use, a net deficit, Mr. Speaker, of about \$900,000 to the community of Surrey — a net deficit and that's a shame, and that's a disaster.

HON. MR. BARRETT: Are you going to vote against this bill?

MR. McCLELLAND: Mr. Speaker, we'd like to offer a few solutions about what we can do with this whole situation of municipal financing, because what you're doing, Mr. Speaker, is holding the municipalities' heads under water, and if you don't let go they're going to drown. Now you've got to face that fact. You've got to face the fact that these inflationary factors are with us. They're not going to go away. Two bucks per capita is a total disaster.

HON. MR. BARRETT: Are you going to vote against the bill?

MR. McCLELLAND: Two bucks per capita!

First of all, we cannot do anything to help the municipalities out until we take a totally new approach to the budgeting for municipalities and provinces. We've got, first of all, as I mentioned earlier, to tie that per capita grant to the increasing fortunes of the provincial government.

The provincial government must embrace the idea of revenue sharing on other levels with the municipal governments. It's time, for instance, that the provincial government took a look at sharing some of those gasoline

taxes and road-user taxes with the municipal governments, because they have to keep up their share of the roads in their municipalities as well.

It's probably time too that the provincial government started looking at sharing some of the revenue that it gets out of its Liquor Control Board stores with the local governments.

The provincial government has to put an end to the competitive system which now exists between the province and the municipalities in terms of revenues available and areas of responsibility and the right and responsibility to spend revenue.

It's time, in other words, that the provincial government stops treating the municipalities like they're badly used foster children and starts treating them like partners in government — and a heck of a lot more responsive partner than provincial government is to the needs of its people.

In short, Mr. Chairman, budgets have to be designed to serve people, both as taxpayers and as recipients of service. Certainly budgets must stop reflecting the philosophy of centralized government and the father-figure government that we now have. You've got to start treating municipalities like adults. Two bucks per capita is an absolute sham and you should hide your head in shame, Mr. Minister of Finance.

HON. MR. BARRETT: Are you going to vote against this bill?

MR. McCLELLAND: Hide your head in shame.

MR. D.E. SMITH (North Peace River): You know,

[[Page 1361](#)]

the Hon. Premier, when introducing the bill and speaking to it in second reading, seemed to be very proud of the fact that they were increasing the per capita grants to the municipalities by \$2 in the current year. At one time or another, he indicated across the floor of the House to the rest of us that certain municipalities are sitting on pretty fat surpluses — in surplus accounts.

He said not too long ago something about one municipality with a \$2 million surplus. Well, I would like to ask the Premier: what's wrong with a municipality having a surplus, particularly when this Premier and Minister of Finance operates the Government of British Columbia on exactly the same basis?

He has continually underestimated his revenue and overestimated his expenditure to the tune last year of several hundred million dollars. If it's fair for the provincial government to Scrooge away money that should be available to people for benefits in the province so they can be used for pet projects, then it should be fair for municipalities to have a fair level of reserves behind them for a rainy day fund.

I'd like to suggest to the Premier, through you, Mr. Speaker, that there is not a municipality in British Columbia that can hold a candle to the Minister of Finance when it comes to underestimating the actual revenue that he will receive and overestimating the expenditures. No one in British Columbia can beat his record.

I think that when we discuss this bill, which is entirely inadequate.... It's been said by the other speakers from this side of the House: it's a pittance in relation to what problems the municipalities have to face today — a pittance. Certainly it's a pittance when you compare the amount of money percentage-wise that you will give the municipalities and compare that to the anticipated increase of revenue in the provincial government's budget for the current year.

It certainly has a very definitive ring to it that suggests the municipalities are not being well treated by this socialist administration who says that they're all for people in the Province of British Columbia. I think that we should take a number of factors into consideration, and that perhaps it's time in British Columbia for an overall review of the method whereby we pay grants to municipalities.

I think we could really view the whole system with respect to changes because as you travel around the province it becomes increasingly apparent that the problems and solutions in one municipality are not the same problems and solutions for another municipality.

We find, for instance, great influxes of people who require people services in one particular area or one municipality as compared to another with a pattern of fairly static growth. We find municipalities in the Province of British Columbia which, because of the fact that they have been established for many, many years, have paid off a great deal of the capital indebtedness of their water and sewer systems in years past, so that's not an impost upon the people who live there.

We find the reverse of that true in many other municipalities, as the Hon. Speaker well knows, even in his own constituency. I would suggest he has municipalities which in the last five years have doubled and tripled the amount of indebtedness of the municipality for water and sewer extension projects alone — let alone control of pollution or whatever else they may have been faced with. They had to do that as a result of people moving into new areas.

I think it's entirely inequitable and unfair to use a straight across-the-board level system of providing per capita grants for municipalities in the province. I think we have to take into consideration not only inflation, which hits us all on a comparable level, but we have to take into consideration whether the community is urban or rural in its make-up. We certainly have to take into consideration the per capita indebtedness of each individual municipality when we compare one to the other. And, as has been mentioned by other Members speaking in this debate, we have to take into consideration the special climatic conditions that vary and change from one municipality to the other, particularly the manner in which climatic conditions affect the costs of installing such things as water and sewer, and the costs of maintaining roads and building new roads.

I'm sure the Speaker will agree with me when I suggest to him that the cost of road construction in the northern part of British Columbia is 250 to 400 per cent higher than comparable road construction on Vancouver Island, for instance, or on the lower mainland because of climatic conditions. It's just a fact of life that you have to live with where you have 10 feet of frost in some places, at least 8 feet in the winter, and the tremendous problems that that causes each and every spring with the big thaws — where a road base disintegrates and our pavement collapses. Certainly these are conditions that are different from one part of the province to another.

Every new community, regardless of where it's located, is immediately faced with the expansion of people services. They have to provide schools, hospitals, many community recreational facilities. Certainly I agree with the other Members that the Act which was brought in for providing capital funds for community recreational facilities is a good Act and it's helped many communities, including my own in Fort St. John, to a great extent.

But the reason it was required was because of a growth pattern in communities such as Fort St. John, for instance, which is much higher than the provincial average. In terms of the history of that community,

[[Page 1362](#)]

as many others, it's a relatively young community in British Columbia, particularly when you compare it to, say, New Westminster which has a history that goes back over 100 years. There's just no comparison.

So we do have, in my opinion, very diverse conditions in the Province of British Columbia. I think it would be fair, in looking at the matter of grants to municipalities, to use an adjustable formula, one that would take into consideration a number of factors. They could be rated, I presume, according to a scale of pluses and minuses, or whatever you desire to use.

I'm sure that any statistician could work out a proper means of applying, through a scale, demerit points or plus points, or whatever, to the extent that you could determine what should be the average grant for municipalities throughout the Province of British Columbia, and then take into consideration the exceptional circumstances that the municipalities were faced with at the particular given time.

It's hoped that over a period of years the growth pattern of municipalities will change — they'll level off and stabilize. Then many municipalities, which today are in great need of financial assistance from the province, five years from now will show a completely different picture.

Perhaps we should look, Mr. Premier, through you, Mr. Speaker, at the type of formula we use to arrive at grants for school districts in the Province of British Columbia, which is on a variable basis according to the amount of revenue that's available to them from the total assessment of the area.

Instead of using that, we should look at grants to municipalities on the basis of the actual services that they have to provide, the costs of those services on a unit basis for each member of the population, and the fact that many of these services will be comparatively new and have a very high repayment schedule in front of the taxpayers of that given community at this particular time.

Many of our municipalities have borrowed to the maximum allowed under the Municipal Act because of the fact that they've had to provide extremely costly services in the last few years at high rates, and do it immediately, not delay for four or five or 10 years until the money was available to them. They've had to absorb high interest rates and extremely high costs of installation and services.

I would think this is the direction that we should move in the Province of British Columbia. To use a variable and an adjustable municipal grant, and provide the dollars to those in the greatest need, always remembering that that is a changing picture from year to year. The municipality which may be in great need today will not be in that same position a few years down the road.

The programme would have to be understood to municipal officials that it worked on that basis so they would not rest on their laurels and suggest that because they received a per capita grant of X number of dollars this year that that should remain at that particular level in perpetuity. It should vary according to the actual repayment schedule and the type of services that the municipality has to render in order to give a fair and equitable living base and standard of services to every citizen in the Province of British Columbia, irrespective of where they live and regardless of whether they decide to move from one municipality to an other.

I think this would be a worthwhile objective, Mr. Speaker. It would certainly, in my opinion, help solve a number of the problems that we are continually faced with in the north, particularly north-central B.C. also, respecting people to provide services.

There is a great shortage of skilled labour, as you well know, in many areas of the province; they're unavailable. Yet we have those same skilled people in surplus in some areas of the Province of British Columbia. Perhaps if we could provide all the facilities to the communities on an equal and equitable basis, we would not have the problem of people, through climate and a desire to live in the southern part of the province, refusing to take positions, well-paid positions as a matter of fact, in many communities that are open and available in the Province of British Columbia today.

MR. D.A. ANDERSON (Victoria): Mr. Speaker, the bill that we have has been discussed at some length. The purpose of it is to increase the per capita grant from \$32 to \$34.

I can't help remembering the headlines, the editorials and the other comments made some years ago when it went up by \$3 by a former Premier, who was roundly denounced in the editorial pages in particular for cheapness and niggardliness. Yet here we have a \$2 bill before us today.

It's important that the Premier and Minister of Finance pay attention in particular to the breakdown of a single municipality's expenses as was outlined by the Member for Langley (Mr. McClelland). He went through the memorandum of the municipal manager in that Municipality of Surrey and I think did a pretty good job of showing in specifics how the cost has increased to the one municipality growing very quickly.

I'd like to make a few comments of my own and then give some indication to you, Mr. Speaker, of the comments we have received from other mayors, other town clerks and municipal clerks in other parts of the

province. But first a word on Victoria.

Here we have a large amount of provincial buildings and provincial property. The rate of payment is, of course, 15 mills. That's most unfortunate because it's about a third of the regular tax rate, it's about a third of the amount received

[[Page 1363](#)]

from the federal government for similar installations in the area. It's quite inadequate. At the present time there is a garbage bill owing from the provincial government of some \$7,000. Really, I think the provincial government should be paying the full mill rate in communities where they have land. That is not just Victoria, of course; every other one as well. It seems silly to exempt certain buildings, certain grounds, certain lands from the regular tax rate which we are charging everyone else.

Uniformity is an important principle of taxation. The provincial government making exceptions for itself violates a very important principle of this taxation. In Victoria, where you have the federal government having accepted this (they have large holdings in this area as well) and where you have the provincial government failing to pay their full share, you have a pretty classic case of a very difficult situation for the municipal authorities.

The other specific case I'd like to refer to is Kamloops. Not so long ago but over a couple of years ago, the Department of Highways approved a new subdivision near Kamloops, and the Department of Highways built roads. Unfortunately, they apparently did not do a very good job. The grading was wrong; the land has been flooded from time to time ever since. There is clearly a fairly expensive proposition of rebuilding. The municipal authorities previously did not have to take in this particular area and have responsibility for it. They didn't because it was outside the municipality of Kamloops.

However, by forced amalgamation, by the shotgun marriage of the Minister of Municipal Affairs, this area was included. The problem suddenly becomes, according to the Municipal Affairs department, a civic problem even though it was caused entirely by the foolishness of the Department of Highways and even though the municipality itself has no real financial ability to do the reconstruction necessary, to install the storm sewers and the other things that would change this from an area which is flooded frequently to an area in which the people who live there could remain in a normal, comfortable way I think they should be expected to have.

You have had forced amalgamation; you've had the Highways department's mistake. Then, with all this problem, you throw it upon the municipality. The municipality only gets an extra \$2 per head and they simply don't have the finances to deal with the problem created by the provincial government and which has been thrown into their laps by the provincial government. It's a combination of mistakes of this government and its predecessor which simply puts the City of Kamloops in an impossible situation. They don't have the money from the provincial government and they cannot deal with this particular problem in any way the residents would like or, indeed, as it should be dealt with. It's a bit similar to the Oak Hills case of two years ago. But in this case of Dufferin the problem continues and we've had no additional moneys from the province or, as in the Oak Hills case, from the federal government.

The problem has been caused by the provincial government's forced amalgamation. I do believe that under the circumstances, it's germane to this debate. There is no money available under the provisions of this bill for municipalities such as Kamloops to take on the responsibilities which the citizens expect.

I hope the problem will be taken up by the Minister of Municipal Affairs. Certainly, when we're discussing the costs municipalities have to bear, I think it should be borne in mind that there are often sudden and unexpected costs. Without granting the municipalities an adequate financial base, the province simply makes it impossible for them to proceed in a sensible and normal manner. They spend their time, instead, lobbying Victoria for extra funds, for extra money and for special programmes. A great deal of the time of municipal as well as provincial civil servants is taken up in arguing with one another about dollars instead of getting on with the job of dealing with the problems of people.

I said I was going to mention a few letters from mayors. I've received a lot on this specific bill. Here's one from a mayor in the lower mainland.

"We would like to have seen the per capita grant increase more than by \$2, which is a little over 6 per cent. The per capita grant has not kept pace either with inflation or this particular municipality's increasing responsibilities over the past several years.

"It is a particularly unsatisfactory method of financing, as in any one year a particular programme can be established with the funds then at hand only to find out that in following years the funding you have relied on in earlier years is no longer adequate to pay for the particular programme undertaken in the first place, i.e. If we set up a programme, then the least we should expect is that our funding source keep pace with the costs involved."

Surely that's a reasonable request.

"Needless to say, any deficiency in the per capita grant is made up by increasing property taxes."

Another paragraph perhaps would be of interest.

"Another matter of concern which has been brought to the attention of the government on several occasions is the fact that the per capita grant is based on five-year census figures. The last census in 1971 is presently the base year and this will not be increased until 1976.

"In the case of this municipality, and indeed in several other areas, this means we are penalized by our growth and the fact that we

[[Page 1364](#)]

are making provision for new housing."

Here's a municipality which is trying hard to meet the housing needs of the citizens of the province; they are trying to do something about it. Of course, all they find is that they get penalized to an even greater degree because of the fact that they're acting responsibly.

"On the other hand, jurisdictions such as New Westminster where growth is minimal are, in effect, being treated more favourably. It would seem to me a fairly straightforward administrative matter to arrive at revised population figures annually.

"Related to the above is also the fact that municipalities such as ours, again as compared to areas such as New Westminster, have a greater strain placed upon their revenue sources, especially the property tax, because of the fact they are experiencing rapid growth. If the intention of the government is to promote and encourage the development of new housing, one of the aims should be to assist those municipalities faced with the problem of coping with growth.

"With our municipality experiencing growth of approximately 7 per cent per annum, it is realized by the government what effect this additional 7,000 plus persons have upon the need for amenities in the community, not to mention the need to rebuild roads, improve intersections, resolve drainage problems and a myriad of other matters being compounded by such growth. There should be a recognition of this growth factor in computing the grants made to municipalities on an individual basis."

That gives a pretty good indication of the problems this government is causing and, where the problems have existed before, making worse. The fact is that growth communities need help and this per capita formula does nothing about it.

Here's a letter from another mayor:

"We, as most councils are, are concerned that a higher per capita grant should be made available to help municipalities maintain a high quality of service to their residents."

Another mayor, dated February 27:

"I would just like to say that our troubles have derived from the policies of this department. I do believe the \$2 additional on the per capita grant was an insult to the municipalities.

"I also believe that it is unfair to us that the government continues increasing the homeowners grant instead of increasing aid to the municipalities. People still do not consider this gift from the government as part of taxation.

"I would also like to express my views on assessments. It is absolutely necessary that they simplify this procedure and leave it up to the municipalities to work this out because this is our only form of revenue."

Another mayor:

"I firmly believe that the regional districts should receive for the residents of the unorganized territories the same per capita grant, namely \$34, as is paid to the municipalities. With adequate sources of revenue, the regional districts could undoubtedly accomplish a bit more than they have done to date."

Another mayor, Mr. Speaker, a separate letter again:

"I think it should be considered an instrument for sharing provincial revenues with the municipalities. And it should be directly linked into some sort of municipal revenue such as the income tax. It could be linked into provincial revenue, generally, as an alternative." In other words, take the per capita grant out of the dollar figure and into a percentage basis.

"In the long run, municipalities must reduce their reliance on property taxes and this can only be done by having a share of some appropriate tax base such as income tax."

A mayor from an Island city saying:

"My only comments on the proposed budget would be that the general administration increases are too high, and the per capita grant is far too low. On the later item, surely in this inflationary time the government will recognize the need for municipalities more realistically."

A mayor of another Interior city wrote to me as follows:

"Expanding populations and economics and inflationary costs readily increase senior government revenues through income taxes and sales taxes while causing increasing problems to municipalities."

We've certainly seen that in the budget, Mr. Speaker.

"Therefore, per capita grants to municipalities should be tied to income tax revenues received by the provincial government. The grant to municipal governments for local services to provincial government buildings and property should be changed so that the provincial government buildings and property pay the same taxes based on the same assessment values as private property."

Mr. Speaker, these quotes from these mayors, written to me from all parts of the province, are a pretty clear indication of the general unhappiness of the municipalities with the provisions of Bill 9.

The fact that the provincial government is not paying its fair share of taxation is an additional bone of contention, particularly for the capital city, and

[[Page 1365](#)]

that again is not dealt with properly in this bill.

Finally, when you have problems such as that which came to the people of Kamloops, you realize that the provincial government is not simply meeting its responsibilities to the municipalities, as they should.

Earlier today the Minister of Finance said, "Well, if you don't like it, vote against it." That's precisely what I intend to do. I do not believe, Mr. Speaker, that it is right for Members of this assembly to vote for a bill which they know to be totally inadequate simply because it is a minor change in the right direction. Were it two cents, I'm sure we'd hear the same comments from the Minister of Finance and Premier (Hon. Mr. Barrett), "Vote for it because it's a step in the right direction."

But we know it doesn't deal with the problem. We know it doesn't get to the root of the problems facing municipalities. It does not give them the financial base that will allow them to increase the housing for the citizens of British Columbia, most of whom live in municipalities. It does not give them the opportunity of dealing with the tremendous number of problems which they face in municipal government.

I realize that in voting against it, we're going to have one of those great speeches from the Premier and Minister of Finance about how he's going to have to tell people we voted against \$2 more for the municipalities.

HON. MR. BARRETT: I can't say anything till I see how you vote.

MR. D.A. ANDERSON: You'll see how we vote.

But on the other hand, we think it's pretty important for the municipalities to be properly financed. And if this business of the provincial government getting a substantial increase in the revenues, thanks to an increased tax base, and at the same time giving less than the inflationary rate to the municipalities, is obviously wrong and therefore we have no choice but to vote against it.

MRS. P.J. JORDAN (North Okanagan): Mr. Speaker, I thought it was sort of interesting listening to the hon. leader of the Liberal Party in essence say, "Don't bother nursing the patient, we'll wait till the doctor comes," and in the meantime the patient dies. Strangle your municipalities until you can feed them, and let them starve to death in the meantime. However, that is their choice and it certainly is fairly consistent of the policy that we get out of Ottawa, isn't it, Mr. Minister of Finance?

Mr. Minister of Finance, speaking of inconsistencies, I would like to draw to your attention that your own policy in relation to this bill is terribly inconsistent. You've mentioned that municipalities are the children of the provincial government, and they are indeed.

But you of all people should know, Mr. Minister, that children have a habit of growing up. This is what is happening to our municipalities in British Columbia; they are growing up in terms of the responsibilities they have to assume for the people they represent. They are growing up in terms of the fact that the people they represent look to them more now than ever before for the meeting of their needs and for the implementation of their policies as a community.

I feel that your attitude is very inconsistent, and as a social worker you should be very well aware of this, Mr. Premier and Minister of Finance. You probably have a few children in your own home who are growing up, and you're finding you are having to dig a little deeper into your pocket — not that it's such a problem now, I might add. But you're having to dig deeper into your pocket, even though they are making a greater effort, in helping them achieve the independence that is only right and proper in a family. In fact, you should be digging into your pocket more for these children, the municipalities, who are growing up in a right and proper manner.

HON. MR. BARRETT: This bill is not my home budget; this is municipal budgets. I have enough trouble at home....

MRS. JORDAN: I bet you Shirley would be on the floor of this House debating it. (Laughter.) This is what I am trying to point out, Mr. Minister of Finance, if you're practising the same policy at home as you are in this chamber, then you're in real trouble.

HON. MR. BARRETT: I don't run the budget at home.

DEPUTY SPEAKER: Order! I would ask the Hon. Member to address the Chair, please.

MRS. JORDAN: Mr. Minister, many Members have dwelt on the municipality aspect, I would like to talk in terms of the villages of this province.

We have over 60 villages in the Province of British Columbia which have essentially the same costs and the

same responsibilities in their role as do the municipalities, and in turn does the provincial government. These little municipalities, which average in population anywhere from about 500 to 6,000 in total, and have an average of 2,000 people, have to meet new costs imposed by the demands of the advancement of society, and by some of the demands advanced by the former administration and your administration.

Garbage for example; Nakusp, Slocan, Lumby,

[[Page 1366](#)]

Pouce Coupe, they are now all having to go into pollution-control factors. They are having to establish land fills. They are having to face these costs, Mr. Minister. They're having to look at sewers, and this increased cost. They've having to levy upon their people their share of costs for senior citizen housing, and new recreational costs.

They not only have to meet the demands that the senior government and various government agencies are imposing on them, they also have to meet the demands of their people in terms of having the same equitable type of living in the villages as they have in the municipalities and in the metropolitan area. They have to provide the same amenities.

One of the great thrusts of this government is to encourage people to go to the outlying areas — to the smaller villages and municipalities — to find work, to help balance the population in this province. And those people are going to demand these services, therefore, you have a responsibility to see that these elected officials in these smaller areas can meet that obligation.

I should point out to you, Mr. Minister of Finance, that in trying to meet these commitments and demands, the people in the villages don't have the same opportunity in terms of consistent work. So often there's not the variety of jobs available. Very often this is seasonal work if it's based on the forest industry — this is frequently seasonal, as you know, Mr. Speaker, in your area and in many of the areas that you represent. There is not the variety of industries which in turn means that there is not the balance of service industries which generally feed on the industries themselves.

There is the tourist industry which is largely a part of their income, and that's purely seasonal. Therefore, there's not the general revenue to draw from the people in terms of business taxes and business licences and the balance that industry should be paying in a tax picture.

Conversely, Mr. Premier, they're in a position where your government is going to compete with them and put them in a less fortunate position or a less privileged position to compete in the future for developing new and desirable industries in their area, and attracting them to their area. You as the government are setting up industrial sites in key areas of the province. And you are going to be able to offer advantages to industries that there's no way the people in these smaller villages and smaller municipalities can offer.

So, you're imposing a multitude of hardships on them in terms of overall action of the part of your government, let alone the direct imposition of costs to them which have been outlined by other Members. Then, of course, the point that we're debating — this niggardly and Scrooge-like penny-pinching attitude to their capital grants.

When you examine these figures, Mr. Minister of Finance, and we listen to what you say, it's quite obvious that you haven't done your homework, through you, Mr. Chairman. I would like to do it for you, and perhaps if you'd listen, you'd realize the plight these people find themselves in.

I'd like to quote from the municipal statistics, including regional districts, for the year ended December 31, 1972, issued by your own department, the Department of Municipal Affairs. I'll point out to you some of the problems these people face. Your grant of \$2 per capita isn't even keeping pace with inflation for them.

In the Village of Tofino, their legislative costs last year were \$1,864 and their general administration was \$8,820. When you look at their population, which is 461, and you multiply that by two, which is the grant you're

awarding them on a per capita basis, their big increase from Big Daddy government is \$920. That's around six per cent of their overall costs last year.

Mr. Premier, that doesn't keep pace with inflation. These people are in negotiations at this time with their municipal employees. They're not going to settle for five or six per cent; they're going to go for 10 or 14 per cent plus fringe benefits. Ucluelet. Their legislative costs last year were \$2,554 and their administration was \$12,320. They have a population of 1,018. Do you know what your grant is to them this year when you multiply that population by two? Hold your seat; it's \$420. Big deal is right!

Let's look at some other villages in the northern part of the province. Burns Lake. Their administrative cost last year was \$16,469 and their legislative cost was \$4,973. Their population is 1,259 and their big grant is \$2,500.

Fort St. James. Their total costs were well in excess of \$40,000 last year and their grant is \$3,400 based on the population of 1,483. Don't you feel a little bit uncomfortable, Mr. Speaker? I do. I think the municipal people in this area feel very uncomfortable and the taxpayers are very worried.

Fraser Lake. Their general administration and legislative costs last year were nearly \$32,000 and their grant, based on a population of 1,292, was \$2,700.

Poor old Vanderhoof! That hard-working community. Their combined legislative and administrative costs were nearly \$45,000. What is their grant? Based on their population of 1,653 people doubled, it's \$3,600.

How about the Kootenays? You should pay attention to the Kootenays, Mr. Minister of Finance, because, as the Speaker knows, they're feeling very isolated by your government. They're wanting to leave and these are the figures they'll take to Alberta. Kaslo will say: "Do you realize, Mr. Premier of Alberta, that our combined legislative and

[[Page 1367](#)]

administrative costs last year were in the neighbourhood of over \$13,000 and do you know what that great big well-paid Minister of Finance in British Columbia is giving us with his generous per capita grant this year? \$1,520."

HON. MR. BARRETT: What's the per capita grant in Alberta?

MRS. JORDAN: This is 1974 and this is British Columbia. You are responsible and these are your children, as you so much like to call them. I'll bet you they get a better bet in Alberta as opposed to what they get from your government. Alberta isn't sticking their fingers into their private lives and their bedrooms, Mr. Minister of Finance.

Let's look at Slokan. Their combined legislative and administrative costs were over \$12,000 last year and they have a population of 346 people. I wonder if the Premier has ever been to Slokan.

HON. MR. BARRETT: Yes, I have been to Slokan.

MRS. JORDAN: You know how hard these people work, how difficult it is to find a job, and how completely impossible it is for those village councilors to generate any more cash off the backs of their people. The next time you go, will you remember what your grant to them this year is, based on this formula we're debating? \$750.

Silverton. Their per capita grant is \$500. What can you do with \$500 by way of service to people in an area like Silverton? It practically costs you \$500 to get from one house to another because of the distances. What industry is there there? What service industries? What tourist attractions? How are these people going to generate more income for their village council to provide their recreational facilities and their garbage? They have to comply with the pollution control standards.

Let's look at some more of these villages on the Island. Cumberland. Their combined general and administrative costs are nearly \$34,000; their population is 1,718. They're going to get \$3,600. They have a lot of

drainage problems in that area ; it's a high rainfall area. This is the responsibility of their village council. What are they going to be able to do?

Gold River. Their general administrative costs are \$38,053 and their legislative costs are \$4,500. They have a population of 1,896 people. Their big grant is \$3,500. Aren't you embarrassed, Mr. Speaker? I am; I'm embarrassed for the Minister of Finance.

HON. MR. BARRETT: I'll answer it right now.

MRS. JORDAN: Will you stand up and increase the per capita grant this year to \$5? If you'll stand up and increase it to \$5 here and now, I'll sit down.

Interjection.

MRS. JORDAN: It sure is. Thank you, Mr. Member, I appreciate that help. Stand up, Mr. Minister of Finance, and increase the per capita grant right now. Will you do it? I'll challenge you.

HON. MR. BARRETT: I'll suffer. Carry on.

MRS. JORDAN: I'll even leave the chamber.

DEPUTY SPEAKER: Would the Hon. Member please address the Chair?

MRS. JORDAN: Well, I'm trying to make it as tempting as I can. But I am pleased that the Minister of Finance, Mr. Speaker, is listening.

HON. MR. BARRETT: I listen to everything.

MRS. JORDAN: I hope he is listening with not a compassionate heart, because this isn't a matter of compassion. It's a matter of clear economics which is the responsibility of this Minister.

HON. MR. BARRETT: I listen to everything. I'm a masochist.

MRS. JORDAN: Well, we had better not go into your personality; we're liable to get into a conflict.

Sayward. Their combined legislative and administrative costs are over \$13,000 and their population is 465. They get \$940 based on this formula we're debating.

Tahsis. Their administrative costs are over \$46,000 and they have a small population of 1,351. They get \$4,000. Poor old Zeballos has a combined administrative and legislative cost of \$8,000. What is their per capita grant with their population of 186 people? \$520 — from a government that has over a 25 per cent budgetary list in this year.

HON. MR. BARRETT: How many people do they have in that town?

MRS. JORDAN: In the 1971 census they had 186.

HON. MR. BARRETT: And what's 186 times 34?

MRS. JORDAN: Mr. Minister, I'm debating the bill; I'm not getting into a personal argument with you.

Interjection.

DEPUTY SPEAKER: Order, please! I would ask the Hon....

MRS. JORDAN: Do you consider \$520 on their budget sufficient to even meet the cost of legislation, Mr. Speaker? No way.

DEPUTY SPEAKER: Order, please! I would ask the Hon. Premier not to make comments from his chair, please, while the Hon. Member is speaking.

MRS. JORDAN: Unless they're right. This next set of figures will interest you, Mr. Speaker, because you're from the north. I'm sorry that their MLA in the Fraser–Fort George area (Mr. Nunweiler) isn't here fighting for his constituency because I've had calls from them. I'm sure other Hon. Members have had calls from them and they're very concerned about the penny-pinching attitude of this government towards their needs.

In that village, McBride had legislative expenses of \$5,819 and general administrative expenses of \$15,086. The grant will be \$1,320 for the Village of McBride.

South Fort George has a great deal of expense in terms of crowded living and some drainage problems, garbage problems and pollution problems. Their combined expenses were over \$24,000 last year. What is their grant based on 1,282 people? \$2,800.

Mr. Speaker, you can hardly furnish a bathroom in a home for that price, let alone meet the commitments of a village council to the pollution control measures by way of sewage disposal in these areas. Now, what sort of a realistic comparison has the Minister of Finance been making?

In Valemount they have \$1,400 cost in legislative expenses and \$11,598 in general administration. They had 693 people, and their grant, based on this formula of \$2 per capita, is \$1,600.

Mr. Speaker, I'm relating these figures because I think it is very important that these small areas, which haven't had an opportunity to jump on the plane and come and try and lobby the Minister of Finance, have the opportunity to have their story told in this Legislature. I'm sure you will appreciate the time I'm taking and why it is so essential.

I'd like to talk about one area in the Okanagan, as an example, and that's a community in my own riding. Lumby is a little community of people who have limited industrial opportunity. They generally only have part-time work, because it is basically a forest area; they have very limited tourist opportunities, because it is seasonal and they don't have many lakes right by; they are limited in the number of service industries that they can accommodate because of their proximity to the City of Vernon.

Yet it might interest you, Mr. Speaker, to know that these people have the largest percentage area in their community for recreation, based on the size of their community, of any village and any municipality in British Columbia. Those people have done it and paid for most of it themselves.

They don't have an opportunity to expand or extract any more money from their taxpayers. Their legislative costs last year were \$2,800 and their general administrative costs were \$18,235. Their population, Mr. Speaker, is 940 people, and what is their grant? — \$1,880, based on this formula.

Yet this village has been ordered by the Pollution Control Board to go into sanitary landfill. They are ordered by this government to develop a sewage system, and they want to develop some recreational programmes. They want to beautify their city. They want to provide the same amenities that all the rest of the people have in the other areas.

When you read these figures and take into consideration the cost of inflation, and you listen to what the Premier says, it just simply doesn't add up. The Premier is shortchanging these villages. He's not only shortchanging them, he's absolutely, as one Member said, drowning them. And while he's drowning them, and while their heads are under water, his head is in the clouds. There is just no way that these villages can keep pace with the costs that they are facing now, apart from the inflation for the rest of the year, on this per capita grant.

The Premier knows full well that in some of the municipalities he has forced what some people call shotgun marriages. They are illogical relationships, because you have farm communities within these forced marriages. What's happened to these people who were forced into the city limits of the big, new City of Kelowna, for example? Their assessments have all gone up, Mr. Speaker.

British Columbia is one of the highest cost-of-production areas for food in Canada. Our agricultural people are having a desperate time because of the inflationary factors over the last few months, let alone the problems they faced before. Now on top of this, while the Premier and Minister of Finance is running around the province saying, "Oh, we'll save agriculture," he's taxing them out of existence. One farm a day, and all the Minister can offer them is a breakdown in negotiations and a tax deferment policy.

Also, Mr. Speaker, this \$2 per capita grant, the great gift from this over-inflated budget that the Minister of Finance is piloting through this House at this time, is not only, through his policies, putting the farmers out of business, but it has, as everyone has said, forced municipalities to increase their avenues of revenue.

This has a direct effect on families, but it has an even more direct and disastrous effect on single people. I speak particularly of widows and single parents who often have the problem of estate taxes, which should be removed between husband and wife. They have to pay those, they are faced with the

[[Page 1369](#)]

problem of inflation in their everyday purchasing, and they are being forced out of their homes by taxation through the inflationary demands and many avenues which have been forced on them by this government over and above what is happening in Canada, and now this type of measly, piddly little capital grant which doesn't even equate itself with inflation.

You would think, Mr. Speaker, that the Minister of Finance, who is a social worker, would be very concerned about these people in our society. What about the widows? What about the widows who, through your policy of double taxation, are now being forced out of their homes by municipal taxation?

DEPUTY SPEAKER: Order, please! Will the Hon. Member return to the principle of the bill?

MRS. JORDAN: Yes. You know, Mr. Speaker, the Premier can't ride on his over 25 per cent inflated budget, the revenues of which came 80 per cent off the backs of the working people of this province, and then turn around and give the municipalities a sum that is far below inflationary factors, and then say to them that they must look to new avenues to raise funds. With the state of inflation and the state of income tax, there is no way that the people of British Columbia at this time can afford to pay any more taxes.

I would like to leave that thought with the Minister of Finance. There is no way that you can tax the average person of this province any more than you have done in your current budget, which is, in fact, hitting them with the worst tax of all — the tax of inflation.

Mr. Speaker, in summing up I would like to state very clearly that from the start of this debate our party has said that the per capita grant is no longer a modern tool to solve the problems of municipal financing. In the present Act the \$2 crumb is not even, in our opinion, responsive in the least to the following facts: the 10 per cent plus inflation which is in British Columbia today; the 28 per cent increase in the provincial budget which is in British Columbia today; and the 26 per cent plus increase projected in the provincial revenues at this time.

We say emphatically that there must be a new look, Mr. Speaker, at the type of financing for municipalities. Our party has, throughout this debate and during the budget debate and at all other opportunities inside and out of this House, after much study called for (1) fall budgeting sessions with the Minister of Finance and the provincial government with all local governments, and (2) a firm formula of revenue-sharing from the growth of the revenues of the province with the municipalities.

Mr. Speaker, we will not vote against this bill in principle during second reading, because we do not want to

be a part of any move which will not increase municipal revenues at this time. We say that it is small — it is too small. We say it is an embarrassment to this Minister of Finance, as he sits on his fat gold chips. It is just a small part of what it should be.

However, Mr. Speaker, we wish to advise you that we will offer amendments in committee so that the people who struggle now with the municipal revenue problems will understand that there is, in fact, in British Columbia a better way to go in this finance thing.

MR. G.S. WALLACE (Oak Bay): I'm sure that the subject was gone into yesterday, and I've listened this afternoon and I'll try not to be repetitive. But I do feel that I must make some remarks, although I've read *Hansard* and my colleague from Saanich and the Islands (Mr. Curtis) has certainly made our position very plain yesterday.

I must say it is nice to be back in sunny B.C. after a couple of days in the blizzards of Ottawa. Two days of it and you have a cold.

MRS. JORDAN: It's all that streaking.

HON. MR. BARRETT: Take two aspirins and call the Provincial Secretary. (Laughter.)

MR. WALLACE: Anyway, I'll try to be brief. I think we all acknowledge that we're certainly living in an urbanized society where more and more people are crowding into municipalities. While this in itself is undesirable, we could look at the concept of perhaps creating new towns as they've done in the United Kingdom to try and minimize the urbanization and the proliferation of ever-increasing municipalities and cities. It appears that we're not on that track in British Columbia and therefore we have to deal with the situation as best we can. We are living in that kind of urbanized era and I think we should be very sensitive to the fact that some of these areas are growing extremely rapidly and that they require basic municipal services and have to be able to finance them.

I think the basic underlying feeling that we have in this party is that more and more money which the municipality raises or receives in provincial grants is redirected away from these basic municipal functions.

The increase that we're talking about in the per capita grant is about 6 per cent. We all know that right off the bat inflation is increasing at an average of 10 per cent or more. Surely this kind of taxation should be similar to all taxation. It should be based on the ability to pay, and the taxpayers in the municipalities are finding it less and less easy to pay taxes. I have to speak very clearly for the municipality of Oak Bay, where we have many senior

[[Page 1370](#)]

citizens on fixed incomes who are not in any position to negotiate any increase in their income other than what is decided by central governments in the form of old age pension and so on.

I think I have just to repeat, Mr. Speaker, to the Minister of Finance, that our criticism of this grant as being too small is a further specific example of our general criticism of the whole budget. We felt that this was a government which was reputedly dedicated to people and the interests particularly of little people, or people on relatively low or poor incomes. We just don't feel that this very small \$2 increase based on the \$32 per capita grant represents any real demonstration of serious appreciation of the problems of the little people financially.

The Member for Saanich and the Islands (Mr. Curtis) quoted the Plunkett report yesterday. It's quite clear in the decade that was studied there that even although the wage-earning section of society increased by 79 per cent, the property tax went up by 125 per cent. We just feel very strongly on this side of the House that particularly elderly people in the municipalities on a fixed income are not receiving the help that should be available through a much greater increase in the per capita grant.

I have to come back to education. We talked about it in the budget and I have to come back to the fact that we think your sense of priorities is wrong. With the large surpluses available and the fact that we have two new forms of taxation — or at least an increase in existing forms and resource-based industries — the enormous surplus which this

government will have by the end of the financial year beginning April 1, 1974, really makes this \$2 increase seem really pretty miserable and cheap.

I don't accept the argument that after we all go home, school boards are going to come to the Premier, the Minister of Finance and the Minister of Education and start wheeling and dealing to try and get more money for education. I think the whole financing of education should be put on a much more realistic basis and certainly follow the rules and not have a certain amount of the information presented at budget time.

DEPUTY SPEAKER: Order, please! I'd ask the Hon. Member to return to the principle of the bill.

MR. WALLACE: I'm on the principle of the bill, Mr. Speaker. The fact is that the municipalities have no control over the cost of education. It goes up and up and up. The only way they can get back is to get either increase in the tax to the taxpayer or appeal for an increased per capita grant. That's the only income the municipality gets. I'm very much on the bill.

HON. MR. BARRETT: No, you're not.

MR. WALLACE: Or, as the Member for Saanich and the Islands (Mr. Curtis) says, they redirect the money they do get away from the basic municipal purposes for which municipalities exist — provision of water services and sewers and street lights and so on. I would say that you cannot sensibly talk about this bill unless you talk about the costs of education.

I have the provisional budget for District 61, Greater Victoria District, and I presume it will not be approved as it was received. The Minister had said on the provisional budgets that they had to be reduced. In District 61 we are looking at something of the order of 25 per cent in the figures that I see for the budget. I presume it will be less than that, but it's a great deal more than the miserable 6 per cent that's going to be provided in this grant.

Now, I acknowledge also that moves are being made which somewhat reduce the financial impact on the municipalities. The first step has been made with the \$30 to \$40 grant this year. I don't mean that the only help the municipalities are getting is the 6 per cent, \$2 per capita increase. Nevertheless, all this whole area — in particular education — is beyond the control of the municipalities. I think that this kind of treatment of a miserable \$2 reflects a general lack of sympathy for municipalities.

In discussing financing it seems to me that the trend is that the government also seems to believe that bigness is best. We'll be getting into this in greater degree when we debate the Minister of Municipal Affairs (Hon. Mr. Lorimer). My opinion is that municipalities, certainly the one that I live in and have been an alderman in, run a very orderly, efficient, financial ship. They certainly in no way, if you look at their budgets, could be looked upon as being in any way careless, inefficient or extravagant in the way they handle their budget.

I think it has been mentioned in the House this afternoon about other areas where amalgamations and so on are entered upon with a claim that increased efficiency will develop and that the per capita cost of running the municipality will be reduced. I just don't buy that argument. As I say, later on in this session we'll be providing some clear figures that show that that's a phony argument.

The fact of the matter is that the municipality has a limited tax base. With all the problems we're having in the property field, the whole question of assessments and the difficulty that is being investigated...I'll quickly pass on, Mr. Speaker, as I see you're looking very severe today. But with some of these problems such as education and assessments, and the narrow tax base which the municipalities have, they are very dependent upon the Minister of Finance and his particular decision regarding the per capita grants.

There is an ever-increasing tendency for municipalities to be asked to take on more functions

[[Page 1371](#)]

through the vehicle of the regional districts. There again, I think this in many ways does represent a more efficient

way of distributing services over inter-municipal boundaries. I think it's a much preferable way, certainly, to amalgamation, since it does maintain a greater degree of access of the individual to the person who's actually running the affairs in his own municipality.

The Minister of Finance is back in the House, and I'm trying to give a balanced picture. The other cost with which the municipalities are to receive assistance is in the decrease in the fraction — 15 to 10 per cent — which the municipalities will pay for social assistance. Really, Mr. Speaker, that is only making up for a trend which has been trying to redress a trend which has been going on for many years. If I can quote the Plunkett report again, between 1961 and 1969 the effective financial grants to municipalities, or the money made available for social welfare, decreased by 12 per cent.

So if the Minister of Finance is just about to tell us, as I suspect he is, that the \$2 grant increase is supplemented by many other forms of help, I should say that in referring to the social assistance aspect of provincial financing, all it's really doing is returning to a state of an earlier year when, in fact, the municipalities were receiving less.

[Mr. Speaker in the chair.]

A decrease of 12 per cent in the grants occurred between '61 and '69. Again, Mr. Speaker, I simply have to mention this question of education costs locally. Between 1957 and 1968, the fraction of the tax dollar which in the municipality went to education went from 40.6 per cent to 54.3 per cent, which inevitably means that there is less money available for the basic municipal functions which are expected of the municipal governments.

It seems to me also, Mr. Speaker — it's been mentioned and I'll quickly just repeat it — that really it's a question of whether all municipalities should be treated to the same across-the-board increase. We do know there are some very rapidly growing areas where the need for municipal services in the face of inflation produces severe financial strictures on these municipalities. I don't really feel myself that it's reasonable to compare some of these most rapidly burgeoning areas with a stable community which perhaps is not about to expand now or in the foreseeable future.

It does seem reasonable also — again I'll quickly refer in passing to the assessment problems we're now trying to straighten around — that municipalities vary as to the proportion of the tax base and what it's composed of, whether it's mainly residential or whether you have a residential-commercial mix. Of course, there's the point mentioned by the Members from the northern communities that there are certain factors involved in northern communities which municipalities don't incur elsewhere. I will admit that snow removal in Oak Bay is not a big item in our budget.

So I think that these three basic factors of rapid growth in certain areas and the composition of the tax base and the location of the municipality should be given some individual significance. I think also there is the clear example now that the federal government and this provincial government, in relation to pensions, is agreeing that some indexation should occur in relation to rising costs and inflation.

It would seem to me that whatever formula might be developed or if we continue to use the existing formula.... But surely there should be some allowance made to take into account the whole question of rising costs and the percentage by which inflation is calculated to be occurring.

HON. MR. BARRETT: Mr. Speaker, I'd just like to review a couple of things that have been said — some of them politically motivated, I'm afraid, rather than motivated by fact or by reason. Not all of them. Far be it for me to accuse anyone in this hallowed chamber of ever talking politics. Mr. Speaker, perish the thought that someone might be partisan; and perish the thought that the Liberals could ever be partisan, Mr. Speaker, because everybody knows that the Liberals are never partisan. As long as it's Liberal, it's pure.

Mr. Speaker, I was amazed to have the assault by the Liberal group, that small but vocal group with some degree of presence in this House. They attack this bill because they believe in rational planning with the municipalities. Of course, Mr. Speaker, they have demonstrated that they certainly do believe in rational planning

and aid to municipalities. The rationale, unfortunately, is one of votes.

They have a cyclical approach to the aiding of municipalities. The cycle falls occasionally — as a matter of fact, more than occasionally...regularly — just before a federal election.

The great City of Montreal, for example, Mr. Speaker, receives great assistance from the federal government just before an election. But perish the thought there was politics involved.

In that great City of Toronto a park was announced for Toronto just before the last federal election was called. Goodness' sake, gracious me, Mr. Speaker! It's hardly a case to suggest that the great Liberal Party would play politics with aids to municipalities. Oh, for shame! Wasn't that the word that was used, or was it sham? Both are appropriate, really.

Mayor Drapeau flicks a little wing just before election time and the money arrives. Toronto's got a problem — just before election time — the money

[[Page 1372](#)]

arrives. But to hear the Liberals in this House get up and say "Now there has to be a rational plan" means only one thing. If the Liberals were in office, the money would arrive just before an election.

Well, here we are, the second year of this government. This bill involves not chicken feed like the Member for North Okanagan (Mrs. Jordan) was talking about. I'll come to her "talk" today and I won't spend too much time on that, because everything is irrelevant. I won't spend too much time on that. But I find, for example, that the amount of this bill is involving \$66 million — \$66 million in aid to municipalities.

Mr. Speaker, I know that the Socreds have no death wish, so their approach, in psychological terms, to this particular debate was one of schizophrenia. If you don't take the psychological approach and become a little bit political, you'd call it hypocrisy. But because the Hon. Member referred to me as a social worker, I'd like to be more clinical about my diagnosis and say it's pure schizophrenia.

On the one hand she says; "Oh, well, it's not very much money, but let's not total it up to find out it's \$66 million." Who instituted the grants to the municipalities? Why, lo and behold, Mr. Speaker, that party has a Venetian blind memory. They just tilt the blinds any way they want on any debate and forget any kind of historical context or their responsibility when they were government now that they're opposition.

We voted for the grant and aid system because we believed that the former government was right in doing it. Now what's wrong with that? But here they come in with their Venetian blinds, and they flip them around and they come up with a solution that something's wrong with this grant approach, that it's got to be altered to some kind of mystical formula. I don't know what they're talking about because when they talked last night they said one thing; when they talk today, they say another thing.

Interjection.

HON. MR. BARRETT: Not mystical? Anything dealing with Social Credit is either mystical or stupid. Now the safest thing I would suggest to take is mystical.

AN HON. MEMBER: Withdraw.

HON. MR. BARRETT: Withdraw, Mr. Speaker?

MR. SPEAKER: Which word did you wish to withdraw? (Laughter.) I don't think the Hon. Member actually said that anyone was stupid.

HON. MR. BARRETT: I'll accept suggestions from the Liberals and the Conservatives as to which word I should withdraw.

This is what they said: it's a sham; it's disgraceful; it's a pittance; it's crumbs; I'm Scrooge; (I'm Scrooge! I haven't lost that much weight.) it's inadequate; and we're drowning the municipalities. Blub, blub!

After having said all that, they want their names in the *Journals* as having voted for a sham, a disgrace, Scrooge, inadequate, pittance and crumbs. It's \$66 million, but they want to be on the line to say, "Well, we voted for it."

MR. PHILLIPS: Crumbs are better than nothing.

HON. MR. BARRETT: Well, Mr. Member, when you talk about the type of candidates your party gets, I can understand that definition. But we're not talking about that. We're talking about \$66 million. So keep it straight.

Now let's talk about the inflation levels that have nothing to do with the cyclical approach of the Liberals to Toronto and Montreal. I'd like to send a message by way of the Liberals to Ottawa: next time there is a federal election, don't forget to try and bribe Vancouver; because if you want to play the game with Montreal, and you want to play it with Toronto, play it with Vancouver too. Be square, you Liberals; be consistent. If you're going to lay out the goodies game, do it to everybody, but don't discriminate against the west. If you're going to bribe Montreal and Toronto, bribe Vancouver too.

Now let's deal with the Socreds and what we found when we came into office. It was always good for openers. We heard a plea for the widows. Now that's becoming a classic plea. There were 19 towns, villages and cities in this province under the former administration that had a series of tax concessions for large industries. The pulp mill in Prince George is an example. Is the pulp mill in Prince George a little widow? No, Mr. Speaker. What was their tax concession under Social Credit? We'll come to Cominco; that's a subsidiary of the CPR — another widow. The poor CPR.

AN HON. MEMBER: The merry widow.

HON. MR. BARRETT: That's true, Mr. Member, a very merry widow, but a widow nonetheless. Here we are, and then there's the black widow, the black forest — that deal in Nelson. There were 19 areas in this province where the Socreds gave straight tax concessions to industry, and not a widow in the bunch.

HON. R.A. WILLIAMS (Minister of Lands, Forests and Water Resources): That's right.

HON. MR. BARRETT: And how much was involved? In the City of Prince George, there was

[[Page 1373](#)]

Prince George Pulp and Paper Ltd. — they bought out Northwood Pulp Ltd. Guess what, Mr. Speaker? Under the Socreds who fought for the little widows, they were given a tax shelter because they were big business. How can you talk about the widows on one hand and protect Prince George Pulp and Paper on the other?

Interjection.

HON. MR. BARRETT: "Widow did they know," says the Member, and he's right on. That company escaped paying half-a-million dollars a year in taxes in Prince George and overnight that Minister wiped it out.

Nineteen towns in the province saw the widows, the little people, the workers paying huge taxes because the corporations weren't paying their fair share. Corporations were protected by Social Credit for 20 years in the Province of British Columbia.

In my own constituency, that little American company that has widows somewhere in Arkansas, Crown Zellerbach....

AN HON. MEMBER: San Francisco.

HON. MR. BARRETT: San Francisco ladies, are they? Crown Zellerbach was protected by Social Credit government policies for years until we finally forced them in a merger into the rest of Coquitlam. They were escaping tens of thousands of dollars in municipal taxes. And who did that? Social Credit.

Cominco, that little child of the CPR. We had that weeping analogy today — of protecting the little children. Oh, those poor CPR children, Marathon Realty and Cominco. My heart goes out to them, Mr. Speaker.

They have been abusing this country since the foundation of Canada. The first government in the history of this province that said to Cominco, "Pay up your fair share," was the NDP when we were elected in this province.

The Member talks about the current series on television related to the CPR. They call it "The National Dream." I call it a national disgrace. The CPR cleaned this country right across from shore to shore to end up here in Sacred land to be protected on taxes.

Then that Member (Mrs. Jordan) stands up and says, "Oh well, it's only \$2." She's trying to share her mistakes with this House, because she wouldn't deliberately mislead the House, because she wouldn't deliberately mislead the House, would she? No! No one should dare suggest that that Member for North Okanagan would deliberately mislead the House. And if anybody does, I will personally ask them to withdraw that statement.

Mr. Speaker, she talked about Valemount. What did she say about Valemount? She read the telephone book to give us her whole analysis of this particular thing. Valemount: 693 people. She left the impression innocently with this House that all Valemount was going to get out of this bill was \$1,302. Oh well, everybody is entitled to one mistake. Valemount under this bill with 693 people will get \$23,562, Mr. Speaker — but I don't think she deliberately made that mistake — and a new power system to boot. But vote against the Bill and vote against the \$23,562 for Valemount.

We've dealt with the tax concessions we cleaned up. Now we come to the recreation fund. The Member for Cariboo (Mr. Fraser), the Member for North Peace River (Mr. Smith), the Member for Oak Bay (Mr. Wallace), that poverty-stricken little enclave on the south end of the Island — more millionaires per square mile. (Laughter.) More squares per mile.

Interjections.

HON. MR. BARRETT: We're never going to win that seat anyway. When Oak Bay goes socialist, it's time to re-examine our policies. That poverty-stricken little area on the end of the Island — the pocket borough. I've been through Oak Bay. I drove through Oak Bay one night. (Laughter.) I was through Oak Bay and I saw the poverty conditions. That poor little community known as Uplands, the Shaughnessy Heights of south Vancouver Island.

You know what I found in there? They couldn't afford to build recreational facilities. Aw! They had to come in to Victoria to use the working people's facilities. So this government, because we are generous, brought in a recreation fund Act. Guess who was one of the first ones knocking on the door saying, "We would like this new policy of socialism to apply to us." Oak Bay! I'm sorry to disappoint you, but they were one of the first. That's why they are pretty rich out there; they know how to handle a good buck when it comes along. The tweed curtain lifted and out they came. They applied for their one-third capital grant. Did Social Credit ever do that? No, never. I told the story of how embarrassed I was in North Peace River; how embarrassed I was. I had to go up there and be present at the opening of what they call the "Kid's Arena," an ice hockey arena in which the NDP government had provided one-third the capital cost of up to \$1 million for it. How embarrassing it was for me as the socialist Premier of British Columbia in an area that has voted Social Credit since 1952 to have to stand up and cut that ribbon in front of 1,500 people. My, how it hurt me.

How disappointed I was when I looked back through the audience. Who was standing at the back? Who came to celebrate that great night? Don't ask me, my colleagues.

SOME HON. MEMBERS: Who? Who? Who?

HON. MR. BARRETT: Mr. MLA for North Peace River (Mr. Smith) himself.

SOME HON. MEMBERS: Oh, oh!

HON. R.A. WILLIAMS: Is there no pride? (Laughter.)

HON. MR. BARRETT: Is there.... That's my line. (Laughter.)

So, you see, Mr. Speaker, one could say that this afternoon we have a demonstration in elementary politics.

AN HON. MEMBER: What did the mayor say?

HON. MR. BARRETT: The mayor of that community said when the socialists got elected it would turn into a ghost town. Some town. Some pretty live ghosts.

That night he thanked me. The mayor hugged me, and it wasn't just because of the lack of warmth in the arena. He felt the genuine affection for this little people's government that went out and helped the ordinary people in Fort St. John through the kind of policies that you passed here in this House.

MR. GARDOM: Give him an Alka-Seltzer.

HON. MR. BARRETT: Give you an Alka-Seltzer? I haven't even finished giving you a headache! (Laughter.)

Interjection.

HON. MR. BARRETT: What are you going to do? Two and a half hours I've sat through this, expecting some reasons, some rational approach and no politics. Guess what I got? Politics from the Liberals and hypocrisy from the Socreds.

Now, I don't like going out and telling the people of British Columbia how they are acting in this House.

MR. SPEAKER: Hon. Member, I think anyone has a right to resent the word "hypocrisy."

HON. MR. BARRETT: I'm sorry, Mr. Speaker, you are quite right. I was going to stay clinical.

Interjections.

HON. MR. BARRETT: You are quite right, Mr. Speaker, I withdraw. I promise to be clinical. It's schizophrenia.

Interjections.

MR. SPEAKER: Order, order!

HON. MR. BARRETT: Forgive them, Mr. Speaker, for they know not what they do. That's your line, Harv, that's your line.

So, Mr. Speaker, what else is there? For years when I've sat over in that corner and the Member for Vancouver–Point Grey, Shaughnessy Heights and that area mentioned to me, fighting for the little people when I used to sit in that corner, about diking tax. We are removing diking tax from the municipalities; we are going to share with the feds 50-50 on the total bill. You didn't mention that.

Then on top of that, ambulance service. The Minister of Health (Hon. Mr. Cocke) has announced that we are

going to have for the first time in the history of this province a provincially paid-up ambulance service throughout this whole province.

Now I want to come to the great City of Vancouver. Vancouver has never had it so good — a \$2 million surplus. When was the last time they had a \$2 million surplus? Did they have it under old Cec? No way. That's where it was.

Vancouver this year under this government has received the following benefits: the \$2 per capita grant, Mr. Speaker, welfare costs reduced by \$5 per capita because of that Minister's great pioneering effort.

AN HON. MEMBER: Two-buck Barrett!

HON. MR. BARRETT: Justice down \$4 per capita because of the Attorney-General who is out there fighting for the cities and villages right now. Ambulance: \$5 approximately. The per capita increase for Vancouver alone in one year is \$14.

AN HON. MEMBER: Arrrghhh! Humbug!

HON. MR. BARRETT: Phony figures and humbug, they say. All right, I am going to phone the mayor of Vancouver and tell him that these figures are being attacked as phony and humbug by the opposition, and would he please tell me does he want their definition that the figures are phony and humbug, or does he want the cash?

MR. GARDOM: You're ripping off half-a-million a year, and you know it.

HON. MR. BARRETT: Oh, oh! I know what the mayor is going to say, "I'll take the money." You bet your life!

AN HON. MEMBER: That's right.

[[Page 1375](#)]

HON. MR. BARRETT: Because the Mayor wouldn't play politics. He's got no need to. He's never had a better government in his history in office.

Then we go back to Prince George. The Member for South Peace River (Mr. Phillips) told us last night about the phone call he had from this girl — you remember that — when he was cooking dinner. He turned the lights down, lit a candle, poured a glass of wine and said, "yes?" (Laughter.)

Little did he know, as he told us that story....

MR. GARDOM: That's his story!

AN HON. MEMBER: You're jealous and you don't even know it!

HON. MR. BARRETT: My friend, that's not a matter of jealousy. She obviously had the wrong number. (Laughter.) Mr. Speaker, of all the people to get a wrong number with — a salesman.

He came into this House and tried to sell us a story today about poor Prince George. Those tears he wept today could have melted all the snow in Prince George, and saved the whole bill. But it was under that Member's former administration that the tax concession was allowed by the pulp company, and they saved \$0.5 million. And the \$0.5 million that the pulp company is paying now is a \$14 increase in per capita, and that's enough to scrape off an awful lot of snow.

Prince George was one of the safe Sacred seats in the north. I remember those speeches; I went through 12 years of them. You had the tucked in thumbs, you had the great big smile, and you had the standard — the seven safe seats in the north. It was rhetoric! It was historic! And it used to work, until Prince George figured out that you can't

melt snow with tucked in thumbs and a great big grin down in Victoria. So, they threw out the cabinet Minister, put in a fighting MLA and made themselves \$0.5 million.

Mr. Speaker, this government has done more in 18 months to help the municipalities than they did in 18 years. And the only help you can expect from the Liberals is just before a federal election, and if the federal Liberals ever figure out that Vancouver is around, they might throw in something for Vancouver just before the election.

MR. GIBSON: How about the Orpheum?

HON. MR. BARRETT: Now, Mr. Member talks about the Orpheum. That is exactly where you are going to be able to collect what's left of the Liberal Party right across this country after the next election. About 500 of you will be left; you can hold a convention in there, and you'll have a good time because it will be memories you are talking about.

Mr. Speaker, I hate to do this, but I'm going to ask that this wonderful bill involving \$66 million for the towns and the villages and the cities and the mayors and the Councils of this great Province of British Columbia be given endorsement by everybody in this House because we know that politics will never interfere in what's right. Nobody would vote against giving \$66 million to municipalities unless they, have something wrong, either here or politically.

I have never seen anyone commit political suicide, Mr. Speaker, so if I hear a "no" I'm going to put my hands over my ears and pretend I didn't hear it. But if someone else hears it and calls for a division, and people stand in this House, I'll put my hands over my eyes because I don't want to see it. But I will be forced, Mr. Speaker, to do one last thing — and it's in the *Journals* — I'll have to go out of here and read it at every public meeting I go to.

I now move second reading.

Second reading of Bill 9, the Municipalities Aid Amendment Act, 1974, approved on the following division:

YEAS — 47

Hall	Macdonald	Barrett
Dailly	Strachan	Nimsick
Stupich	Hartley	Nunweiler
Brown	Sanford	D'Arcy
Cummings	Dent	Levi
Lorimer	Williams, R.A.	Cocke
King	Lea	Young
Lauk	Nicolson	Skelly
Gabelmann	Lockstead	Gorst
Rolston	Anderson, G.H.	Barnes
Steves	Kelly	Webster
Lewis	Liden	Wallace
Curtis	Chabot	Bennett
Smith	Jordan	Fraser
Phillips	Richter	McClelland
Morrison		Schroeder

NAYS — 4

McGeer Anderson, D.A. Gardom

HON. MR. BARRETT: Mr. Speaker, I move that the bill be referred to Committee of the Whole House for consideration at the next sitting of the House after today.

Motion approved.

MRS. JORDAN: Point of privilege, Mr. Speaker. During the previous debate, the Premier slid around on the ice and I would just like some figures into the record so that the matter is quite clear. In relation to

[[Page 1376](#)]

the village of Valemount....

MR. SPEAKER: Order! If there's a correction of some mistake in a speech about your speech that misquoted you or misinterpreted your remarks, you're entitled merely to correct the record on that point.

MRS. JORDAN: That is what I'm trying....

MR. SPEAKER: Is this a correction?

MRS. JORDAN: Yes.

MR. SPEAKER: Of your speech or the Hon. Premier's?

MRS. JORDAN: My speech. The Hon. Premier made inferences to my speech and I would like to have my figures on the record for correction.

MR. SPEAKER: Certainly. Proceed.

MRS. JORDAN: It's in regard to the village of Valemont, in relation to the 1971 census in which their population was 693 and the \$2 per capita grant would result in a grant of \$1,386. On the basis of a projected population for 1972 of 800 people, this would result in a grant of \$1,600. The total legislative and administrative costs, based on 1972 figures, is \$12,998, and that does not include the inflation figures, Mr. Speaker. I suggest that this will correct the record.

HON. MR. BARRETT: On a point of order. The per capita grant is \$34, not \$2.

MR. SPEAKER: I don't think the Hon. Member meant that. Certainly everyone understands that point.

Interjections.

MR. SPEAKER: Order, please!

The House in Committee of Supply; Mr. Dent in the chair.

ESTIMATES: DEPARTMENT OF CONSUMER SERVICES

(continued)

On vote 37: Minister's office, \$80,184.

MRS. P.J. JORDAN (North Okanagan): I think before we get into the actual meat of this debate and what it's all about or this analysis of the Consumer Services budget, it should be brought to your attention that we find it

most extraordinary that this is a new department with a new Minister with an extraordinarily high Ministerial salary of \$80,000-odd for the Minister's salary as opposed to nine other Ministerial salaries of less than that amount, and that when the debate is brought on, it is always brought at a time of the day when the media is retired and when the galleries are basically emptied, and when in fact the House is generally quite empty.

Mr. Chairman, it seems to us that the Premier of this province is trying very hard to bury the activities of this department and that he is trying very hard to keep the debate on this department from the public.

We really wonder why. What has he got to hide? Has the Minister not been performing properly? Certainly it's been a silent department and a silent Minister. But this is the time when the public have asked us to question her administration and herself of her policies and her plans for the future.

So we ask again, why does the Premier of this province and the Minister of Finance keep trying to shovel in the Minister of Consumer Services' estimates between other debates? Why doesn't he bring it on in the full light of the coverage of the media and the full light of the interests of the gallery and in full light of the interests of the Members?

Interjection.

MRS. JORDAN: The Minister of Agriculture says: "What does this have to do with the Minister's salary?" This is probably why the Minister of Agriculture is probably in such serious difficulty today, Mr. Chairman. Because he simply doesn't know the responsibilities of a Minister in this House.

Now the major concern at this time in relation to the Minister of Consumer Services' salary is first that she has not answered questions that have been put to her by Members in this House — serious questions which we feel must be answered before her salary vote can go through.

One of the most serious questions that she has not answered, Mr. Chairman, is what is to be her role in relationship to big government?

If the Minister of Consumer Affairs' responsibility is to, in fact, protect the public of British Columbia, and the consumers of British Columbia from unfair business practices and improper business motives of business, then surely the Minister of Consumer Affairs has a responsibility to protect the public and the consumers of this province from unfair business practices and improper business motives and anything else that pertains to undesirable business activities of big government in this province. We want to know her position on this.

Specifically, through you, Mr. Chairman, to Madam Minister, I would point out the concern of the consumers in this province in relation to ICBC;

[[Page 1377](#)]

specifically in relation to their conduct as a monopoly business operation.

When, Mr. Chairman, the people of British Columbia were denied their right of choice which is every consumer's right — I'm sure you'll agree — the right of an option to patronize whichever business they wish, and then, Mr. Chairman, announced factual rates which were to apply to every consumer in British Columbia by law — by law, Mr. Chairman. There was no choice, they had to obey the law if they wished to put their cars on the roads in British Columbia.

Many good citizens, heeding the advice of ICBC and the various Ministers of this Crown, paid that rate in good faith to help ICBC get started by putting their capital in the company, as the Minister said they should, to build B.C., and by meeting their responsibilities.

Mind you, Mr. Chairman, they weren't allowed to use post-dated cheques, and ICBC collected interest on that money. Mind you, no landlord can collect interest on money that he holds for a renter, but ICBC collected interest on

the money that was pre-paid on those pre-announced premiums.

AN HON. MEMBER: And on the overcharges.

MRS. JORDAN: And on the overcharges, thank you, Mr. Member. So this is what the consumer is concerned about, Mr. Chairman.

Then, Mr. Chairman, the consumer, the well-intentioned, responsible consumer in this province received an announcement over the air, not directly, that ICBC....

MR. CHAIRMAN: Order, please. I would ask the Hon. Member whether she's intending to ask these same questions under the estimates of the Minister of Transport and Communications (Hon. Mr. Strachan)?

MRS. JORDAN: I don't know. I'm not clairvoyant. I have no idea what I might do under the Minister of Transport and Communications. You just never know with women, Mr. Chairman, they're so unpredictable.

AN HON. MEMBER: Hear, hear.

MRS. JORDAN: But I wish to assure you that I am making reference to these statements with the idea that this Minister has a responsibility to these consumers in British Columbia.

We are debating her salary vote. There are many letters that I have from consumers in relation to this fact as it relates to the Minister of Consumer Services. I have other letters that relate to ICBC directly and that Minister in another file.

I don't intend to read the letters, Mr. Chairman.

But I do suggest to you, and I'm sure you would agree, because you're an honourable man, that the Minister of Consumer Services must be prepared to deal in the same way with government as it does with private business, if the consumers in British Columbia are to have fair treatment.

I'm sure the government wouldn't want it any other way, Mr. Chairman, I'm sure they wouldn't. So all that I'm saying in this particular instance is that along with the fact I've just mentioned, ICBC, a business operation in British Columbia, granted a monopoly operation, overcharged the customers on a monopoly basis, made interest on that money, changed its rates by a public announcement but with no efforts to contact the consumers.

Then, Mr. Chairman, they turned around and said that they would not pay interest on any refunds. They collected interest on the money they had and on the public's money, the consumer's money, but, they wouldn't pay interest on the money that they held when they refunded it to the consumers.

I would ask again as clearly as I can, Madam Minister, through you, Mr. Chairman, as simply as I can: is the Minister willing to have a hearing — either under the jurisdiction of her department, or set up a committee — to look into the business practices of ICBC as they relate to her responsibilities as Minister of Consumer Services, and as they so harshly affected the consumers in British Columbia?

I hope that I've made it very clear. We don't have to hire a lot of fancy outside people. We will accept a committee of this House. We will accept an impartial group of people recommended by this House and named by yourself. We'll accept a group of the public. We would insist that a consumer be present and hold a hearing, an inquiry into the business practices of ICBC as they relate to their business practice on the rates for this company and also as to whether or not they have indulged in misleading advertising.

I would be pleased to sit down at this time, if the Minister will answer my questions — Yes? No? — in regard to the inquiry in the rates and what your position is in relation to protecting the consumers' rights against any infractions of business practices by big government.

HON. P.F. YOUNG (Minister of Consumer Services): I took note of the many questions that were asked in

the session last night, and I will attempt to answer them in order.

This relates to questions asked by the Hon. Member for Chilliwack (Mr. Schroeder). He wondered if we would have blacklists or whitelists delineating good firms versus bad firms. I would like to point out that the Better Business Bureau is doing something of that nature at the present time — the Vancouver Better Business Bureau.

[[Page 1378](#)]

I would also like to point out that a list has been requested, essentially the same thing, by a Member of this House, with the name of every company complained against, the type of complaint and the name of the complainer to be published in a public document. I think this is rather irresponsible.

He also enquired if we were going to have investigators. Yes, we are going to, have investigators who will be investigating violations of civil law or, in some cases, criminal law. He mentioned the problem of bogus cheques and NSF cheques. The only solution I can see to that is that the merchants should simply not take cheques; that is their responsibility. Also, to issue an NSF cheque is a criminal offence, and therefore it is under federal legislation.

He mentioned too that we should consider, in the field of mortgages, that the interest on one's mortgage payment should be deductible from one's income tax. It is true that this is done in the United States. It would have to be done at the federal level; that's one point. Secondly, it only enriches the rich. The more expensive the home, quite obviously the more mortgage interest payment they are going to pay on their mortgage; consequently their deduction will be greater on their income tax.

Interjections.

HON. MS. YOUNG: Not everybody. There's about 52 per cent of the people in Vancouver who rent...

MRS. JORDAN: That's your government's fault.

HON. MS. YOUNG: ...so they don't have homes, Hon. Member. In my own particular case my mortgage payment was so small that the interest wouldn't have mattered a hill of beans.

In education, yes, we definitely do plan to educate young people and others in handling their funds — very definitely. And as you know....

Interjection.

MR. CHAIRMAN: On the point of order. I didn't hear what the Hon. Minister of Highways said. I would ask if he would repeat his words, so that I could rule whether they should be....

HON. G.R. LEA (Minister of Highways): Well, Mr. Chairman, she was talking. I said, if you want to say something, take your place or shut up.

MRS. JORDAN: You didn't say, "Take your place." You said, "Shut up." Do you withdraw?

MR. CHAIRMAN: Order, please. If the Hon. Minister was asking the Hon. Member to shut up, I would ask him to withdraw the unparliamentary expression.

Interjections.

HON. MR. LEA: Withdraw what, Mr. Chairman?

MR. CHAIRMAN: As I pointed out, if the Hon. Minister asked the Hon. Member for North Okanagan (Mrs. Jordan) to "shut up", I would ask him to withdraw that unparliamentary expression as unbecoming to this House.

HON. MR. LEA: I withdraw.

HON. MS. YOUNG: I think it is a fact...

Interjections.

HON. MS. YOUNG: ...that we cannot discuss legislation that's on the order paper.

MR. D.M. PHILLIPS (South Peace River): Out in the hall.

HON. MS. YOUNG: Can we have a little silence please? Thank you.

I have indicated, as I will repeat, that we cannot discuss matters that are on the order paper, but I think there has been an indication in the last day or two that we also intend to counsel people with financial problems.

The Second Member for Victoria (Mr. D.A. Anderson) asked if we had any liaison with the federal consumer and corporate affairs branch. We do. We are planning an inter-provincial conference in May in which all of the consumer Ministers across the country are getting together for the express purpose of making sure that we're all on the same track, that we're all going in the same direction, that we're also taking good ideas from each other to present a unified position to the federal people and to give a good input to the federal people whom we will be meeting later in the year.

We hope to, in our storefront office in Vancouver, have a direct line to the federal people so that we'll be in daily communication with them on any matters that arise that would be in their jurisdiction.

In discussing with the federal people, they have not yet defined their relationship with the province. We're not quite sure just exactly how they see their role in provincial law and provincial jurisdiction — just where they're going to fit in — but discussions are going on.

The Member for West Vancouver–Howe Sound (Mr. L.A. Williams) wanted to know the number of positions that were filled. Oh, he made a comment about how we had filled 18 positions and, according to the other estimates, that we didn't seem to be very

[[Page 1379](#)]

heavy on the nuts-and-bolts people, the technical people that we would need.

I'd like to point out to him that one of the key factors of our department will be our legal services branch. These people will be seconded from the Department of the Attorney-General, and will naturally come in his estimates; so therefore they do not show up in these.

He also discussed the very large amount of money for temporary assistance. This is a part of our programme we are extremely proud of, and we really look forward to it. These are the people, the homemakers, the handicapped people, that we want to use on a half-day basis, or maybe half-a-week basis, in the offices answering complaints for the consumers, giving out information, resolving complaints.

We want to use in some cases the home-bound handicapped; perhaps they can monitor radio advertising for us — television advertising, newspaper advertising. We look forward to bringing them into functioning, vital, interesting, and rewarding positions in our department. We think this will be a great asset to us and I think it will be a great contribution to them also.

He mentioned the large amounts that we plan to spend on education and public information. Yes, it is true that we do. A great deal of this will be in the form of leaflets dealing with the matter that was introduced in the House yesterday. It will deal in rather simple language with the rights of the consumer and what a consumer should do if they feel they have a complaint — in other words, try to resolve it themselves first and then how to go about seeking advice from us where we get into the picture, giving all kinds of advice, as much as possible — legal advice, et cetera.

We will also have libraries in our field offices dealing with consumer matters. For instance, if somebody wants to buy a new refrigerator and wants to have some idea of the quality, we would have in these offices perhaps the latest *Consumer Reports* magazine outlining the good buys, and not-so-good buys and the qualities of the various refrigerators as determined by an independent agency.

That money will also go into school programmes, designing materials, film strips, et cetera for the school programmes that we'll be having.

In the matter of marketing boards, I'm on record in previous statements of being in support of marketing boards and orderly marketing. I may be personally unhappy with the way some of them are run, but in principle I'm most emphatically in favour of marketing boards.

The Member for South Peace River (Mr. Phillips) mentioned his phone call that he received from the lady that wanted to sell him a Chatelaine subscription. This apparently is a new device by MacLean-Hunter. MacLean-Hunter is a publisher that puts out excellent magazines — there's no doubt about it — but their sales techniques have for many years been among the most questionable criticized in the country. The Better Business Bureau has named them as the top violators in the field of subscription methods.

I think they're changing their techniques and they are using telephones, and I think this perhaps has cleaned it up a little bit, but what they used to do is bring in carloads. For instance, they would take six carloads of salesmen into a district in a city and just swoop through the city. They had all the beautiful gimmicks. The latest one I heard was that the person pretended to have a foreign accent and he got so many points if you told him he had improved his English. In the meantime, he'd sell you a list of subscriptions. That was one of their gimmicks. It used to be the university, you know: "I'm going to get so many credit points to go to university."

Now apparently they're using the telephone technique. I have had some discussion with a telephone solicitation company and they said they were going to this method because of the bad reputation they had received. Their magazines are good, but their methods of selling them are rotten. That's all there is to it.

The Hon. Member also asked how many complaints we had received since the department was started. We received 513 in the complaints section of the department. There were 16 additional complaints that I dealt with myself pertaining to a certain store that shall be nameless.

The Member was rather upset with me because I had a whole \$7,000 here and he thought I should rush off to Ottawa right away and talk to Mr. Gray. Well, I found that rather remarkable, in view of the fact that last year the Hon. Minister was afraid I was going to travel. In fact he was afraid I was going to go to Russia, and go to the GUM department stores and do some consumer comparison shopping there. He had me going to India — he had me going all over. Now he can't even get me to Ottawa. I'll get there eventually, Hon. Member. I'll get to Ottawa in time.

MR. CHAIRMAN: Order, please! Would the Hon. Member for South Peace River state his point of order?

MR. PHILLIPS: I appreciate the Minister promoting me to a Minister, but I'll have to wait my turn.

HON. MS. YOUNG: Oh, I'm sorry about that.

MR. CHAIRMAN: No point of order. Would the Hon. Minister continue?

[[Page 1380](#)]

HON. MS. YOUNG: Anyway, I will be getting to Ottawa in due course.

The Hon. Member for North Okanagan (Mrs. Jordan) in some of the comments she made last night suggested dietary consultants. I believe this would come under the Department of Health. However, I think it's a very good suggestion and in co-operation with that department perhaps we could work something out there.

The key gimmick is going around the province. We're quite aware of that. When we ask you to consider our

forthcoming legislation, I think we'll be able to take care of those cute little tricks — and that's what they are. These operators go around and they hit district to district. One area was in the lower mainland. It's very interesting that whenever we get a complaint about these people after they use this key gimmick and have sold somebody something at an outrageous price, we contact the company and the company gladly gives the money back. It's very interesting, but the reason is that for each one that they give the money back to, there's 10 who feel so foolish that they don't complain.

MRS. JORDAN: What about the pots and pans?

HON. MS. YOUNG: Well, I don't know whether they're still going on. I haven't been bugged by pots and pans in quite some time, but I remember throwing somebody out of my house one day selling pots and pans.

In the matter of the propane company, we're investigating that and I'm glad the Member brought this to our attention. We refer the pricing of propane to the Energy Commission because they are dealing with that matter at the present time. I understand from the Member that she has contacted the Hon. Herb Gray in this case. He has not corresponded with us to date, but we'll be looking for something on that order.

In the matter of ICBC, I looked at my file this morning on the number of complaints I had received. We were very, very surprised to find that I have received two.

One dealt mainly with the fact that I was a woman cabinet Minister — this seemed to upset the gentleman more than his troubles with ICBC. I didn't know what to do about that — I mean, I can't help that.

The other complaint was an anticipatory complaint. He was sure that he was going to be paying higher rates and so on. This was before the rates came out and we never heard from him again. We just said wait and see and if it's higher, then let us know and so on, and so forth, and we never heard from him.

I think the reason we have received no complaints about ICBC is because the corporation has done such an excellent job of setting up the information centre so that you can phone in and you can get the information right away. You just phone the numbers that have been published and there's the answer. So we have had no problem with that at all.

The Member asks what I would be in relationship to the government. Well, I'm not an ombudsman; that is a separate function. This role I cannot fulfill. But I think also that when one suggests that there's an imputation there of improper motives and methods on the part of the government. I think that's a very, very wrong imputation. It has been my feeling in the times that I have dealt with various government departments that I have gotten excellent co-operation. I've had no problem at all.

I think twice I've had a case dealing with B.C. Hydro, strangely enough, and in both cases the problem was resolved in a very short time and the person with the complaint was ecstatic. They had never had such fast service.

So we have rarely ever been asked to deal with other government departments, and when we have, we have received the utmost co-operation from them. I think that's about all the questions that were given to me and I'll let that go now.

MR. PHILLIPS: I have one matter that I would like to bring to the attention of the Minister, and I think it's a fairly urgent matter and should be checked into immediately. Documents are on their way to your department, Madam Minister, from the Dawson Creek Chamber of Commerce, but I would like to relay to you the situation so that maybe you could get something going on it immediately.

In the January 23 issue of the bi-weekly newspaper in the City of Dawson Creek, there's an ad. The ad is for Alberta grain-fed beef. In the ad you would be led to believe that you could buy this beef at a reduced price — it says, "Terms, cash. Delivered to any spot in British Columbia, no matter how large or how small. Government-inspected Alberta grain-fed beef. Specials specials." It goes on to list in this particular ad that you can buy T-bone steak for 98 cents a pound, wieners for 34 cents a pound, baby beef liver and so forth.

However, what actually has happened, as I'm given to understand by a group in the chamber of commerce who did a survey — they actually went into a lady's home, picked up the entire order of beef which she had paid for, took it to a qualified legal scale and weighed it out. The weights were okay, but the price at which the beef could have been bought locally was much lower than the price this budget freezer food processors had actually sold it to her. There are two firms involved: one is Budget Freezer Food Services in Burnaby and the other is Beaumont Foods of Vancouver.

[[Page 1381](#)]

AN HON. MEMBER: Burmount.

MR. PHILLIPS: Burmount? Yes. Burmount sent a sales team in — they do a direct mail campaign through the mail, they don't do any ads. Budget put an ad in the paper. But just to tell you how critical this situation is, one person purchased from Budget Foods in Vancouver \$1,075 worth of food — I say food, what I'm talking about is meat and vegetables — and figured out he could have purchased that same food order locally in the City of Dawson Creek for \$669.98.

We've another case in Chetwynd where a man recently paid \$850 to one of these firms for food, the Chetwynd price was \$450.

I understand, in talking to the president of the Chamber of Commerce this afternoon, there are more complaints coming in from people in Fort St. John now that this has been brought to light.

Evidently, how this firm works is: the meat supply is about twice as much meat from the front quarters as there is from the back. Of course, the only price they've quoted here on front quarter is ground beef and standing rib roasts. They don't say anything about cross rib or chuck steaks or roasts or round bone or stew meat, which is all from the front quarter.

This bothers me because with the high price of meat in British Columbia, the high price of beef, here's somebody who's seen the opportunity to go into.... I don't know how many other opportunities they have gone into on the Prince George line. But I think this warrants immediate attention, Madam Minister. As I say, all this information is on the way to you, documented from the chamber of commerce, and I would appreciate your moving immediately to do a thorough investigation into this. Certainly, if these firms are in error they should be severely reprimanded.

HON. MS. YOUNG: I'm very pleased that the Hon. Member brought this particular matter up because it's not just happening in the north. It's happening here on the Island; it's happened in the Vancouver area; it's happening all over the province. There is no way those meat companies, those home freezer plans, can possibly sell grade A1 and grade A2 beef at those prices — it's just impossible. The Member outlined the case in an excellent manner. It's just precisely as he points it out.

Those two firms are the ones who are doing the bulk of it.

However, I would like to point out — if anybody ever reads *Hansard* — you're better off going to your local butcher store and asking him to sell a side of beef or quarter of beef, asking him to cut it up, because in the long run you are so far ahead. I've had the small butchers come to me and say, "How can I fight Budget Freezer Plan?"

When we bring in this legislation, this will give us the power to eliminate that kind of practice. This is what I mean, Hon. Member, when I say that those outfits that flip around the province like that, they rip off the hometown merchant; they rip off the neighbourhood butcher. They're not only ripping off his customers, they're ripping him off, and it's just not fair. And they're the kind of people we want to get at.

They're big operators; they're not the little businessman, the man who lives in the community and contributes to the community. When we get our office in the north — if you pass our estimates, we'll get our office in the north — and when we get our legislation, we'll be asking you to consider and to approve, then we'll be able to do

something about those very problems. Thank you.

MS. R. BROWN (Vancouver-Burrard): Mr. Chairman, through you to the Minister, very briefly, I'd like to say a couple of words about Rentex and Time Savers, two agencies which are aggravating an already very tense situation as far as rental accommodation, certainly in the urban areas, is concerned. I ask the Minister, through you, whether there is any support being given to non-profit neighbourhood or community groups like HARK, which are trying to provide this kind of service free of cost to people seeking rental accommodation or seeking housing.

Both Time Saver and Rentex charge a fee for this service and they do not guarantee anything in return for their fee. They charge \$25 or whatever the case may be, and in return they offer to help find accommodation, but they do not guarantee that they can find this accommodation.

I'd like to know whether the Minister is either going into the business of helping people to find accommodation, or if not, whether she would consider subsidizing organizations like HARK which are doing this on a volunteer basis or just with LIP funding at this time.

The other thing I'd like to mention is the business of used-car salesmen. We're still having problems with dishonest advertising in the used car business. I'm wondering whether the Minister would consider publicizing, making public through ads or other ways, some of these used car outfits that are advertising cars which they can't deliver, quite frankly — putting in prices which, when people turn up at their establishment, they're told the car was just sold or there was a mistake or whatever.

I would very much like to hear from her whether there's anything we can do in a public way, that she can do in a public way, to bring to the attention of the public these unscrupulous dealers. I'm sure they're not all unscrupulous dealers, but there are a

[[Page 1382](#)]

number of them and they're operating certainly....

MR. PHILLIPS: Not all of them at all, not all of them.

MS. BROWN: Not all, no. I can't speak for South Peace because I've never tried to buy a car in South Peace. But certainly in the urban area there are quite a number.

MR. PHILLIPS: Satisfaction guaranteed or your money refunded.

HON. MS. YOUNG: Mr. Chairman, in regard to the Rentex and the other one, we are actively considering this particular situation and we hope to have something concrete on it in the not too distant future.

In reference to the few nefarious used car salesmen that are around, why not have them advertise that they've been bad, that they've ripped off? Maybe by a court request, a court order, or something like that that requires that they advertise that they have been bad boys. This is something we may ask the House to consider in our legislation.

MR. D.A. ANDERSON: Mr. Chairman, in the light of the time, I would suggest that we rise and report progress and ask leave to sit again.

MR. CHAIRMAN: The motion is that the committee rise, report progress, and ask leave to sit again.

Motion negatived.

AN HON. MEMBER: Anyway it's six o'clock.

AN HON. MEMBER: The ayes have it.

MR. CHAIRMAN: Apparently some Members were not aware what the motion was. I'll put it again.

SOME HON. MEMBERS: Oh, oh!

MR. D.A. ANDERSON (Victoria): You can't do it this way. They all want to quit, they all want to quit.

AN HON. MEMBER: Give him a chance.

AN HON. MEMBER: Let the backbench have their say.

MR. CHAIRMAN: Will vote 37...?

MR. D.A. ANDERSON: No, no, no. You can't do that.

MR. CHAIRMAN: I announced the result of the vote previously, that the noes have it — on the motion that the committee rise and report progress. I'm advised that the motion cannot be put again.

HON. E.E. DAILLY (Minister of Education): I move the committee rise, report progress and ask leave to sit again.

Interjections.

MR. CHAIRMAN: Order, please! On a point of order, the motion may not be put again. However, my attention has been drawn to the clock.

The House resumed; Mr. Speaker in the chair.

MR. CHAIRMAN: Mr. Speaker, the committee reports progress and asks leave to sit again.

Leave granted.

Hon. Mrs. Dailly moves adjournment of the House.

Motion approved.

The House adjourned at 6:00 p.m.

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